



## PASHUPATI COTSPIN LIMITED

Corporate Identity Number: - U17309GJ2017PLC098117

Our Company was originally incorporated as "Pashupati Cotspin LLP" on January 07, 2013 under the provisions of Limited Liability Partnership Act, 2008 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli vide (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 07, 2013. Later, "Pashupati Cotspin LLP" was thereafter converted from a Limited Liability Partnership into a Private Limited Company under part I Chapter XXI of Section 366 of Companies Act, 2013 with the name of "Pashupati Cotspin Private Limited" and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central registration Centre on July 03, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from "Pashupati Cotspin Private Limited" to "Pashupati Cotspin Limited" vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies Ahmedabad.

**Registered Office & Factory Unit:** Survey No.404 At & Post Balasar, Kadi-Detroj Road, Kadi ,Mahesana - 382715, Gujarat, India

**Corporate Office:** D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad- 380060, Gujarat, India.

**Tel. No:** +91-02764-262200; **E-mail:** [info@pashupaticotspin.com](mailto:info@pashupaticotspin.com) , **Website:** [www.pashupaticotspin.com](http://www.pashupaticotspin.com)

**CONTACT PERSON: MR. PRATIK ASHOKBHAI PATEL, (COMPANY SECRETARY & COMPLIANCE OFFICER)**

**PROMOTERS OF OUR COMPANY: MR. SAURIN JAGDISH BHAI PARIKH, MR. TRIVEDI TUSHAR R AND MR. DAKSHESH JAYANTILAL PATEL**

### THE ISSUE

INITIAL PUBLIC ISSUE OF 27,84,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF PASHUPATI COTSPIN LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF Rs. 75.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. 65.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO Rs. 2088.00 LAKHS ("ISSUE") OF WHICH 2,04,800 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF Rs. 75.00 PER EQUITY SHARE, AGGREGATING TO Rs. 153.60 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 25,79,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF Rs. 75.00 PER EQUITY SHARE AGGREGATING TO Rs. 1934.40 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.07% AND 25.08%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 215 OF THIS PROSPECTUS.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS Rs. 75.00. THE ISSUE PRICE IS 7.50 TIMES OF THE FACE VALUE.**

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE RELATED INFORMATION" BEGINNING ON PAGE 215 OF THIS PROSPECTUS.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 224 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 224 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 7.50 times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph "Basis for Issue Price" on page 74 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 14 of this Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY



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

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). Our Company has received an In-principle approval letter dated August 08, 2017 from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE

 <b>Hem Securities Ltd</b>	
<b>HEM SECURITIES LIMITED</b> 14/15, Khatau Bldg, 1st Floor, 40, Bank Street, Fort, Mumbai - 400001, India <b>Tel. No.:</b> +91- 022- 4906 0000 <b>Fax No.:</b> +91- 022- 2262 5991 <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Contact Person :</b> Mr. Anil Bhargava <b>SEBI Regn. No.</b> INM000010981	<b>SHAREX DYNAMIC (INDIA) PRIVATE LIMITED</b> <b>Address:-</b> Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072, Maharashtra, India. <b>Tel. No.:</b> +91 - 22 - 2851 5606 / 44 <b>Fax No.:</b> +91 - 22 - 2851 2885 <b>Website:</b> <a href="http://www.sharexindia.com">www.sharexindia.com</a> <b>Email:</b> <a href="mailto:sharexindia@vsnl.com">sharexindia@vsnl.com</a> <b>Investor Grievance Email:</b> <a href="mailto:pcl.ipo@sharexindia.com">pcl.ipo@sharexindia.com</a> <b>Contact Person:</b> Mr. K. C. Ajitkumar <b>SEBI Regn. No.:</b> INR000002102

### ISSUE PROGRAMME

**ISSUE OPENS ON: MONDAY AUGUST 28, 2017**

**ISSUE CLOSES ON: THURSDAY AUGUST 31, 2017**

## TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	11
	FORWARD LOOKING STATEMENTS	13
<b>II</b>	<b>RISK FACTORS</b>	14
<b>III</b>	<b>INTRODUCTION</b>	
	SUMMARY OF OUR INDUSTRY	30
	SUMMARY OF OUR BUSINESS	37
	SUMMARY OF OUR FINANCIALS	40
	THE ISSUE	44
	GENERAL INFORMATION	45
	CAPITAL STRUCTURE	52
	OBJECTS OF THE ISSUE	68
	BASIC TERMS OF ISSUE	73
	BASIS FOR ISSUE PRICE	74
	STATEMENT OF TAX BENEFITS	77
<b>IV</b>	<b>ABOUT THE COMPANY</b>	
	INDUSTRY OVERVIEW	79
	OUR BUSINESS	88
	KEY INDUSTRY REGULATIONS AND POLICIES	99
	HISTORY AND CERTAIN CORPORATE MATTERS	110
	OUR MANAGEMENT	114
	OUR PROMOTER AND PROMOTER GROUP	128
	OUR GROUP COMPANIES	134
	DIVIDEND POLICY	141
<b>V</b>	<b>FINANCIAL INFORMATION OF THE COMPANY</b>	
	RESTATED FINANCIAL STATEMENT	142
	STATEMENT OF FINANCIAL INDEBTEDNESS	174
	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	177
<b>VI</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	190
	GOVERNMENT AND OTHER APPROVALS	196
	OTHER REGULATORY AND STATUTORY DISCLOSURES	200
<b>VII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	215
	ISSUE STRUCTURE	221
	ISSUE PROCEDURE	224
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	263
<b>VIII</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY</b>	265
<b>IX</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	296
	DECLARATION	298

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This 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 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 “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on page 77, 142 and 265, respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

Terms	Description
“PCL”, “the Company”, “our Company” and “Pashupati Cotspin Limited”	Pashupati Cotspin Limited, a public limited company converted from Limited Liability Partnership under Part I Chapter XXI of Section 366 of Companies Act, 2013 having its Registered office Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi, Mahesana, Gujarat - 382715 India
“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**

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Pashupati Cotspin Limited, as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Pashupati Cotspin Limited being M/s Mahendra N Shah & Co, Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015
Bankers to the Company	Oriental Bank of Commerce
Board of Directors /the Board / our Board	The Board of Directors of Pashupati Cotspin Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Hareshkumar Rameshchandra Shah.
Companies Act / Act	The Companies Act, 2013 and amendments thereto and 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 Mr. Pratik Ashokbhai Patel.
Corporate Office	D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
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.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	The word “ <b>Group Companies</b> ”, wherever they occur, shall include such companies

Terms	Description
	as covered under the applicable accounting standards and also other companies as considered material by the Board of the Company as disclosed in “ <b>Our Group Companies</b> ” promoted by the Promoters on page 134 of this Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	An Independent Director as defined u/s 2(47) of the Companies Act, 2013 and the Listing Regulations.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being – INE124Y01010
IT Act	The Income Tax Act, 1961 as amended till date
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 “ <b>Our Management</b> ” on page 114 of this Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on July 18, 2017 in accordance with the requirements of the SEBI (ICDR) Regulations.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Pashupati 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 and the Listing Regulations.
Non-Executive Director	A Director not being an Executive Director.
NRIs / 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.
Peer Review Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s A Bafna & Co., Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited Liability partnership, 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.
Promoters	Shall mean promoters of our Company i.e. Mr. Saurin Jagdish Bhai Parikh , Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <b>Our Promoters and Promoters Group</b> ” beginning on page 128 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi, Mahesana, Gujarat - 382715 India
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	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, as at and for years ended March 31, 2013, 2014, 2015, 2016 and 2017 together with the annexure and notes thereto as disclosed in chapter titled “ <b>Financial Information of the Company</b> ” beginning on Page 142 of this Prospectus.
RoC/Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat
SEBI	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 (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.

Terms	Description
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Shareholders	Holders of Equity Shares of our Company from time to time
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscriber to MOA & AOA being Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R, Mr. Bhaveshkumar Jayantilal Patel, Mrs. Renuka Jagdishbhai Parikh, Ms. Hariprabhaven Arvindbhai Parikh, Mrs. Falguniben Miteshbhai Parikh, Mr. Dakesh Jayantilal Patel, Mr. Ashishbhai Rameshchandra Trivedi, Mr. Mukeshbhai Vithalbhai Patel and Mrs. Toralben Urdeepbhai Brambhatt
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(zn) of the SEBI Regulations

**ISSUE RELATED TERMS**

Terms	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Public Issue.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted
Applicant/Investor	Any Prospective Investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Indusind Bank
Banker to the Issue Agreement	Agreement dated August 10, 2017 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the Issue and which is described in the chapter titled " <b>Issue Procedure</b> " beginning on page 224 of this Prospectus.
Broker Centres	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays)

Terms	Description
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, and 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	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> . 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 Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
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	Monarch Network Capital Limited
Designated Stock Exchange	National Stock Exchange of India Limited (SME Exchange) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Draft Prospectus	Draft Prospectus dated July 24, 2017 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	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 Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 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.
FII / Foreign Institutional Investors	Foreign Institutional Investors (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.

Terms	Description
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
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue Agreement	The Agreement dated July 21, 2017 between our Company and Lead Manager
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being August 31, 2017
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being August 28, 2017
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares will be issued by the Company in terms of this Prospectus i.e. ₹ 75.00 per share.
Issue Size	The Public Issue 27,84,000 Equity shares of ₹ 10/- each at issue price of ₹ 75.00/- per Equity share, including a premium of ₹ 65.00/- per equity share aggregating to ₹ 2088.00 Lacs.
Lead Manager/LM	Hem Securities Limited
Market Making Agreement	The Market Making Agreement dated August 19, 2017 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 2,04,800 Equity Shares of ₹ 10 each at an Issue price of ₹ 75.00 each aggregating to ₹ 153.60 Lacs to be subscribed by Market Maker in this Issue.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 25,79,200 Equity Shares of ₹10 each at a price of ₹ 75.00/- per Equity Share (the "Issue Price"), including a share premium of ₹ 65.00/- per Equity Share.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSEIL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter X-B of the SEBI ICDR Regulations.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the

Terms	Description
	general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Sharex Dynamic (India) Private Limited.
Registrar Agreement	The agreement dated July 21, 2017 entered into 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.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Revision Form	The form used by the applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the Issue reserved for category of eligible Applicant as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and Issue services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the NSE EMERGE
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application



Terms	Description
Underwriters	The LM and Monarch Network Capital Limited who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated July 28, 2017 entered between the Underwriters, Lead Manager and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### Technical and Industry Related Terms

Terms	Full Form
B.H.P.	Break Horse Power
B/R	Blow room
DG Sets	Diesel Generator Set
DD	Duty Drawback
DGFT	Director General of Foreign Trade
DR	Double Roller
EM	Entrepreneurship Memorandum
EPCG	Export Promotion Capital Goods
FFF	From Fibre to Fashions
FOB	Free on Board
GIDC	Gujarat Industrial Development Corporation
HDPE	High-density polyethylene
HP	Horse Power
IEC	Import Export Code
MMF	Manmade Fibers
MT	Metric Tonne
MW	Megawatt
POY	Partially Oriented Yarn
PT	Per Tonne
R&D	Research & Development
SEZ	Special Economic Zone
SH	State Highway
SME	Small and Medium Enterprise
Spdl.	Spindle
SSI	Small Scale Industries
TPD	Tonnes per Day
TPM/tpm	Tonnes per Month
UGVCL	Uttar Gujarat Vij Company Limited

#### ABBREVIATIONS

Abbreviation	Full Form
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACA	Associate Chartered Accountant
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India

Abbreviation	Full Form
	(Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate Social Responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed

Abbreviation	Full Form
FPIs	under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FTP	Foreign Trade Policy, 2009
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net-worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e.	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
MD	Managing Director
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and Medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value

Abbreviation	Full Form
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from
WTD	Whole Time Director
YoY	Year over Year

The words and expressions used but not defined in this 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 “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Financial Information of the Company*”, “*Outstanding Litigation and Material Developments*” and “*Part B*” of “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

**CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

**Certain Conventions**

All references in the Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Pashupati Cotspin Limited” and “PCL”, unless the context otherwise indicates or implies, refers to Pashupati Cotspin Limited. In this 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 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 Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the year ended 31 March 2017, 2016, 2015, 2014 and 2013 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “*Financial Information of the Company*” beginning on page 142 of this Prospectus. Our Company does not have a subsidiary. Accordingly, financial information relating to us is presented on a Standalone basis. 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 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 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*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the 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 the Company*” beginning on page 142 of this Prospectus.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page 265 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 74 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available

sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation and Exchange Rates**

All references to "Rupees" or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "Industry Overview" throughout the Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" on page 14, 88 & 177 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## FORWARD LOOKING STATEMENTS

This Prospectus includes certain “forward-looking statements”. We have included statements in the 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:

1. General economic and business conditions in India;
2. Disruption in our manufacturing facilities.
3. Company’s ability to successfully implement its growth strategy and expansion plans, and to successfully launch
4. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
5. Inability to successfully obtain registrations in a timely manner or at all;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Increase in prices of Raw Material i.e. Cotton
11. Occurrence of Environmental Problems & Uninsured Losses;
12. Intensified competition in industries/sector in which we operate;
13. Our ability to successfully implement our growth strategy and expansion plans;
14. Our ability to attract, retain and manage qualified personnel;
15. Failure to adapt to the changing technology in our textiles industry of operation may adversely affect our business and financial condition;
16. 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;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. 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*”; “*Our Business*” & and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 14, 88 & 177 respectively of the 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, Lead Manager and Underwriters 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 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 - RISK FACTORS

Any investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 88 & 177 respectively, as well as the other financial and statistical information contained in this Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. 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.

This 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 Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering 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 the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

### **1. Our Company, our Promoter and our Group Companies are involved in certain legal proceedings/ received few show cause notices, which may have financial implication on the business of our Company.**

Our Company, Group Company, its Promoter and Directors are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled "**Outstanding Litigation and Material Developments**" at page 190 of this Prospectus. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

#### **Matters involving our Company:-**

(Amt in Rs. Lakhs)

Sr. No.	Nature of Case	No. of cases outstanding	Amount involved
1.	Income Tax Appeal	1	54.45
2.	TDS demands	5	2.90

#### **Matters involving our Group Company:-**

Sr. No.	Nature of Case	No. of cases outstanding	Amount involved
1.	TDS Demands	7	14.66
2.	Sales Tax Demand	1	56.31

#### **Matters involving our Promoter:-**

Sr. No.	Nature of Case	No. of cases outstanding	Amount involved
1	Income Tax	9	39.63
2	Other Pending Litigation	3	Not ascertainable

\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on the date of this Prospectus.

Any developments in the proceedings, against us, our Group Company & our Promoter may constrain us to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.



**2. We have a very limited operating history of our manufacturing operations, which may make it difficult for investors to evaluate our historical performance or future prospects.**

Our Company was originally formed and registered as a Limited Liability Partnership in the name and style of “Pashupati Cotspin LLP” on January 07, 2013. Later, “Pashupati 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 Pashupati Cotspin Private Limited on July 03, 2017. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” on July 18, 2017. Our manufacturing operations started in 2013, thus we have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are also difficult to estimate and could fluctuate significantly and as a result the price of our equity shares may be volatile. For further details relating to the history of our Company, see the section titled “**Our History and Certain Corporate Matters**” and “**Financial Information of the Company**” at page 110 and 142 respectively of this Prospectus.

**3. Our company will be required to comply with the provision 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 endeavor 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.

Further, prior to conversion, all Partners of the LLP vide their duly convened meeting held on 27.03.2017 granted their approval towards reducing the contribution of the LLP from Rs.23.00 (Rupees twenty three crores only) to Rs.7.50 (Rupees seven crores fifty lakhs only) and also agreed for transfer of such reduced contribution of Rs.15.50 (Rupees fifteen crores fifty lakhs only) to their Partner’s current capital accounts. Subsequently, upon conversion of the LLP into company, the amount outstanding to the Partner’s current capital accounts was transfer to the unsecured Loan at an interest rate of 12% per annum and the amount outstanding to the fixed capital account of Partner’s was incorporated as the Share Capital of the Company with same Profit sharing ratio of LLP.

**4. Major portion of the revenue derived by our Company is from goods sold to the Group Company or the Promoter Group entities.**

The major portion of the revenue of our company is derived from the sales made to the Group Company and Promoter Group entities. The sale made to these entities during the financial year ended on March 31, 2017, 2016 and 2015 amounted to Rs. 150.63 Crores, 157.51 Crores and 112.75 crores respectively. The goods sold to these parties accounted for around 56.86 %, 63.22% and 44.70% for the said period. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse affect on results of our operations.

For details please refer to **Annexure S** on Related Party Transactions of the Auditor’s Report under Section titled “**Financial Information of the Company**” beginning on page no. 169 of this Prospectus.

**5. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained all the required permits and licenses which are adequate to run our business except for the Registration under the Bombay Shops and Establishment Act for our corporate office and The Gujarat State Tax on Professions, Trades, Callings and Employments Act, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further our Company has been formed from the conversion of the

Limited Liability Partnership into company and all our approvals are in the name of our previous name which is not yet changed. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to section titled “**Government and Other Approvals**” beginning on page 196 of the Prospectus.

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

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

**7. Our Company has posted negative profits in the past.**

Our Company has in the past incurred losses. Although we have made profits for the period ended on March 31, 2017, March 31, 2016 and March 31, 2015 but there can be no assurance that we will be able to maintain the profitability in future. The details are as mentioned below:

(Amt in Rs. Lakhs)

Particular	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Profit After Tax	1348.20	843.01	808.28	31.79	(11.28)

For further details, please see the chapter titled “**Financial Information of Our Company**” on page 142 of this prospectus

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

The details of profit and loss of our Group Company in past years are as follows:-

(Amt in Rs. Lakhs)

Particular	For the year ended on
	March 31, 2017
Global Park Developer LLP	(0.09)

Further, our Group Company namely Pashupati Solar Private Limited has not started commercial production and having a negative networth of Rs 14.96 Lakhs as per the financial statement for the year March 31, 2017. Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse affect on our operations and financials. For more information, regarding the Company, please refer chapter titled “**Our Group Companies**” beginning on page 134 of this Prospectus.

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

As on March 31, 2017 we had Contingent Liability of ₹ 1352.42 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:-

(Amt in Rs. Lacs)

Particulars	Amount (in Lacs)
Income Tax demands / Notices before CIT Appeals	54.45
Bank Guarantee	352.53
Export obligation for duty saved	945.44
<b>TOTAL</b>	<b>1352.42</b>

For further details on the same please refer “Annexure T” under section “Financial Information of the Company” beginning on page 172 of Prospectus.

**10. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions relating to operational efficiencies and production plan of our Company. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Prospectus. For further information, see the section titled “Our Business” on page 88 of this Prospectus.

**11. The quantum of other income earned by our Company is more than the amount of profit after tax earned by the Company from the main activity in the past .**

Our Company has earned other income in the form of interest incomes, Vat incentives, Power incentives and interest incentives. The other income for the fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 stood at Rs. 1429.33 Lakhs, Rs. 1477.87 Lakhs, Rs. 1357.49 Lakhs & Rs. 327.49 Lakhs respectively. Further, our PAT for the fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were Rs. 1348.20 Lakhs and Rs. 843.01 Lakhs, Rs. 808.28 Lakhs, Rs. 31.79 Lakhs respectively which is lower than the other income earned by our Company. Thus, the other income may have a deep impact on the profits of our Company. In case our Company is not able to earn such income due to any reason such as reduction in interest income or reduction in the incentives provided by the statutory authorities the same may have a adverse effect on our business operations and profitability.

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

Our entire fund based and non fund based financial assistance has been sanctioned from Oriental Bank of Commerce. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Promoter and Promoter Group member. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials. Also we have provided the collateral security of our registered office and factory for the above loan taken from Oriental Bank of Commerce. For further details on the Credit Limits and other banking facilities, please see “Statement of Financial Indebtedness” on page 174 of the Prospectus.

Additionally, Our Promoter and Promoter Group Member has provided personal guarantees to secure the credit facilities taken from Oriental Bank of Commerce, and may continue to provide such guarantees and other security post listing. In case of any default under our loan agreements, the personal guarantees provided by our Promoter and Promoter Group Member may be invoked which could negatively impact on the reputation and networth of our Promoter.

**13. 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.

**14. We have recently taken initiative for the expansion of the capacity of the Ginning and spinning currently installed at our manufacturing facility. We may face new business and financial challenges which may adversely affect our profitability and results of operations.**

Our Company has proposed to go for expansion of the existing unit by installing new 11424 spindle for spinning unit and 56 DR ginning for Ginning unit. The existing installed capacity of the spindlage is 25536 spindle and 56 DR ginning units. Though the expansion plan have been considered taking into account the current demand and market scenario for the cotton bales and cotton yarn but incase of any change in the forecast or demand scenario, we may face new business and financial challenges which may adversely affect our profitability and results of operations. Also, as a Company, we have limited financial history and our prior period financial results may not accurately represent our future financial performance and therefore prospective investors may not be able to assess our Company's prospects based on past results.

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

Our core business is the manufacture 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.

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

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

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

The details of Cash flows of our Company are as follows:

(Amt. in Rs. Lakhs)

Particular	For the year ended on				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash flow from operating activities	835.20	3,756.22	940.76	(1,144.22)	21.96
Cash Flow from Investing activities	(227.19)	(404.29)	(144.15)	(7,134.10)	(371.04)
Cash Flow from financing Activities	(659.73)	(3354.23)	(762.74)	8,415.36	353.26

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 to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows please refer to section titled "**Financial Information of the Company**" beginning on page 142 of this Prospectus.

**18. 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 affect 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.

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

Our 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 "**Our Business**" beginning on page 88 of this Prospectus.

**20. We share some portion of our registered office with our Promoter Group entity. Also, we do not own all the offices from where we operate our business.**

We share some portion of our registered office situated at Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi, Mahesana, Gujarat, India with our Promoter Group Entity namely Pashupati Oil Mills. Though we have entered into rent agreement with the respective Promoter group entity for the use of the premises but in case of any multiple or overlapping use of the said facilities may create some disruption which may affect our business operation. Also the rent agreement entered between our company and Pashupati Oil Mill is not registered as required under section 17 of the Registration Act, 1908. Further, the corporate office of our company situated at D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad- 380060, Gujarat, India have been taken on lease any impairment in the right to use the said property may have an adverse impact on our business operations.

**21. 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 material and the finished product of our Company are stored at the godown located at the factory of our Company. Cotton is subject to change in colour simply through their own natural aging process. In case the raw material or the finished goods remained unsold for a period of time they may fade their colour which may render them useless or reduce their usefulness. In case of any such incidence we may be required to either scrap the said product or we may not be able to realize proper price of the said goods which could have an adverse affect on the profitability and production schedule of the Company.

**22. 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.

**23. Our Company has taken unsecured loans that may be recalled by the lenders at any time.**

Our Company have currently availed unsecured loans which may be called by their lenders at any time. As on March 31, 2017 the unsecured loan amounting ₹ 5310.94 Lacs were due to lenders. In the event that lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also there is no formal agreement with our lender. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer chapter titled "**Statement of Financial Indebtedness**" beginning on page 174 of Prospectus.

**24. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.**

Our Company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of Standard fire and special perils, vehicle insurance, workmen compensation policy. We believe that the insurance coverage maintained by us is adequate and consistent with the size of our business. However, there is no assurance that the insurance policy taken by us will be adequate for us to cover the losses. If we suffer any uninsured loss or if claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage may adversely affect our operation, results and financials.

***25. Our raw material and finished products both are highly flammable commodity. Any adverse situation at our factory or godown can have an adverse affect 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.

***26. There may be potential conflict of interests between our Company and other entities or enterprises promoted by our Promoters or directors.***

Our Company is mainly engaged in the business of manufacturing of cotton bales and cotton yarn. Some, of our group entities are engaged in the business of trading of cotton bales and cotton yarn namely Pashupati Cotton Industries, Pashupati Enterprises and S Raja Exports Private Limited. Further we have not executed any Non-Compete Agreement with our Group Entity undertaking not to engage in businesses similar to that of our Company. Any failure to adhere to the may have an adverse effect on our business operations and financial conditions.

***27. Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition.***

The major raw material used by our Company for the Ginning Unit is Cotton. Due to the seasonal availability of the Cotton, our industry is seasonal in nature. The period during which our business may experience higher revenues varies from season to season. During the crop season we are able to procure the cotton at reasonable terms and in large quantities. Whereas during the off season the availability of the cotton is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality and cyclicity of our industry, and the financial services industry, may cause fluctuations in our results of operations and financial condition.


***28. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 174 of the Prospectus.

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

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

**30. The logo used by our Company is not registered and we are in the process of seeking registration of trademark of our logo. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations.**

Currently we are using logo i.e.  which is not yet registered in the name of our Company. Our Company has made an application to the registry of Trademark vide application no. 3592746 dated July 17, 2017 under class 23 the current status of the abovementioned logo is objected. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation which could have an adverse affect on our business operations and reputation. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

For further details of our pending approvals, please see section Intellectual Property under chapter **"Government and Other Approvals"** beginning on page 196 of this Prospectus.

**31. 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 of Rs. 3061.21 lakhs as on March 31, 2017 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. Further, we have high Debtors which may result in a high risk in case of non-payment by these Debtors. 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.

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

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to section titled **"Financial Information of the Company-Annexure S - Related Party Transactions"** beginning on page 169 of this Prospectus.

**33. We face substantial competition in the textile business, both from Indian and international companies, which may adversely affect our revenues.**

We face significant competition from existing players and new entrants in the textile industry. The industry is highly competitive. We will face competition mainly from large vertically integrated and diversified companies as well as new companies, particularly in China and Indonesia. Some of our international competitors may be larger than us and have greater financial resources. Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business, results of operations and financial condition.

**34. Our Company has Export Obligation which are outstanding under the Scheme availed for Import of Capital Goods.**

Our Company is engaged in manufacturing of cotton bales and yarn. Further our Company have availed benefit and saved Custom duty on import of Capital goods for which we have certain obligation to export under the Export Promotion Capital Goods Scheme. Export Obligation under EPCG Scheme is required to be fulfilled by export of goods manufacture by us in proportion of the total duty saved on import of capital goods, to be fulfilled in 6 years reckoned from authorization issue date. Any failure to comply with export Obligation will affect the financial position of our Company. For detailed please refer to the section titled **"Our Business"** and **"Government and other Approvals"** beginning on page 88 and 196 respectively of this Prospectus.

***35. Our Promoter and Promoter Group will retain majority control over the Company after the Issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively 64.90 % of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our Company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***36. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoter. We also depend significantly on our Key Managerial Persons for executing our day to day activities. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “***Our Management***” on page 114 of this Prospectus.

***37. 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 “***Our Business***” beginning on page 88 of the Prospectus.

***38. Our Company does not have any formal long-term arrangements with the suppliers and customers. Any significant variation in the supply & demand may adversely affect the operations and profitability of our Company.***

Major raw material used in the manufacturing at our Company is cotton, for the procurement of cotton we dependent on external suppliers and we do not have any formal long-term arrangements with our suppliers which oblige them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers may impact our supplies and affect our production process. We also have not entered into any long term agreements with our customers. In the event of any change in the preference or production schedule of the customer, our customer may terminate the orders which may affect our Company’s business, results of operations and revenues. Also, there is no assurance that the customers and suppliers will continue to supply raw materials to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and affect our financial condition.

***39. 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.

***40. Textile industry is very volatile and fashion oriented; any lag on the part of our Company to identify the changes in the customer preferences and evolving fashion trends may adversely affect our business operations.***

Demand in the textile industry significantly depends on the customer preferences and evolving fashion trends. Any change in the preference of the customer or fashion trends such as shifting towards man-made fabric could have an adverse affect on the demand of cotton yarn. In order to be in line with this fashion trends, we need to anticipate the changes in the fashion trends and develop the products as per customer's needs. Our inability to tap the changing fashion can lead to rejection of our textiles thus damaging goodwill, business operations and financial conditions. Any failure to update ourselves or understand the trends in different regions of the world may result in reduction of our export sales, adversely affecting our financial condition

***41. We are susceptible to product liability claims that may not be covered by insurance and may subject us to substantial expenditure thereby adversely affecting our reputation and if the claim is successful, could require us to pay substantial amounts.***

Since we operate in the textiles manufacturing sector, we may face the risk of potential legal proceedings and claims being brought against us by our customers/wholesaler for any defective product sold or any dissatisfaction caused to them. In the event that we are found to be liable for any product liability claim, we could be required to pay substantial monetary damages. Further, even if we successfully defend ourselves against a claim, or successfully claim back compensation from others, we may need to spend a substantial amount of time and money in defending such a claim and in seeking compensation, and our reputation could suffer.

***42. Our inability to effectively implement our business and growth strategy may have an adverse affect 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.

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

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

***44. Our business is labour intensive and our business may be affected if we are unable to obtain or retain employees on contract or at commercially attractive costs.***

Our business is manpower intensive and our continued growth depends on our ability to recruit and retain suitable staff. Recruiting and retaining of skilled personnel with significant knowledge and experience in the textiles sector in India is very difficult. There can be no assurance that attrition rates for our employees will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our business. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be affected.

Additionally, any outbreak of the employee strike at the factory of our Company due to wage revision, increase in facility at the factory or any other reason can have an adverse affect on the production schedule, revenue and reputation of our company. Further, in case of any upward revision in the manpower cost may have a direct impact on our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward

revisions in the minimum wages payable in one or more states. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability.

**45. Our Company has during the preceding one year from the date of the Prospectus have allotted Equity Shares at a price which may be lower than the Issue Price.**

Our Company was initially incorporated as a Limited Liability Partnership in the Year 2013 which was later converted into a Company in the year 2017. Subsequent to the conversion of the limited liability partnership into a Company shares were issued to the partners of the LLP. Thus, in the last 12 months, we have made allotments of 75,00,000 Equity Shares to the promoters, their relatives and other partners of the Limited Liability Partnership. The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled “**Capital Structure**” and “**Basis for Issue Price**” beginning on page 52 & 74 of this Prospectus. Further, due to the above allotment of shares the average cost of acquisition of Equity Shares of our promoters in our Company may be lower than the Issue Price as may be decided by the Company, in consultation with the Lead Managers.

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

Our Company is engaged in business of manufacturing of cotton bales and cotton yarn which attracts tax liability such as Goods and Service Tax and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**47. 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 141 of the Prospectus.

**48. We have not identified any alternate source of raising the funds for the proposed object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.**

Our Company has not identified any alternate source of funding for our proposed object of the Issue 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 result in borrowing funds on unfavorable terms, all of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.

For further details relating to the Object of the Issue, Please refer chapter titled “**Object for the Issue**” beginning on page 68 of this Prospectus.

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

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**50. *Our Company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.***

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

For further details please refer Chapter titled "**Objects of the Issue**" on page 68 of Prospectus

**51. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled "**Capital Structure**" beginning on page 52 of the Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

**52. *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.***

The Issue Price of our Equity Shares has been determined by Fixed Price method. The price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 74 of the Prospectus. 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.

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

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

**54. *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.

**55. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (STT) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain

realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

### **External Risk Factors**

***56. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

***57. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

***58. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***59. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***60. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares,

which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**61. If certain labour laws become applicable to us, our profitability may be adversely affected.**

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**62. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**63. Our transition to Ind AS or IFRS reporting could have an adverse effect on our reported results of operations or financial condition.**

On January 2, 2015, the Ministry of Corporate Affairs, Government of India (MCA) announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (Indian Accounting Standard Rules) to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in financial year 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹ 5,000 million or more. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

**Prominent Notes:**

1. Public Issue Of 27,84,000 Equity Shares of Face Value of ₹ 10 each of Pashupati Cotspin Limited ("PCL" or "Our Company" or "The Company") for cash at a Price of ₹ 75.00/- Per Equity Share (Including a Share Premium of ₹ 65.00 per Equity Share) ("Issue Price") aggregating to ₹ 2088.00 Lacs, of which 2,04,800 Equity Shares of Face Value of ₹10/- each at a price of ₹ 75.00 aggregating to ₹ 153.60 Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 25,79,200 Equity Shares of Face Value of ₹ 10/- each at a price of ₹ 75.00 aggregating to ₹ 1934.40 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 27.07% and 25.08% respectively of the Post Issue paid up Equity Share Capital of our Company.
2. This Issue is being made for at least 25% of the post issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to other than retail individual investors;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

3. The Net worth of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup>, 2015 was ₹ 3770.00 lakhs, ₹ 3971.80 lakhs and ₹ 3128.78 lakhs respectively. For more information, see the section titled **“Financial Information of our Company”** beginning on page 142 of this Prospectus.
4. The NAV or the Book Value per Equity Share based on Restated Financials of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup>, 2015 was ₹ 50.27, ₹ 52.96 and ₹ 41.72 per equity share respectively. For more information, see the section titled **“Financial Information of our Company”** beginning on page 142 of this Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoter is set out below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	10.00
2.	Mr. Trivedi Tushar R	2,25,000	10.00
3.	Mr. Dakshesh Jayantilal Patel	5,25,000	10.00

For Further details please see the section **“Capital Structure”** on page 52 of this Prospectus

6. We have entered into various related party transactions with related parties including our Promoter Group and Group Companies for the period ended March 31<sup>st</sup> 2017 & March 31<sup>st</sup>, 2016. For nature of transactions and other details as regard to related party transactions section titled **“Financial Statements - Annexure S- Statement of Related Parties Transactions”** on page 169 of this Prospectus.
7. No Group Company have any business or other interest in our Company, except as stated in section titled **“Financial Statements - Annexure S - Statement of Related Parties Transactions”** on page 169 and **“Our Promoter and Promoter Group”** and **“Our Group Companies”** on page 128 and 134 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. 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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central registration Centre on July 03, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad.

For details of change in our name and registered office, please refer to Section titled **“History and Certain Corporate Matters”** on page 110 of this Prospectus.

9. 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 Prospectus.
10. Our Company, Promoter, Directors, Promoter Group, Group Company have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.

11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 74 of this Prospectus.
12. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 255 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India Limited. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and to the interest as disclosed in this Prospectus. For further details please see the chapter titled “**Our Management**” beginning at page 114, chapter titled “**Our Promoter and Promoter Group**” and “**Our Group Companies**” beginning at page 128 and 134 respectively, and chapter titled “**Financial Information of the Company**” beginning at page 142 of this Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 142 of this Prospectus.
17. Trading in the Equity Shares for all investors shall be in dematerialized form only.
18. Except as disclosed in the Objects of the Issue, no part of the Issue proceeds will be paid as consideration to Promoter, Promoter Group, Directors, Key Managerial Personnel or Group Company.
19. For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled “**History and Other Corporate Matters**” beginning on page 110 of this Prospectus.

## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **GLOBAL ECONOMIC OUTLOOK**

Over the course of 2016, cotton futures experienced significant fluctuations. After reaching a seven-year low in March, cotton futures climbed to a two-year high in August before retreating back to 65 cents a few weeks later. For the remainder of the year, cotton futures traded in the \$0.66 to \$0.73 range. While cotton and soybean prices trended upward, grain prices declined in 2016. Oil prices steadily increased from the lows observed in 2015. World cotton production increased by 9.2% while consumption increased just 0.5% in 2016. However, ending stocks were reduced for the second year in a row due to increased Chinese reserve sales. The cotton market continues to be influenced by uncertainty in government policies, developments in other commodity markets, and a changing macroeconomic climate. Many of those influences will carry over into the outlook for 2017. Growth in world cotton demand remains a key concern as competition from lower priced man-made fibers weigh on the market. With this report, National Cotton Council (NCC) staff hopes to present a thorough review of the current economic landscape and the prospects for the coming year.

To recap the current marketing year, U.S. producers planted 10.1 million acres of cotton in 2016, an increase of 17.4% from the previous spring. The increased acres were primarily the result of higher cotton prices relative to grains and oilseeds. In Texas, some acres returned to production that was prevented from planting in 2015 due to excessive rainfall at planting time. According to USDA's January 2017 estimates, with only 5.5% of U.S. cotton acres un-harvested, the resulting 2016 crop of 17.0 million bales marked a 4.1 million bale increase from 2015. The current marketing year began with cotton stocks at 3.8 million bales. When added to the recent harvest, total supplies for the 2016 marketing year are estimated at 20.8 million bales. Total supplies will be more than sufficient to satisfy estimated use of 16.1 million bales. U.S. textile mills are expected to consume 3.3 million bales in the current marketing year, down 150 thousand bales from 2015. The Economic Adjustment Assistance Program (EAAP) continues to be an important source of stability allowing mills to invest in new facilities and equipment.

U.S. exports are estimated to be 39.3% higher in 2016 at 12.8 million bales, which is higher than the January USDA estimate of 12.5 million bales. If the current pace of sales and shipments is maintained, the strong demand for high quality cotton could push the U.S. export number even higher than 12.8 million bales. The current U.S. export estimate breaks down into 12.2 million bales of upland cotton and 600 thousand bales of ELS cotton. The U.S. will remain the largest exporter of cotton with a market share of 35.8% as compared to 26.0% in 2015. While world trade increased slightly in 2016; the gain in U.S. market share is largely attributed to supply issues in other major cotton exporting countries. Brazil had a 32.8% reduction in cotton exports in 2016, while India's exports were 23.7% lower. The current supply and demand estimates generate 4.8 million bales of ending stocks in the U.S. balance sheet, up 1.0 million bales from the previous year. With that review in mind, the projections for the 2017 marketing year will begin with the outlook for U.S. production. As in past years, the prospects for the U.S. crop are based on the results of the NCC planting intentions survey with assumptions made for abandonment and yields. Survey respondents are asked to give their plantings of cotton, corn, soybeans, wheat, and other crops for 2016 and intended acreage for 2017. As always, the survey results should be viewed as a measure of grower intentions prevailing at the time the survey was conducted. During the survey period, the cotton December futures contract averaged 70 cents per pound, which is higher than year-ago levels. Looking at competing crops, corn prices were lower than year-ago levels while soybean prices were about 12.0% higher. The price ratio of cotton to corn is more favorable than in 2016.

In the Southeast, survey results indicate a 0.1% increase in the region's upland area to 2.2 million acres. Across the six states, the results are mixed with increased acreage in Alabama and Florida and a decrease for the other four states. In Alabama, the survey responses indicate 14.2% more cotton acreage and less corn and wheat area. In Florida, respondents indicated more cotton and less soybeans. In Georgia, cotton acreage is expected to decline by 3.1% with 'Other Crops', likely peanuts, pulling acres from cotton, corn and wheat. In South Carolina, acreage is expected to decline by 0.4% as cotton acres shift to soybeans and 'Other Crops'. In North Carolina, a 4.8% decline is expected as cotton acreage shifts to soybeans and 'Other Crops'. Cotton acreage is expected to decline by 1.0% in Virginia as acreage shifts to corn and 'Other Crops'.

In the Mid-South, growers have demonstrated their ability to adjust acreage based on market signals, in particular, the relative prices of competing crops. This year's survey results are no different with growers intending to plant 1.7 million acres, an increase of 12.8% from the previous year. Across the region, all states are expected to increase cotton acreage, while decreasing corn and 'Other Crops'. The largest increase was reported in Mississippi with 26.8% more cotton acreage in 2017. Mississippi respondents expect to lower acreage of all other crops as more cotton acreage is planted. In Tennessee, cotton acreage is expected to increase by 16.6% as land shifts away from corn. In all states except Mississippi,



soybean acreage is expected to increase. In Arkansas and Missouri, corn, wheat, and 'Other Crops' are expected to decline. In Louisiana, respondents indicated more cotton, soybeans, and wheat and less corn and 'Other Crops'.

Growers in the Southwest intend to plant 6.6 million acres of cotton, an increase of 10.7%. Increases in cotton area are expected in each of the three states. In Kansas, land is shifting away from wheat, corn, and soybeans. In Oklahoma, a 30.1% increase is expected as wheat acreage declines. Overall, Texas acreage is expected to increase by 9.5%. In south Texas, respondents indicate an 11.4% increase in cotton acreage as land shifts away from corn and wheat. Respondents in South Texas also indicated an increase in 'Other Crops'. Respondents from the Blacklands indicate a slight decrease in cotton and corn acreage and an increase in wheat and 'Other Crops'. In west Texas, respondents indicated a 9.6% increase in cotton acreage and a decline in corn, wheat, and 'Other Crops'. With intentions of 268 thousand acres, producers in the West are expecting to plant 15.1% more acres of upland cotton. Arizona is responsible for the large increase, with California acreage down slightly and New Mexico acreage up slightly. The survey results for Arizona suggest a shift from corn and 'Other Crops' to cotton.

Summing across the 4 regions gives intended 2017 upland cotton area of 10.8 million acres, 8.8% above 2016. The survey indicates that growers intend to plant more ELS cotton in 2017, in some cases due to expectations of increased water allocations. Arizona growers are expecting to plant 79.6% more ELS cotton while California growers expect a 31.4% increase in ELS acres. Overall, U.S. cotton growers intend to increase ELS plantings 36.9% to 266 thousand acres in 2017. Summing together the upland and ELS cotton intentions shows U.S. all-cotton plantings in 2017 of 11.0 million acres, 9.4% higher than 2016. For the past three years, U.S. cotton producers have struggled with low cotton prices, high production costs, and the resulting financial hardships. While current futures markets have increased since last year, many producers will continue to face difficult economic conditions in 2017. Production costs remain high and the slightly higher price is still not enough to cover all production expenses for many producers.

Given the economic climate, it is important to discuss the factors driving an increase in cotton acreage in 2017. In the Mid-South, producers are more responsive to changes in relative prices of competing crops due to the favorable growing conditions and high yield potential for a variety of crops. Lower corn prices and high cotton yields are influencing cotton acreage. The Mid-South has experienced exceptional cotton yields in the past few years which is contributing to more cotton acres. Although acreage is expected to increase for the second year in a row, 2017 projected acreage is still below the 10- year average for the region. In the West, low corn prices and expectations for increased water availability are influencing cotton acreage. In the Southwest, low wheat and corn prices are the main factors influencing cotton acreage. In addition, much of the Southwest region had above-average yields in 2016 which could encourage more cotton acreage in 2017. Planted acreage is just one of the factors that will determine supplies of cotton and cottonseed. Ultimately, weather, insect pressures, and agronomic conditions play a significant role in determining crop size. However, since the NCC economic outlook does not attempt to forecast weather patterns, the standard convention is to assume yields in line with recent trends and abandonment consistent with historical averages. However, it is important to remember the volatility around projected production given the uncertainty of weather patterns. With abandonment set at 12.0% for the U.S., Cotton Belt harvested area totals 9.7 million acres (Figure 1). Using an average 2017 U.S. yield of 830 pounds generates a cotton crop of 16.8 million bales, with 16.0 million bales of upland and 760 thousand bales of ELS. The projected crop represents a 195 thousand bale decrease from the latest 2016 estimate.

Turning attention to demand for U.S. cotton, consumption by the domestic textile industry is projected to increase to 3.4 million bales in the 2017 marketing year. Textile trade estimates for 2017 suggest that the overwhelming majority of products manufactured by the U.S. textile industry will move into export markets for further processing. International markets, the primary outlet for U.S. raw fiber production, remain very competitive, with competition from not only growths of other cotton, but also man-made fibers. To fully assess the prospects for 2017 cotton exports, it is important to review the expectations for key importing and exporting countries. In recent years, the U.S. and world cotton markets have experienced several notable changes. On the demand side, the most significant change is the drastic reduction in Chinese imports since 2012. However, the U.S. is still the largest cotton exporter, followed by India. Reduced U.S. exports to China have been partially offset by increases in exports to Vietnam, Mexico, and Bangladesh. In 2016, China announced that import quotas would be limited to the required WTO minimum tariff rate quota (TRQ) of 4.1 million bales. A similar stance is expected for the 2017 crop year as China continues to work through reserve stocks. China announced a new plan in 2016 to auction off cotton reserve stocks each year. In 2016, the reserve auctions took place from May through September and almost 12.0 million bales were sold. China plans to gradually reduce stocks each year until the reserves reach what they consider a 'reasonable level'. The 2017 reserve auctions are scheduled to occur from March 6 to August 31. In addition to changes in the reserve policy, China has also made other significant changes in cotton policy in the last few years. China has been reducing acreage and production for the past five years and is no longer the world's largest cotton producer. Starting in 2015, India surpassed China as the largest cotton producing country. Following a 30.7% decline in cotton acreage in 2015, China cotton area was reduced by another 7.4% in 2016. While China has been reducing acreage in other lower yielding provinces, China plans to maintain acreage in the higher yielding Xinjiang region. Production levels observed in 2015 and 2016 were at the lowest levels since 2000.

The *Beijing Cotton Outlook* has projected a slight increase in acreage for 2017, while the Xinjiang Regional Development Reform Commission (NDRC) projected a slight decline. For 2017, China acreage is estimated to increase by 3.3%, resulting in a 21.9 million bale crop, which is similar to the 2016 level.

Despite being the largest spinner of cotton, China's demand remains a concern as domestic use remains well below historical highs. Between 2009 and 2013, China's mill use fell by almost 16.0 million bales as high cotton prices relative to man-made fibers forced spinners to turn away from cotton. Currently, internal cotton prices above \$1.00 are still almost twice the level of polyester prices. Polyester prices have increased this year but are still low relative to cotton prices. The adjustments in China's supply and demand, including the success of the reserve auctions, will allow a reduction in stocks. For the 2016 crop year, the January USDA estimate includes a reduction of 9.9 million bales. In 2017, an additional 10.8 million bale reduction in total stocks is expected. The 2017 estimate assumes that the next auction series will be as successful as in the previous year. A successful auction series over the next two years could easily put China in a position to become a larger cotton importer again. Increased sales of Chinese reserve stocks has led to more domestic spinning of cotton and has reduced China's imports of cotton yarn in 2016. China lowered yarn imports from India and Pakistan by 40.8% and 28.2%, respectively, but increased imports from Vietnam by 24.8%. Vietnam was the top supplier of cotton yarn to China in 2016. Although world mill use showed only a slight increase in 2016, cotton mill use in China increased by 3.6%. Supported by continued growth in China, world consumption is projected to increase by 1.5% in 2017. The growth is leading to additional cotton import demand in key countries such as Vietnam and Bangladesh. In terms of the global trade picture, government policies in India will play a role in the outlook for the coming year. Recent demonetization policies have affected India's exchange rate and cotton exports. Therefore, 2017 projections for India are highly uncertain given the current economic situation. For 2017, India's acreage is projected to increase as internal cotton prices have strengthened relative to grain prices. The resulting production reaffirms India's position as the largest producing country. As a result of increased production, an increase in exports is projected for the 2017 marketing year to 4.7 million bales.

As the net effects of the trade adjustments are aggregated together, world cotton trade for 2017 is estimated at 36.7 million bales, up 1.0 million bales from 2016. The United States is expected to capture approximately 33.7% of world trade by exporting 12.4 million bales in the upcoming year. However, it is important to note that the U.S. projections are highly contingent on the global cotton market. Competition from other cotton exporting countries as well as government policies in key importing countries could impact U.S. cotton exports. If India's demonetization policy negatively impacts cotton exports in 2017, the U.S. market share could increase. Increased competition from other exporting countries could also impact U.S. cotton exports. While this outlook assumes a similar stance for China's cotton imports in 2017, the potential for additional import quota to meet the demand for high quality cotton is a possibility for the upcoming crop year. When exports are added to U.S. mill use, total offtake is 15.8 million bales. Recall that the U.S. crop is estimated at 16.8 million bales, thus leading to an increase in ending stocks of 898 thousand bales, when taking into account adjustments in the unaccounted category of the U.S. balance sheet. For the world balance sheet, global production of 105.6 million bales is just slightly higher than in 2016. World mill use is projected to increase to 113.4 million bales, exceeding production by 7.8 million bales. Although cotton's share of world fiber demand has been declining, total cotton consumption has been trending upward for the past 5 years, with the exception of a slight decline in 2015.

World cotton stocks decline by 7.7 million bales in the 2017 balance sheet. While projections of global consumption exceeding production would normally be supportive of prices, the implications for the coming year may not be as clear cut. The majority of the decline in global stocks is due to reduced inventories in China. While China's increased consumption of reserve stocks has increased mill use in 2016, it has also led to a reduction in China's demand for imported cotton yarn. This trend could continue as China continues to work through the reserve stocks. Stocks outside of China – an important barometer of price conditions – are projected to increase by 3.0 million bales. While the Council's economic outlook does not attempt to project cotton prices, it is important to review some of the factors shaping the current price situation. Cotton prices have maintained a stronger appearance despite sluggish world demand, smaller imports by China, weakness in other commodity markets, and a stronger dollar. In the face of bearish indicators, a lack of exportable supplies in Central Asia and West Africa, coupled with India's reduced exports, are supporting current prices. In addition, unfixed on-call sales are also providing support to futures prices. Based on the underlying assumptions and resulting cotton balance sheet, the increased stocks outside of China may contribute to a more bearish tone. As with any projections, there are always uncertainties and assumptions that can dramatically change the balance sheet. China's stocks and import policy, as well as India's ability to reenter the export market, provide significant uncertainty for global markets. In addition, a struggling global economy and competition from man-made fibers underscore the challenging landscape facing cotton demand.

(Source- <http://www.cotton.org/econ/reports/loader.cfm?csModule=security/getfile&PageID=175314>)

## **INDIAN ECONOMY OVERVIEW**

Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment.

Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus. However, investing more in physical and social infrastructure is critical to raising living standards for all. This should be financed by a comprehensive reform of income and property taxes. Restoring credit discipline and cleaning up banks' balance sheets will be instrumental to support the credit growth needed to finance more business investment.

Trade openness has increased, partly driven by a competitive service sector. Manufacturing has lagged behind, with limited contribution to exports and job creation, leaving many workers in low-paid jobs. Promoting quality job creation in manufacturing would require reducing further restrictions on FDI and trade, modernizing labour regulations and providing better education and skills. Better infrastructure, transport and logistic services would facilitate manufacturing firms' access to global markets, particularly from remote and poorer regions.

### ***Robust consumption and a rebound in exports are boosting growth***

Growth remains strong. Private consumption has been buoyant, boosted by the increase in public wages and pensions and by higher agricultural and rural incomes. The costs of the withdrawal of high denomination notes – demonetisation – in November 2016 are wearing off, and sales of cars and two-wheelers have bounced back. Investment has so far failed to rebound, despite government efforts to develop rail, road and energy infrastructure and to improve the ease of doing business. Excess capacity (e.g. in the steel sector) and the weak financial position of some corporations, combined with large non-performing loans for most public sector banks, have restrained business investment.

Exports have picked up, driven by strong demand from Asia and the euro area. Higher oil prices and gold imports, coupled with a decline in remittances inflows, are reflected in some deterioration in the current account deficit. However, the deficit remains well below its longer-term average. FDI net inflows have been rising steadily since 2014 and are fully financing the current account deficit.

### ***Structural reforms are key to promoting inclusive growth***

The acceleration of structural reforms is bringing a new growth impetus. The Goods and Services Tax (GST), to be implemented from July 2017, should help make India more of a single market and thus spur productivity, investment, competitiveness, job creation and incomes. The abolition of the Foreign Investment Promotion Board, which reviewed foreign investment programmes, should promote FDI inflows. The central government's initiative to rank individual states on the ease of doing business is opening a new era of structural reforms. Many states have already modernised regulations and administrative procedures and some are experimenting with reforms of land acquisition and labour regulations.

There is little room for further cuts in interest rates. Consumer price inflation hovered below 4% at the end of 2016 and in early 2017, reflecting partly demonetisation, but also the success of the flexible inflation targeting framework. Ongoing structural reforms, including efforts to reduce the fragmentation of agricultural markets and land plots, and to develop the irrigation network, should help avoid inflation spikes in the future. In the short term, however, keeping inflation around 4% – the mid-point official inflation target – will be challenging given the roll-out of the GST and the upward adjustment in house rent allowance and in wages for state government employees.

The combined deficit and debt of the central government and states are relatively high. The central government has committed to reduce its deficit further in FY 2017/18 by better targeting fertiliser, petroleum and food subsidies. At the state level, current spending has tended to rise while investment targets have not always been met. The recent write-off of bank loans to farmers in the largest state will push up public debt, especially if other states follow suit. It could also undermine credit discipline and exacerbate income inequality since it will not benefit the poorest farmers, who rely predominantly on informal money lenders rather than banks.

Making growth more inclusive would require raising more revenue from property and personal income taxes to finance better social and physical infrastructure. Recent initiatives to benchmark states' social policies and outcomes, including health, sanitation and education, will strengthen incentives to improve the quality of public services. However, providing quality services to all would require raising public spending. Doubling public spending on health to 2.5% of GDP by 2025, as envisaged in the latest National Health Policy, and developing affordable housing for the poor would be

welcome. It could be financed by removing the tax expenditures that benefit the rich most, freeing the personal income thresholds from which rates apply, reducing tax evasion and implementing fairer property taxation.

***Growth increases will rest on the revival of investment***

Growth is projected to increase further. Private consumption will remain steady as increases in wages and pensions for central government employees are followed by similar adjustments in the states. The recent increase in capacity utilisation, coupled with the rebound in industrial production for capital goods and manufacturing indices, bodes well for a gradual revival of private investment. The implementation of the GST, by lowering the price of capital goods, and the cut in the corporate income tax rate should also support investment. Inflation will likely increase from the low levels in early 2017, but will remain within the authorities' target band. The revival of (import-intensive) corporate investment, higher oil prices and lower remittance flows will be reflected in a larger current account deficit.

The prospect of further structural reform is a clear positive risk for growth. The deterioration in the quality of banks' portfolios, as shown by the increase in non-performing loans and stressed assets, risks damping investment and growth. India, as a net commodity importer, would suffer from higher commodity prices. Protectionist measures could restrict exports of goods and services and thus harm the economy's potential to create quality jobs.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook-june-2017.pdf>)

**MINISTRY OF TEXTILES**

**Introduction**

The Textile sector comprising cotton, man-made fibres, jute, sericulture & silk, wool, a number of speciality fibres and their products and handlooms and handicrafts, play a key role in the Indian Economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

Box 1: Textile Sector's contribution to the Indian Economy

- 2% of GDP (at factor cost)
- 14% Industrial Production
- 11% of total manufacturing exports.
- Employs about 35 million people

The Governments, both Central and State, play a major role in the development of the Textile sector. The Government's role extends to a range of activities such as price support to cotton and jute, incentives for investments in technology up-gradation and modernisation, setting up of world class Integrated Textile Parks, implementation of Technology Mission on Cotton, Jute and Technical Textiles, development of mega clusters for powerlooms, handlooms and handicrafts, development of handlooms, handicrafts, sericulture and wool sub-sectors by implementing a number of schemes, implementation of welfare schemes for handloom weavers and handicrafts artisans and promoting skill development of textile workers in collaboration with the industry. The Government is also providing a number of incentives for export of textile products. A large network of Government Offices, public sector enterprises, textile research associations, textile design and education institutions such as National Institute of Fashion Technology (NIFT), Sardar Vallabhai Patel International Institute of Textile Management, various textile industry associations, Export Promotion Councils etc. provide a robust institutional framework for the development of the textile sector. The Strategic Plan (2012-13 – 2016-17) of the Ministry of Textiles has been prepared with a view to achieving a number of strategic development goals and objectives for the textile sector set by the Ministry of Textiles in consultation with the stakeholders.

(Source: [http://texmin.nic.in/sites/default/files/strategic\\_plan\\_2012\\_2017.pdf](http://texmin.nic.in/sites/default/files/strategic_plan_2012_2017.pdf))

**Textiles Industry- A Global Industry**

**Introduction**

The technical textile industry is broad and diverse with new and innovative applications developed regularly. The technical textile industry is also increasing proportionally relative to the whole textile industry; therefore, the U.S. Department of Commerce's International Trade Administration (ITA) has committed to developing a tool for prioritizing U.S. government export promotion efforts to help target resources toward technical textile markets and sectors most likely to result in U.S. exports. This study examines the U.S. technical textile industry and highlights key markets that will see increased exports by U.S. technical textile producers. The goal of this report is to assist U.S. producers of technical

textiles identify markets where demand is growing for their products. This study examines both past performance of exports in this sector and projects estimates for growth through 2017.

### **Key Findings: Top Markets and Methodology**

In the 2015 Technical Textiles Top Markets Report, ITA forecasted world demand for U.S. technical textiles to grow 4.6 percent. According to recently released data for 2015, however, demand contracted slightly, and exports actually only grew 4 percent in 2015. Based on the latest data, ITA now projects these exports to grow from \$8.6 billion in 2015 to \$9.3 billion by 2017.

ITA identified eight countries from the top 30 for in- depth case studies: Brazil, Canada, China, India, Korea, Mexico, Taiwan and Vietnam. These markets represent a range of countries to illustrate a variety of points rather than the top markets overall. Each case study contains a brief overview of the country's textile sector before going a step further, examining the current state of its technical textiles sector, i.e. current situation and needs; challenges to exports; and opportunities for U.S. exports of technical textiles in each sub-sector.

For the eight markets ITA highlighted as growth opportunities for technical textiles, the most recent data for 2015 found minor shifts in the rankings of countries' technical textiles markets. The new data largely confirms ITA expectations that the development of new markets will drive demand for US technical textiles exports.

Due to its continued focus on high value products like technical textiles, especially for use in auto manufacturing, Mexico maintains its position as the top destination for U.S. technical textiles. Its share of U.S. exports of technical textiles increased 3 percent from 36 percent in 2014 to 39 percent in 2015, and ITA expects its share to increase an additional 5 percent to 44 percent in 2017.

In comparing 2014 to 2015, Canada is still the second largest market for U.S. technical textiles. It is also the largest market for U.S. protective apparel. This is due to end user industries for oil and gas, construction and manufacturing, healthcare and mining, which all require the use of protective apparel. Additionally, Canada's demand for U.S. medical textiles was forecast by ITA to grow a mere 1 percent but actually grew 4 percent in 2015.

Along with Mexico and Canada, China is a major player in the technical textiles market. China's overall demand for U.S. produced technical textiles, however, has remained relatively flat. This can be explained through a possible slow shift of exported products from China to more duty friendly countries part of the recently completed Trans-Pacific Partnership Agreement, such as Vietnam.<sup>1</sup> Certain sectors of medical textiles and protective apparel of the Chinese technical textile market are experiencing high demand and accelerating at a fast pace. These two sectors exceeded last year's projections. In medical textiles and protective apparel, ITA forecasted 2015 exports to China to increase by 11 percent to \$30 million and 8 percent to \$21 million, respectively. Yet, according to the most recently published data, the U.S. actually exported \$38 million in medical textiles and \$34 million in protective apparel to China last year. China has climbed three spots from the eighth largest market for U.S. medical textiles and seven spots from the 12th largest market for U.S. protective apparel to the fifth largest markets for both sectors. China will continue to be a market destination for U.S. inputs and still maintains a large percentage of the market.

(Source: [http://trade.gov/topmarkets/pdf/Textiles\\_Executive\\_Summary.pdf](http://trade.gov/topmarkets/pdf/Textiles_Executive_Summary.pdf))

### **Impact of new technology in clothing Industry**

The fiber and textile production and the manufacture of clothing lead to the industrialization in the developing world. The technology made the machines to be ease and speed and process technology to new modes of clothing production based on the systems cost and productivity. The application of these new technologies made a profound social impact not only on the employees but also the location of those employees in clothing production. The skills, management and training need of the organizations are also affected. The technology such as CAD, CAM, manufacturing management and information technology systems facilitate many changes in the womens fashion and textile industry. By improving the labor productivity and reducing overall manufacturing costs, the clothing industry perceived the need of industrialized countries.

The technological changes promote the automation of clothing production. In sewing machine industry, technology provides a flexible method of adapting to changing styles, fabrics and sizes. Some important results are emerged as the development in fabric evaluation. But still there are major obstacles present in the automation of the stitching fabrics. The search for improved competitiveness increases the raise of new methods in designing, quick response, quality and service and provide greater flexibility by motivation the employees.

Apart from the cost and greater accessibility, there is an overall impact on the clothing technology strengthens the competitiveness of larger companies at the expense of small and medium scale firms. New technologies brought the significant change and enhanced economies of sales in clothing manufacture and organization. Design, cutting and marker making can be handled with the use of the most modern equipment. In case of woolen goods, cutting can be integrated directly into the fabric quality control process. Sewing and related operations are framed into small units known as satellite units wherever the availability and cost of labor are more favorable.

Market drivers of clothing industry technology include the greater importance on the design, innovative fabrics, quick response, quality and flexibility. Retailing is more concentrated in the global fashion market. Mass merchandisers extend their involvement and relationships with supplier's right back to fabric, fibers and yarns. The trading house system binds the number of stages of textile and clothing manufacturing together with retailing. Such companies use electronic data interchange as a core technology for building and managing their supply chains. The requirement for qualities such as sizing and fit, coloration, patterning establishes the interest in new fabric and garment styles.

(Source <http://www.worldmarch.org/clothing-industry.html>)

## **SUMMARY OF OUR BUSINESS**

The following information should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information of the Company*” on page 14, 177 & 142 respectively

### **OVERVIEW**

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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central Registration Center on July 3, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad. The firm was established with the main aim of setting up of a manufacturing plant of ginning and spinning yarn from cotton fibres.

We are engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The products manufactured at our Company include Cotton bales, Cotton yarn and Black Cotton seeds (Delineate Seeds). By setting up of the Ginning and Spinning unit our Company has entered into a forward integration of the Textile industry by manufacturing of cotton yarn to cope up with the changes in the fashion consciousness, development in the cotton textile sector and synchronizing with the initiatives provided by the Central and the state Government.

The manufacturing facility of our Company is situated at 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 spindleage of total 25536 spindle, and 56 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. Our Company is also using the storage space available with us for the purpose of letting it out to customers and thereby earning lease rentals as consideration.

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than two decades 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 March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 the total revenue of our Company stood at Rs. 27920.25 Lakhs, Rs. 26235.76 Lakhs, Rs. 26580.62 Lakhs & Rs. 7528.79 Lakhs respectively. Further, our PAT for the fiscal year ended on March 31, 2017 and March 31, 2016 were Rs. 1348.20 Lakhs and Rs. 843.01 Lakhs respectively. We have been able to increase our total revenue at compounded annual growth rate of 38.77% from fiscal 2014 until fiscal 2017.

### **OUR BUSINESS STRENGTHS**

#### **1. Experienced Promoters**

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than 20 years experience in the cotton textile industry. They have proven background and rich experience in the Cotton industry. They have sound knowledge of manufacturing process, marketing, finance and all kind of other

commercial activities related to the cotton textile industry. For further details of our Promoter's experience and background, please refer the chapter titled "**Our Management**" on page 114 of this Prospectus.

## **2. Location advantage of our manufacturing unit**

The manufacturing facility of our Company is situated at Kadi, District Mehsana of Gujarat. The unit is at a distance of 2 km. from Kadi and 18 km. from Detroj. Kadi is connected to SH connecting Ahmedabad-Mehsana-Palanpur. There are many Ginning units at Kadi. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the close vicinity of the cotton rich belt of Gujarat and Maharashtra. The small staple cotton is also available in the month of February to April.

## **3. Forward Integration**

Our company is engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The raw material for the ginning unit is Kapas (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.

## **4. 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 greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw material, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

## **5. Scalable Business Model**

We focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the increasing demand of the products, development of new markets and by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

## **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. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

### **2. Improving operational efficiencies**

We continue to invest in operational excellence throughout the organization. We are addressing operational efficiency through continuous process improvement, customer service and technology development. Alignment of our people to "process improvement" through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.



### 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. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. Establishing strong, mutually beneficial long-term relationships with strategic supplier is also critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

### 5. Optimal Utilization of Resources:

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

### OUR LOCATION

<b>Registered Office &amp; Factory Unit</b>	Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India
<b>Corporate Office</b>	D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.

### SWOT ANALYSIS

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Well Established manufacturing facility</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Strategic location of the manufacturing facility</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>Seasonal availability of raw Cotton.</li> <li>Dependence on suppliers for products availability</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Large growth potential.</li> <li>Increasing demand of the product in international market and domestic market</li> <li>Government incentive for the growth of the Textile sector</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Market Competition</li> <li>Frequent changes in market trends</li> </ul>

**SUMMARY OF OUR FINANCIALS****ANNEXURE – I  
STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>I.EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholder's Fund</b>					
(a) Partner's Capital (fixed Capital)	750.00	2,300.00	2,300.00	2,300.00	50.00
(b) Reserves and Surplus	3020.00	1671.80	828.78	20.51	(11.28)
<b>(2) Non-current Liabilities</b>					
(a) Long term borrowings	8,490.08	5,923.09	7,914.86	7,162.49	758.24
(b) Deferred tax liabilities (Net)	432.20			-	
(c) Long term provisions	47.10	26.28	10.00	3.01	-
<b>(3) Current Liabilities</b>					
(a) Short term borrowings	3,061.21	3,116.78	2,213.66	2,079.61	-
(b) Trade Payable	904.01	92.07	363.27	373.68	27.43
(c) Other current liabilities	1,771.85	1,712.59	1,470.63	453.48	2.17
(d) Short-term provisions	85.20	50.76	69.81	20.13	0.03
<b>TOTAL</b>	<b>18,561.66</b>	<b>14,893.36</b>	<b>15,171.02</b>	<b>12,412.91</b>	<b>826.59</b>
<b>II.ASSETS</b>					
<b>(1) Non current assets</b>					
(a) Fixed assets					
(i) Property, Plant & Equipment	7285.04	7511.97	7344.89	7389.23	198.27
(ii) Intangible assets	1.88	2.35	2.83	-	-
(iii) Capital work in progress	256.34	-	-	-	172.77
(iv) Intangible assets under development					
(b) Non current investments					
(c) Deferred tax assets	-	172.75	265.02	151.16	5.03
(d) Long term loans & advances	420.68	40.87	19.88	35.33	442.76
(e) Other non current assets					
<b>(2) Current assets</b>					
(a) Current investments		0.26			
(b) Inventories	2,057.83	1,675.68	2,129.42	2,118.16	-
(c) Trade receivable	4,123.63	2,217.65	1,580.80	1,307.93	-
(d) Cash and cash equivalents	121.04	172.77	175.07	141.21	4.18
(e) Short-term loans and advances	4,228.08	2,769.99	3,614.79	1,254.06	0.25
(f) Other current assets	67.14	329.08	38.31	15.84	3.34
<b>TOTAL</b>	<b>18,561.66</b>	<b>14,893.36</b>	<b>15,171.02</b>	<b>12,412.91</b>	<b>826.59</b>

**ANNEXURE II  
STATEMENT OF PROFIT & LOSSES AS RESTATED**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Revenue from operation	26,490.92	24,757.89	25,223.12	7,201.30	-
Other Income	1,429.33	1,477.87	1,357.49	327.49	-
<b>Total Revenue</b>	<b>27,920.25</b>	<b>26,235.76</b>	<b>26,580.62</b>	<b>7,528.79</b>	<b>-</b>
Expenses					
Cost of material consumed	22,775.14	20,982.83	22,059.43	8,557.55	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(318.03)	373.79	121.74	(2,073.92)	-
Employee benefits expense	533.91	354.45	341.89	104.88	1.64
Finance costs	1,296.92	1,341.47	1,530.57	646.31	12.23
Depreciation and amortization expenses	493.08	475.84	459.70	128.06	-
Other expenses	1,898.26	1,772.10	1,372.86	280.25	2.45
<b>Total Expenses</b>	<b>26,679.27</b>	<b>25,300.48</b>	<b>25,886.20</b>	<b>7,643.12</b>	<b>16.32</b>
Profit before exceptional and extraordinary items and tax(III-IV)	1,240.97	935.28	694.42	(114.33)	(16.32)
Exceptional items	-	-	-	-	-
Profit before extraordinary items and tax(V-VI)	<b>1,240.97</b>	<b>935.28</b>	<b>694.42</b>	<b>(114.33)</b>	<b>(16.32)</b>
Extraordinary items	712.19	-	-	-	-
<b>Profit before tax (VII-VIII)</b>	<b>1953.16</b>	<b>935.28</b>	<b>694.42</b>	<b>(114.33)</b>	<b>(16.32)</b>
Tax expense:					
(1) Current Tax	-	-	-	-	-
(2) Deferred Tax	(604.96)	(92.26)	113.86	146.12	5.03
Profit (Loss) for the period from continuing operations (VII-VIII)	1348.20	843.01	808.28	31.79	(11.28)
Profit/(loss) from discontinuing operations	-				
Tax expense of discontinuing operations	-				
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-				
Profit (Loss) for the period (XI + XIV)	1348.20	843.01	808.28	31.79	(11.28)

**ANNEXURE III**  
**STATEMENT OF CASH FLOWS FROM RESTATED FINANCIAL STATEMENTS**  
(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit before taxation and extraordinary items	1,240.97	935.28	694.42	(114.33)	(16.32)
Adjustment for :					
Incorporation Cost (which is amortized)					
Depreciation	493.08	475.84	459.70	128.06	-
Finance Costs	1,296.92	1,341.47	1,530.57	646.31	12.23
Interest Income	(294.56)	(238.41)	(274.04)	(12.15)	-
Misc. Expenses Amortization	-				
Operating profit / (loss) before working capital changes	2,736.41	2,514.18	2,410.65	647.89	(4.09)
<b>Changes in working capital:</b>					
Adjustments for (increase) / decrease in operating assets:					
<b>Current assets</b>					
Inventories	(382.15)	453.74	(11.26)	(2,118.16)	-
Trade receivables	(1,905.98)	(636.84)	(272.87)	(1,307.93)	-
Short-term loans and advances	(1,458.10)	844.81	(2,360.73)	(1,253.81)	(0.25)
Other current assets	261.94	(290.76)	(22.47)	(12.50)	(3.34)
<b>Current liabilities</b>					
Trade payables	811.94	(271.20)	(10.41)	346.25	27.43
Other current liabilities	59.27	241.96	1,017.14	451.31	2.17
Short term borrowings	(55.57)	903.12	134.05	2,079.61	-
Long term provisions	20.82	16.28	6.99	3.01	
Short-term provisions	268.36	(19.05)	49.68	20.10	0.03
<b>Cash generated from operations before extraordinary items</b>					
Extra ordinary items	712.19				
Net Tax Provisions	(233.92)	-	-	-	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>835.20</b>	<b>3,756.22</b>	<b>940.76</b>	<b>(1,144.22)</b>	<b>21.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Capital expenditure on fixed assets, including capital advances	(522.01)	(642.44)	(418.19)	(7,147.71)	(371.04)
Investment in shares	-	(0.26)	-	-	-
Sale of Asset	0.26	-	-	1.47	-
Interest received	294.56	238.41	274.04	12.15	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(227.19)</b>	<b>(404.29)</b>	<b>(144.15)</b>	<b>(7,134.10)</b>	<b>(371.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Capital Introduced	-	-	-	2,250.00	50.00
Withdrawal of the Partners Capital	-	-	-	-	-
Proceeds from Security Premium	-	-	-	-	-
Proceeds from other long-term borrowings	1017.00	(1,991.78)	752.38	6,404.24	758.24
Interest paid to partners	-	-	-	-	-
Loan Repaid	(379.81)	(20.99)	15.45	407.42	(442.76)
Finance Charges paid	(1,296.92)	(1,341.47)	(1,530.57)	(646.31)	(12.23)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(659.73)</b>	<b>(3354.23)</b>	<b>(762.74)</b>	<b>8,415.36</b>	<b>353.26</b>

<b>NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(51.72)	(2.30)	33.86	137.03	4.18
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	172.77	175.07	141.21	4.18	-
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	121.04	172.77	175.07	141.21	4.18

**THE ISSUE**

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company <sup>(1)</sup>	27,84,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 75.00 per share aggregating to 2088.00 Lakhs <sup>(2)</sup>
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	2,04,800 Equity Shares of ₹ 10/- each for cash at a price of ₹ 75.00 per share aggregating to ₹ 153.60 Lakhs.
<b>Net Issue to the Public<sup>(3)</sup></b>	25,79,200 Equity Shares of ₹ 10/- each for cash at a price of ₹ 75.00 per share aggregating to ₹ 1934.40 Lakhs.
	12,89,600 Equity Shares of ₹ 10/- each for cash at a price of ₹ 75.00 per share (including a premium of ₹ 65.00 Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	12,89,600 Equity Shares of ₹ 10/- each for cash at a price of ₹ 75.00 per share (including a premium of ₹ 65.00 Equity Share) will be available for allocation for allotment to other Investors of above ₹ 2.00 Lacs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	75,00,000 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	1,02,84,000 Equity Shares of face value of ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 68 of this Prospectus

<sup>(1)</sup>This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 221 of this Prospectus.

<sup>(2)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated July 18, 2017 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Annual General Meeting of our shareholders held on July 22, 2017.

<sup>(3)</sup>As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

### GENERAL INFORMATION

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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central Registration Center on July 3, 2017. The Corporate Identification Number of our Company was U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad having the Corporate Identification Number U17309GJ2017PLC098117

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 110 of this Prospectus.

Brief Company and Issue information:-

<b>Registered Office &amp; Factory of our Company</b>	<b>Pashupati Cotspin Limited</b> Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India Tel. No. +91-02764-262200 E-mail: <a href="mailto:cs@pashupaticotspin.com">cs@pashupaticotspin.com</a> Website: <a href="http://www.pashupaticotspin.com">www.pashupaticotspin.com</a>
<b>Corporate Registration no.</b>	098117
<b>Corporate Identification Number</b>	U17309GJ2017PLC098117
<b>Company category</b>	Company limited by shares
<b>Company Sub-category</b>	Indian Non Government Company
<b>Address of Registrar of Companies</b>	ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Phone: 079-27437597, Fax 079-27438371 Email Id : roc.ahmedabad@mca.gov.in Website : www.mca.gov.in
<b>Designated Stock exchange</b>	NSE EMERGE (SME PLATFORM of NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra
<b>Issue Programme</b>	Issue opens on : August 28, 2017 Issue Closes on : August 31, 2017
<b>Company Secretary and Compliance Officer</b>	<b>Mr. Pratik Ashokbhai Patel</b> <b>Pashupati Cotspin Limited</b> Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India Tel. No. +91-02764-262200 E-mail: <a href="mailto:cs@pashupaticotspin.com">cs@pashupaticotspin.com</a> Website: <a href="http://www.pashupaticotspin.com">www.pashupaticotspin.com</a>
<b>Chief Financial Officer</b>	<b>Hareshkumar Ramchandra Shah</b> <b>Pashupati Cotspin Limited</b> Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India Tel. No. +91-02764-262200

E-mail: [cfo@pashupaticotspin.com](mailto:cfo@pashupaticotspin.com)  
 Website: [www.pashupaticotspin.com](http://www.pashupaticotspin.com)

### Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Saurin Jagdish Bhai Parikh	Chairman & Managing Director	47, Rajeshwari Society, Thol Road, AT Post Kadi, TA Kadi, Dist Mehsana-382715	02136530
Mr. Trivedi Tushar R	Whole- Time Director	A-11, Someshvar Park Society, Karannagar Road, AT-TA Kadi, Mehsana – 382715	06438707
Mr. Daksesh Jayantilal Patel	Non Executive Director	03, Royalview Society, Kadi, Karannagar Road AT Kadi, Dist Mehsana, Gujarat – 382715	07859419
Mr. Sandip Aswinbhai Parikh	Independent Director	6/B, Valkeshwar Society, Ambawadi, Ahmadabad City, Ambawadi Vistar, Ahmadabad, Gujarat 380015	00030990
Mr. Mahendrabhai Gulabdas Patel	Independent Director	37, Sarathi-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad 380054 Gujarat, India.	00104706
Mrs. Sheela Kirtankumar Roy	Independent Director	B-19, Utsav Society, Behind Railway Station, Near S.v. campus, Sujaatpura Road, Kadi, Mehsana, Gujarat 382715	07891440

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 114 of this Prospectus.

*Note: Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account.*

All grievances may be addressed to the Registrar to the issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

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

**Details of Key Intermediaries pertaining to this Issue and our Company:**

### LEAD MANAGER OF THE ISSUE

#### HEM SECURITIES LIMITED

14/15 Khatau Building, 1st Floor, 40 Bank Street,  
 Fort, Mumbai – 400001, Maharashtra, India

Tel No.:+91-22-49060000

Fax No.:+91-22-22625991

Email: [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

Investor Grievance Email: [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

Website: [www.hemsecurities.com](http://www.hemsecurities.com)

Contact Person: Mr. Anil Bhargava

SEBI Regn. No.: INM000010981



**LEGAL ADVISOR TO THE OF ISSUE**

**M. V. KINI**

Kini House, 6/39,  
Jangpura-B,  
New Delhi-110014  
Tel No.:+91-11 2437 1038/39/40, +91-9899016169  
Fax No.:+91- 11 2437 9484  
Email: [raj@mvkini.com](mailto:raj@mvkini.com)  
Contact Person: Ms. Raj Rani Bhalla

**REGISTRAR TO THE ISSUE**

**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

Unit-1, Luthra Industrial Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East), Mumbai – 400 072  
Tel. No.: +91-22 – 2851 5606 / 44  
Fax No.: +91-22 – 2851 2885  
Website: [www.sharexindia.com](http://www.sharexindia.com)  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)  
Investor Grievance Email : [pcl.ipo@sharexindia.com](mailto:pcl.ipo@sharexindia.com)  
Contact Person: Mr. K. C. Ajitkumar  
SEBI Regn. No. INR000002102

**BANKERS TO THE COMPANY**

**ORIENTAL BANK OF COMMERCE**

Shop No. 16-19 A, Near Kadi,  
Distt Mehsana, Kadi Gujarat – 382715  
Tel No:- 02764-262470  
Fax No- 02764-263070  
Email Id- bm0157@obc.co.in

**STATUTORY AUDITORS OF THE COMPANY**

**Mahendra N. Shah & Co.**

201, Pinnacle Business Park, Corporate Road,  
Prahaldnagar, Ahmedabad-380015, Gujarat  
Tel No: 079-29705151-52  
Email: [mnshahco@gmail.com](mailto:mnshahco@gmail.com)  
Contact Person: CA Chirag M. Shah

**PEER REVIEW AUDITORS**

**M/s A BAFNA & CO.**

A-603, 6th Floor, A Wing, Dynasty Business Park,  
Near J.B. Nagar Chakala Metro Station,  
Andheri(E), Mumbai – 400 059.  
Tel No.: +91 -22 -4970 8949  
Email: [abafna.mumbai@gmail.com](mailto:abafna.mumbai@gmail.com)  
Contact Person: CA Ashish Trivedi

**BANKERS TO THE ISSUE**

**IndusInd Bank Ltd**

Address: Indusind Bank, PNA House, 4th Floor, Plot  
No 57 & 57/1, Street No 17, Near SRL, MIDC, Andheri  
East, Mumbai – 400093  
Tel No: 022-6106 9234/44/45; Fax No.: 022-6106 9315  
Email: [suresh.easaki@indusind.com](mailto:suresh.easaki@indusind.com)  
Website: [www.indusind.com](http://www.indusind.com)  
Contact Person :Mr. Suresh Esaki  
SEBI Registration No: INBI00000002

**STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Hem Securities Limited is the sole Lead Manager to this issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

#### **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)**

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](http://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](http://www.sebi.gov.in)) and updated from time to time

#### **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

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

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### **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 XB 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 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs and hence our Company has not appointed a monitoring agency for this issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

#### **APPRAISING ENTITY**

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

## EXPERTS OPINION

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 142 and page 77 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and 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.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, 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 anytime 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 LM, 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 offered 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 Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by Hem Securities Limited and Monarch Networth Capital Limited in the capacity of Underwriters to the Issue.

Pursuant to the terms of the Underwriting Agreement dated July 28, 2017, entered into by Company and Underwriters Hem Securities Limited and Monarch Networth Capital Limited, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Sr. No.	Details of the Underwriters	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
1.	<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan, India. Tel: 91-0141-4051000 Fax – 91-141-5101757 Web: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> Email: <a href="mailto:underwriter@hemsecurities.com">underwriter@hemsecurities.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	13,92,000* Equity Shares of ₹ 10/- being issued at ₹ 75.00 each	₹ 1044.00 Lacs	50.00%
2.	<b>Monarch Networth Capital Limited</b> Office No. 901/902, Atlanta Centre, Sonawala Lane, Goregaon (E), Mumbai-400063 Tel: 079 – 6600 0500 / 700 Web: <a href="http://www.mnclgroup.com">www.mnclgroup.com</a> Email: <a href="mailto:shivam.patel@mnclgroup.com">shivam.patel@mnclgroup.com</a> Contact Person: Mr. Shivam Patel SEBI Regn. No.: INZ000008037	13,92,000* Equity Shares of ₹ 10/- being issued at ₹ 75.00 each	₹ 1044.00 Lacs	50.00%

*\*Includes 2,04,800 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker **Monarch Networth Capital Limited** in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the 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.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

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

Our Company and the Lead Manager has entered into Market Making Agreement dated August 19, 2017 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	Monarch Networth Capital Limited
<b>Correspondence Address:</b>	Office No. 901/902, Atlanta Centre, Sonawala Lane, Goregaon (E), Mumbai-400063
<b>Tel No.:</b>	079 – 6600 0500 / 700
<b>E-mail:</b>	<a href="mailto:shivam.patel@mncigroup.com">shivam.patel@mncigroup.com</a>
<b>Website:</b>	<a href="http://www.mncigroup.com">www.mncigroup.com</a>
<b>Contact Person:</b>	Mr. Shivam Patel
<b>SEBI Registration No.:</b>	INZ000008037
<b>Market Maker Registration No.</b>	NSE/MEM/187/06386

The Market Maker shall fulfil 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 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 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 script provided that he sells his entire holding in that script 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 1600 Equity Shares; however the same may be changed by the SME Platform of NSE 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) 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.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 10) 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
- 11) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, 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 Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 12) **Risk containment measures and monitoring for Market Makers:** NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 13) **Punitive Action in case of default by Market Makers:** NSE SME Exchange 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.
- 14) **Price Band and Spreads:** 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
- 15) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

### CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Prospectus.

(In Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 1,10,00,000 Equity Shares having Face Value of ₹ 10/- each	1100.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 75,00,000 Equity Shares having Face Value of ₹10/- each	750.00	-
<b>C</b>	<b>Present Issue in terms of this Prospectus*</b> 27,84,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹ 65.00 per share	278.40	2088.00
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> 2,04,800 Equity Shares of ₹10/- each at a premium of ₹ 65.00 per Equity Share	20.48	153.60
<b>II.</b>	<b>Net Issue to the Public</b> 25,79,200 Equity Shares of ₹ 10/- each at a premium of ₹ 65.00 per Equity Share	257.92	1934.40
	<b>of which</b>		
	12,89,600 Equity Shares of ₹ 10/- each at a premium of ₹ 65.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	128.96	967.20
	12,89,600 Equity Shares of ₹ 10/- each at a premium of ₹ 65.00 per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs	128.96	967.20
<b>D</b>	<b>Paid up Equity capital after the Issue</b> 1,02,84,000 Equity Shares having Face Value of ₹10/- each	1028.40	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue		NIL 1809.60

\*The present Issue of 27,84,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 18, 2017 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 July 22, 2017.

#### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

#### Details of Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation	--	Authorized share capital of the Company was 750.00 Lakhs divided into 75,00,000 Equity Shares of ₹ 10/- each.
July 22, 2017	EGM	Increase in authorized share capital of the Company from Rs. 750.00 Lakhs divided into 75,00,000 Equity Shares of ₹ 10/- each to Rs. 1100.00 Lakhs divided into 1,10,00,000 Equity Shares of ₹ 10/- each.

#### Notes to Capital Structure

##### 1. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date	of	No.	of	Face	Issue	Nature	Nature	of	Cumulative	Cumulative	Cumulative
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Allotment of Equity Shares	Equity Shares allotted	Value (₹)	Price (₹)	of Consideration	Allotment	No. of Equity Shares	Securities Premium (₹)	Paid Up Capital (₹)
On Incorporation	75,00,000	10	10	Other than cash	Subscription to MOA <sup>(i)</sup>	75,00,000	-	7,50,00,000

<sup>(i)</sup> Equity Shares allotted pursuant to conversion of M/s Pashupati 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 Pashupati Cotspin Private Limited.

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

(i) Initial Subscribers to Memorandum of Association subscribed for 75,00,000 Equity Shares of face value of Rs. 10/-each fully paid at par pursuant to conversion of Limited Liability Partnership M/s Pashupati Cotspin LLP. into Company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013, details of which are given as below:

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000
2.	Mr. Trivedi Tushar R	2,25,000
3.	Mr. Bhaveshkumar Jayantilal Patel	5,25,000
4.	Mrs. Renukaben Jagdish Chandra Parikh	9,75,000
5.	Mrs. Hariprabha Arvindbhai Parikh	9,75,000
6.	Mrs. Falguni Mitesh Parikh	11,25,000
7.	Mr. Dakshesh Jayantilal Patel	5,25,000
8.	Mr. Ashish Rameshchandra Trivedi	6,00,000
9.	Mr. Mukeshkumar V Patel	6,00,000
10.	Mrs. Toralben U Brahmabhatt	2,25,000
	<b>Total</b>	<b>75,00,000</b>

b) As on the date of this Prospectus, our Company does not have any preference share capital.

## 2. Details of Allotment made in the last two years preceding the date of the Prospectus:

Except as mentioned in point 1 (a) above, we have not issued any Equity Share in the last two years preceding the date of the Prospectus

- Except for the allotment pursuant to conversion of Limited Liability Partnership M/s Pashupati Cotspin LLP. Into Company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013, no Equity Shares have been Issued Equity Shares for consideration other than cash since incorporation.
- No Equity Shares have been allotted pursuant to any scheme approved under section 230-233 of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except for the details mentioned below, our Company has not issued shares which may be at price below the Issue price within last one year from the date of the Prospectus.

S. No.	Name of Shareholders <sup>(i)</sup>	Number of Shares
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000
2.	Mr. Trivedi Tushar R	2,25,000
3.	Mr. Bhaveshkumar Jayantilal Patel	5,25,000
4.	Mrs. Renukaben Jagdish Chandra Parikh	9,75,000
5.	Mrs. Hariprabha Arvindbhai Parikh	9,75,000
6.	Mrs. Falguni Mitesh Parikh	11,25,000
7.	Mr. Dakshesh Jayantilal Patel	5,25,000

8.	Mr. Ashish Rameshchandra Trivedi	6,00,000
9.	Mr. Mukeshkumar V Patel	6,00,000
10.	Mrs. Toralben U Brahmhatt	2,25,000
	<b>Total</b>	<b>75,00,000</b>

<sup>(1)</sup> Equity Shares allotted pursuant to conversion of M/s Pashupati 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 Pashupati Cotspin Private Limited.

### 7. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Prospectus, our Promoters Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel holds 17,25,000, 2,25,000 and 5,25,000 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)*	Nature of Transactions	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock-in Period	Source of Funds
<b>(A) Mr. Saurin Jagdish Bhai Parikh</b>								
July 3, 2017	17,25,000	10	10	Subscriber to MOA	23.00	16.77	3 years	Transfer from Partner's Capital A/c
<b>Total (A)</b>	<b>17,25,000</b>				<b>23.00</b>	<b>16.77</b>		
<b>(B) Mr. Trivedi Tushar R</b>								
July 3, 2017	2,25,000	10	10	Subscriber to MOA	3.00	2.19	3 Years	Transfer from Partner's Capital A/c
<b>Total (B)</b>	<b>2,25,000</b>				<b>3.00</b>	<b>2.19</b>		
<b>(C) Mr. Dakshesh Jayantilal Patel</b>								
July 3, 2017	2,25,000	10	10	Subscriber to MOA	3.00	2.19	1 years	Transfer from Partner's Capital A/c
	3,00,000				4.00	2.92	3 years	
<b>Total (C)</b>	<b>5,25,000</b>				<b>7.00</b>	<b>5.11</b>		

\*None of the Shares has been pledged by our Promoter

### 8. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	10.00
2.	Mr. Trivedi Tushar R	2,25,000	10.00
3.	Mr. Dakshesh Jayantilal Patel	5,25,000	10.00

### 9. Shareholding of Promoters and Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				



1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	23.00	17,25,000	16.77
2.	Mr. Trivedi Tushar R	2,25,000	3.00	2,25,000	2.19
3.	Mr. Dakshesh Jayantilal Patel	5,25,000	7.00	5,25,000	5.11
<b>Sub Total (A)</b>		<b>24,75,000</b>	<b>33.00</b>	<b>24,75,000</b>	<b>24.06</b>
<b>Promoter Group</b>					
1.	Mr. Bhaveshkumar Jayantilal Patel	5,25,000	7.00	5,25,000	5.11
2.	Mrs. Renukaben Jagdish Chandra Parikh	9,75,000	13.00	9,75,000	9.48
3.	Mrs. Hariprabha Arvindbhai Parikh	9,75,000	13.00	9,75,000	9.48
4.	Mrs. Falguni Mitesh Parikh	11,25,000	15.00	11,25,000	10.94
5.	Mr. Ashish Rameshchandra Trivedi	6,00,000	8.00	6,00,000	5.83
<b>Sub Total (B)</b>		<b>42,00,000</b>	<b>56.00</b>	<b>42,00,000</b>	<b>40.84</b>
<b>GRAND TOTAL (A+B)</b>		<b>66,75,000</b>	<b>89.00</b>	<b>66,75,000</b>	<b>64.90</b>

10. Except for the allotment made pursuant to conversion of Limited Liability Partnership M/s Pashupati Cotspin LLP into Company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013 there are no Equity shares acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus.

The maximum and the minimum price at which the transaction were made was Rs. 10 per Equity Share.

#### 11. Details of Promoters' Contribution Locked-in for Three Years

Date of Allotment/Aquisition	Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/ Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital (in shares)	% Post issue paid up capital (in shares)	Lock-In Period
<b>Mr. Saurin Jagdish Bhai Parikh</b>								
July 3, 2017	July 3, 2017	17,25,000	10	10	Subscriber to MOA	23.00	16.77	3 Years
<b>Total</b>		<b>17,25,000</b>				<b>23.00</b>	<b>16.77</b>	
<b>Mr. Trivedi Tushar R</b>								
July 3, 2017	July 3, 2017	2,25,000	10	10	Subscriber to MOA	3.00	2.19	3 Years
<b>Total</b>		<b>2,25,000</b>				<b>3.00</b>	<b>2.19</b>	
<b>Mr. Dakshesh Jayantilal Patel</b>								
July 3, 2017	July 3, 2017	3,00,000	10	10	Subscriber to MOA	4.00	2.92	3 Years
<b>Total</b>		<b>3,00,000</b>				<b>4.00</b>	<b>2.92</b>	
<b>Grand Total</b>		<b>22,50,000</b>				<b>30.00</b>	<b>21.88</b>	

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 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) 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 Promoters 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 Promoters, other than the Minimum Promoters 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, Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have, by a written undertaking, consented to have 17,25,000, 2,25,000 and 3,00,000 equity shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Prospectus with

NSE EMERGE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoters contribution will constitute 21.88% of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 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 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
33(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. <b><u>Hence Eligible</u></b>
33 (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. <b><u>Hence Eligible</u></b>
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (c)	Specified securities allotted to promoters 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, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### Details of Promoters’ Contribution Locked-in for One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 52,50,000 Equity Shares shall be locked in for a period of 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:

- In terms of Regulation 39 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 40 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.
- c) Further in terms of Regulation 40 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 Issuer 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.



**Pashupati Cotspin Limited**

**12. Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total 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
								No of Voting 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 Equity Shares of Rs.10/- each^	Class seg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoter & Promoter Group	8	66,75,000	-	-	66,75,000	89.00	66,75,000	-	66,75,000	89.00	-	89.00	-	-	-	-	66,75,000
(B)	Public	2	8,25,000	-	-	8,25,000	11.00	8,25,000	-	8,25,000	11.00	-	11.00	-	-	-	-	8,25,000
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>75,00,000</b>	-	-	<b>75,00,000</b>	<b>100.00</b>	<b>75,00,000</b>	-	<b>75,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	-	-	<b>75,00,000</b>



**Pashupati Cotspin Limited**

\*As on date of this prospectus 1 Equity share holds 1 vote.

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

We have entered into tripartite agreement with CDSL & NSDL.

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.

**II - Shareholding pattern of the Promoter and Promoter Group**

S.No.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C 2)	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		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI = VII+X	XII	XIII	XIV			
(1)	Indian																		
(a)	Individuals/ Hindu undivided Family		8		-	-	66,75,000	89.00	66,75,000	-	66,75,000	89.00	-	89.00	-	-	66,75,000		
	Mr. Saurin Jagdish Bhai Parikh	ABRPP8740J	1	17,25,000	-	-	17,25,000	23.00	17,25,000	-	17,25,000	23.00	-	23.00	-	-	17,25,000		
	Mr. Trivedi Tushar R	AFCPT3835K	1	2,25,000	-	-	2,25,000	3.00	2,25,000	-	2,25,000	3.00	-	3.00	-	-	2,25,000		
	Mr. Bhaveshkumar Jayantilal Patel	ABRPP8727D	1	5,25,000	-	-	5,25,000	7.00	5,25,000	-	5,25,000	7.00	-	7.00	-	-	5,25,000		
	Mrs. Renukaben Jagdish Chandra Parikh	ABUPP1413H	1	9,75,000	-	-	9,75,000	13.00	9,75,000	-	9,75,000	13.00	-	13.00	-	-	9,75,000		



***Pashupati Cotspin Limited***

	Mrs. Hariprabha Arvindbhai Parikh	ABUPP1414A	1	9,75,000	-	-	9,75,000	13.00	9,75,000	-	9,75,000	13.00	-	13.00	-	-	9,75,000
	Mrs. Falguni Mitesh Parikh	ABUPP1415B	1	11,25,000	-	-	11,25,000	15.00	11,25,000	-	11,25,000	15.00	-	15.00	-	-	11,25,000
	Mr. Dakshesh Jayantilal Patel	ABRPP8726C	1	5,25,000	-	-	5,25,000	7.00	5,25,000	-	5,25,000	7.00	-	7.00	-	-	5,25,000
	Mr. Ashish Rameshchandra Trivedi	ACAPT2319R	1	6,00,000	-	-	6,00,000	8.00	6,00,000	-	6,00,000	8.00	-	8.00	-	-	6,00,000
(b)	Central Government/ State Government(s)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate																
	<b>Sub-Total (A)(1)</b>	-	<b>8</b>	<b>66,75,000</b>	-	-	<b>66,75,000</b>	<b>89.00</b>	<b>66,75,000</b>	-	<b>66,75,000</b>	<b>89.00</b>	-	<b>89.00</b>	-	-	<b>66,75,000</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	<b>8</b>	<b>66,75,000</b>	-	-	<b>66,75,000</b>	<b>89.00</b>	<b>66,75,000</b>	-	<b>66,75,000</b>	<b>89.00</b>	-	<b>89.00</b>	-	-	<b>66,75,000</b>

\*As on date of this prospectus 1 Equity share holds 1 vote.



**III - Shareholding pattern of the Public shareholder**

S.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957)  As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable) (b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+X	XII		XIII		XIV
(1)	<b>Institutions</b>																		
(a)	Mutual Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



***Pashupati Cotspin Limited***

	<b>Government/ State Government(s)/ President of India</b>																
	<b>Sub-Total (B)(2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(3)</b>	<b>Non-institutions</b>																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		2	8,25,000	-	-	8,25,000	11.00	8,25,000	-	8,25,000	11.00	-	11.00	-	-	8,25,000
	Mr. Mukeshkumar V Patel	AQWPP8083E	1	6,00,000	-	-	6,00,000	8.00	6,00,000	-	6,00,000	8.00	-	8.00	-	-	6,00,000
	Mrs. Toralben U Brahmhatt	AHWPB3572H	1	2,25,000	-	-	2,25,000	3.00	2,25,000	-	2,25,000	3.00	-	3.00	-	-	2,25,000
(b)	NBFCs registered with RBI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	<b>2</b>	<b>8,25,000</b>	-	-	<b>8,25,000</b>	<b>11.00</b>	<b>8,25,000</b>	-	<b>8,25,000</b>	<b>11.00</b>	-	<b>11.00</b>	-	-	<b>8,25,000</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	<b>2</b>	<b>8,25,000</b>	-	-	<b>8,25,000</b>	<b>11.00</b>	<b>8,25,000</b>	-	<b>8,25,000</b>	<b>11.00</b>	-	<b>11.00</b>	-	-	<b>8,25,000</b>





**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**

S.No.	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (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)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)	
									No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held	No. (not applicable)		As a % of total shares held (not applicable)
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI= VII+ X	XII	XIII		XIV		
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub Total (c) (1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub Total (C) (2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Non- Promoter Non-Public shareholding (C) = (C)(1)+ (C) (2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-**

As on date of this Prospectus, our Company has 10 (Ten) Shareholders.

a) Particulars of the top ten shareholders as on the date of filing of this Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	23.00
2.	Mrs. Falguni Mitesh Parikh	11,25,000	15.00
3.	Mrs. Renukaben Jagdish Chandra Parikh	9,75,000	13.00
4.	Mrs. Hariprabha Arvindbhai Parikh	9,75,000	13.00
5.	Mr. Ashish Rameshchandra Trivedi	6,00,000	8.00
6.	Mr. Mukeshkumar V Patel	6,00,000	8.00
7.	Mr. Bhaveshkumar Jayantilal Patel	5,25,000	7.00
8.	Mr. Dakshesh Jayantilal Patel	5,25,000	7.00
9.	Mr. Trivedi Tushar R	2,25,000	3.00
10.	Mrs. Toralben U Brahmhatt	2,25,000	3.00
	<b>Total</b>	<b>75,00,000</b>	<b>100.00</b>

*\*As on the date of this Prospectus, our Company has 10 (Ten) shareholders.*

b) Particulars of the top ten shareholders ten days prior to the date of filing of this Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	23.00
2.	Mrs. Falguni Mitesh Parikh	11,25,000	15.00
3.	Mrs. Renukaben Jagdish Chandra Parikh	9,75,000	13.00
4.	Mrs. Hariprabha Arvindbhai Parikh	9,75,000	13.00
5.	Mr. Ashish Rameshchandra Trivedi	6,00,000	8.00
6.	Mr. Mukeshkumar V Patel	6,00,000	8.00
7.	Mr. Bhaveshkumar Jayantilal Patel	5,25,000	7.00
8.	Mr. Dakshesh Jayantilal Patel	5,25,000	7.00
9.	Mr. Trivedi Tushar R	2,25,000	3.00
10.	Mrs. Toralben U Brahmhatt	2,25,000	3.00
	<b>Total</b>	<b>75,00,000</b>	<b>100.00</b>

*\*Our Company had 10 (Ten) shareholders as on ten days prior to the date of filing this Prospectus.*

c) Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus are as follows:

Our Company was converted from Limited Liability Partnership on July 03, 2017 hence top ten shareholders two years prior to the date of filing of this Prospectus is not applicable.

14. Below are the public shareholders are holding more than 1% of the pre-Issue share capital of our Company:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Mukeshkumar V Patel	6,00,000	8.00
2.	Mrs. Toralben U Brahmhatt	2,25,000	3.00
	<b>Total</b>	<b>8,25,000</b>	<b>11.00</b>

15. Our Company was converted from Limited Liability Partnership on July 03, 2017 hence there is no subscription to or sale or purchase of the securities of our Company was made within three years preceding the date of filing of this 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. The maximum and the Minimum price at which the transaction took place was Rs 10 respectively.

None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of Prospectus:

S. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Saurin Jagdish Bhai Parikh	Chairman & Managing Director	17,25,000
2.	Mr. Trivedi Tushar R	Whole Time Director	2,25,000
3.	Mr. Dakshesh Jayantilal Patel	Non Executive Director	5,25,000

16. None of our Promoters, Promoter Group, our 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 Prospectus.
17. Neither, we nor our Promoters, Directors and the LM 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.
18. As on the date of filing of this 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 Offer
19. As on the date of this Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
22. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The Lead Manager i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
24. 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 Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
25. 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.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. An over-subscription to the extent of 10% of the 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 Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

28. 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 LM 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.
29. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. 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.
34. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. We have 10 (Ten) shareholders as on the date of filing of the Prospectus.
38. There are no safety net arrangements for this public issue.
39. As per RBI regulations, OCBs are not allowed to participate in this issue.
40. Our Promoters and Promoter Group will not participate in this Issue.
41. This Issue is being made through Fixed Price method.
42. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
43. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
44. No person connected with the Issue shall offer 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.



***Pashupati Cotspin Limited***

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45. 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.
  
46. For the details of transactions by our Company with our Promoter Group, Group Companies during for the financial years ended on 31st March, 2017, 2016, 2015, 2014 and 2013, please refer to paragraph titled “Related Parties Transactions as Restated” in the chapter titled **”Financial Information of the Company”** on page 142 of the Prospectus. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled **“Our Management”** beginning on page 114 of the Prospectus

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 27,84,000 Equity Shares of our Company at an Issue Price of ₹ 75.00 per Equity Share.

The Net Proceeds from the Fresh Issue will be utilised towards the following objects:

1. To Meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(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 NSE (“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.

Our Company is primarily engaged in the business of manufacturing of Cotton bales, cotton yarn and Cotton Seeds. The main objects clause of our Memorandum 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.

#### Requirement of Funds:-

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	1650.00
2.	Public Issue Expenses	25.50
3.	General Corporate Expenses	412.50
	<b>Gross Issue Proceeds</b>	2088.00
	<b>Less: Issue Expenses</b>	25.50
	<b>Net Issue Proceeds</b>	2062.50

**Utilisation of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	1650.00
2.	General Corporate Expenses	412.50
	<b>Total</b>	2062.50

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

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	2062.50
<b>Total</b>	2062.50

*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 4(2) (g) 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.*

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.

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.

Except as disclosed in this section, no part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group companies promoted by our promoters.

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 14 of the Prospectus.

#### **Details of Use of Issue Proceeds:**

##### **1. To Meet Working Capital Requirement**

Our business is working capital intensive and we require working capital for the increased operation. The Company will meet the requirement to the extent of ₹ 1650.00 Lacs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lacs)

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Estimated
		31-March-16	31-March-17	31- March-18
I	<b>Current Assets</b>			
	Inventories	1,675.68	2,057.83	3276.00
	Trade receivables	2,217.65	4,123.63	6160.00
	Cash and cash equivalents	172.77	121.04	230.00
	Short Term Loans and Advances	2,769.99	4,228.08	2596.00
	Other Current Assets	329.08	67.14	425.00
	<b>Total(A)</b>	<b>7165.16</b>	<b>10597.73</b>	<b>12687.00</b>
II	<b>Current Liabilities</b>			
	Trade payables	92.07	904.01	850.00
	Other Current Liabilities	1,712.59	1,771.85	1144.40
	Short Term Provisions	50.76	85.20	350.74
	<b>Total (B)</b>	<b>1855.42</b>	<b>2761.06</b>	<b>2345.14</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>5309.74</b>	<b>7836.67</b>	<b>10341.86</b>
IV	Funding Pattern			

Short term borrowing & Internal Accruals	<b>5309.74</b>	<b>7836.67</b>	<b>8691.86</b>
<b>IPO Proceeds</b>			<b>1650.00</b>

**Justification:**

S. No.	Particulars
<b>Debtors</b>	We expect Debtors Holding days to be at 55.80 Days for FY 2017-18 based on increased sales of services and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	We expect Creditors payments days to be 9.20 days due to reduction in credit period.
<b>Stock Ratio</b>	We expect a stock turnover ratio to be 35.43 days.

**2. 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 ₹ 412.50 Lacs 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 the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**3. Public Issue Expenses:-**

The estimated Issue related expenses includes 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 ₹ 25.50 which is 1.22 % of the Issue Size. All the Issue related expenses shall be met out by the company and the same will be distributed among the company and the selling shareholders as per the applicable laws.

All the Issue related expenses and the break-up of the same is as follows:

Activity	(Rs .in Lacs)*
Payment to Merchant Banker including underwriting, payment to other intermediaries such as Legal Advisors, Registrars, etc, Printing and Stationery and postage expenses, Advertising and Marketing expenses & Statutory expenses	25.50
<b>Total Estimated Issue Expenses</b>	<b>25.50</b>

**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. 17-18
1.	To Meet Working Capital Requirement	1650.00
2.	General Corporate Purpose	412.50
	<b>Total</b>	<b>2062.50</b>



**Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s. Mahendra N. Shah & Co, Chartered Accountants vide their certificate dated July 20, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt (₹ in Lakh)</b>
Issue Expenses	5.00
<b>Total</b>	<b>5.00</b>

**Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s. Mahendra N. Shah & Co, Chartered Accountants vide their certificate dated July 20, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt (₹ in Lakh)</b>
Internal Accruals	5.00
<b>Total</b>	<b>5.00</b>

**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 on available quotations and 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.

**Bridge Financing Facilities**

As on the date of the 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 the 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 authorised 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 Promoters 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 is 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. Except for the repayment of unsecured loans to the Promoters as mentioned in this Prospectus no part of the proceeds of the Issue will be paid by us to the Promoters 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.

## BASIC TERMS OF ISSUE

### Authority for the Present Issue

#### Fresh Issue

This Issue in terms of this Prospectus has been authorized by the Board of Directors pursuant to a resolution dated July 18, 2017 and by the shareholders pursuant to a special resolution passed in an Extra Ordinary General Meeting held on July 22, 2017 under section 62 (1) (c) of the Companies Act, 2013.

#### Terms of the Issue

The Equity Shares, being issued, shall be subject to the provisions of the Companies Act, ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms and conditions of the Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the guidelines for listing of securities issued by the Government of India and the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being issued at a price of ₹ 75.00 each and is 7.50 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 1600 and the multiple of 1600; subject to a minimum allotment of 1600 Equity Shares to the successful Applicant.
<b>Terms of Payment</b>	100% of the issue price of ₹ 75.00 per share shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning to page 215 of the Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares being issued pursuant to this issued shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of the Articles of Association</i> ” on page 265 of the Prospectus.

#### Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled “*Terms of the Issue*” beginning on page 215 of the Prospectus

### BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 14, 88 and 142 respectively of the 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 LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 75.00 which is 7.50 times of the face value.

#### QUALITATIVE FACTORS

1. Experienced Promoters
2. Location advantage of our manufacturing unit
3. Forward Integration
4. Cost effective production and timely fulfillment of orders
5. Scalable Business Model

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 88 of the Prospectus.

#### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 142 of this Prospectus.

##### 1. Basic & Diluted Earnings per share (EPS):

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2014-15	10.78	1
2.	FY 2015-16	11.24	2
3.	FY 2016-17	11.41	3
	<b>Weighted Average</b>	<b>11.25</b>	<b>6</b>

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Our company has been formed from conversion of the Limited Liability Partnership in to company vide a certificate of incorporation dated July 03, 2017. The status of the Company prior to July 03, 2017 was that of a Limited Liability partnership. Hence, EPS for all the periods/ years have been calculated by considering the number of shares outstanding post conversion of the LLP into Company (i.e. 7500000 Equity Shares)

##### 2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 75.00 per share:

Sr. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	6.57
2	P/E ratio based on the Weighted Average EPS.	6.67

Peer Group P/ E\*

Sr. No	Particulars	P/E
1	Highest (Everlon Synthetics Ltd.)	88.99
2	Lowest (Reliance Chemotex Industries Ltd)	5.30
	<b>Industry Composite</b>	12.87

\*Source: ACE Equity data dated July 20, 2017

### 3. Return on Net worth (RoNW)\*

Sr. No	Period	RONW (%)	Weights
1	FY 2014-15	25.83%	1
2	FY 2015-16	21.23%	2
3	FY 2016-17	22.71%	3
	<b>Weighted Average</b>	<b>22.74%</b>	

\*Restated Profit after tax/Net Worth

### 4. Minimum Return on Net Worth after Issue to maintain Pre- Issue EPS

(a) Based on Basic and Diluted EPS, as restated of FY 2016-17 of ₹ 11.41 at the Issue Price of ₹ 75.00 per share:

- 20.03% on the restated financial statements.

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 11.25 at the Issue Price of ₹ 75.00 per share:

- 19.75% on the restated financial statements.

### 5. Net Asset Value (NAV) per Equity Share :

Sr. No.	As at	NAV (₹)
1.	March 31, 2015	41.72
2.	March 31, 2016	52.96
3.	March 31, 2017	50.27
4.	NAV after Issue	56.96
	<b>Issue Price</b>	75.00

Our Company has been formed from conversion of the Limited Liability Partnership in to company vide a certificate of incorporation dated July 03, 2017. The status of the Company prior to July 03, 2017 was that of a Limited Liability partnership. Hence, EPS for all the periods/ years have been calculated by considering the number of shares outstanding post conversion of the LLP into Company (i.e. 75,00,000 Equity Shares)

### 6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>

Sr. No.	Name of Company	Face Value (₹)	EPS (₹) <sup>3</sup>	PE <sup>4</sup>	RoNW (%)	NAV per Share (₹)
1.	Bannari Amman Spinning Mills Ltd.	10.00	12.58	27.02	6.87	183.28
2.	Ginni Filaments Ltd.	10.00	2.54	22.62	11.26	22.55
3.	Nagreeka Exports Ltd.	5.00	0.83	37.80	1.01	81.90
4.	PBM Polytex Ltd.	10.00	8.09	12.63	6.19	130.69
5.	Pioneer Embroideries Ltd.	10.00	0.93	46.09	3.08	30.14
6.	Suryalata Spinning Mills Ltd.	10.00	22.12	6.24	10.01	220.94
7.	Pashupati Cotspin Limited	10.00	11.41	6.57	22.71	50.27

<sup>1</sup>\*Source: ACE Equity data dated July 20, 2017

<sup>2</sup>Based on March 31, 2017 restated Financial Statements

<sup>3</sup>Basic & Diluted Earnings per share (EPS), as adjusted



**Pashupati Cotspin Limited**

<sup>4</sup> Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 75.00 per share.

Considering the nature of business of the company the peers are not strictly comparable, however same have been included for broad comparison.

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 75.00 per share which is 7.50 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 75.00 per share for the Public Issue is justified in view of the 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.

Investors should read the above mentioned information along with section titled "**Our Business**", "**Risk Factors**" and "**Financial Information of the Company**" beginning on page 88, 14 & 142 respectively including important profitability and return ratios, as set out in "**Annexure Q**" to the Financial Information of the Company on page 168 of the Prospectus to have a more informed view.

**STATEMENT OF TAX BENEFITS**

To,  
The Board of Directors,  
Pashupati Cotspin Limited  
Survey No. 404 AT & Post Balasar,  
Kadi-Detroj Road, Kadi Mahesana  
Gujarat – 382715, India

Dear Sir,

**Sub: Statement of Possible Tax Benefits (“The Statement”) available to Pashupati Cotspin Limited (“The Company”) and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“The Regulation”)**

We hereby report that the enclosed annexure prepared by Pashupati Cotspin Limited, states the possible special Tax benefits available to Pashupati Cotspin Limited (“the Company”) and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. 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 of equity shares (“the Issue”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Mahendra N. Shah & co.**  
**Chartered Accountants**  
**FRN 105775W**

Sd/-  
**Chirag M Shah**  
**Partner**  
**M. No. F 045706**  
**Place: Ahmedabad**  
**Date: 21/07/2017**

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

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

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

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

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## **SECTION IV – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### **GLOBAL ECONOMIC OUTLOOK**

Over the course of 2016, cotton futures experienced significant fluctuations. After reaching a seven-year low in March, cotton futures climbed to a two-year high in August before retreating back to 65 cents a few weeks later. For the remainder of the year, cotton futures traded in the \$0.66 to \$0.73 range. While cotton and soybean prices trended upward, grain prices declined in 2016. Oil prices steadily increased from the lows observed in 2015. World cotton production increased by 9.2% while consumption increased just 0.5% in 2016. However, ending stocks were reduced for the second year in a row due to increased Chinese reserve sales. The cotton market continues to be influenced by uncertainty in government policies, developments in other commodity markets, and a changing macroeconomic climate. Many of those influences will carry over into the outlook for 2017. Growth in world cotton demand remains a key concern as competition from lower priced man-made fibers weigh on the market. With this report, National Cotton Council (NCC) staff hopes to present a thorough review of the current economic landscape and the prospects for the coming year.

To recap the current marketing year, U.S. producers planted 10.1 million acres of cotton in 2016, an increase of 17.4% from the previous spring. The increased acres were primarily the result of higher cotton prices relative to grains and oilseeds. In Texas, some acres returned to production that was prevented from planting in 2015 due to excessive rainfall at planting time. According to USDA's January 2017 estimates, with only 5.5% of U.S. cotton acres un-harvested, the resulting 2016 crop of 17.0 million bales marked a 4.1 million bale increase from 2015. The current marketing year began with cotton stocks at 3.8 million bales. When added to the recent harvest, total supplies for the 2016 marketing year are estimated at 20.8 million bales. Total supplies will be more than sufficient to satisfy estimated use of 16.1 million bales. U.S. textile mills are expected to consume 3.3 million bales in the current marketing year, down 150 thousand bales from 2015. The Economic Adjustment Assistance Program (EAAP) continues to be an important source of stability allowing mills to invest in new facilities and equipment.

U.S. exports are estimated to be 39.3% higher in 2016 at 12.8 million bales, which is higher than the January USDA estimate of 12.5 million bales. If the current pace of sales and shipments is maintained, the strong demand for high quality cotton could push the U.S. export number even higher than 12.8 million bales. The current U.S. export estimate breaks down into 12.2 million bales of upland cotton and 600 thousand bales of ELS cotton. The U.S. will remain the largest exporter of cotton with a market share of 35.8% as compared to 26.0% in 2015. While world trade increased slightly in 2016; the gain in U.S. market share is largely attributed to supply issues in other major cotton exporting countries. Brazil had a 32.8% reduction in cotton exports in 2016, while India's exports were 23.7% lower. The current supply and demand estimates generate 4.8 million bales of ending stocks in the U.S. balance sheet, up 1.0 million bales from the previous year. With that review in mind, the projections for the 2017 marketing year will begin with the outlook for U.S. production. As in past years, the prospects for the U.S. crop are based on the results of the NCC planting intentions survey with assumptions made for abandonment and yields. Survey respondents are asked to give their plantings of cotton, corn, soybeans, wheat, and other crops for 2016 and intended acreage for 2017. As always, the survey results should be viewed as a measure of grower intentions prevailing at the time the survey was conducted. During the survey period, the cotton December futures contract averaged 70 cents per pound, which is higher than year-ago levels. Looking at competing crops, corn prices were lower than year-ago levels while soybean prices were about 12.0% higher. The price ratio of cotton to corn is more favorable than in 2016.

In the Southeast, survey results indicate a 0.1% increase in the region's upland area to 2.2 million acres. Across the six states, the results are mixed with increased acreage in Alabama and Florida and a decrease for the other four states. In Alabama, the survey responses indicate 14.2% more cotton acreage and less corn and wheat area. In Florida, respondents

indicated more cotton and less soybeans. In Georgia, cotton acreage is expected to decline by 3.1% with ‘Other Crops’, likely peanuts, pulling acres from cotton, corn and wheat. In South Carolina, acreage is expected to decline by 0.4% as cotton acres shift to soybeans and ‘Other Crops’. In North Carolina, a 4.8% decline is expected as cotton acreage shifts to soybeans and ‘Other Crops’. Cotton acreage is expected to decline by 1.0% in Virginia as acreage shifts to corn and ‘Other Crops’.

In the Mid-South, growers have demonstrated their ability to adjust acreage based on market signals, in particular, the relative prices of competing crops. This year’s survey results are no different with growers intending to plant 1.7 million acres, an increase of 12.8% from the previous year. Across the region, all states are expected to increase cotton acreage, while decreasing corn and ‘Other Crops’. The largest increase was reported in Mississippi with 26.8% more cotton acreage in 2017. Mississippi respondents expect to lower acreage of all other crops as more cotton acreage is planted. In Tennessee, cotton acreage is expected to increase by 16.6% as land shifts away from corn. In all states except Mississippi, soybean acreage is expected to increase. In Arkansas and Missouri, corn, wheat, and ‘Other Crops’ are expected to decline. In Louisiana, respondents indicated more cotton, soybeans, and wheat and less corn and ‘Other Crops’.

Growers in the Southwest intend to plant 6.6 million acres of cotton, an increase of 10.7%. Increases in cotton area are expected in each of the three states. In Kansas, land is shifting away from wheat, corn, and soybeans. In Oklahoma, a 30.1% increase is expected as wheat acreage declines. Overall, Texas acreage is expected to increase by 9.5%. In south Texas, respondents indicate an 11.4% increase in cotton acreage as land shifts away from corn and wheat. Respondents in South Texas also indicated an increase in ‘Other Crops’. Respondents from the Blacklands indicate a slight decrease in cotton and corn acreage and an increase in wheat and ‘Other Crops’. In west Texas, respondents indicated a 9.6% increase in cotton acreage and a decline in corn, wheat, and ‘Other Crops’. With intentions of 268 thousand acres, producers in the West are expecting to plant 15.1% more acres of upland cotton. Arizona is responsible for the large increase, with California acreage down slightly and New Mexico acreage up slightly. The survey results for Arizona suggest a shift from corn and ‘Other Crops’ to cotton.

Summing across the 4 regions gives intended 2017 upland cotton area of 10.8 million acres, 8.8% above 2016. The survey indicates that growers intend to plant more ELS cotton in 2017, in some cases due to expectations of increased water allocations. Arizona growers are expecting to plant 79.6% more ELS cotton while California growers expect a 31.4% increase in ELS acres. Overall, U.S. cotton growers intend to increase ELS plantings 36.9% to 266 thousand acres in 2017. Summing together the upland and ELS cotton intentions shows U.S. all-cotton plantings in 2017 of 11.0 million acres, 9.4% higher than 2016. For the past three years, U.S. cotton producers have struggled with low cotton prices, high production costs, and the resulting financial hardships. While current futures markets have increased since last year, many producers will continue to face difficult economic conditions in 2017. Production costs remain high and the slightly higher price is still not enough to cover all production expenses for many producers.

Given the economic climate, it is important to discuss the factors driving an increase in cotton acreage in 2017. In the Mid-South, producers are more responsive to changes in relative prices of competing crops due to the favorable growing conditions and high yield potential for a variety of crops. Lower corn prices and high cotton yields are influencing cotton acreage. The Mid-South has experienced exceptional cotton yields in the past few years which is contributing to more cotton acres. Although acreage is expected to increase for the second year in a row, 2017 projected acreage is still below the 10- year average for the region. In the West, low corn prices and expectations for increased water availability are influencing cotton acreage. In the Southwest, low wheat and corn prices are the main factors influencing cotton acreage. In addition, much of the Southwest region had above-average yields in 2016 which could encourage more cotton acreage in 2017. Planted acreage is just one of the factors that will determine supplies of cotton and cottonseed. Ultimately, weather, insect pressures, and agronomic conditions play a significant role in determining crop size. However, since the NCC economic outlook does not attempt to forecast weather patterns, the standard convention is to assume yields in line with recent trends and abandonment consistent with historical averages. However, it is important to remember the volatility around projected production given the uncertainty of weather patterns. With abandonment set at 12.0% for the U.S., Cotton Belt harvested area totals 9.7 million acres (Figure 1). Using an average 2017 U.S. yield of 830 pounds generates a cotton crop of 16.8 million bales, with 16.0 million bales of upland and 760 thousand bales of ELS. The projected crop represents a 195 thousand bale decrease from the latest 2016 estimate.

Turning attention to demand for U.S. cotton, consumption by the domestic textile industry is projected to increase to 3.4 million bales in the 2017 marketing year. Textile trade estimates for 2017 suggest that the overwhelming majority of products manufactured by the U.S. textile industry will move into export markets for further processing. International markets, the primary outlet for U.S. raw fiber production, remain very competitive, with competition from not only

growths of other cotton, but also man-made fibers. To fully assess the prospects for 2017 cotton exports, it is important to review the expectations for key importing and exporting countries. In recent years, the U.S. and world cotton markets have experienced several notable changes. On the demand side, the most significant change is the drastic reduction in Chinese imports since 2012. However, the U.S. is still the largest cotton exporter, followed by India. Reduced U.S. exports to China have been partially offset by increases in exports to Vietnam, Mexico, and Bangladesh. In 2016, China announced that import quotas would be limited to the required WTO minimum tariff rate quota (TRQ) of 4.1 million bales. A similar stance is expected for the 2017 crop year as China continues to work through reserve stocks. China announced a new plan in 2016 to auction off cotton reserve stocks each year. In 2016, the reserve auctions took place from May through September and almost 12.0 million bales were sold. China plans to gradually reduce stocks each year until the reserves reach what they consider a 'reasonable level'. The 2017 reserve auctions are scheduled to occur from March 6 to August 31. In addition to changes in the reserve policy, China has also made other significant changes in cotton policy in the last few years. China has been reducing acreage and production for the past five years and is no longer the world's largest cotton producer. Starting in 2015, India surpassed China as the largest cotton producing country. Following a 30.7% decline in cotton acreage in 2015, China cotton area was reduced by another 7.4% in 2016. While China has been reducing acreage in other lower yielding provinces, China plans to maintain acreage in the higher yielding Xinjiang region. Production levels observed in 2015 and 2016 were at the lowest levels since 2000.

The *Beijing Cotton Outlook* has projected a slight increase in acreage for 2017, while the Xinjiang Regional Development Reform Commission (NDRC) projected a slight decline. For 2017, China acreage is estimated to increase by 3.3%, resulting in a 21.9 million bale crop, which is similar to the 2016 level.

Despite being the largest spinner of cotton, China's demand remains a concern as domestic use remains well below historical highs. Between 2009 and 2013, China's mill use fell by almost 16.0 million bales as high cotton prices relative to man-made fibers forced spinners to turn away from cotton. Currently, internal cotton prices above \$1.00 are still almost twice the level of polyester prices. Polyester prices have increased this year but are still low relative to cotton prices. The adjustments in China's supply and demand, including the success of the reserve auctions, will allow a reduction in stocks. For the 2016 crop year, the January USDA estimate includes a reduction of 9.9 million bales. In 2017, an additional 10.8 million bale reduction in total stocks is expected. The 2017 estimate assumes that the next auction series will be as successful as in the previous year. A successful auction series over the next two years could easily put China in a position to become a larger cotton importer again. Increased sales of Chinese reserve stocks has led to more domestic spinning of cotton and has reduced China's imports of cotton yarn in 2016. China lowered yarn imports from India and Pakistan by 40.8% and 28.2%, respectively, but increased imports from Vietnam by 24.8%. Vietnam was the top supplier of cotton yarn to China in 2016. Although world mill use showed only a slight increase in 2016, cotton mill use in China increased by 3.6%. Supported by continued growth in China, world consumption is projected to increase by 1.5% in 2017. The growth is leading to additional cotton import demand in key countries such as Vietnam and Bangladesh. In terms of the global trade picture, government policies in India will play a role in the outlook for the coming year. Recent demonetization policies have affected India's exchange rate and cotton exports. Therefore, 2017 projections for India are highly uncertain given the current economic situation. For 2017, India's acreage is projected to increase as internal cotton prices have strengthened relative to grain prices. The resulting production reaffirms India's position as the largest producing country. As a result of increased production, an increase in exports is projected for the 2017 marketing year to 4.7 million bales.

As the net effects of the trade adjustments are aggregated together, world cotton trade for 2017 is estimated at 36.7 million bales, up 1.0 million bales from 2016. The United States is expected to capture approximately 33.7% of world trade by exporting 12.4 million bales in the upcoming year. However, it is important to note that the U.S. projections are highly contingent on the global cotton market. Competition from other cotton exporting countries as well as government policies in key importing countries could impact U.S. cotton exports. If India's demonetization policy negatively impacts cotton exports in 2017, the U.S. market share could increase. Increased competition from other exporting countries could also impact U.S. cotton exports. While this outlook assumes a similar stance for China's cotton imports in 2017, the potential for additional import quota to meet the demand for high quality cotton is a possibility for the upcoming crop year. When exports are added to U.S. mill use, total offtake is 15.8 million bales. Recall that the U.S. crop is estimated at 16.8 million bales, thus leading to an increase in ending stocks of 898 thousand bales, when taking into account adjustments in the unaccounted category of the U.S. balance sheet. For the world balance sheet, global production of 105.6 million bales is just slightly higher than in 2016. World mill use is projected to increase to 113.4 million bales, exceeding production by 7.8 million bales. Although cotton's share of world fiber demand has been declining, total cotton consumption has been trending upward for the past 5 years, with the exception of a slight decline in 2015.

World cotton stocks decline by 7.7 million bales in the 2017 balance sheet. While projections of global consumption exceeding production would normally be supportive of prices, the implications for the coming year may not be as clear cut. The majority of the decline in global stocks is due to reduced inventories in China. While China’s increased consumption of reserve stocks has increased mill use in 2016, it has also led to a reduction in China’s demand for imported cotton yarn. This trend could continue as China continues to work through the reserve stocks. Stocks outside of China – an important barometer of price conditions – are projected to increase by 3.0 million bales. While the Council’s economic outlook does not attempt to project cotton prices, it is important to review some of the factors shaping the current price situation. Cotton prices have maintained a stronger appearance despite sluggish world demand, smaller imports by China, weakness in other commodity markets, and a stronger dollar. In the face of bearish indicators, a lack of exportable supplies in Central Asia and West Africa, coupled with India’s reduced exports, are supporting current prices. In addition, unfixed on-call sales are also providing support to futures prices. Based on the underlying assumptions and resulting cotton balance sheet, the increased stocks outside of China may contribute to a more bearish tone. As with any projections, there are always uncertainties and assumptions that can dramatically change the balance sheet. China’s stocks and import policy, as well as India’s ability to reenter the export market, provide significant uncertainty for global markets. In addition, a struggling global economy and competition from man-made fibers underscore the challenging landscape facing cotton demand.

(Source- <http://www.cotton.org/econ/reports/loader.cfm?csModule=security/getfile&PageID=175314>)

**Table 1 - Balance Sheet for Selected Countries & Regions**

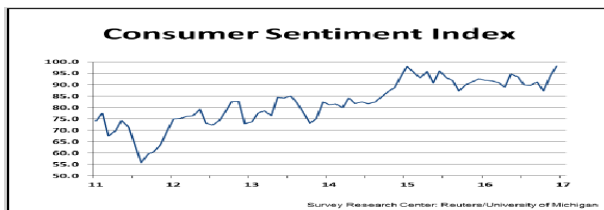
<b>World</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	89,203	85,020	80,86	84,530	75,338	72,336	75,113
Yield (Pounds/Acre)	687	700	714	677	615	699	675
Production (Thou Bales)	127,643	123,900	120,3	119,189	96,461	105,340	105,646
Trade (Thou Bales)	45,460	47,664	41,23	36,065	35,204	35,647	36,682
Mill Use (Thou Bales)	104,256	108,450	109,7	111,411	111,254	111,759	113,428
Ending Stocks (Thou	74,622	92,123	103,3	111,727	96,891	90,399	82,657
<b>United States</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	9,461	9,321	7,544	9,348	8,075	9,521	9,695
Yield (Pounds/Acre)	790	892	821	838	766	855	830
Production (Thou Bales)	15,573	17,314	12,90	16,319	12,888	16,959	16,764
Net Exports (Thou	11,695	13,016	10,51	11,234	9,120	12,740	12,366
Mill Use (Thou Bales)	3,300	3,500	3,550	3,575	3,450	3,300	3,400
Ending Stocks (Thou	3,350	3,800	2,350	3,650	3,800	4,750	5,648
<b>Australia</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	1,619	1,100	1,077	507	771	1,359	1,313
Yield (Pounds/Acre)	1,631	2,008	1,827	2,179	1,619	1,589	1,650
Production (Thou Bales)	5,500	4,600	4,100	2,300	2,600	4,500	4,514
Net Exports (Thou	4,640	6,168	4,852	2,404	2,850	4,000	4,496
Mill Use (Thou Bales)	40	40	40	35	35	35	35
Ending Stocks (Thou	3,807	2,399	1,807	1,818	1,683	2,298	2,431
<b>Bangladesh</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	89	99	104	106	106	106	106
Yield (Pounds/Acre)	464	524	532	542	538	542	536
Production (Thou Bales)	86	108	115	120	119	120	118
Net Imports (Thou	3,400	5,000	5,300	5,750	6,200	6,450	6,842
Mill Use (Thou Bales)	3,700	4,700	5,300	5,800	6,100	6,500	6,900
Ending Stocks (Thou	768	1,166	1,271	1,331	1,540	1,600	1,650
<b>Brazil</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	3,459	2,224	2,768	2,520	2,360	2,298	2,248
Yield (Pounds/Acre)	1,207	1,295	1,388	1,333	1,200	1,358	1,315
Production (Thou Bales)	8,700	6,000	8,000	7,000	5,900	6,500	6,156
Net Exports (Thou	4,763	4,242	2,083	3,886	4,223	2,800	2,965

Mill Use (Thou Bales)	4,000	4,100	4,200	3,400	3,200	3,200	3,000
Ending Stocks (Thou Bales)	7,993	5,801	7,668	7,532	6,159	6,809	7,150
<b>China</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	13,591	13,096	11,86	10,872	7,537	6,981	7,213
Yield (Pounds/Acre)	1,201	1,283	1,325	1,324	1,401	1,513	1,460
Production (Thou Bales)	34,000	35,000	32,75	30,000	22,000	22,000	21,940
Net Imports (Thou	24,478	20,280	14,09	8,213	4,278	4,400	4,400
Mill Use (Thou Bales)	38,000	36,000	34,50	34,000	35,000	36,250	37,100
Ending Stocks (Thou	31,081	50,361	62,70	66,920	58,198	48,348	37,588
<b>India</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
Harvested Area	30,146	29,652	28,91	31,752	29,405	25,946	27,270
Yield (Pounds/Acre)	462	461	515	446	431	500	475
Production (Thou Bales)	29,000	28,500	31,00	29,500	26,400	27,000	26,986
Net Exports (Thou	10,480	6,574	8,586	2,973	4,692	2,600	3,530
Mill Use (Thou Bales)	19,450	21,750	23,25	24,500	24,250	23,250	23,500
Ending Stocks (Thou	10,619	11,795	11,45	13,486	10,944	12,094	12,050

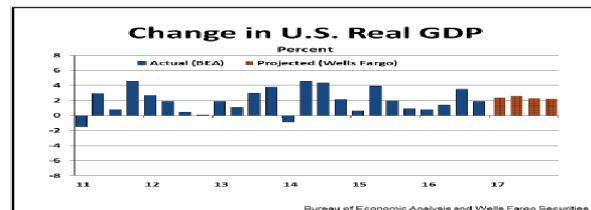
**U.S. AND WORLD ECONOMY**

For January 2017, the index increased slightly to 98.5 (Figure 1), which is the highest number since 2004. While consumers anticipate that policy changes under the Trump administration will lead to a stronger economy and create more jobs, they do not expect a large increase in wage gains. Consumers had the most positive personal financial outlook in ten years with 40.0% expecting an improved financial situation in 2017. An increase of 2.7% in real personal consumption expenditures is expected in 2017

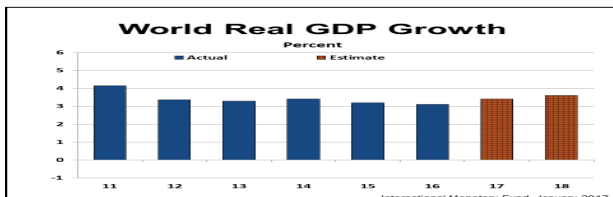
**Figure 1 - Consumer Sentiment Index**



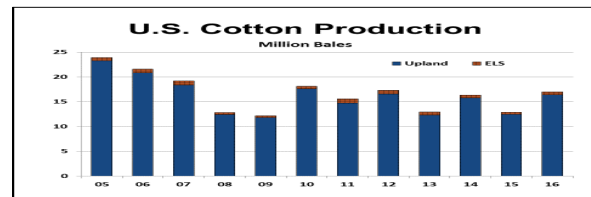
**Figure 2 - Change in U.S. Real GDP**



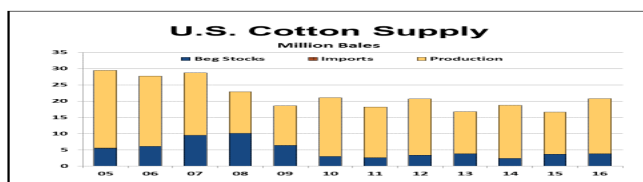
**Figure 17 - World Real GDP Growth**



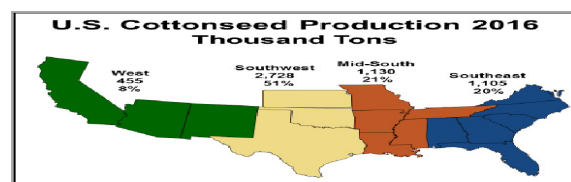
**Figure 35 - U.S. Cotton Production**



**Figure 40 - U.S. Cotton Supply**



**Figure 47 - U.S. Cottonseed Production**



(Source- <http://www.cotton.org/econ/reports/loader.cfm?csModule=security/getfile&PageID=175314>)

**INDIAN ECONOMY OVERVIEW**

Economic growth is projected to remain strong and India will remain the fastest- growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment.

Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus. However, investing more in physical and social infrastructure is critical to raising living standards for all. This should be financed by a comprehensive reform of income and property taxes. Restoring credit discipline and cleaning up banks' balance sheets will be instrumental to support the credit growth needed to finance more business investment.

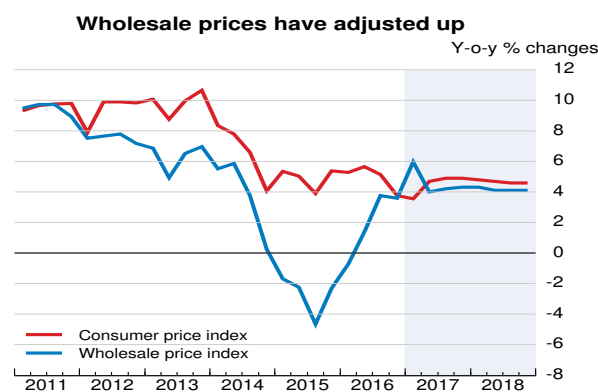
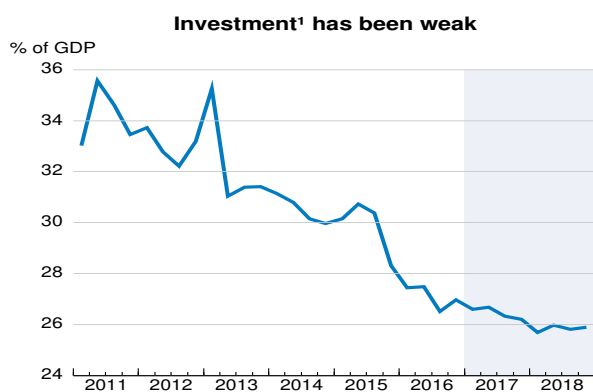
Trade openness has increased, partly driven by a competitive service sector. Manufacturing has lagged behind, with limited contribution to exports and job creation, leaving many workers in low-paid jobs. Promoting quality job creation in manufacturing would require reducing further restrictions on FDI and trade, modernising labour regulations and providing better education and skills. Better infrastructure, transport and logistic services would facilitate manufacturing firms' access to global markets, particularly from remote and poorer regions.

***Robust consumption and a rebound in exports are boosting growth***

Growth remains strong. Private consumption has been buoyant, boosted by the increase in public wages and pensions and by higher agricultural and rural incomes. The costs of the withdrawal of high denomination notes – demonetisation – in November 2016 are wearing off, and sales of cars and two-wheelers have bounced back. Investment has so far failed to rebound, despite government efforts to develop rail, road and energy infrastructure and to improve the ease of doing business. Excess capacity (e.g. in the steel sector) and the weak financial position of some corporations, combined with large non-performing loans for most public sector banks, have restrained business investment.

Exports have picked up, driven by strong demand from Asia and the euro area. Higher oil prices and gold imports, coupled with a decline in remittances inflows, are reflected in some deterioration in the current account deficit. However, the deficit remains well below its longer-term average. FDI net inflows have been rising steadily since 2014 and are fully financing the current account deficit.

**India**



(Source: <http://dx.doi.org/10.1787/888933503244>)

***Structural reforms are key to promoting inclusive growth***

The acceleration of structural reforms is bringing a new growth impetus. The Goods and Services Tax (GST), to be implemented from July 2017, should help make India more of a single market and thus spur productivity, investment, competitiveness, job creation and incomes. The abolition of the Foreign Investment Promotion Board, which reviewed foreign investment programmes, should promote FDI inflows. The central government's initiative to rank individual states

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on the ease of doing business is opening a new era of structural reforms. Many states have already modernised regulations and administrative procedures and some are experimenting with reforms of land acquisition and labour regulations.

There is little room for further cuts in interest rates. Consumer price inflation hovered below 4% at the end of 2016 and in early 2017, reflecting partly demonetisation, but also the success of the flexible inflation targeting framework. Ongoing structural reforms, including efforts to reduce the fragmentation of agricultural markets and land plots, and to develop the irrigation network, should help avoid inflation spikes in the future. In the short term, however, keeping inflation around 4% – the mid-point official inflation target – will be challenging given the roll-out of the GST and the upward adjustment in house rent allowance and in wages for state government employees.

The combined deficit and debt of the central government and states are relatively high. The central government has committed to reduce its deficit further in FY 2017/18 by better targeting fertiliser, petroleum and food subsidies. At the state level, current spending has tended to rise while investment targets have not always been met. The recent write-off of bank loans to farmers in the largest state will push up public debt, especially if other states follow suit. It could also undermine credit discipline and exacerbate income inequality since it will not benefit the poorest farmers, who rely predominantly on informal money lenders rather than banks.

Making growth more inclusive would require raising more revenue from property and personal income taxes to finance better social and physical infrastructure. Recent initiatives to benchmark states' social policies and outcomes, including health, sanitation and education, will strengthen incentives to improve the quality of public services. However, providing quality services to all would require raising public spending. Doubling public spending on health to 2.5% of GDP by 2025, as envisaged in the latest National Health Policy, and developing affordable housing for the poor would be welcome. It could be financed by removing the tax expenditures that benefit the rich most, freezing the personal income thresholds from which rates apply, reducing tax evasion and implementing fairer property taxation.

### ***Growth increases will rest on the revival of investment***

Growth is projected to increase further. Private consumption will remain steady as increases in wages and pensions for central government employees are followed by similar adjustments in the states. The recent increase in capacity utilisation, coupled with the rebound in industrial production for capital goods and manufacturing indices, bodes well for a gradual revival of private investment. The implementation of the GST, by lowering the price of capital goods, and the cut in the corporate income tax rate should also support investment. Inflation will likely increase from the low levels in early 2017, but will remain within the authorities' target band. The revival of (import-intensive) corporate investment, higher oil prices and lower remittance flows will be reflected in a larger current account deficit.

The prospect of further structural reform is a clear positive risk for growth. The deterioration in the quality of banks' portfolios, as shown by the increase in non-performing loans and stressed assets, risks damping investment and growth. India, as a net commodity importer, would suffer from higher commodity prices. Protectionist measures could restrict exports of goods and services and thus harm the economy's potential to create quality jobs.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook-june-2017.pdf>)

## **MINISTRY OF TEXTILES**

### **Introduction**

The Textile sector comprising cotton, man-made fibres, jute, sericulture & silk, wool, a number of speciality fibres and their products and handlooms and handicrafts, play a key role in the Indian Economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

Box 1: Textile Sector's contribution to the Indian Economy

- 2% of GDP (at factor cost)
- 14% Industrial Production
- 11% of total manufacturing exports.
- Employs about 35 million people

The Governments, both Central and State, play a major role in the development of the Textile sector. The Government's role extends to a range of activities such as price support to cotton and jute, incentives for investments in technology up-gradation and modernisation, setting up of world class Integrated Textile Parks, implementation of Technology Mission on Cotton, Jute and Technical Textiles, development of mega clusters for powerlooms, handlooms and handicrafts, development of handlooms, handicrafts, sericulture and wool sub-sectors by implementing a number of schemes, implementation of welfare schemes for handloom weavers and handicrafts artisans and promoting skill development of textile workers in collaboration with the industry. The Government is also providing a number of incentives for export of textile products. A large network of Government Offices, public sector enterprises, textile research associations, textile design and education institutions such as National Institute of Fashion Technology (NIFT), Sardar Vallabhai Patel International Institute of Textile Management, various textile industry associations, Export Promotion Councils etc. provide a robust institutional framework for the development of the textile sector. The Strategic Plan (2012-13 – 2016-17) of the Ministry of Textiles has been prepared with a view to achieving a number of strategic development goals and objectives for the textile sector set by the Ministry of Textiles in consultation with the stakeholders.

(Source: [http://texmin.nic.in/sites/default/files/strategic\\_plan\\_2012\\_2017.pdf](http://texmin.nic.in/sites/default/files/strategic_plan_2012_2017.pdf))

## **Textiles Industry- A Global Industry**

### **Introduction**

The technical textile industry is broad and diverse with new and innovative applications developed regularly. The technical textile industry is also increasing proportionally relative to the whole textile industry; therefore, the U.S. Department of Commerce's International Trade Administration (ITA) has committed to developing a tool for prioritizing U.S. government export promotion efforts to help target resources toward technical textile markets and sectors most likely to result in U.S. exports. This study examines the U.S. technical textile industry and highlights key markets that will see increased exports by U.S. technical textile producers. The goal of this report is to assist U.S. producers of technical textiles identify markets where demand is growing for their products. This study examines both past performance of exports in this sector and projects estimates for growth through 2017.

### **Key Findings: Top Markets and Methodology**

In the 2015 Technical Textiles Top Markets Report, ITA forecasted world demand for U.S. technical textiles to grow 4.6 percent. According to recently released data for 2015, however, demand contracted slightly, and exports actually only grew 4 percent in 2015. Based on the latest data, ITA now projects these exports to grow from \$8.6 billion in 2015 to \$9.3 billion by 2017.

ITA identified eight countries from the top 30 for in- depth case studies: Brazil, Canada, China, India, Korea, Mexico, Taiwan and Vietnam. These markets represent a range of countries to illustrate a variety of points rather than the top markets overall. Each case study contains a brief overview of the country's textile sector before going a step further, examining the current state of its technical textiles sector, i.e. current situation and needs; challenges to exports; and opportunities for U.S. exports of technical textiles in each sub-sector.

For the eight markets ITA highlighted as growth opportunities for technical textiles, the most recent data for 2015 found minor shifts in the rankings of countries' technical textiles markets. The new data largely confirms ITA expectations that the development of new markets will drive demand for US technical textiles exports.

Due to its continued focus on high value products like technical textiles, especially for use in auto manufacturing, Mexico maintains its position as the top destination for U.S. technical textiles. Its share of U.S. exports of technical textiles increased 3 percent from 36 percent in 2014 to 39 percent in 2015, and ITA expects its share to increase an additional 5 percent to 44 percent in 2017.

In comparing 2014 to 2015, Canada is still the second largest market for U.S. technical textiles. It is also the largest market for U.S. protective apparel. This is due to end user industries for oil and gas, construction and manufacturing, healthcare and mining, which all require the use of protective apparel. Additionally, Canada's demand for U.S. medical textiles was forecast by ITA to grow a mere 1 percent but actually grew 4 percent in 2015.



Along with Mexico and Canada, China is a major player in the technical textiles market. China's overall demand for U.S. produced technical textiles, however, has remained relatively flat. This can be explained through a possible slow shift of exported products from China to more duty friendly countries part of the recently completed Trans-Pacific Partnership Agreement, such as Vietnam.<sup>1</sup> Certain sectors of medical textiles and protective apparel of the Chinese technical textile market are experiencing high demand and accelerating at a fast pace. These two sectors exceeded last year's projections. In medical textiles and protective apparel, ITA forecasted 2015 exports to China to increase by 11 percent to \$30 million and 8 percent to \$21 million, respectively. Yet, according to the most recently published data, the U.S. actually exported \$38 million in medical textiles and \$34 million in protective apparel to China last year. China has climbed three spots from the eighth largest market for U.S. medical textiles and seven spots from the 12th largest market for U.S. protective apparel to the fifth largest markets for both sectors. China will continue to be a market destination for U.S. inputs and still maintains a large percentage of the market.

(Source: [http://trade.gov/topmarkets/pdf/Textiles\\_Executive\\_Summary.pdf](http://trade.gov/topmarkets/pdf/Textiles_Executive_Summary.pdf))

### **Impact of new technology in clothing Industry**

The fiber and textile production and the manufacture of clothing lead to the industrialization in the developing world. The technology made the machines to be ease and speed and process technology to new modes of clothing production based on the systems cost and productivity. The application of these new technologies made a profound social impact not only on the employees but also the location of those employees in clothing production. The skills, management and training need of the organizations are also affected. The technology such as CAD, CAM, manufacturing management and information technology systems facilitate many changes in the womens fashion and textile industry. By improving the labor productivity and reducing overall manufacturing costs, the clothing industry perceived the need of industrialized countries.

The technological changes promote the automation of clothing production. In sewing machine industry, technology provides a flexible method of adapting to changing styles, fabrics and sizes. Some important results are emerged as the development in fabric evaluation. But still there are major obstacles present in the automation of the stitching fabrics. The search for improved competitiveness increases the raise of new methods in designing, quick response, quality and service and provide greater flexibility by motivation the employees.

Apart from the cost and greater accessibility, there is an overall impact on the clothing technology strengthens the competitiveness of larger companies at the expense of small and medium scale firms. New technologies brought the significant change and enhanced economies of sales in clothing manufacture and organization. Design, cutting and marker making can be handled with the use of the most modern equipment. In case of woollen goods, cutting can be integrated directly into the fabric quality control process. Sewing and related operations are framed into small units known as satellite units wherever the availability and cost of labor are more favorable.

Market drivers of clothing industry technology include the greater importance on the design, innovative fabrics, quick response, quality and flexibility. Retailing is more concentrated in the global fashion market. Mass merchandisers extend their involvement and relationships with supplier's right back to fabric, fibers and yarns. The trading house system binds the number of stages of textile and clothing manufacturing together with retailing. Such companies use electronic data interchange as a core technology for building and managing their supply chains. The requirement for qualities such as sizing and fit, coloration, patterning establishes the interest in new fabric and garment styles.

(Source <http://www.worldmarch.org/clothing-industry.html>)

## **OUR BUSINESS**

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information Of the Company” beginning on page 14, 177 and 142 respectively of this Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “PCL”, “Pashupati Cotspin Limited”, ‘the Company’, ‘our Company’ and ‘the Company’ and the terms ‘we’, ‘us’ and ‘our’, are to Pashupati Cotspin Limited.*

### **OVERVIEW**

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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central Registration Center on July 3, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad. The firm was established with the main aim of setting up of a manufacturing plant of ginning and spinning yarn from cotton fibres.

We are engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The products manufactured at our Company include Cotton bales, Cotton yarn and Black Cotton seeds (Delineate Seeds). By setting up of the Ginning and Spinning unit our Company has entered into a forward integration of the Textile industry by manufacturing of cotton yarn to cope up with the changes in the fashion consciousness, development in the cotton textile sector and synchronizing with the initiatives provided by the Central and the state Government.

The manufacturing facility of our Company is situated at 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 spindlage of total 25536 spindle, and 56 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. Our Company is also using the storage space available with us for the purpose of letting it out to customers and thereby earning lease rentals as consideration.

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than two decades 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 March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 the total revenue of our Company stood at Rs. 27920.25 Lakhs, Rs. 26235.76 Lakhs, Rs. 26580.62 Lakhs & Rs. 7528.79 Lakhs respectively. Further, our PAT for the fiscal year ended on March 31, 2017 and March 31, 2016 were Rs. 1348.20 Lakhs and Rs. 843.01 Lakhs respectively. We have been able to increase our total revenue at compounded annual growth rate of 38.77% from fiscal 2014 until fiscal 2017.



## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters**

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than 20 years experience in the cotton textile industry. They have proven background and rich experience in the Cotton industry. They have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry. For further details of our Promoter's experience and background, please refer the chapter titled "***Our Management***" on page 114 of this Prospectus.

### **2. Location advantage of our manufacturing unit**

The manufacturing facility of our Company is situated at Kadi, District Mehsana of Gujarat. The unit is at a distance of 2 km. from Kadi and 18 km. from Detroj. Kadi is connected to SH connecting Ahmedabad-Mehsana-Palanpur. There are many Ginning units at Kadi. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the close vicinity of the cotton rich belt of Gujarat and Maharashtra. The small staple cotton is also available in the month of February to April.

### **3. Forward Integration**

Our Company is engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The raw material for the ginning unit is Kapas (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.

### **4. 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 greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw material, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

### **5. Scalable Business Model**

We focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the increasing demand of the products, development of new markets and by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

## **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. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to



**Pashupati Cotspin Limited**

achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

**2. Improving operational efficiencies**

We continue to invest in operational excellence throughout the organization. We are addressing operational efficiency through continuous process improvement, customer service and technology development. Alignment of our people to “process improvement” through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

**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. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. Establishing strong, mutually beneficial long-term relationships with strategic supplier is also critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

**5. Optimal Utilization of Resources:**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

**OUR LOCATION**

<b>Registered Office &amp; Factory Unit</b>	Survey No. 404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India
<b>Corporate Office</b>	D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.



**SWOT ANALYSIS**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Well Established manufacturing facility</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Strategic location of the manufacturing facility</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>Seasonal availability of raw Cotton.</li> <li>Dependence on suppliers for products availability</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Large growth potential.</li> <li>Increasing demand of the product in international market and domestic market</li> <li>Government incentive for the growth of the Textile sector</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Market Competition</li> <li>Frequent changes in market trends</li> </ul>


**OUR PRODUCT PORTFOLIO**

The following is an illustrative list of the products that we manufacture in our in-house production facilities.

- **Ginning & Pressing**

Product		Uses/Application
<b>Cotton Bales/ lint Cotton</b>		The main application of ginned cotton referred to as lint is for spinning operations. The cotton moves through the Spinning machines and is converted into Cotton yarn.
<b>Black Cotton Seeds/ Delineate Seeds</b>		Black cottonseed is used as feed products for livestock or the Cottonseed are crushed into the Oil mill after removing lint from the cotton to extract oil (Cottonseed Oil).

- **Spinning**

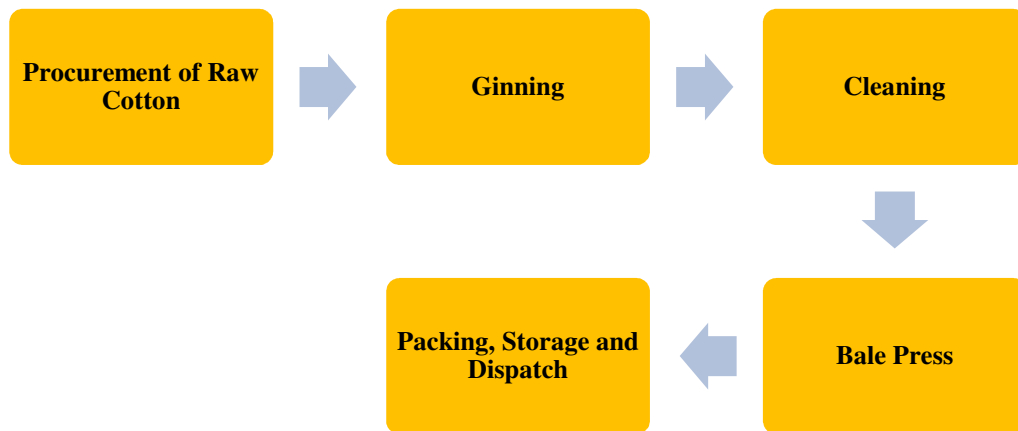
Product		Uses/Application
<b>Cotton Yarn</b>		Yarn is the end product of spinning. It is the primary component for any Cotton woven or knitted fabric. Cotton yarn is used to make different type of fabrics. In some cases, the cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more 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.

**MANUFACTURING PROCESS**



**GINNING & PRESSING DIVISION**

Ginning is the first mechanical process involved in processing cotton. Ginning mill separates cotton fibers from the seed bolls and dust particles. The main application of ginned cotton referred to as lint is for spinning operations, where lint is converted to yarn. We produce quality cotton in our own Ginning and Pressing Unit. The installed capacity of Ginning and Pressing plant is 56 ginning machine. Plant is equipped with latest and best quality Ginning and Pressing machineries capable to produce 500 cotton bales per day during season.



**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.

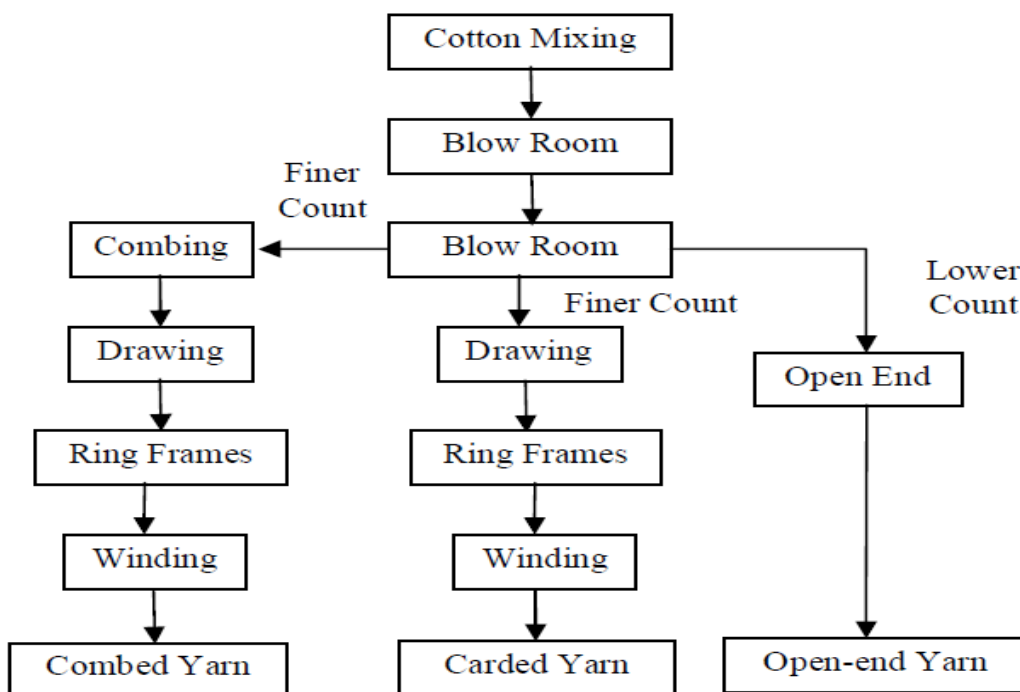
**4. Bale Press**

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 for adding moisture for 6% to 7% 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.

**5. Packaging, Storage and Dispatch**

After the bales are prepared the same are packed and stored in the warehouse for dispatch.

**SPINNING DIVISION**



## **1. Blow Room**

A blow room line consists of bale opening cotton, cleaning, mixing and lap making. Impurities of cotton have to be removed during this process. This process involves various functions like opening of Bale and removing impurities of cotton like trash and other foreign matter. The procedure is to be carried out with least loss of Lint. Apart from cleaning mixing of various cotton varieties is also carried out in this section. The mixed cotton is converted into laps (Thick sheet of Cotton). The laps are transferred for further process of carding.

## **2. Carding**

In the carding section, cotton lap is converted into slivers. The slivers are put into cans. At carding stage cleaning is also carried out resulting into waste loss.

## **3. Draw & Speed Frames**

The carded slivers received in the can are further drawn on Draw frames/Speed frames. The function is to make the sliver more uniform in the thickness by doubling process to make it suitable for further drawing. The sliver after doubling process has to be reduced to required thickness for the yarn to be spun. This function is carried out on speed frame in several steps by Roving.

## **4. Ring Frames**

In the Ring frame material obtained from the previous department is converted into desired count. This process is done by drafting the roving received from earlier section which is thicker than final count of the product, Twisting and Winding on the Bobbins is also carried out on this machine. The Twisting process gives strength to the yarn.

## **5. Winding & Reeling**

This process generally involves transferring the yarn from ring cop/tube to the large packing cones. This process is used to remove the faults from the yarn and get the better quality of yarn.

## **6. Packing and Dispatch**

Cones are normally covered by plastic bags before packing in Gunny bag or in Boxes.

## **EQUIPMENTS**

Brief details of major Plant and Machinery installed:-

**Ginning & Pressing Unit:** - Double Roller Ginning Machines, Auto Feeder and its Accessories, Automatic System (Kapas to Press), Tractor Loader, Conveyor System, Bailing Press, Humidity System, ACE Forklift

**Spinning Unit:** - Blendomat BOA2300, Extention Unit BR- EW, Pre – Cleaner CL- P, Universal Mixer MX – U 6/1600, Cleanomat Cleaner CL- C 1/1600, Card TC 5-3 with KHC, Directfeed DFK CO 960, Lap former, Comber, ADF, Speed Frame - LF4200X-200 Spdl, Coil Spring Duly Hardened and Tempered With Castor, Moterised Bobbin Transfer System, Automatic Bobbin Exchanger, Ring Frame - RXI240'e' with 1824 spindles inclusive of Toyota Auto Doffer and suitable for Link Winder, Humidification Plant, Securoprop SPFPU, Yarn Conditioning System - Model Profix 1250E (Capacity 1250 Kgs/Batch With Auto Feeding & Energy Saver Unit.

## **COLLABORATIONS/TIE UPS/ JOINT VENTURES**

Except as disclosed in this 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 Prospectus.



**EXPORT OBLIGATION**

Below are the details of the export obligation as on date of this Prospectus:-

File No.	License No.	Date	Amount (in ₹)	Export Obligation Period
08/37/021/00023/AH14	830005508	16-May-13	70495204.14	6 Years
08/37/021/00022/AH14	830005518	20-May-13	105311424.18	6 Years
08/37/021/00021/AM14	830005520	21-May-13	5970624.00	6 Years
08/37/021/00041/AH14	830005525	22-May-13	52502313.60	6 Years
08/37/021/00053/AH14	830005538	29-May-13	780904.80	6 Years
08/37/021/00106/AH14	830005635	11-Jul-13	28775800.50	6 Years
08/37/021/00159/AH14	830005755	30-Aug-13	34808014.08	6 Years
08/37/021/00223/AM14	830005867	21-Oct-13	10121645.88	6 Years
08/37/021/00243/AH14	830005897	30-Oct-13	27561505.92	6 Years
08/37/021/00261/AH14	830005937	20-Nov-13	5894256.00	6 Years
08/37/021/00285/AH14	830005979	5-Dec-13	13078066.68	6 Years
08/37/021/00376/AH14	830006176	10-Mar-14	637598.70	6 Years
08/37/021/00067/AH14	830005555	6-Jun-13	164280279.42	6 Years
08/37/021/00258/AH14	830005931	19-Nov-13	13358829.42	6 Years
08/37/021/00191/AM15	830006707	30-Nov-14	20590079.10	6 Years
08/37/021/00234/AM15	830006790	28-Nov-14	9064608.00	6 Years
08/37/021/00279/AM15	830006930	20-Jan-15	1341445.26	6 Years
08/34/021/00040/AH16	830007242	2-Jun-15	1685505.29	6 Years
08/37/021/00229/AM15	830006783	25-Nov-14	1005715.92	6 Years

**CAPACITY AND CAPACITY UTILIZATION**

**Ginning Division**

Particulars	Existing Capacity (in MT)			Proposed Capacity (in MT)*		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Installed Capacity	19992	19992	19992	39984	39984	39984
Actual Production	13313.93	11013.59	8996.79	13300	19800	22800
Capacity Utilization	66.59	55.09	45.00	33.26	49.52	57.02

*\*the production are dependent upon the availability of cotton and the cotton crop.*

**Spinning Division**

Particulars	Existing Capacity (in MT)			Proposed Capacity (in MT)*		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Installed Capacity	5182.53	5182.53	5182.53	7825.62	7825.62	7825.62
Actual Production	4062.55	4699.27	4897.58	5190	6270.00	6560.00
Capacity Utilization	78.38	90.67	94.50	66.32	80.12	83.82

*The production is subject to change with the change in the average count size.*

The company has planned to go for expansion of the existing unit by installing new 11424 spindle for spinning unit and 56 DR ginning for Ginning unit. The existing installed capacity of the spindle is 25536 spindle and 56 DR ginning units.

**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**

### **Raw Materials**

The basic raw material required for the manufacture of Ginned Cotton is Kapas (Raw Cotton) and for Cotton yarn is ginned cotton. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from the local supplies. Normally the ginning season period is six to eight months depending up on crop level and export market. Ginned cotton is procured from the Ginning Unit of the Company and in certain cases from the local market.

Packing material required by the company are mainly Paper tube, HDPE bag, HM bag, etc. for safety of the products during transportation. Packing materials are easily available in domestic market.

### **Power**

The power requirements at the manufacturing facility are procured from the Uttar Gujarat Vij Company Limited (UGVCL).

### **Water**

The firm requires water for Humidification as well as drinking & sanitation purposes. The firm has made a provision for its own bore well at factory premises to meet its water requirement during manufacturing process of the products of the firm as well as for drinking & sanitation purposes.

### **Human Resource**

As on June 30, 2017, we have employed total 226 full-time employees at our location. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage. The company has also employed casual labour as per the business requirement.

<b>Category</b>	<b>Ginning Unit</b>	<b>Spinning Unit</b>
Administration Staff*		10
Skilled	15	148
Semi Skilled Workers	26	12
Unskilled Workers	19	29
<b>Total</b>	<b>60</b>	<b>199</b>

\*Administrative Staff is common for both Ginning and Spinning Division.

## **SALES AND MARKETING**

Around Eighty percent (80%) of our production is utilized for our spinning mill and rests of the bales are sold in the market. We believe that the demand for our products will remain high in the coming years. Selling of cotton bales and cotton yarn in the textile industry are mostly done through brokers. Most of the Cotton bales and cotton yarn manufactured by us are sold through the brokers. However, we intend to adopt marketing module comprising of direct customer approach and dealers/ distributors network. The sales and marketing of Yarn is based on factors such as quality, easy availability and competitive pricing of the products.

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Group since a long period in time. The focus of our Company is to market its product in domestic markets as well as in the international market. The company is also focusing on viability of the



## ***Pashupati Cotspin Limited***

textile activity in the European countries and the U.S.A, as the demands for cotton fabrics is increasing, which in turn requires cotton yarn. The company and the promoters focus on establishing cordial relationship with the customers' due to this we have been able to established relationship with number of textile mills & number of business houses and brokers dealing in Cotton and Cotton Yarn spread throughout the country.

### **MARKETING STRATEGY:**

We intend to focus on the following marketing strategies for yarn:

1. Direct sales to hosiery units.
2. Direct sales to textile mills (including power loom sector).
3. Exports to various countries.
4. Sales through brokers / business house.

### **COMPETITION**

The customer base for the cotton yarn manufactured by us includes local fabric producers and corporate buyers. The market for cotton yarn is highly competitive and fragmented, and we face competition from various local as well as well established manufacturers. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the competition, our focus would be to provide products that would be of the superior quality, competitive pricing and timely available as per the requirements of our customer.

Some of our major competitors are:-

1. D Raja Spintex LLP
2. Omex Cotspin Pvt Ltd.
3. Arti Internation Ltd.
4. Supar Spinning Mill Ltd
5. Vardhman Spinning Mill
6. Sport King Group
7. Nahar Spinning Mill
8. Garg Acrylicy Ltd
9. M M Yarn Pvt Ltd
10. Dhruv Cotton Processing Pvt Ltd.

### **INSURANCE**

We maintain a range of insurance policies to cover our assets, risks and liabilities. Substantially all of our insurance policies related to our manufacturing facility, raw material, WIP, finished goods, our movable property and workmen compensation policy. The policies provide appropriate coverage in relation to fire, vehicle, marine cargo and workmen compensation claims by our personnel. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

### **INTELLECTUAL PROPERTY**

Our Company has a registered trademark and has made an application for registration of one of its trademarks before the Trademarks Registry, details of which are set out below:

Sr. No	Trademark/Logo	Registration/ Application No.	Class	Registration/ Application Date	Status
1.		3592746	23	July 17, 2017	Objected

The details of the Domain name in the name of our Company:-

Sr. No	Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
1.	www.pashupaticotspin.com	PDR Ltd. d/b/a PublicDomainRegistry.com (IANA ID 303)	February 07, 2013	February 07, 2019

**LAND & PROPERTY**

Details of our property are as follows:-

S. No.	Details of the Property	Use	Owned/ Leased/ License	Licensor/ Lessor/ Vendor	Consideration
1.	Survey No.404paiki, admeasuring Hectares05-05-00 sq.mtres situated at MoujeBalasar Village, Sub Distt – Kadi, Distt: Mehsana.Gujarat State.	Registered Office and Factory	Owned	1. Brahmbhatt Urdeep Ghanshyambhai Age: 40 years, 2.Brahmbhatt Mahadeep Ghanshyambhai Age: 42 years,	Purchased vide a sale deed dated January 21, 2013 entered between our Company and Brahmbhatt Urdeep Ghanshyambhai Age: 40 years, 2.Brahmbhatt Mahadeep Ghanshyambhai Age: 42 years for a consideration of Rs 93,45,000
2.	Survey No.404 paiki, admeasuring Hectares 04-08-80 sqmtrs situated at MoujaBalasar Village, Sub Distt – Kadi, Distt: Mehsana. Gujarat State.		Owned		Purchased vide a sale deed dated January 21, 2013 entered between our Company and Brahmbhatt Urdeep Ghanshyambhai Age: 40 years, 2.Brahmbhatt Mahadeep Ghanshyambhai Age: 42 years for a consideration of Rs 72,76,640
3.	Land at R.S. No. 435, within the Village limits of at-Balasar, Ta. KadiDistt. Mehsana containing admeasuring 14265 Sq. Mts.	For Godown Construction and use	Leased	Brahmbhatt Urdeep Ghanshyambhai , Brahmbhatt Mahadeep Ghanshyambhai both residing at 4/ Surbhi Society, Detroj Road, at –Kadi, ta. Kadi, DisttMehsana.	Property have been taken on lease vide a lease deed Dated September 29, 2015 for a period of 15 years from September 01, 2015 for a consideration of Rs. 4000 per month registered in Book No. 1 as documents No. 5528 dated September 29, 2015 before Sub Registrar SRO, Kadi.
4.	D-707, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.	Corporate Office	Leased	Patel sureshbhai rambhai (rachaita), residing at d/707. Ganesh Meridian, near Gujarat High Court opp. Cargill petrol pump, S.G highway, Ahmedabad	Property have been taken on lease vide a lease deed Dated August 01, 2017 for a period from August 01, 2017 to March 31, 2018 for a total consideration of Rs. 5000.00.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 196 of this Prospectus.*

### **INDUSTRY-SPECIFIC REGULATIONS**

#### **Amended Technology Up-Gradation Fund Scheme (ATUFS)**

Ministry of Textiles, Government of India has notified Amended Technology Up gradation Fund Scheme by way of a notification dated January 13, 2016. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs.30 Crore.

#### **National Textile Policy – 2000 (“NTxP – 2000”)**

The Government of India in November 2000 announced the National Textile Policy – 2000(NTxP – 2000), thereby replacing the previous Textile Policy of 1985. Though it is to be noted that a revised national textile policy is in the framework stage, however the same is yet to be notified. The main objective of the NTxP – 2000 was to enable the industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. It aimed at achieving textiles and apparel exports of upto \$ 50 billion by 2010 from the present \$ 11 billion. The NTxP – 2000 took note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by the end of 2004.

Certain strategic initiatives envisaged under the Draft NTP are set forth below:

- (a) facilitating rapid growth through large scale capacity additions with economies of scale including increase in man-made fibre production;
- (b) providing an investment allowance of 15% across the entire textile and apparel manufacturing value chain for the next ten years irrespective of the investment amount;
- (c) setting-up a privately managed Government seeded equity fund to provide equity for start-ups, whereby equity is provided without seeking management control; setting-up mega textile parks which will receive around US\$5.0 billion per year of fresh investment;
- (d) promoting skill development initiatives by providing tax relief for the fees paid by the apparel and textile sector firms to professional agencies for skill development;
- (e) diversification of export products and markets, five-year tax holidays recommended to companies on the export of specific finished goods such as apparel, made-ups and technical textiles (designated by the Ministry of Textiles, GoI), if they sustain export growth over 25% annually;

## ***Pashupati Cotspin Limited***

- (f) permitting foreign direct investment in single brand and multi-brand retail for apparel brands owned and controlled by Indians subject to such investment receiving approval from the FIPB;
- (g) improving irrigation and agricultural practices, development of organic or coloured cotton and a system of third party cotton certification that would improve cotton yields;
- (h) introducing user friendly labour laws suited to the present conditions; and
- (i) promoting innovation, research and development.

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

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

- Starting cotton spinning and weaving parks around cotton growing areas;
- Interest subsidy for value-addition chain from ginning to spinning, weaving, processing, garment manufacturing and technology up-gradation;
- Refund of VAT on expansion of existing and new units in spinning and readymade garments;
- Power tariff concession for new cotton spinning and weaving units;
- Financial assistance to skill development centres for textile industry;
- Financial assistance for technology acquisition for value chain; and
- Support for energy and water conservation and environmental compliance.

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

The functions of the Committee shall generally be to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The Committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials.

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

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

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

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 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 and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

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

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

### **Export Promotion Capital Goods (EPCG) Scheme**

EPCG allows import of capital goods including spares for pre-production, production and post production at zero duty subject to an export obligation of 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issuedate. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. The Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP).

EPCG authorization holder can export either directly or through third party (s). Export proceeds are to be realized in freely convertible currency except for deemed exports. Import of capital goods imported under the EPCG scheme shall be subject to Actual User condition till export obligation is completed. Export Obligation under EPCG scheme is required to be fulfilled by export of goods manufactured/services rendered by the applicant. EPCG Authorization holder may also source capital goods from a domestic manufacturer. Such domestic manufacturer shall be eligible for deemed export benefit under Foreign Trade Policy. EPCG Authorization holders can opt for Technological Upgradation of existing capital good imported under EPCG Authorization. Import of second hand capital goods is not permitted under the EPCG scheme.

### **Important General laws:**

#### **The Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

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 Industrial Policy and Promotion, 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 FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("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, 2000 for regulation on exports of goods and services.

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

#### **The Companies Act, 1956**

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and

shareholders, on whose funds they flourish, was equally important. The Act played the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. Further, the Ministry of Corporate Affairs issues notifications for applicability of other Sections of Companies Act, 2013 from time to time and the same are applicable from the date of the aforesaid notification. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

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

The Competition Act, 2002 prohibits anti- competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **The Public Liability Insurance Act, 1991 (“PLI Act”)**

The “PLI Act” provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance thereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

### **The Indian Contract Act, 1872 (“Contract Act”)**

The “Contract Act” codifies the way in which a contract may be entered into, executed and implemented and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

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

“COPRA” aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

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

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the



investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011**

Legal Metrology Act, 2009 and the rules framed under were enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011 and the rules which came into force from April 1, 2011 replaced Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

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

The “SHWW Act” provides for the protection of women and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000.

### **The Negotiable Instruments Act, 1881 (“NI Act”)**

In India, the laws governing monetary instruments such as cheques are contained in the “NI Act”, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

### **Tax Related Legislations**

#### **The Central Goods and Services Tax Act, 2017 (the “GST Act”)**

The GST Act levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST

## **Pashupati Cotspin Limited**

(CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **Income-Tax Act, 1961 (“IT Act”)**

The “IT Act” is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and the like. Every such company is also required to file its returns by September 30 of each assessment year.

### **Laws relating to Employment and labour**

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

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

#### **The Industrial (Development and Regulation) Act, 1951 (“IDRA”)**

The IDRA has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

#### **The Industrial Disputes Act, 1947 (“ID Act”)**

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labor court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen. Government of Gujarat has notified the Industrial Disputes (Gujarat Amendment) Act, 2004 which came into force from February 10, 2004, for its application to the state of Gujarat.

#### **The Industrial Employment Standing Orders Act, 1946**

Every establishment employing more than 100 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

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

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 (“EPF Act”)**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### **The Employees State Insurance Act, 1948 (“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.

### **The Payment of Gratuity Act, 1972 (“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 Rs. 1 million.

### **Minimum Wages Act, 1948 (“MWA”)**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule

### **The Payment of Bonus Act, 1965 (“POB Act”)**

The POB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979**

The Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979 was enacted by Parliament in the Thirtieth Year of the Republic of India to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith. This Act makes provision for availing with the onsite services of interstate workers by the contractors / establishments to overcome only the temporary shortage of required skilled workers in a state. The purpose of this act is not to encourage interstate migration of workers against the interests of local workers as the principal employers would have to incur more cost in deploying interstate workers.

### **The Equal Remuneration Act, 1976 (“ER Act”)**

The “ER Act” provides for the payment of equal remuneration to men and women workers for same work or work of a similar nature and for the prevention of discrimination, on the ground of sex, against women in the matter of employment. According to the Equal Remuneration Act, the term remuneration means the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, are fulfilled.

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

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

### **The Maternity Benefit Act, 1961 (“Maternity Act”)**

The purpose of “Maternity Act” is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc.

### **Laws relating to Specific State where establishment is situated**

#### **The Bombay Shops and Establishments Act, 1948 (“The Bombay Shops Act”)**

The Bombay Shops Act is also applicable to the state of Gujarat and provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner. State of Gujarat has notified the Gujarat Shops and Establishments Rules, 1963 under the Bombay Shops Act.

#### **The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976**

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. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

#### **Gujarat Stamp Act, 1958 (the Stamp Act)**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not

sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### **Laws relating to Intellectual Property**

#### **The Trademarks Act, 1999 (“TM Act”)**

The “TM Act” provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.

Application for trademark registry has to be made to Controller-General of Patents, Designs and **TM Act** who is the Registrar of Trademarks for the purposes of the **TM Act**. The **TM Act** prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **Environmental Laws**

#### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

#### **The Environment (Protection) Act, 1986 as amended, (“EPA”)**

EPA provides for the prevention, control and abatement of 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.

#### **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended (“Hazardous Wastes Rules”)**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry.

#### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

### **The Water (Prevention and Control of Pollution) Act, 1974**

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

### **The Water (Prevention and Control of Pollution) Cess Act, 1971**

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

### **The Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)**

With a view to ensuring that the standards for emission of air pollutants from automobiles laid down by the State Board under clause (g) of sub-section (1) of section 17 are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority in charge of registration of motor vehicles under the Motor Vehicles Act, 1939 (Act 4 of 1939), and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

### **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, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

### **The Indian Registration Act, 1908 (“Registration Act”)**

The Indian Registration Act, 1908 “Registration Act” details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

**The Indian Easements Act, 1882 (“IE Act”)**

The law relating to easements and licenses in property is governed by the “**IE Act**”. The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Our History and Background**

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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central registration Centre on July 03, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad having Corporate Identification Number U17309GJ2017PLC098117.

Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R, Mr. Bhaveshkumar Jayantilal Patel, Mrs. Renuka Jagdishbhai Parikh, Ms. Hariprabhben Arvindbhai Parikh, Mrs. Falguniben Miteshbhai Parikh, Mr. Daksesh Jayantilal Patel, Mr. Ashishbhai Rameshchandra Trivedi, Mr. Mukeshbhai Vithalbhai Patel, Mrs. Toralben Urdeepbhai Brambhath partners of Pashupati Cotspin LLP were the initial subscribers to the Memorandum of Association of our Company.

Mr. Saurin Jagdish Bahi Parikh and Trivedi Tushar R and Mr. Daksesh Jayantilal Patel are the Promoters of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections *titled “Our Business”, “Industry Overview”, “Our Management”, “Financial information of the Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on pages 88, 79, 114, 142 and 177 respectively of this Prospectus.

### **Address of Registered Office:-**

<b>Registered Office &amp; Factory Unit</b>	Survey No. 404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India
<b>Corporate Office</b>	D-707, ganesh meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.

### **Changes in Registered Office of the Company since incorporation**

Except as mentioned below, there has not been any change in our Registered Office since incorporation till date of this Prospectus:

<b>From</b>	<b>To</b>	<b>Date of Change</b>	<b>Reason for Change</b>
At Kundal, Taluka - Kadi, Kadi, Nandasan Road, Kadi Mahesana-382715, Gujarat, India	Survey No. 404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India	July 03, 2017	Upon conversion of LLP into private limited company.





## **Pashupati Cotspin Limited**

### **Our Main Objects**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of cotton spinners and doublers, flax, hemp and jute spinners, worsted spinners, woollen spinners and to prepare, spin, dye and deal in cotton flax, hemp, jute, wool, cotton silk and other fibrous substances and to weave and otherwise manufacture, buy, sell, deal in linen cloth and other goods and fabrics whether textile fitted, netted or looped.
2. To deal in and work as ginner, ginning factories, balers and pressers of cotton, kapas, yarn, cotton waste, yarn waste, hemp, jute and other fibrous material.
3. To carry on the business of buyers, sellers, dealers, importers, exporters of cotton, yarn, cotton in process, raw cotton, jute, silk, rayon, hemp and other fibrous materials and to undertake dyeing, bleaching or printing of yarn cloth cotton in process, raw cotton, jute, silk, rayon, hemp and other fibrous materials.
4. To carry on in India or elsewhere the business to plant, grow, cultivate, produce, raise, process, store, grind, clean, mix, import, export, buy, sell, warehouse, and to act as agent, broker, stockist, indenter, consignor, merchant, adatia, farmer, or otherwise to deal in all types of seeds, grains, vegetables, foods, cereals, herbals, flowers, fruits, edibles, non-edibles, commercial, non-commercial crops and to act as orchardists, grazers, nursery men, seed breeders, farm house farmers, horticulturists, floriculturists, tissue culturists, timbre-growers, forest owns and for the purpose to purchase acquire, take on lease or license any Private or Government land and to do all incidental acts.
5. To carry on the business of builders, contractors, developers of all types of buildings and structures including houses, flats, apartments, affordable homes, Industrial parks, offices, godowns, warehouses, shops, factories, sheds, hospitals, hotels, holiday resorts shopping cum residential complex.

### **Changes in Memorandum of Association**

Since incorporation, the following amendments have been made to the MoA of our Company:

<b>Date of AGM / EGM</b>	<b>Changes</b>
July 11, 2017	Alteration of name clause pursuant to conversion of of our Company from private limited to public limited.

### **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 July 11, 2017.

### **Key Events and Mile Stones**

<b>Year</b>	<b>Key Events / Milestone / Achievements</b>
2013	Registration of Limited Liability Partnership, "M/s Pashupati Cotspin LLP" with Registrar of Companies, Dadar and Nagar Haveli, Gujarat.
2013	Started Business as Limited Liability Partnership in the name of "M/s Pashupati Cotspin LLP"
2017	Conversion of Limited Liability Partnership into Private Limited Company "Pashupati Cotspin Private Limited"
2017	Conversion of Company from Private Limited to Public Limited Company.

### **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 "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" and "**Basis for Issue Price**" on pages 88, 177 and 74 respectively of this 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 page 114 & 52 of the Prospectus respectively.

### **Acquisition of Business/Undertakings & Amalgamation**

Except as disclose in this Prospectus, there has been no acquisition of business / undertakings or mergers or amalgamation since incorporation.

### **Holding Company**

As on the date of this Prospectus, our Company is not a subsidiary of any company.

### **Subsidiary of our Company**

Our Company does not have any Subsidiary within the meaning of Section 2 (87) of the Companies Act 2013, as on the date of this Prospectus.

### **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 52 of the Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 174 of the Prospectus.

### **Defaults or Rescheduling of borrowings with financial institutions/banks**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Prospectus. Furthermore, except as disclosed in chapter titled “*Capital Structure*” beginning on Page 52 of this Prospectus, none of the Company's loans have been converted into equity in the past.

### **Time and Cost overruns in setting up projects**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

### **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 Prospectus, our employees are not unionized.

### **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 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 177 of this Prospectus,

### **Injunction or restraining order**

There are no injunctions/restraining orders that have been passed against the Company.

### **Number of Shareholders of our Company:**

Our Company has Ten (10) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 52 of the Prospectus.



### **Changes in the Management**

For details of change in Management, please see chapter titled “*Our Management*” on page 114 of the Prospectus.

### **Shareholders Agreements**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

### **Collaboration Agreements**

As on date of this Prospectus, our Company is not a party to any collaboration agreements.

### **Material Agreement**

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

### **Other Agreements**

#### **Non Compete Agreement**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this 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 Prospectus, our Company does not have any strategic partners as on the date of this Prospectus.

#### **Financial Partners**

Our Company does not have any financial partners as on the date of this Prospectus.

### **Corporate Profile of our Company**

For details on the description of our Company’s activities, the growth of our Company, please see “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis of Issue Price*” on page 88, 177 and 74 respectively of this Prospectus.

**OUR MANAGEMENT**

**BOARD OF DIRECTORS:**

As per the Articles of Association, our Company is required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors, subject to the applicable provisions of the Companies Act. Our Company has 6 (Six) Directors and out of which 4 (Four) are 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 Prospectus:

Sr. 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><b>Mr. Saurin Jagdish Bhai Parikh</b>  <b>Father Name:</b> Mr. Jagdishbhai Arvind Bhai Parikh  <b>Age:</b> 45 Years  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> 47, Rajeshwari Society, Thol Road, AT Post Kadi, TA Kadi, Dist Mehsana-382715, Gujarat, India  <b>Experience:</b> 24 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Engineering (Mechanical)  <b>Nationality:</b> Indian  <b>DIN:</b> 02136530</p>	<p>Originally Appointed as Director w.e.f July 03, 2017</p> <p>Further, designated as Chairman and Managing Director w.e.f July 18, 2017 for a period of 5 years<sup>(i)</sup></p>	<p>17,25,000 Equity Shares; 23.00% of Pre- Issue Paid up capital</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Solar Private Limited</li> <li>2. S Raja Export Private Limited</li> <li>3. Human Wellness Foundation (Section 8)</li> <li>4. Spinners Association (Gujarat) (Section 8)</li> </ol> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Spin-Tex LLP</li> <li>2. Global Park Developer LLP</li> <li>3. Universal Industrial Park LLP</li> <li>4. Keshav Industrial Park LLP</li> <li>5. Saptak Infrastructures LLP</li> <li>6. Vallabh Industrial Park LLP</li> <li>7. Shree Pashupati Fabric LLP</li> </ol>
2.	<p><b>Mr. Trivedi Tushar R</b>  <b>Father Name:</b> Mr. Rameshchandra Shivshankar Trivedi  <b>Age:</b> 45 Years  <b>Designation:</b> Whole Time Director  <b>Address:</b> A-11, Someshvar Park Society, Karannagar Road, AT-TA Kadi, Mehsana – 382715, Gujarat, India  <b>Experience:</b> 24 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Diploma (Mechanical)  <b>Nationality:</b> Indian  <b>DIN:</b> 06438707</p>	<p>Originally Appointed as Director w.e.f July 03, 2017</p> <p>Designated as Whole Time Director w.e.f July 18, 2017 for a period of 5 years<sup>(ii)</sup></p>	<p>2,25,000 Equity Shares; 3.00% of Pre- Issue Paid up capital</p>	<p><b>Companies:</b> NIL</p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Spin-Tex LLP</li> <li>2. Shree Pashupati Fabric LLP</li> </ol>
3.	<p><b>Mr. Dakshesh Jayantilal Patel</b>  <b>Father Name :</b> Mr. Jayantilal Nathalal Patel  <b>Age:</b> 49Years  <b>Designation:</b> Non-Executive Director  <b>Address:</b> 03, Royalview Society, Kadi, Karannagar Road AT Kadi,</p>	<p>Originally appointed on the Board as Non Executive Director w.e.f July 03, 2017</p>	<p>5,25,000 Equity Shares; 7.00% of Pre- Issue Paid up capital</p>	<p><b>Companies:</b> NIL</p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Spin-Tex LLP</li> <li>2. Shree Pashupati Fabric LLP</li> </ol>



Sr. 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
	Dist Mehsana,- 382715, Gujarat, India <b>Experience:</b> 24 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Engineer (Civil) <b>Nationality:</b> Indian <b>DIN:</b> 07859419			
4.	<b>Mr. Sandip Aswinbhai Parikh</b> <b>Father Name :</b> Mr. Aswinbhai Kantilal Parikha <b>Age:</b> 53Years <b>Designation:</b> Independent Director <b>Address:</b> 6/B, Valkeshwar Society, Ambawadi, Ahmadabad City, Ambawadi Vistar, Ahmadabad, Gujarat 380015 <b>Experience:</b> 30 Years <b>Occupation:</b> Professional <b>Qualifications:</b> Chartered Accountant <b>Nationality:</b> Indian <b>DIN:</b> 00030990	Originally appointed on the Board as additional Independent Director Director w.e.f July 26, 2017	Nil	<b>Companies:</b> 1. GSEC Limited 2. Dynamic Tax Services Private Limited. 3. GKC Advisory Services Private Limited. 4. Kaushiki Arts Private Limited  <b>LLP: NIL</b>
5.	<b>Mr. Mahendrabhai Gulabdas Patel</b> <b>Father Name :</b> Mr. Gulabdas Ishwarlal Patel <b>Age:</b> 61Years <b>Designation:</b> Independent Director <b>Address:</b> 37, Sarathi-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad 380054 Gujarat, India. <b>Experience:</b> 33 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Arts, LLB <b>Nationality:</b> Indian <b>DIN:</b> 00104706	Originally appointed on the Board as additional Independent Director Director w.e.f July 26, 2017	Nil	<b>Companies:</b> 1. Downtown Finance Private Limited 2. Lincoln Pharmaceuticals Limited  <b>LLP:</b> 1. Downtown Travels LLP 2. Zullinc Healthcare LLP
6.	<b>Mrs. Sheela Kirtankumar Roy</b> <b>Father Name :</b> Mr. Samrendra Sitanath Das <b>Age:</b> 47Years <b>Designation:</b> Independent Director <b>Address:</b> B-19, Utsav Society, Behind Railway Station, Near S.v. campus, Sujaatpura Road, Kadi, Mehesana, Gujarat 382715 <b>Experience:</b> 20 Years <b>Occupation:</b> Teacher <b>Qualifications:</b> Bachelor of	Originally appointed on the Board as additional Independent Director Director w.e.f July 26, 2017	Nil	<b>Companies: NIL</b>  <b>LLP: NIL</b>

Sr. 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
	Commerce <b>Nationality:</b> Indian <b>DIN:</b> 07891440			

**BRIEF PROFILE OF OUR DIRECTORS**

**1. Mr. Saurin Jagdish Bhai Parikh, Chairman and Managing Director, Age: 45 Years**

Mr. Saurin Jagdish Bhai Parikh aged 45 years, is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Engineering from the Gujarat University. He was appointed on the Board on July 3<sup>rd</sup>, 2017 and further designated as the Chairman and Managing Director of the Company on July 18<sup>th</sup>, 2017 for a period of 5 years. He is actively engaged in managing the company since his appointed as Director. He was the designated partner in Pashupati Cotspin LLP since incorporation and was actively involved in the affairs of the LLP prior to the conversion. He has more than 24 years of experience in the field of manufacturing and export of cotton trade like raw cotton, yarn and its by-products. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

**2. Mr. Trivedi Tushar R, Whole-time Director, Age: 45 Years**

Mr. Trivedi Tushar R aged 45 years, is the Whole Time Director of our Company. He holds a Diploma (Mechanical) from Tolani Foundation, Gujarat Technical Board. He was originally appointed on the Board on July 3<sup>rd</sup> 2017 and further designated as the Whole Time Director of the Company on July 18, 2017 for a period of 5 years. He is entrusted with the responsibility to look after the Purchase and Production of our Company. He is a dynamic personality, having more than 24 years of experience in the field of production planning and operation supervision. He is presently looking into the Purchase and production related matters of the Company.

**3. Mr. Dakshesh Jayantilal Patel, Non Executive Director, Age: 49 years**

Mr. Dakshesh Jayantilal Patel aged 49 years is Non Executive Director of our Company and was originally appointed as Non Executive Director on July 03<sup>rd</sup> 2017. He holds a Bachelor degree of Engineering (civil) from MS University, Baroda and is having around 24 years of experience in areas related to manufacturing of raw cotton, cotton yarn and related products.

**4. Mr. Sandip Aswinbhai Parikh, Additional Independent Director, Age: 53 years**

Mr. Sandip Aswinbhai Parikh is the additional Independent Director of our Company. He is appointed on July 26, 2017 on the Board. He is a qualified Chartered Accountant and member of the Institute of Chartered Accountant of India. He has a distinguished track record of service to several global organisations providing counsel in addressing tax issues encompassing transfer pricing regulations applicable to multinational corporations.

**5. Mr. Mahendrabhai Gulabdas Patel, Additional Independent Director, Age: 61 years**

Mr. Mahendrabhai Gulabdas Patel is the additional Independent Director of our Company. He is appointed on July 26, 2017 on the Board. He holds a Bachelor of Arts degree and a LLB degree and has an overall experience of 33 years in the field of Pharmaceuticlas industry.

**6. Mrs. Sheela Kirtankumar Roy, Additional Independent Director, Age: 47 years**

Mrs. Sheela Kirtankumar Roy is the additional Independent Director of our Company. She is appointed on July 26, 2017 on the Board. She holds Bachelor of Commerce from the Gujarat University and has an an experience of 20 years in the field of Teaching

**Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this 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 as on the date of filling of this 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.

**Nature of any family relationship between any of our Directors:**

None of our present Directors are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

**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 July 11, 2017 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. 200 Crore (Rupees Two Hundred Crore 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 Directors:

<b>Particulars</b>	<b>Mr. Saurin Jagdish Bhai Parikh</b>	<b>Mr. Trivedi Tushar R</b>
Re-Appointment/Change in Designation	Resolution dated July 18 <sup>th</sup> , 2017	Resolution dated July 18 <sup>th</sup> , 2017



## **Pashupati Cotspin Limited**

Designation	Chairman and Managing Director	Whole-time Director
Term of Appointment	5 years Not liable to Retire by Rotation	5 years liable to Retire by Rotation
Remuneration	Upto Rs 24,00,000 p.a./-	Upto Rs 12,00,000 p.a./-

*\*During the previous financial year our company was registered as a LLP which was subsequently converted to a private limited company on July 03<sup>rd</sup> 2017, 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 of Rs. 5000 (Five Thousand Rupees Only) per meeting 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 July 18, 2017 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. Saurin Jagdish Bhai Parikh	17,25,000	23.00%
2.	Mr. Trivedi Tushar R	2,25,000	3.00%
3.	Mr. Dakshesh Jayantilal Patel	5,25,000	7.00%

We do not have any subsidiary and associate company as defined under Section 2(87) & 2(6) of the Companies Act, 2013.

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 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, see- ***“Compensation of our Managing Director and Whole time Directors”*** beginning on Chapter titled ***“Our Management”*** page 114 of this Prospectus

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also 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 are also 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 and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to ***“Statement of Financial Indebtedness”*** and Section ***“Financial Information of the Company”*** on page 174 and 142 respectively of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the 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 ***“Financial information of the Company - Related Party Transactions”*** beginning on page 114 and 169 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.



Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Interest and nature of interest
1.	Personal Guarantee of Mr. Saurin Jagdish Bhai Parikh and his relatives, Renuka J Parikh, Hariprabhben A Parikh and Falguni M Parikh against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
2.	Personal Guarantee of Mr. Daksesh Jayantilal Patel and his relative Bhavesh J Patel against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
3.	Personal Guarantee of Mr. Tushar R Trivedi and his relative Ashish R Trivedi against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
4.	Our Promoter Mr. Daksesh Jayantilal Patel and Mr. Tushar R Trivedi and their relatives have provided mortgage of their personal property against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce.

### **Interest in the property of our Company**

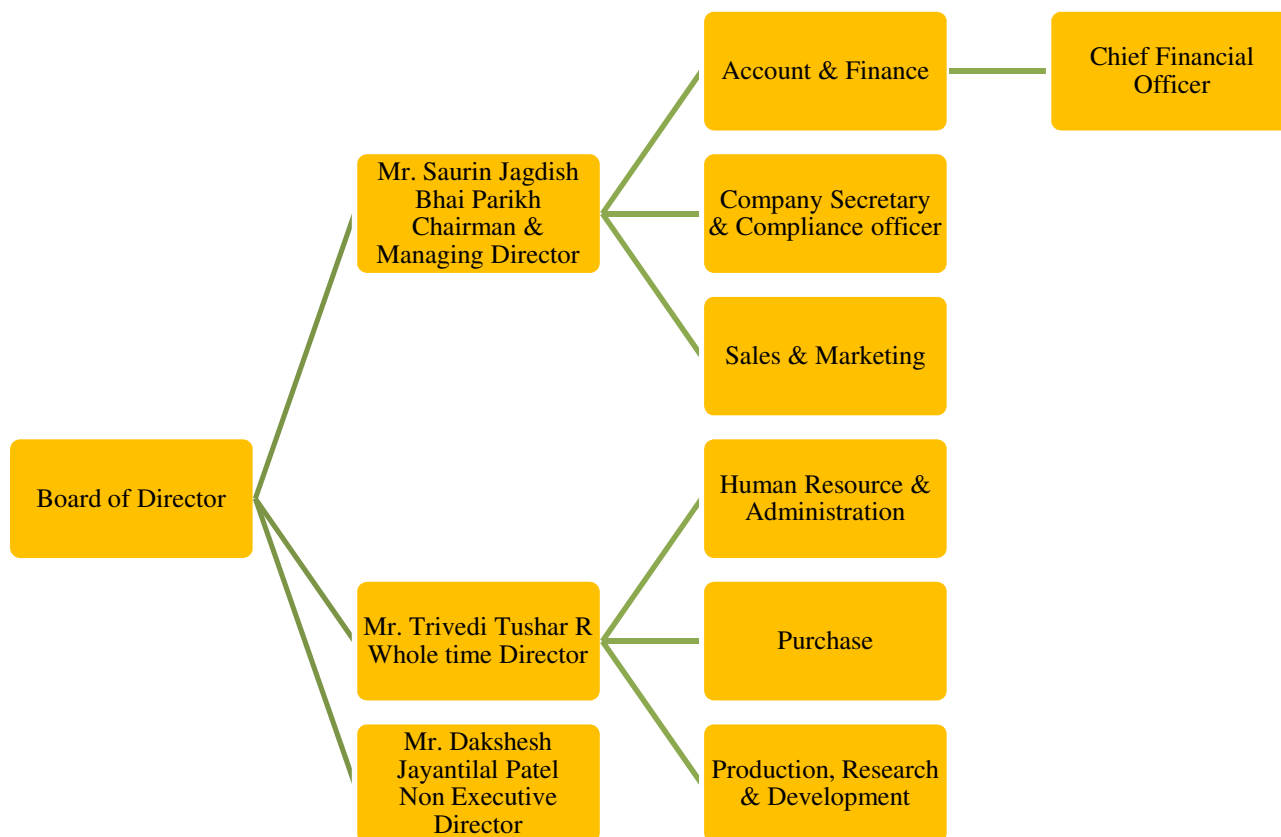
Except as disclosed above and in the chapters titled “*Our Business*”, “*Our Promoter and Promoter Group*” and “*Financial Information of the Company – Related Party Transactions*” on page no 88, 128 and 169 respectively of this Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Prospectus.

### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Saurin Jagdish Bhai Parikh	Originally appointed on the Board dated July 03 <sup>rd</sup> 2017	Conversion of LLP, into company
		Designated as Chairman and Managing Director vide Board Meeting dated July 18, 2017 and vide EGM dated July 22, 2017	To ensure better Corporate Governance
2.	Mr. Trivedi Tushar R	Originally appointed on the Board dated July 03 <sup>rd</sup> 2017	Conversion of LLP, into company
		Designate as Whole Time Director vide Board Meeting dated July 18, 2017 and vide EGM dated July 22, 2017	To ensure better Corporate Governance
3.	Mr. Dakshesh Jayantilal Patel	Originally appointed on the Board dated July 03 <sup>rd</sup> 2017	Conversion of LLP, into company
4.	Mr. Sandip Aswinbhai Parikh	Originally appointed on the Board dated July 26 <sup>th</sup> 2017 as Additional Independent Director.	To ensure better Corporate Governance
5.	Mr. Mahendrabhai Gulabdas Patel	Originally appointed on the Board dated July 26 <sup>th</sup> 2017 as Additional Independent Director.	To ensure better Corporate Governance
6.	Mrs. Sheela Kirtankumar Roy	Originally appointed on the Board dated July 26 <sup>th</sup> 2017 as Additional Independent Director.	To ensure better Corporate Governance

### **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 and SEBI (ICDR) Regulations, 2009 will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act 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 three (3) are Non Executive Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

**1. Audit Committee**

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated July 26, 2017, 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 NSE (“NSE Emerge”), The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Sandip Aswinbhai Parikh	Chairman	Non Executive Independent Director
Mrs. Sheela Kirtankumar Roy	Member	Non Executive Independent Director
Mr. Saurin Jagdish Bhai Parikh	Member	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 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
- 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 Regulation, 2015 vide Resolution dated July 26, 2017,. The constituted Stakeholders Relationship Committee comprises the following:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mrs. Sheela Kirtankumar Roy	Chairman	Non Executive Independent Director
Mr. Mahendrabhai Gulabdas Patel	Member	Non Executive Independent Director
Mr. Trivedi Tushar R	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 Regulation, 2015 vide Resolution dated July 26, 2017,. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Mahendrabhai Gulabdas Patel	Chairman	Non Executive Independent Director
Mr. Sandip Aswinbhai Parikh	Member	Non Executive Independent Director
Mr. Daksesh Jayantilal 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 for 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.

**4. Corporate Social Responsibility Committee**

Our company has pursuant to the provisions of Section 135 of the Companies Act 2013 and Schedule VII constituted a Corporate Social Responsibility Committee of the Board of Directors so formed to undertake the below mentioned tasks:-

- a) To recommend the policy on Corporate Social Responsibility (CSR) and Implementation of the CSR Projects or program to be undertaken by the company as per the CSR Policy for consideration and approval by the Board of Directors.
- b) Recommend the amount of expenditure to be incurred on the corporate social responsibility activities; and
- c) Monitor the implementation of the Company's corporate social responsibility policy.

The Corporate Social Responsibility Committee comprises the following:

S. No.	Name of the Director	Status in Committee	Nature of Directorship
1.	Mr. Saurin Jagdish Bhai Parikh	Chairman	Managing Director
2.	Mrs. Sheela Kirtankumar Roy	Member	Non Executive-Independent Director
3.	Mr. Tushar Rameshchandra Trivedi	Member	Whole Time Director

**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 NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on July 18, 2017 have approved and adopted the policy on insider trading in view of the proposed public Offer.

Mr. Pratik Ashokbhai Patel, 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 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 NSE. We shall comply with the



## Pashupati Cotspin Limited

requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on July 18, 2017 have approved and adopted the policy on insider trading in view of the proposed public Issue. Mr. Pratik Ashokbhai Patel, 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 Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on July 18, 2017 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 2017 (in Rs Lacs)	Over all experience (in years)	Previous employment
<b>Name:</b> Mr. Saurin Jagdish Bhai Parikh <b>Designation:</b> Chairman & Managing Director <b>Qualification:</b> Bachelor of Engineering	45	Chairman & Managing Director w.e.f July 18, 2017	Nil	24	Nil
<b>Name:</b> Mr. Trivedi Tushar R <b>Designation:</b> Whole Time Director <b>Qualification:</b> Diploma (Mechanical)	45	Whole Time Director w.e.f July 18, 2017	Nil	24	Somany Ceramics, Kadi
<b>Name:</b> Mr. Partik Ashokbhai Patel <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	29	Appointed on July 18, 2017	Nil	---	---
<b>Name:</b> Hareshkumar Rameshchandra Shah <b>Designation:</b> Chief Financial Officer <b>Qualification:</b> M.Com.	42	Appointed on July 18, 2017	Nil	15	Texco Synthetic Private Limited

*\*During the previous financial year our Company was registered as a LLP which was subsequently converted to a private limited company on July 03<sup>rd</sup> 2017, hence no compensation has been paid in previous financial year.*

### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

#### **1. Mr. Saurin Jagdish Bhai Parikh, Chairman and Managing Director, Age: 45 Years**

Mr. Saurin Jagdish Bhai Parikh aged 45 years, is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Engineering from the Gujarat University. He was appointed on the Board on July 3<sup>rd</sup>, 2017 and further designated as the Chairman and Managing Director of the Company on July 18<sup>th</sup>, 2017 for a period of 5 years. He is actively engaged in managing the company since his appointed as Director. He was the designated partner in Pashupati Cotspin LLP since incorporation and was actively involved in the affairs of the LLP prior to the conversion. He has more than 24 years of experience in the field of manufacturing and export of cotton trade like raw

cotton, yarn and its by-products. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

**2. Mr. Trivedi Tushar R, Whole-time Director, Age: 45 Years**

Mr. Trivedi Tushar R aged 45 years, is the Whole Time Director of our Company. He holds a Diploma (Mechanical) from Tolani Foundation, Gujarat Technical Board. He was originally appointed on the Board on July 3<sup>rd</sup> 2017 and further designated as the Whole Time Director of the Company on July 18, 2017 for a period of 5 years. He is entrusted with the responsibility to look after the Purchase and Production of our Company. He is a dynamic personality, having more than 24 years of experience in the field of production planning and operation supervision. He is presently looking into the Purchase and production related matters of the Company.

**3. Mr. Pratik Ashokbhai Patel, Company Secretary & Compliance Officer, Age: 29 Years**

Mr. Pratik Ashokbhai Patel is Company Secretary and Compliance officer of our Company. He holds a Company Secretary degree from Institute of Company Secretaries of India. He looks after the secretarial matters of our Company. He joined our Company on July 18, 2017.

**4. Mr. Hareshkumar Rameshchandra Shah, Chief Financial Officer, Age: 42 Years**

Mr. Hareshkumar Rameshchandra Shah is Chief Financial Officer of our Company He holds a degree of Master of Commerce from North Gujarat University. He has an overall experience of 15 years. He looks after the Accounts and Financial matters of our Company. He joined our Company on July 18, 2017.

**RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of Key Managerial persons stated above are related to each other.

**We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- 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.
- None of our KMPs except Mr. Saurin Jagdish Bhai Parikh and Mr. Trivedi Tushar R, are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2017.
- 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.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:

Sr. No.	Director	Shareholding	In %
1.	Mr. Saurin Jagdish Bhai Parikh	17,25,000	23.00%
2.	Mr. Trivedi Tushar R	2,25,000	3.00%

- Presently, we do not have ESOP/ESPS scheme for our employees.
- 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 annuation, 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 year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Saurin Jagdish Bhai Parikh	Chairman & Managing Director	July 18, 2017	Change in Designation
2.	Mr. Trivedi Tushar R	Whole Time Director	July 18, 2017	Change in Designation
3.	Mr. Pratik Ashokbhai Patel	Company Secretary & Compliance Officer	July 18, 2017	Appointment
4.	Mr. Hareshkumar Rameshchandra Shah	Chief Financial Officer	July 18, 2017	Appointment

**INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Our Key managerial personnel's may be deemed to be interested to the extent of the shares held by them 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.

Except as provided in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this 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 S Statement of Related Party Transaction*" on page no 169 and Personal Guarantee towards Financial facilities of our Company please refer to "*Statement of Financial Indebtedness*" on page no 174 of the Prospectus.

Further, except as stated above and disclosed in the chapters titled "*Our Management*" and "*Our Promoter and Promoter Group*" on page no 114 and 128 respectively of this Prospectus, our Directors do not have any other interest in our Company.

**OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this 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 "*Our Business*" beginning on page 88 of this Prospectus.



## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters:

Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel are the Promoters of our Company. As on the date of this Prospectus, Mr. Saurin Jagdishbhai Parikh holds 17,25,000 Equity Shares, Mr. Tushar Rameshchandra Trivedi holds 2,25,000 Equity Shares and Mr. Dakshesh Jayantilal Patel holds 5,25,000 Equity shares 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 Promoters:-

	<b>Mr. Saurin Jagdish Bhai Parikh, Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	B.E. (Mechanical)
	<b>Age</b>	45 Years
	<b>Address</b>	47, Rajeshwari Society, Thol Road, AT Post Kadi, TA Kadi, Dist Mehsana-382715
	<b>Experience</b>	23 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ABRPP8740J
	<b>Passport Number</b>	H1291887
	<b>Name of Bank &amp; Bank Account Details</b>	Oriental Bank of Commerce A/c No. – 01572151007119
	<b>Driving License Number</b>	GJ-02/103158/02
	<b>Voter Identification Card Number</b>	CKL3299112
	<b>Aadhar Card Number</b>	407289782984
	<b>No. of Equity Shares held in PCL [% of Shareholding (Pre Issue)]</b>	17,25,000 Equity Shares of ₹ 10 each; 23.00 % of Pre- Offer Paid up capital
	<b>DIN/DPIN</b>	02136530
	<b>Other Interests</b>	<p><b>Directorships in other Companies:</b></p> <ol style="list-style-type: none"> <li>5. Pashupati Solar Private Limited</li> <li>6. S Raja Export Private Limited</li> <li>7. Human Wellness Foundation (Section 8)</li> <li>8. Spinners Association (Gujarat) (Section 8)</li> </ol> <p><b>Limited Liability Partnership:</b></p> <ol style="list-style-type: none"> <li>8. Pashupati Spin-Tex LLP</li> <li>9. Global Park Developer LLP</li> <li>10. Universal Industrial Park LLP</li> <li>11. Keshav Industrial Park LLP</li> <li>12. Saptak Infrastructures LLP</li> <li>13. Vallabh Industrial Park LLP</li> <li>14. Shree Pashupati Fabric LLP</li> </ol> <p><b>Partnership Firms:-</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Oil Industries</li> <li>2. Monark Investment</li> <li>3. Janki Oil Industries</li> <li>4. Madhav Oil Industries</li> <li>5. Pashupati Cotton Industries</li> <li>6. Pashupati Textiles</li> <li>7. Pashupati Agro Green Industries</li> </ol> <p><b>Proprietorship:- Nil</b></p> <p><b>HUF:-</b> Parikh Saurin Jagdishbhai</p> <p><b>Trust:-</b> Shreenath Charitable Trust</p>

	<b>Mr. Trivedi Tushar R – Whole Time Director</b>	
	<b>Qualification</b>	Mechanical Diploma
	<b>Age</b>	44 Years
	<b>Address</b>	A-11, Someshvar Park Society, Karannagar Road, AT-TA Kadi, Mehsana – 382715
	<b>Experience</b>	24 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AFCPT3835K
	<b>Passport Number</b>	P7819387
	<b>Name of Bank &amp; Bank Account Details</b>	Oriental Bank of Commerce A/c No. – 01572191013873
	<b>Driving License Number</b>	GJ02/091971/08
	<b>Voter Identification Card Number</b>	CKL1144633
	<b>Aadhar Card Number</b>	900202562666
	<b>No. of Equity Shares held in PCL &amp; [% of Shareholding (Pre Issue)]</b>	2,25,000 Equity Shares; 3.00% of Pre-Issue Paid up capital
	<b>DIN</b>	06438707
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> Nil <b>Limited Liability Partnership:</b> 1. Pashupati Spin-TEX LLP 2. Shree Pashupati Fabric LLP <b>Partnership Firms:-</b> Nil <b>Proprietorship:-</b> Nil <b>HUF:-</b> Tushar Rameshchandra Trivedi (HUF) <b>Trust:-</b> Nil
		<b>Mr. Dakshesh Jayantilal Patel – Non Executive Director</b>
<b>Qualification</b>		B.E. (Civil)
<b>Age</b>		49 Years
<b>Address</b>		03, Royalview Society, Kadi, Karannagar Road AT Kadi, Dist Mehsana, Gujarat – 382715
<b>Experience</b>		23 years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		ABRPP8726C
<b>Passport Number</b>		M0277434
<b>Name of Bank &amp; Bank Account Details</b>		Oriental Bank of Commerce A/c No. – 01575011000121
<b>Driving License Number</b>		2-MHS-90-3973
<b>Voter Identification Card Number</b>		USQ1469634
<b>Aadhar Card Number</b>		759092834679
<b>No. of Equity Shares held in PCL &amp; [% of Shareholding (Pre Issue)]</b>		5,25,000 Equity Shares; 7.00% of Pre-Issue Paid up capital
<b>DIN</b>	07859419	

	<p><b>Other Interests</b></p>	<p><b>Directorships in other Companies: Nil</b>  <b>Limited Liability Partnership</b>                      1. Pashupati Spin-TEX LLP                      2. Shree Pashupati Fabric LLP  <b>Partnership Firms:-</b>                      1. Pashupati Cotton Industries                      2. Pashupati Oil Industries                      3. Madhav Oil Industries  <b>Proprietorship:- Nil</b>  <b>HUF:- Patel Dakshesh J HUF</b>  <b>Trust:- Nil</b></p>
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**Confirmations/Declarations**

We confirm that the Permanent Account Number, Aadhaar Card Number, Bank Account Number and Passport Number of the Promoters have been submitted to SME Platform of NSE at the time of filing of the Prospectus.

*Present Promoters of our Company are Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R, and Mr. Daksesh Jayantilal Patel, For details of the shareholding build-up of the promoters of our Company refer the capital buildup of our promoter under chapter “Capital Structure” beginning on page 52 of the Prospectus.*

**Undertaking/ Confirmations**

None of our Promoters or Promoter Group or Group Companies 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.
- 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 relatives of our Promoters (as defined under the Companies Act) nor our Group Companies/ entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoter, Promoter Group Entities or the Group Company has become sick Company and no application has been made in respect of any of them, to the Registrar of Companies for striking off their name. Further no winding up proceedings have been initiated against the Promoter or the Group Company.

**Common Pursuits**

Our Promoter group entities namely Pashupati Cotton Industries and S Raja Export Private Limited are operating in similar line of business as our Company as on date of this Prospectus. For further details of our Promoter Group refer to Section titled “***Our Promoter Group and Promoter Group***” on page 128 of the Prospectus.

Further, we cannot assure that our Promoter/ Promoter Group or Group Company will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**INTEREST OF OUR PROMOTERS**

### 1. Interest in promotion of Our Company

Our promoter, as stated herein before, are interested to the extent they have promoted our Company and to the extent of their shareholding in our Company and dividend payable thereon and to the extent of their relative's shareholding in our Company. Our Promoters namely Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Daksesh Jayantilal Patel are also the Director of our Company and may also be deemed to be interested to the extent of his remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company. For details, please refer to **Annexure S** on "**Related Party Transactions**" on page 169 forming part of "**Financial Information of the Company**" of this Prospectus

### 2. Interest in the property of our Company

Except as mentioned hereunder, 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 Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

Sr.No.	Name of Promoter Entity	Interest and nature of interest
1.	Pashupati Oil Industries	Portion of the registered office of our Company have been provided on rent to Pashupati Oil Industries vide a rent agreement dated August 20, 2014 for a rent of Rs 12000 p.a.

### 3. Interest as members of the Company

Our Promoters are interested to the extent of their shareholding and the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer to "**Capital Structure**" on page 52 of this Prospectus.

### 4. Other Interests

Our Promoters Mr. Saurin Jagdish Bhai Parikh, Mr Trivedi Tushar R and Mr. Daksesh Jayantilal Patel are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoters are also the Director of our Company & may be deemed to be interested to the extent of his remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given by them to our Company.

Further except as provided hereunder, our promoter are not interested in our Company in any manner:

Sr. No.	Interest and nature of interest
1.	Personal Guarantee of Mr. Saurin Jagdish Bhai Parikh and his relatives, Renuka J Parikh, Hariprabhben A Parikh and Falguni M Parikh against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
2.	Personal Guarantee of Mr. Daksesh Jayantilal Patel and his relative Bhavesh J Patel against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
3.	Personal Guarantee of Mr. Tushar R Trivedi and his relative Ashish R Trivedi against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce and ₹ 400 Lakhs availed by our Company from Yes Bank.
4.	Our Promoter Mr. Daksesh Jayantilal Patel and Mr. Tushar R Trivedi and their relatives have provided mortgage of their personal property against the total borrowings of ₹ 15277 Lakhs availed by our Company from Oriental Bank of Commerce.

For transaction in respect of loans and other monetary transaction entered in past please refer Annexure S on "**Related Party Transactions**" on page 169 forming part of "**Financial Information of the Company**" of this Prospectus.

**Experience of Promoters in the line of business**

Our Promoter namely Mr. Saurin Jagdish Bhai Parikh, Mr Trivedi Tushar R and Mr. Daksesh Jayantilal Patel have an experience of over 20 years in the business of manufacturing and marketing of the Cotton, raw cotton, Cotton yarn and by-products The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future. For further details in this regard, please refer to “*Our Management*” on page 114 of this Prospectus.

**Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “*Annexure - S*” *Related Party Transactions*” on page 169 of this Prospectus.

**Payment or Benefit to Promoters of our Company**

For details of payments or benefits paid to our Promoters, please refer to the paragraph “*Compensation of our Managing Director and Whole - time Directors*” in the chapter titled “*Our Management*” beginning on page 114 of this Prospectus. Also refer Annexure S on “*Related Party Transactions*” on page 169 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” on page 142 of this Prospectus.

**Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years**

Below are the details of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus :-

Sr. No	Name of Promoter	Name of Entity	Date	Reason of Dis-association
1.	Mr. Saurin Jagdishbhai Parikh	Saptak Infrastructures LLP	July 08, 2016	Due to personal reason

**Other ventures of our Promoters**

Save and except as disclosed in this section titled “*Our Promoters and Promoter Group*” and “*Our Group Companies*” beginning on page 128 & 134 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this 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 190 of this 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(zb) (ii) of the SEBI (ICDR) Regulations, 2009, 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	Name of Promoter		
	Saurin Jagdish Bhai Parikh*	Trivedi Tushar R	Dakshesh Jayantilal Patel
Father	Jagdishbhai A Parikh	Rameshbhai S Trivedi	Jayantibhai Nathabhai Patel
Mother	Renukaben J Parikh	Lt. Kalabe Rameshbhai Trivedi	Narmadaben Jaynatibhai Patel
Spouse	Hetal S Parikh	Urviben Tusharbhai Trivedi	Meenaben Daksheshbhai Patel
Brother	Mitesh J Parikh	Jigishbhai Rameshbhai Trivedi	Bhavesbhai Jayantibhai Patel

	-	Ashishbhai Rameshbhai Trivedi	-
Sister	-	-	Chintu Himanshubhai Patel
Son	Milnd Saurinbhai Parikh	Rudam Tushar Trivedi	Nivang dakeshbhai Patel
Daughter	Kunjai Saurinbhai Parikh	-	Vibha Daksheshbhai Patel
Spouse's Father	Rajendrabhai Ramanlal Desai	Pradhumanbhai Shantilal Dave	Naranbhai Narsingbhai patel
Spouse's Mother	Renukaben Rajendrabhai Desai	Ramaben Pradhumanbhai Dave	Hiraben Naranbhai Patel
Spouse's Brother	Jigneshbhai Rajendrabhai Desai	Kitulbhai Pradhumanbhai Dave	Vikrambhai Narayanbhai Patel
	-	Bharatbhai Pradhumanbhai Dave	Balvanbhai Naranbhai Patel
Spouse's Sister	Niraliben Rajendrabhai Desai	-	Surekhaben Nalinbhai Patel

*\*Apart from the person's mentioned above these person will also form part of the Promoter Group being relative of Mr. Saurin Jagdish Bhai Parikh namely, Vijaybhai Ramniklal Thakar (Ex-spouse father), Divyaben Ramnikbhai Thakar (Ex-spouse Mother), Roshanbhai Ramniklal Thakar (Ex-Spouse Brother) and Rikta Pranaybhai sonawala (Ex-spouse Sister), Hariprabha Arvindbhai Parikh and Falguni Miteshbhai Parikh.*

**2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	<ol style="list-style-type: none"> <li>1. Pashupati Solar Private Limited</li> <li>2. S Raja Export Private Limited</li> <li>3. Human Wellness Foundation (Section 8)</li> <li>4. Spinners Association (Gujarat) (Section 8)</li> <li>5. Pashupati Spin-Tex LLP</li> <li>6. Global Park Developers LLP</li> <li>7. Universal Industrial Park LLP</li> <li>8. Keshav Industrial Park LLP</li> <li>9. Saptak Infrastructures LLP</li> <li>10. Vallabh Industrial Park LLP</li> <li>11. Shree Pashupati Fabric LLP</li> </ol>
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	Nil
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	<p><b>Proprietorship:-</b> Nil</p> <p><b>Firm:-</b></p> <ol style="list-style-type: none"> <li>1. Pashupati Oil Industries</li> <li>2. Monark Investment</li> <li>3. Janki Oil Industries</li> <li>4. Madhav Oil Industries</li> <li>5. Pashupati Cotton Industries</li> <li>6. Pashupati Textiles</li> <li>7. Pashupati agro Green Industries</li> </ol> <p><b>HUF:-</b></p> <ol style="list-style-type: none"> <li>1. Parikh Saurin Jagdishbhai</li> <li>2. Patel Dakshesh J HUF</li> <li>3. Tushar Rameshchandra Trivedi (HUF)</li> </ol> <p><b>Trust:-</b> Shreenath Charitable Trust</p>

### OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, 2009 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 (including Associate Companies) as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated July 18, 2017 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 forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 5% of total revenue of the company as per Restated Financial Statements. Following entity is identified as Group Company of our Company:-

1. S Raja Export Private Limited
2. Pashupati Solar Private Limited
3. Global Park Developer LLP
4. Shree Pashupati Fabric LLP

As on the date of this Prospectus except as stated above, our Board has determined that there are no other companies which are material to our Company having regard to the value of the transactions that our Company has entered into in the last five years with such entities, and the limited dependence that our Company has on these related parties from a business continuity perspective.

The details of our Group Companies are provided below:

#### S Raja Export Private Limited

<b>Brief Description of Business</b>	To carry on the business, marketing & distribution of all kinds of export of cotton bales, agriculture products and all types of other related products and provide all types of services related with the company's business.		
<b>Date of Incorporation</b>	February 27, 2007		
<b>CIN</b>	U52190GJ2007PTC050105		
<b>PAN</b>	AAKCS5930N		
<b>Registered Office Address</b>	C/o. Pashupati Cotton Industries Nandasan Road-Kadi Gujarat - 382715 India		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Saurin Jagdishbhai Parikh	02136530	
	Dilipkumar Prhaladbhai Patel	02167141	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Paid Up Equity Share Capital</b>	200.00	200.00	200.00
<b>Reserves and Surplus</b>	316.82	309.29	304.95
<b>Net worth</b>	516.82	509.29	504.95
<b>Revenue from Operation</b>	19332.23	19955.66	12448.45
<b>Other Income</b>	1024.38	1378.10	831.58
<b>Profit/ (Loss) after tax</b>	7.53	4.47	8.49
<b>Earnings per share (face value of Rs. 10 each)</b>	0.38	0.22	0.42
<b>Net asset value per share (Rs)</b>	25.84	25.46	25.25

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Shareholding</b>
Saurin Jagdishbhai Parikh	150000	7.50
Dilipkumar P Patel	100000	5.00





***Pashupati Cotspin Limited***

Dilipkumar P Patel HUF	310000	15.50
Shakriben D Patel	150000	7.50
Suryaben D Patel	270000	13.50
Pareshaben D Patel	40000	2.00
Rasikbhai D Patel	80000	4.00
Dilipkumar D Patel & Rasikbhai G Patel, Partner M/s Raja Industries	50000	2.50
Jagdishbhai A Parikh	350000	17.50
Mitesh Jagdishbhai Parikh	350000	17.50
Saurin Jagdishbhai Parikh & Daksesh Jayantilal Patel, Partner Pashupati cotton Industries	150000	7.50
<b>Total</b>	<b>2000000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoter**

Our promoters are interested to the extent of their shareholding and the shareholding of their relative as mentioned below:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Shareholding</b>
Saurin Jagdishbhai Parikh	150000	7.50
Jagdishbhai A Parikh	350000	17.50
Mitesh Jagdishbhai Parikh	350000	17.50
Saurin Jagdishbhai Parikh & Daksesh Jayantilal Patel, Partner Pashupati cotton Industries	150000	7.50
<b>Total</b>	<b>1000000</b>	<b>50.00</b>

Further our Promoter Mr. Saurin Jagdishbhai Parikh also holds the position of Directorship in S Raja Export Private Limited.

S Raja Export Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**Pashupati Solar Private Limited**

<b>Brief Description of Business</b>	To carry on business of manufacturing, generating and supply electricity power or any other energy from conventional/ non conventional energy sources on a commercial basis and to construct, operate and maintain power, energy generating stations including buildings, structures, works and to undertake or carry on the business of managing, erecting, operating, power plants, plants based on conventional or non conventional energy sources and similar projects and supply of electricity to participating industries, State Electricity Boards and other boards for industrial, commercial, domestic, public and other purpose and also to provide services for repairing and maintenance of all distribution and supply lines and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India.
<b>Date of Incorporation</b>	April 05, 2013
<b>CIN</b>	U40106GJ2013PTC074355
<b>PAN</b>	AAHCP1105D



**Pashupati Cotspin Limited**

<b>Registered Office Address</b>	Survey No.66, C/o Pashupati Cotton Industries, AT Kundal, TA. Kundal, Kadi Nandasana Road, Kadi Mehsana Mahesana Gujarat – 382715		
<b>Board of Directors*</b>	<b>Name</b>	<b>DIN</b>	
	Saurin Jagdishbhai Parikh	02136530	
	Ashish Damodarbhai Patel	06535285	
	Chirag Dipakchandra Desai	06536920	
	<i>(Rs. in Lacs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Paid Up Equity Share Capital</b>	1.00	1.00	1.00
<b>Reserves and Surplus</b>	0.00	0.00	0.00
<b>Net worth (including Preoperative and preliminary expenses)</b>	(14.96)	(8.26)	(3.54)
<b>Revenue from Operation</b>	0.00	0.00	0.00
<b>Other Income</b>	1.27	0.00	0.00
<b>Profit/ (Loss) after tax</b>	0.00	0.00	0.00
<b>Earnings per share (face value of Rs. 10 each)</b>	0.00	0.00	0.00
<b>Net asset value per share (Rs)</b>	-	-	-

\*As on date of Prospectus

The company has not yet commenced commercial operation.

**Shareholding Pattern as on the date of this Prospectus is as follows:**

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Shareholding</b>
Saurin Jagdishbhai Parikh	4900	49.00
Ashish Damodarbhai Patel	2500	25.00
Chirag Dipakchandra Desai	2500	25.00
Pashupati Cotton Industries	100	1.00
<b>Total</b>	<b>10000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoter**

Our promoters are interested to the extent of their shareholding and the shareholding of their relative as mentioned below:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Shareholding</b>
Saurin Jagdishbhai Parikh	4900	49.00
Pashupati Cotton Industries	100	1.00
<b>Total</b>	<b>5000</b>	<b>50.00</b>

Further our Promoter Mr. Saurin Jagdishbhai Parikh also holds the position of Directorship in Pashupati Solar Private Limited.

Pashupati Solar Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company in neither a sick company nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. Pashupati Solar Private Limited has a negative net worth as per the latest audited balance for the year ended on March 31, 2016.

**Global Park Developers LLP**

<b>Brief Description of Business</b>	To carry on business of Development of Industrial Park and to purchase any land, plot(s) of land or immovable property or any right or interest therein
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**Pashupati Cotspin Limited**

<b>Date of Incorporation</b>	July 10, 2015	
<b>LLP Identification Number</b>	AAE-3667	
<b>PAN</b>	AAOFG5531G	
<b>Registered Office Address</b>	707, Ganesh Meridian, Modinagar, Part-1, Opp. Gujarat High Court, Sola Road, S.G. Highway Ahmedabad Ahmedabad Gujarat – 380061	
<b>Designated Partners*</b>	<b>Name</b>	<b>DIN</b>
	Saurin Jagdish Bhai Parikh	02136530
	Urdeep Ghanashyambhai Brahmbhatt	07230571
	<i>(Rs. in Lacs, rounded off except per share data)</i>	
<b>Audited Financial Information</b>	<b>For The Year Ended</b>	
	<b>March 31, 2016</b>	
<b>Capital Contribution</b>	1.00	
<b>Income including other income and exceptional items</b>	Nil	
<b>Profit/ (Loss) after tax</b>	(0.09)	

\*As on date of Prospectus

Share in Partnership as on the date of the Prospectus is as follows:

Sr. No.	Name of the Partner	Capital contribution (in %)
1.	Saurin Jagdish Bhai Parikh	96.00
2.	Ashish Patel	2.00
3.	Urdeep Ghanashyambhai Brahmbhatt	2.00

**Nature and extent of interest of our Promoter**

Our Promoters holds 96% of Share in LLP and is interested to such extent of their Profit Sharing ratio. Also our Promoter, Mr. Saurin Jagdish Bhai Parikh is a designated partner of our LLP

Global Park Developers LLP has not made any public issue (including any rights issue to the public) in the preceding three years. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**Shree Pashupati Fabric LLP**

<b>Brief Description of Business</b>	To carry on in India or elsewhere the business of manufacturing, processing, weaving, knitting and dealing in all types of textile goods, fabrics, cloths, yarns and other similar items made on power loom, handloom or mill by manmade or natural materials like cotton linen, wool, nylon, rayon etc.	
<b>Date of Incorporation</b>	April 27, 2017	
<b>LLP Identification Number</b>	AAJ-2818	
<b>PAN</b>	AATFP3349L	
<b>Registered Office Address</b>	Sr. No. 404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715	
<b>Designated Partners*</b>	<b>Name</b>	<b>DIN</b>
	Saurin Jagdishbhai Parikh	02136530
	Tushar Rameshchandra Trivedi	06438707

\*As on date of Prospectus

\*the Limited liability Partnership was incorporated on April 27, 2017, hence the financial information for the company is not prepared.

Share in Partnership as on the date of the Prospectus is as follows:

Sr. No.	Name of the Partner	Capital contribution (in %)
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## **Pashupati Cotspin Limited**

1.	Mr. Saurin Jagdishbhai Parikh	13.00
2.	Mrs Renuka Jagdishbhai Parikh	13.00
3.	Miss. Hariprabhaven Arvindbhai Parikh	13.00
4.	Mrs. Falguniben Miteshbhai Parikh	13.00
5.	Mrs. Hetal Saurinbhai Parikh	12.00
6.	Mr. Bhaveshkumar Jayantibhai Patel	7.00
7.	Mr. Dakseshbhai Jayantibhai Patel	7.00
8.	Mr. Ashishbhai Rameshchandra Trivedi	8.00
9.	Mr Tushar Rameshchandra Trivedi	3.00
10.	Mr. Mukeshbhai Vithalbhai Patel	8.00
11.	Mrs. Toralben Urdeepbhai Brambhatt	3.00
<b>TOTAL</b>		100.00

### **Nature and extent of interest of our Promoter**

Our Promoters holds 16% of Share in LLP and is interested to such extent of their Profit Sharing ratio. Also our Promoter, Mr. Saurin Jagdishbhai Parikh and Trivedi Tushar R are the designated partners of our LLP

Shree Pashupati Fabric LLP has not made any public issue (including any rights issue to the public) in the preceding three years. Further Shree Pashupati Fabric LLP does not have a negative net-worth in the immediately preceding year. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### **Loss making / Negative Network Company**

Except for Pashupati Solar Private Limited and Global Developer LLP there is no other Loss making or negative network Group Company.

### **Litigations**

For details on litigations and disputes pending against the Group Company/entities, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 190 of this Prospectus.

### **Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited 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
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company 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 relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Companies has become sick Companies and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names except for Pashupati Spin Tex LLP. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.



**Nature and Extent of Interest of Group Company**

a) **In the promotion of our Company :**

None of our Group Company has any interest in the promotion of our Company. For details relating to shareholding or any other business interest, please refer to chapter titled “*Capital Structure*” on page 52 and “*Financial Information of the Company*” - *Annexure S- Related party Transactions* on page 169 of this Prospectus.

b) **In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with stock exchange:**

Except as disclosed in this Prospectus, our Group Company do not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with Stock Exchange.

c) **In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Company is interested in any transactions for the acquisition of land, construction of building or supply of machinery

**Common Pursuits/Conflict of Interest**

Except for as disclose in this Prospectus, none of our Promoters/ Group Company/ Entities have any common pursuits. For details please refer to chapter titled “*Our Promoters and Promoter Group*” on page 128 of this Prospectus.

As on the date of the Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Related business transaction within the Group and their significance on the financial performance of the company:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the Company see the chapter titled “*Financial Information of the Company – Annexure S - Related Party Transactions*” on page 169 of this Prospectus.

**Sales / Purchase between our Company and Group Company:**

For details relating to sales or purchases between our Company and any of our Group Company exceeding 5% of the sales or purchases of our Company see the chapter titled “*Financial Information of the Company–Annexure S- Related Party Transactions*” on page 169 of this Prospectus.

**Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under Related Party Transactions, “*Annexure S*” beginning on page 169 under Chapter titled “*Financial Information of the Company*” there is no business interest among Group Company.

**Defunct /Struck-off Company**

None of Promoter, Promoter Group and our Group Company has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies except for the application made for Pashupati Spin Tex LLP, during the five years preceding the date of filing this Prospectus.

**Changes in Accounting Policies in the last three years**



***Pashupati Cotspin Limited***

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Except as mentioned under the paragraph Changes in Significant Accounting Policies, “*Annexure IV*” under Chapter titled “*Financial Information of the Company*” beginning on page 142 of this Prospectus, there have been no changes in the accounting policies in the last three years.

## **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 its incorporation. Our Company's corporate actions pertaining to payment of dividends in the past cannot to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION V – FINANCIAL INFORMATION OF THE COMPANY**  
**RESTATED FINANCIAL STATEMENT**

**Independent Auditors' Report**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,**

The Board of Directors,  
**PASHUPATI COTSPIN LIMITED**  
Survey No.404 At & Post Balasar,  
Kadi-Detroj Road, Kadi , Mahesana,  
Gujarat- 382715, India.

**Dear Sir(s),**

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of **M/s. Pashupati Cotspin Limited** (hereinafter referred as “the Company” erstwhile LLP), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

1. Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  3. The terms of reference to our engagements with the Company (erstwhile LLP) requesting us to examine financial statements referred to above and proposed to be included in the Prospectus/ Prospectus being issued by the Company (erstwhile LLP) for its proposed Initial Public Offering of equity shares in SME Platform of NSE (“IPO” or “SME IPO”);
  4. The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”);and
  5. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, we, M/s A. Bafna & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid **Certificate No. 007961** dated **16th April 2015** issued by the “Peer Review Board” of the ICAI.
2. The Restated Summary Statements and Financial information of the Company (erstwhile LLP) have been extracted/ prepared by the management from the Audited Financial Statements of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 & March 31, 2013, which have been approved by the Board of Directors.
  3. Financial Statements for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, has been audited by M/s Bagadiya & Jain, Chartered Accountants and for year ended March 31, 2016 has been audited by M/s B. Shah & Associates, Chartered Accountants and for year ended March 31, 2017 has been audited by Mahendra N. Shah & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said period/years. The Financial Report included for these years is based solely on the report submitted by them.



**4. Financial Information as per Audited Financial Statements:**

- 1) We have examined:
  - i. The attached Restated Statement of Assets and Liabilities of the Company (erstwhile LLP) as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (Annexure I);
  - ii. The attached Restated Statement of Profits and Losses of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (Annexure II);
  - iii. The attached Restated Statement of Cash Flows of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (Annexure III);
  - iv. The Significant Accounting Policies adopted by the Company (erstwhile LLP) and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

- 2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the ‘ICAI’) and the terms of our engagement agreed with you, we report that:
  - a) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company (erstwhile LLP) for the financial year ended as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 are prepared by the Company (erstwhile LLP) and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company (erstwhile LLP), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - b) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are prepared by the Company (erstwhile LLP) and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company (erstwhile LLP), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - c) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company (erstwhile LLP), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company (erstwhile LLP) and Auditors Report thereon which have been prepared by Statutory Auditors of the Company for the financial years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- (i) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- (ii) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
- (iii) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company (erstwhile LLP), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iv) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis, Grants received against specific fixed assets have been adjusted to the cost of the assets, and expenses only when directly attributable to fixed assets have been capitalized in the Restated Financial statements.
- (v) There are no revaluation reserves, which need to be disclosed separately in the **“Restated Financial Statements”**.
- (vi) The Company (erstwhile LLP) was a LLP till 31st March 2017 and hence in absence of equity shares has not paid any dividend during any financial years till 31st March, 2017.

**5. Other Financial Information:**

1. We have also examined the following financial information as set out in annexures prepared by the Management and as approved by the Board of Directors of the Company (erstwhile LLP) for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B & B(i)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Long-Term Loans & Advances	Annexure-H
Restated Statement of Current Investments	Annexure-I
Restated Statement of Inventories	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans And Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Capitalization	Annexure-R
Restated Statement of Related party transaction	Annexure-S
Restated Statement of Contingent liabilities	Annexure-T
Restated Statement of Tax Shelter	Annexure-U

2. The Restated Financial Information contains all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.

3. We have carried out Re-audit of the financial statements for the Year ended on March 31, 2017 as required by SEBI regulations. We have not audited any financial statements of the Company (erstwhile LLP) as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company (erstwhile LLP) as of any date or for any period subsequent to March 31, 2017.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company (erstwhile LLP) in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company (erstwhile LLP).
5. In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to T of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
6. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company (erstwhile LLP) and our report should not be used, referred to or adjusted for any other purpose without our written consent.

## **6. Auditor’s Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**7. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

a) In the case of Restated Statement of Assets and Liabilities of the Company (erstwhile LLP) as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013;

b) In the case of the Restated Statement of Profit and Loss of the Company (erstwhile LLP) for the Financial Year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013

c) In the case of the Restated Cash Flow Statement of the Company (erstwhile LLP) for the Financial Year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

**For A.Bafna & Co.**  
**Chartered Accountants**  
**FRN: 03660C**  
**PRC No. 007961**

**Sd/-**

**Jinendra Jumar Sethi**  
**Partner**  
**M. No. 072006**  
**Place: Mumbai**  
**Date: 21.07.2017**

**ANNEXURE – I  
STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>I.EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholder's Fund</b>					
(a) Partner's Capital (fixed Capital)	750.00	2,300.00	2,300.00	2,300.00	50.00
(b) Reserves and Surplus	3020.00	1671.80	828.78	20.51	(11.28)
<b>(2) Non-current Liabilities</b>					
(a) Long term borrowings	8,490.08	5,923.09	7,914.86	7,162.49	758.24
(b) Deferred tax liabilities (Net)	432.20			-	
(c) Long term provisions	47.10	26.28	10.00	3.01	-
<b>(3) Current Liabilities</b>					
(a) Short term borrowings	3,061.21	3,116.78	2,213.66	2,079.61	-
(b) Trade Payable	904.01	92.07	363.27	373.68	27.43
(c) Other current liabilities	1,771.85	1,712.59	1,470.63	453.48	2.17
(d) Short-term provisions	85.20	50.76	69.81	20.13	0.03
<b>TOTAL</b>	<b>18,561.66</b>	<b>14,893.36</b>	<b>15,171.02</b>	<b>12,412.91</b>	<b>826.59</b>
<b>II.ASSETS</b>					
<b>(1) Non current assets</b>					
(a) Fixed assets					
(i) Property, Plant & Equipment	7285.04	7511.97	7344.89	7389.23	198.27
(ii) Intangible assets	1.88	2.35	2.83	-	-
(iii) Capital work in progress	256.34	-	-	-	172.77
(iv) Intangible assets under development					
(b) Non current investments					
(c) Deferred tax assets	-	172.75	265.02	151.16	5.03
(d) Long term loans & advances	420.68	40.87	19.88	35.33	442.76
(e) Other non current assets					
<b>(2) Current assets</b>					
(a) Current investments		0.26			
(b) Inventories	2,057.83	1,675.68	2,129.42	2,118.16	-
(c) Trade receivable	4,123.63	2,217.65	1,580.80	1,307.93	-
(d) Cash and cash equivalents	121.04	172.77	175.07	141.21	4.18
(e) Short-term loans and advances	4,228.08	2,769.99	3,614.79	1,254.06	0.25
(f) Other current assets	67.14	329.08	38.31	15.84	3.34
<b>TOTAL</b>	<b>18,561.66</b>	<b>14,893.36</b>	<b>15,171.02</b>	<b>12,412.91</b>	<b>826.59</b>

**ANNEXURE II  
STATEMENT OF PROFIT & LOSSES AS RESTATED**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Revenue from operation	26,490.92	24,757.89	25,223.12	7,201.30	-
Other Income	1,429.33	1,477.87	1,357.49	327.49	-
<b>Total Revenue</b>	<b>27,920.25</b>	<b>26,235.76</b>	<b>26,580.62</b>	<b>7,528.79</b>	<b>-</b>
Expenses					
Cost of material consumed	22,775.14	20,982.83	22,059.43	8,557.55	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(318.03)	373.79	121.74	(2,073.92)	-
Employee benefits expense	533.91	354.45	341.89	104.88	1.64
Finance costs	1,296.92	1,341.47	1,530.57	646.31	12.23
Depreciation and amortization expenses	493.08	475.84	459.70	128.06	-
Other expenses	1,898.26	1,772.10	1,372.86	280.25	2.45
<b>Total Expenses</b>	<b>26,679.27</b>	<b>25,300.48</b>	<b>25,886.20</b>	<b>7,643.12</b>	<b>16.32</b>
Profit before exceptional and extraordinary items and tax(III-IV)	1,240.97	935.28	694.42	(114.33)	(16.32)
Exceptional items	-	-	-	-	-
Profit before extraordinary items and tax(V-VI)	<b>1,240.97</b>	<b>935.28</b>	<b>694.42</b>	<b>(114.33)</b>	<b>(16.32)</b>
Extraordinary items	712.19	-	-	-	-
<b>Profit before tax (VII-VIII)</b>	<b>1953.16</b>	<b>935.28</b>	<b>694.42</b>	<b>(114.33)</b>	<b>(16.32)</b>
Tax expense:					
(1) Current Tax	-	-	-	-	-
(2) Deferred Tax	(604.96)	(92.26)	113.86	146.12	5.03
Profit (Loss) for the period from continuing operations (VII-VIII)	1348.20	843.01	808.28	31.79	(11.28)
Profit/(loss) from discontinuing operations	-				
Tax expense of discontinuing operations	-				
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-				
Profit (Loss) for the period (XI + XIV)	1348.20	843.01	808.28	31.79	(11.28)

**ANNEXURE III**  
**STATEMENT OF CASH FLOWS FROM RESTATED FINANCIAL STATEMENTS**

(Amt in Rs. Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit before taxation and extraordinary items	1,240.97	935.28	694.42	(114.33)	(16.32)
Adjustment for :					
Incorporation Cost (which is amortized)					
Depreciation	493.08	475.84	459.70	128.06	-
Finance Costs	1,296.92	1,341.47	1,530.57	646.31	12.23
Interest Income	(294.56)	(238.41)	(274.04)	(12.15)	-
Misc. Expenses Amortization	-				
Operating profit / (loss) before working capital changes	2,736.41	2,514.18	2,410.65	647.89	(4.09)
<b>Changes in working capital:</b>					
Adjustments for (increase) / decrease in operating assets:					
<b>Current assets</b>					
Inventories	(382.15)	453.74	(11.26)	(2,118.16)	-
Trade receivables	(1,905.98)	(636.84)	(272.87)	(1,307.93)	-
Short-term loans and advances	(1,458.10)	844.81	(2,360.73)	(1,253.81)	(0.25)
Other current assets	261.94	(290.76)	(22.47)	(12.50)	(3.34)
<b>Current liabilities</b>					
Trade payables	811.94	(271.20)	(10.41)	346.25	27.43
Other current liabilities	59.27	241.96	1,017.14	451.31	2.17
Short term borrowings	(55.57)	903.12	134.05	2,079.61	-
Long term provisions	20.82	16.28	6.99	3.01	
Short-term provisions	268.36	(19.05)	49.68	20.10	0.03
<b>Cash generated from operations before extraordinary items</b>					
Extra ordinary items	712.19				
Net Tax Provisions	(233.92)	-	-	-	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>835.20</b>	<b>3,756.22</b>	<b>940.76</b>	<b>(1,144.22)</b>	<b>21.96</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Capital expenditure on fixed assets, including capital advances	(522.01)	(642.44)	(418.19)	(7,147.71)	(371.04)
Investment in shares	-	(0.26)	-	-	-
Sale of Asset	0.26	-	-	1.47	-
Interest received	294.56	238.41	274.04	12.15	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(227.19)</b>	<b>(404.29)</b>	<b>(144.15)</b>	<b>(7,134.10)</b>	<b>(371.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Capital Introduced	-	-	-	2,250.00	50.00
Withdrawal of the Partners Capital	-	-	-	-	-
Proceeds from Security Premium	-	-	-	-	-
Proceeds from other long-term borrowings	1017.00	(1,991.78)	752.38	6,404.24	758.24
Interest paid to partners	-	-	-	-	-

***Pashupati Cotspin Limited***

Loan Repaid	(379.81)	(20.99)	15.45	407.42	(442.76)
Finance Charges paid	(1,296.92)	(1,341.47)	(1,530.57)	(646.31)	(12.23)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(659.73)</b>	<b>(3354.23)</b>	<b>(762.74)</b>	<b>8,415.36</b>	<b>353.26</b>
<b>NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(51.72)	(2.30)	33.86	137.03	4.18
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	172.77	175.07	141.21	4.18	-
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	121.04	172.77	175.07	141.21	4.18



**ANNEXURE-IV**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

**A. BACKGROUND**

Pashupati Cotspin Limited was originally incorporated as LLP on 7th January 2013 vide registration No.AAA-3046.It was converted into Private Limited company on 3rd July 2017 vide registration No.U17309GJ2017PLC098117 and later on converted to Public Limited Company on 18th July 2017.The company is having its registered office at Survey No.404 At & Post Balasar, Kadi-Detroj Road, Kadi , Mahesana, Gujarat-382715. The Company (erstwhile LLP) is engaged in Cotton Ginning and manufacture and processing of yarn.

**B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company(erstwhile LLP) for the financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31 2013, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31 2013 and the annexures thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company (erstwhile LLP) for the financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31 2013.

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the companies (Accounts) Rule 2014,the provisions of the act (to the extent notified). Accounting policies have been consistently applied, except where newly-issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. FIXED ASSETS**

**Property, Plant and Equipment** are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

**Intangible assets** are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives

#### **4. DEPRECIATION**

##### **Property, Plant and Equipment**

The Company (erstwhile LLP) depreciates tangible assets over their estimated useful lives using the straight-line method. The useful lives and residual values of the Company's assets are determined as per Schedule II of the Companies Act, 2013. Depreciation for assets purchases / sold during a period is proportionately charged.

##### **Intangible Fixed Assets**

The Company (erstwhile LLP) depreciates intangible assets over their estimated useful lives using the straight-line method. The useful lives and residual values of the Company's assets are determined as per Schedule II of the Companies Act, 2013. Depreciation for assets purchases / sold during a period is proportionately charged.

#### **5. BORROWING COSTS**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **6. IMPAIRMENT OF ASSETS**

Impairment loss, if any, is provided to the extent the carrying amounts of assets exceed their recoverable amounts. Recoverable amount is that which is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Net Selling Price is the amount obtainable from sale of the asset on arms length basis between knowledgeable and willing parties less the cost of disposal.

#### **7. INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

#### **8. INVENTORIES**

(Inventories were taken as valued & certified by the partners)

- a) Raw Material – At lower of Cost or Net Realizable Value.
- b) Stock in Process - At lower of Cost or Net Realizable Value.
- c) Finished Goods - At lower of Cost or Net Realizable Value.
- d) Stores, Spares, Lubricants - At lower of Cost or Net Realizable Value.
- e) Material in Transit - At Cost
- f) Waste (Cotton and Yarn) - At Net Realizable value

#### **9. REVENUE RECOGNITION**

Incomes are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers & no effective ownership is retained. However;

- a) Revenue in respect of insurance/other claims etc is recognized only when it is reasonably certain that the ultimate collection will be made.

- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- c) Lease Rent Income is recognized on accrual basis

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange rates prevailing at the end of the period. All exchange differences are recognised in the Statement of Profit & Loss . Non monetary foreign currency items are recorded using the exchange rates that existed when the values were determined accordingly. The reporting currency of the Company (erstwhile LLP) is Indian Rupee

## **11. EMPLOYEE BENEFITS**

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b) The company(erstwhile LLP) has Defined Contribution Plans for post employment benefits in the form of Provident Fund which is administered through Government of India. Provident Fund Scheme is classified as Defined Contribution Plans as the company (erstwhile LLP) has no further obligation beyond making the contributions. The company's contributions to Defined Contribution Plans are charged to the Profit and Loss Statement as incurred.
- c) Other Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.
- d) Leave encashment has been charged to the Revenue Account on the basis of policy of the LLP.

## **12. ACCOUNTING FOR GOVERNMENT GRANTS**

Grants received against specific fixed assets are adjusted to the cost of the assets. The Grants which are revenue in nature are adjusted through Profit & Loss Accounts, under the head other income.

## **13. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company (erstwhile LLP) has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company (erstwhile LLP) writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **14. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company (erstwhile LLP) or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **15. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company (erstwhile LLP) considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

#### **16. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company (erstwhile LLP) are segregated, accordingly.

#### **17. SEGMENT REPORTING:**

The LLP manufactures and deals in single product i.e. Cotton only and therefore, Accounting Standard 17 on Segment Reporting is not applicable.

#### **18. EXTRAORDINARY ITEMS**

Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly

#### **C. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS**

There is change in significant accounting policies adopted by the Company (erstwhile LLP), the details of which are as under:

- 1) The Company (erstwhile LLP) has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India for provision for Gratuity and accordingly, the provision of gratuity has not been accounted for by the management in books of account for F.Y.13-14, F.Y.14-15 & F.Y.15-16. Provision for F.Y.16-17 is accounted on adhoc basis.

- 2) The Company (erstwhile LLP) has not been following the provisions of Accounting Standard – 10 “Property, Plant and Equipment” issued by the Institute of Chartered Accountants of India, for accounting of fixed assets. As per AS 10, expenses when directly attributable to fixed assets are to be capitalized. The Company (erstwhile LLP) has capitalized all expenses prior to commercial production although not directly attributable to fixed assets.

**D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

- 1) The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- 2) The LLP has been incorporated on 7th Jan 2013 with a fixed capital of Rs.50 Lakhs vide LLP agreement of the same date. The Fixed capital has been increased to Rs.2300 Lakhs vide LLP agreement dated 21st Oct 2013. The fixed capital has been reduced to Rs. 750 Lakhs vide LLP agreement dated 31st March 2017. Thus, the fixed capital has been shown as Rs. 750 Lakhs in F.Y. 2016-17, and remaining amount has been taken into Long term loans. These figures have been accordingly reflected in the restated balance sheets.
- 3) The Company (erstwhile LLP) does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company (erstwhile LLP) has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

**4) Employee benefits:**

The Company (erstwhile LLP) has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits (Gratuity) as per an actuarial valuation carried out by an independent actuary in restated financials. The disclosures as envisaged under the standard are as under:-

**(Rupees in Lakhs)**

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
<b>1. The amounts recognized in the Balance Sheet are as follows:-</b>					
Present value of the obligation at the end of the period	23	12	9	3	-
Fair value of plan assets at end of period	-	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	23	12	9	3	-
Funded Status	(23)	(12)	(9)	(3)	-
Best estimate for contribution during next Period	16	8	8	5	-
<b>2. Current Liability (*It is probable outlay in next 12 months as required by the Companies Act)</b>					
Current Liability (Short Term)*	0	0	0	0	-
Non Current Liability (Long Term)	24	13	10	3	-
Total Liability	25	14	10	3	-
<b>3. The amounts recognized in the Profit &amp; Loss A/c are as follows</b>					
Current service cost	12	6	6	-	-
Interest cost	1	1	0	-	-
Net actuarial (gain)/loss recognized in the period	(2)	(3)	0	-	-
Expenses to be recognized in the statement of profit and loss accounts	11	3	7	-	-
<b>4. Changes in the present value of defined benefit obligation</b>					
Defined Benefit obligation at the beginning of the period	14	10	3		-
Interest cost	1	1	0		-
Current service cost	12	6	6		-
Benefits paid (if any)	-	-	-		-



***Pashupati Cotspin Limited***

Actuarial (gain)/loss	(2)	(3)	0		-
Defined Benefit of the obligation at the end of the period	25	14	10	3	-
<b>Benefit Description</b>					
Benefit Type	<b>Gratuity Valuation As per Act</b>				
Retirement Age	60 Yrs	60 Yrs	60 Yrs	60 Yrs	-
Vesting Period	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service	5 Yrs of Service	-
<b>The principal actuarial assumptions for the above are as follows:-</b>					-
Salary Growth Rate	7.50% Per annum	7.50% Per annum	7.50% Per annum	7.50% Per annum	-
Discount rate	5.00% Per annum	5.00% Per annum	5.00% Per annum	5.00% Per annum	-
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	-
Withdrawal rate	5.00% Per annum	5.00% Per annum	5.00% Per annum	5.00% Per annum	-

**5) Segment Reporting (AS 17)**

The Company (erstwhile LLP) is not required to disclose the information required by Accounting Standard- 17. No separate segments have, however, been reported as the company (erstwhile LLP) does not have more than on business Segments within the meaning of Accounting standard -17, which differ from each other in risk and reward.

**6) Change in Accounting Estimate**

In Restated financials the Company (erstwhile LLP) has calculated the depreciation based on the rates given in Schedule II of the Companies Act, 2013.

**7) Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for) - There are no contingent liabilities as on March 31, 2017 except as mentioned in Annexure -T, for any of the years covered by the statements.

**8) Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – S of the enclosed financial statements.

**9) Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under:

**(Rupees in Lakhs)**

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Deferred Tax Liability</b>					
Net WDV as Per Companies Act	7,287	7,514	7,348	7,389	198
Net WDV As per Income Tax Act	5,088	5,603	5,188	6,390	198
Timing Difference Due to Depreciation	2,199	1,912	2,160	999	-
<b>Deffered Tax Liability (A)</b>	<b>680</b>	<b>591</b>	<b>667</b>	<b>309</b>	<b>-</b>
Incremental Due to Depreciation	89	(77)	359	309	-
Gratuity Expenses Accumulated	25	14	10	3	-
Expenses Disallowed u/s 43B of	66	-	-	-	-

Income-tax Act					
Business Loss	-	-	309	309	16
Unabsorbed Depreciation	710	2,457	2,698	1,176	-
DTA @ Applicable Rate	247	763	932	460	5
Incremental Due to Unabsorbed Depreciation/Gratuity/Exp	(516)	(169)	473	455	5
<b>Deferred Tax Assets (B)</b>	<b>247</b>	<b>763</b>	<b>932</b>	<b>460</b>	<b>5</b>
Cumulative Balance of Deferred Tax Liability/(Deferred Tax Assets) (A-B)	432	(173)	(265)	(151)	(5)
<b>Opening Deferred Tax Liability</b>	<b>(173)</b>	<b>(265)</b>	<b>(151)</b>	<b>(5)</b>	<b>-</b>
<b>Debited/(Credit) to Restated Statement of Profit and Loss Account</b>	<b>605</b>	<b>92</b>	<b>(114)</b>	<b>(146)</b>	<b>(5)</b>

**10) Earnings Per Share (AS 20):**

Earnings per Share have been calculated is already reported in the Annexure – Q of the enclosed financial statements.

**11) MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company (erstwhile LLP) for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under,

**Statement of adjustments in the Financial Statements**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company (erstwhile LLP).

**1. Statement of Profit and Loss after Tax**

**Table -1**

**(Rupees in Lakhs)**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	2,269	465	128	(295)	-
Decrease/(Increase) in Other Expenses - TDS Defaults as per 26AS	(1)	(0)	(0)	(1)	(0)
Decrease/(Increase) in Depreciation as per Companies Act	363	474	573	411	
Decrease/(Increase) Provision for Gratuity	14	(3)	(7)	(3)	
(Decrease)/Increase in Expenses due to Capitalization- Adjustment (Pre operative)				(226)	(16)
Decrease/(Increase) in Provision for Tax	(0)	-	-	-	
Decrease/(Increase) in DTL	(1,297)	(92)	114	146	5
<b>Net Increase/ (Decrease)</b>	<b>(921)</b>	<b>378</b>	<b>680</b>	<b>327</b>	<b>(11)</b>
<b>Profits after Tax as per Restated Accounts</b>	<b>1,348</b>	<b>843</b>	<b>808</b>	<b>32</b>	<b>(11)</b>

**a) Adjustment on account of provision for Gratuity:**



## ***Pashupati Cotspin Limited***

The Company (erstwhile LLP) did not provide gratuity based on the requirement of AS -15 (Revised), therefore during the restatement, provision for gratuity have been done as per the actuarial valuation and accordingly short/excess provisions in respective year were adjusted to comply with the requirement of AS-15 (Revised).

### **b) Accounting of Depreciation (AS -10, Property, Plant and Equipment)**

During the process of restatement of Accounts, LLP has rectified the Depreciation provision which was in non Compliance with the requirement of schedule II of the Companies Act, 2013. The same has been rectified and accordingly effect thereof has been stated in Table 1 (Statement of Profit and Loss after Tax).

### **c) Preoperative Expenses (AS-10, Property, Plant and Equipment)**

During the process of restatement of Accounts, the LLP has rectified costs that had been capitalized even though not directly attributable to fixed assets. These have now been adjusted in the Profit and Loss Account.

### **d) Capitalization of Expenses**

Government Grants - During the process of restatement of Accounts, LLP has rectified the accounting for Government Grants received against specific fixed assets by capitalizing the same against these assets whereas they had been adjusted in Profit & Loss Account earlier.

### **e) Adjustment on account of Provision of Deferred Tax:**

Due to changes in Depreciation and Provision for Gratuity, Disallowances, etc, the Company (erstwhile LLP) has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

### **f) Adjustment on account of Tax Provision**

Due to changes in accounting policies and other adjustments as stated above, the Company (erstwhile LLP) has recalculated the Income-tax provision at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their amounts have been readjusted in restated financials.

#### **1. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

#### **2. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company (erstwhile LLP) have been appropriately provided for.

#### **3. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupees in lakhs. Figures in brackets indicate negative values.

**For A. Bafna & Co**  
**Chartered Accountants**  
**FRN 03660C**  
**PRC No. 007961**

**Sd/-**  
**CA. Jinendra Kumar Sethi, FCA**  
**Partner**  
**Membership No. 072006**  
**Date: Mumbai**  
**Place: 21.07.2017**



**ANNEXURE A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Partner's Capital					
Partner's Fixed Capital	750.00	2,300.00	2,300.00	2,300.00	50.00
	-	-	-	-	-
<b>Total</b>	<b>750.00</b>	<b>2,300.00</b>	<b>2,300.00</b>	<b>2,300.00</b>	<b>50.00</b>
A) Surplus in Profit and Loss account					
Opening Balance	1,671.80	828.78	20.51	(11.28)	-
Add: Profit / (Loss) for the year	1,348.20	843.01	808.28	31.79	(11.28)
<b>Total (B)</b>	<b>3,020.00</b>	<b>1,671.80</b>	<b>828.78</b>	<b>20.51</b>	<b>(11.28)</b>
<b>Total (A+B)</b>	<b>3,770.00</b>	<b>3,971.80</b>	<b>3,128.78</b>	<b>2,320.51</b>	<b>38.72</b>

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.
- Company does not having any Revaluation Reserve.
- The LLP has been incorporated on 7th Jan 2013 with a fixed capital of Rs.50 Lakhs vide LLP agreement of the same date. The Fixed capital has been increased to Rs.2300 Lakhs vide LLP agreement dated 21st Oct 2013. The fixed capital has been further reduced to Rs. 750 Lakhs vide LLP agreement dated 31st March 2017. Thus, the fixed capital has been shown as Rs. 750 Lakhs in F.Y. 2016-17, and remaining amount has been taken into Long term loans. These figures have been accordingly reflected in the restated balance sheets.
- Our company has been formed from conversion of the Limited Liability Partnership in to company vide a certificate of incorporation dated July 03, 2017. The company has been converted with Paid up equity share capital of Rs. 7,50,00,000 divided into 75,00,000 equity shares of Rs 10 each.

**ANNEXURE B**  
**STATEMENT OF LONG TERM BORROWINGS AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Secured</b>					
(a) Term Loan					
From Oriental bank of commerce	4,258.58	5,319.42	5,952.46	6,104.10	-
<b>Unsecured</b>					
(a) Loans and advances from related parties	5,222.16	1,604.75	2,840.35	1,143.19	202.70
(b) Other loans and advances					
S Mangaldas Finance Corporation	-	-	-	-	95.07
Others	88.78	59.76	127.09	342.29	460.47
<b>Total</b>	<b>9,569.52</b>	<b>6,983.93</b>	<b>8,919.90</b>	<b>7,589.59</b>	<b>758.24</b>
From the above					
Amount disclosed under the head "other current liabilities"	1,079.44	1,060.84	1,005.04	427.10	-
<b>Total</b>	<b>8,490.08</b>	<b>5,923.09</b>	<b>7,914.86</b>	<b>7,162.49</b>	<b>758.24</b>

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**STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

<b>Particulars</b>	<b>As at</b>				
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Secured</b>					
(a) Loans repayable on demand From banks	3,061.21	3,116.78	2,213.66	2,079.61	-
<b>Total</b>	<b>3,061.21</b>	<b>3,116.78</b>	<b>2,213.66</b>	<b>2,079.61</b>	<b>-</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Relatives' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure –B (i)



**ANNEXURE B(i)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Loan A/c No.	Sanctioned Amount	Rate of interest	Primary Security	Collateral/Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2017 as per Books
<b>Secured Loan</b>									
Oriental Bank of Commerce	Term Loan	01577025003033	5Cr	11.50% (BR+1.85%)	Exclusive charge on the project assets of the firm including land and building having total cost of Rs. 6.75 Cr.(excluding working capital margin).(Including land at survey No 404/1 At-Balsar,Taluka - Kadi,Distt-Mehsana admeasuring 25000 sq mtrs.and building thereon.)	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.	Repayable in 60 monthly installments of Rs.8.34 lacs w.e.f.31.10.2014.Interest will be recovered as and when due.	Upto 30.09.2014	250
Oriental Bank of Commerce	Term Loan	01577525004388	3.72Cr	10.65% (BR+1%)	Exclusive charge (EM) on the project assets of the firm, building (Godowns) lstructurel having total cost of Rs.4.97Cr to be carried out at Survey No.435, Kadi Detroj Road AlBaLasar, Taluka-Kadi, Distt-l,4ehsana on area admeasures '1265 00 sq mtrs.	EM on the NA land at Survey No 435, Kadi Detroj Road At-Balasar, Taluka-Kadi, Disti-Mehsana on area admeasuring 14265.00 sq mtrs in the name of Sh.Mahadeeobhai Brahrnbhatt & Sh.Urdeepbhai Brahmhatt.	Repayable in 60 monthly installments of Rs.6.20 lacs after a moratorium period of 8 months from the date first disbursement .Interest will be recovered as and when due.	8 Months	316
Oriental Bank of	Term Loan	01577025002237	58.50Cr	11.50% (BR+1.85%)	Exclusive charge on the project assets of	EQM of properties having	Repayable in 60 monthly installments of		3,692



Commerce					the firm including land and building having total cost of Rs. 6.75 Cr.(excluding working capital margin).(Including land at survey No 404/1 At-Balsar,Taluka - Kadi,Distt-Mehsana admeasuring 25000 sq mtrs.and building thereon.)	MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.	Rs.75.42 lacs w.e.f.31.10.2014.Interest will be recovered as and when due.		
Oriental Bank of Commerce	Cash credit	01574015003044	19.50 Cr.	10.35% (MCLR+1.75%)	Hypothecation of stocks of raw material, stock-in-process, finished goods, stores & spares and receivables on pari-passu basis in case of consortium/multiple banking arrangements	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.			2,025
Oriental Bank of Commerce	Cash credit	01574015002247	12 Cr.	10.35% (MCLR+1.75%)	Hypothecation of stocks of raw material, stock-in-process, finished goods, stores & spares and receivables on pari-passu basis in case of consortium/multiple banking arrangements	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.			1,036

**Unsecured Loan**

1. Details Of Unsecured Loans outstanding as at the end of the respective periods from Directors / Promoters / Promoter Director / Promoter Group / Associates / Relatives Of Directors / Group Companies "
2. Unsecured Loans from Directors/Promoters/Promoter Director/Promoter Group/Associates/Relatives Of Directors/Group Companies are generally at @ 12% p.a. interest rate, which can be reviewed as per mutually agreed terms from time to time."

3. Long Term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time.

<b>Name of the Lender</b>	<b>Outstanding amount as on 31.03.2017 as per Books</b>
Ashishbhai Rameshchandra Trivedi	146.78
Bhaveshkumar Jayantilal Patel	265.41
Daksheshbhai Jayantibhai Patel	154.74
Falguniben Miteshbhai Parikh	443.17
Hariprabhaben Arvindbhai Parikh	517.71
Renuka Jagdishbhai Parikh	835.39
Saurin Jagdishbhai Parikh	685.75
Tushar Rameshchandra Trivedi	78.74
Mukeshbhai Vitthalbhai Patel	224.29
Toralben Urdeepbhai Brahmbhatt	71.90
S Raja Exports Private Limited	1533.53
Devyaniben Babubhai Patel	25.15
Jigeshaben Alpeshbhai Patel	8.80
Vanitaben Babubhai Patel	8.80
Babubhai Vitthal Das Patel	14.10
Jeminkumar Babubhai Patel	12.09
Pinkesh Atulkumar Patel	12.09
Pashupati Cotton Industries	264.75

**ANNEXURE C  
STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at</b>				
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Opening Balance of Deferred Tax Assets/ (Liability)	172.75	265.02	151.16	5.03	-
Current Year Provision (B)	(324.19)	(396.94)	(264.18)	(277.38)	5.03
DTA / (DTL) on Depreciation	(88.82)	76.76	(358.65)	(308.83)	-
DTA / (DTL) on Provision for Gratuity/Carry Forward Losses	(516.14)	(169.02)	472.51	454.95	5.03
<b>Closing Balance of Deferred Tax Asset / (Liability) (A+B)</b>	<b>(432.20)</b>	<b>172.75</b>	<b>265.02</b>	<b>151.16</b>	<b>5.03</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, II and III .

**ANNEXURE D  
STATEMENT OF LONG TERM PROVISIONS**

(Rs. In Lacs)

<b>Particulars</b>	<b>As at</b>				
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Provision for Gratuity	24.48	13.48	10.00	3.01	-
Provision for Leave Encashment	22.62	12.80	-	-	-
<b>TOTAL</b>	<b>47.10</b>	<b>26.28</b>	<b>10.00</b>	<b>3.01</b>	<b>-</b>

**Notes:-**

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

**ANNEXURE E**  
**STATEMENT OF TRADE PAYABLES AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Trade Payables due to Micro and Small Enterprises					
Trade Payables due to other than Micro and Small Enterprises	904.01	92.07	363.27	373.68	27.43
<b>Total</b>	<b>904.01</b>	<b>92.07</b>	<b>363.27</b>	<b>373.68</b>	<b>27.43</b>

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**ANNEXURE F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Other current liabilities</b>					
Statutory Liabilities	625.49	583.62	420.47	26.38	2.17
Current Maturities Of Long Term Borrowings	1,079.44	1,060.84	1,005.04	427.10	-
Expenses Payable	66.92	68.12	45.12	0.00	-
<b>Short -Term Provisions</b>					
Provision for TDS Defaults as per 26AS	2.90	1.54	1.44	1.39	0.03
Provision for Provided Fund	3.52	0.90	1.85	0.71	-
Provision for PF	4.13	0.58	0.89	0.95	-
Provision for salary Payable	39.03	23.28	45.72	17.07	-
Provision for Bonus	35.55	24.42	19.88	-	-
Provision for Gratuity	0.07	0.04	0.03	0.01	-
Provision for Income Tax	-	-	-	-	-
<b>Total</b>	<b>1857.05</b>	<b>1,763.34</b>	<b>1,540.44</b>	<b>473.61</b>	<b>2.20</b>

Notes:-

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

**ANNEXURE G**  
**STATEMENT OF FIXED ASSETS AS RESTATED**

(Rs. In Lacs)

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>(i) Tangible Assets</b>					
Land	193.87	193.87	193.87	193.87	187.53
Tubewells	2.32	3.52	4.72	5.93	6.31

Weightbridge	8.82	9.13	9.05	8.50	4.43
Building	1,839.95	1,630.24	1,089.68	1,082.82	-
<b>Computer &amp; data processing units</b>	-	-	-	-	-
Servers	0.24	0.31	0.38	0.46	-
End user devices	0.29	1.73	3.28	3.47	-
Plant & Machinery	5,002.46	5,401.69	5,757.50	5,805.81	-
Electrical installation & Equipments	187.70	213.43	237.84	248.95	-
Motor Vehicles	49.24	57.84	48.28	39.27	-
Office Equipments	0.15	0.21	0.28	0.16	-
<b>Total Tangible Assets</b>	<b>7,285.04</b>	<b>7,511.97</b>	<b>7,344.89</b>	<b>7,389.23</b>	<b>198.27</b>
<b>(ii) Intangible Assets</b>					
Software	1.88	2.35	2.83	-	-
<b>(iii) Capital Work-in-Progress</b>					
Capital Work-in-Progress	256.34	-	-	-	172.77
Intangible assets under development	-	-	-	-	-
<b>Grand Total</b>	<b>7,543.26</b>	<b>7,514.32</b>	<b>7,347.72</b>	<b>7,389.23</b>	<b>371.04</b>

**Notes:**

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

**ANNEXURE H  
STATEMENT OF LONG LOANS TERM& ADVANCES AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Unsecured considered good</b>					
(a) Capital advances	396.68	16.88	5.93	21.55	442.06
(b) Security deposits	23.99	23.99	13.96	13.79	0.70
<b>TOTAL</b>	<b>420.68</b>	<b>40.87</b>	<b>19.88</b>	<b>35.33</b>	<b>442.76</b>

**Notes:**

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

**ANNEXURE I  
STATEMENT OF CURRENT INVESTMENTS AS RESTATED**

(Rs. in Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Investments in Equity instruments(Unquoted)					
Pashupati Solar Ltd	-	0.26	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note-:**

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

**ANNEXURE J**  
**STATEMENT OF INVENTORIES AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(a) Raw Material	102.13	38.00	117.95	30.91	-
(b) Finished Goods	1,738.09	1,435.30	1,866.31	2,073.92	-
(c) WIP	109.12	85.50	85.87	-	-
(d) Stores , Spares & Packing Material	108.50	116.88	59.29	13.33	-
<b>Total</b>	<b>2,057.83</b>	<b>1,675.68</b>	<b>2,129.42</b>	<b>2,118.16</b>	<b>-</b>

Note:- As per Management Explanation, Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE K**  
**STATEMENT OF TRADE RECEIVABLES AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Receivable other than from promoters/promoters group/directors/related parties					
<b>Less than Six Months</b>	-	-	-	-	-
Unsecured Considered Good	1,340.16	829.76	1,538.90	1,194.35	-
<b>More than Six Months</b>	-	-	-	-	-
Unsecured Considered	-	-	-	-	-
Receivable from promoters/promoters group/directors/related parties					
<b>Less than Six Months</b>	-	-	-	-	-
Unsecured Considered Good	2,783.47	1,387.89	41.91	113.58	-
<b>More than Six Months</b>	-	-	-	-	-
Unsecured Considered	-	-	-	-	-
<b>Total</b>	<b>4,123.63</b>	<b>2,217.65</b>	<b>1,580.80</b>	<b>1,307.93</b>	<b>-</b>

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The ageing of the trade receivables is as provided by the management.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

**ANNEXURE L**  
**STATEMENT OF CASH AND CASH EQUIVALENT AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(a) Cash on Hand (as certified by management)	9.35	71.66	45.71	105.94	1.33
(b) Balances with Banks					
1. In current account					
(i) HDFC Bank Kadi	-	2.90	90.10	4.31	2.85
(ii) Oriental Bank Of Commerce	0.68	0.04	0.15	-	-
2.Fixed Deposits with Banks					
More than 12 months	111.02	98.17	39.11	30.96	-
<b>Total</b>	<b>121.04</b>	<b>172.77</b>	<b>175.07</b>	<b>141.21</b>	<b>4.18</b>

**Note:-**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.



- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE - M  
STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

**(Rs. In Lacs)**

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(a) Loans & Advances to related parties	2,207.75	1,484.44	2,240.81	341.45	-
(b) Loans & Advances to staff	2.74	1.00	0.10	-	-
(c) Loans & Advances to others	-	2.44	5.35	25.13	-
(d) Balance with government authorities	689.48	584.36	648.43	544.77	0.25
(e) Textile policy benefit receivable	1,328.10	697.74	720.10	342.71	-
<b>Total</b>	<b>4,228.08</b>	<b>2,769.99</b>	<b>3,614.79</b>	<b>1,254.06</b>	<b>0.25</b>

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

**ANNEXURE - N  
STATEMENT OF OTHER CURRENT ASSETS**

**(Rs. In Lacs)**

PARTICULARS	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Prepaid Expenses	8.02	9.28	4.87	-	-
Advance to creditors	59.12	319.80	33.44	15.84	3.34
<b>Total</b>	<b>67.14</b>	<b>329.08</b>	<b>38.31</b>	<b>15.84</b>	<b>3.34</b>

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

**ANNEXURE - O  
STATEMENT OF OTHER INCOME AS RESTATED**

**(Rs. In Lacs)**

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Related and Recurring Income:</b>					
Interest Income	285.90	232.37	271.11	7.06	-
FD Interest Income	8.66	6.04	2.93	5.09	-
Insurance Claim	-	-	4.87	-	-
Weight Bridge Income	0.37	2.10	2.48	-	-
Vat Incentives	562.79	580.93	431.69	35.85	-
Power Incentives	204.99	202.94	165.63	28.04	-
Interest Incentives	338.80	422.29	477.54	247.23	-
Other Income and Kasar Vatav	27.83	31.19	1.24	2.67	-
Profit on sale of land	-	-	-	1.55	-
<b>TOTAL</b>	<b>1,429.33</b>	<b>1,477.87</b>	<b>1,357.49</b>	<b>325.94</b>	<b>-</b>

- The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE P**  
**STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Sale of Manufactured goods</b>					
(a) Yarn sales	10,957.28	9,402.66	8,512.63	1,034.58	-
(b) Yarn Waste Sales	1,093.77	851.83	804.86	139.66	-
(c) Cotton Sales	14,321.29	14,633.76	16,408.36	6,347.38	-
	26,372.35	24,888.25	25,725.85	7,521.62	-
Less:-Rebate & goods returned	58.47	142.89	502.92	320.32	-
Less:-Excise duty	-	-	-	-	-
(d) Other operating revenue	177.04	12.53	0.19	-	-
<b>Total</b>	<b>26,490.92</b>	<b>24,757.89</b>	<b>25,223.12</b>	<b>7,201.30</b>	<b>-</b>

**ANNEXURE Q**  
**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Worth (A)	3,770.00	3,971.80	3,128.78	2,320.51	38.72
Restated Profit after tax excluding extraordinary item	856.08	843.01	808.28	31.79	-
Adjusted Profit after Tax excluding extraordinary item(B)	856.08	843.01	808.28	31.79	-
Number of Equity Share outstanding as on the End of Year/Period ( C)	75.00	75.00	75.00	75.00	-
Weighted average no of Equity shares at the time of end of the year (D)	75.00	75.00	75.00	75.00	-
Current Assets (E)	10,597.73	7,165.42	7,538.40	4,837.20	7.76
Current Liabilities (F)	5,822.27	4,972.19	4,117.37	2,926.91	29.63
Face Value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.)(B/D) Refer Note 1 given below	11.41	11.24	10.78	0.42	-
Return on Net worth (%) (B/A)	22.71	21.23	25.83	1.37	-
Net asset value per share (A/C)	50.27	52.96	41.72	30.94	-
Adjusted Net asset value per share based on Weighted average number of share (A/D)	50.27	52.96	41.72	30.94	-
Current Ratio (E/F)	1.82	1.44	1.83	1.65	0.26

Our Company has been formed from conversion of the Limited Liability Partnership in to company vide a certificate of incorporation dated July 03, 2017. The status of the Company prior to July 03, 2017 was that of a Limited Liability partnership. Hence, EPS and NAV per share for all the periods/ years have been calculated by considering the number of shares outstanding post conversion of the LLP into Company (i.e. 7500000 Equity Shares)

1) The ratios have been computed as below:

- Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
- Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
- Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year

- (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
- (e) Net assets value per share (effect of bonus issue of equity shares) - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after split and bonus issue)
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 4) The figures disclosed above are based on the standalone restated summary statements of the Group.
- 5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE - R  
STATEMENT OF CAPITALISATION**

Particulars	Pre-Issue	Post-Issue*
	31.03.2017	
Debt		
Short Term Debt	4,140.65	XXXX
Long Term Debt	8,490.08	XXXX
Total Debt	12,630.74	XXXX
Shareholders' Fund (Equity)		XXXX
Share Capital	750.00	XXXX
Reserves & Surplus	2,488.48	XXXX
Less: Miscellaneous Expenses not w/off	-	XXXX
Total Shareholders' Fund (Equity)	3,238.48	XXXX
Long Term Debt/Equity	2.62	XXXX
Total Debt/Equity	3.90	XXXX

\* The Corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

- Short term Debts represent which are expected to be paid/payable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above.
- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2017.

**ANNEXURE S  
DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED**

**List of Related Parties, as disclosed by management:-**

Key Managerial Persons and their Relatives

1	Saurin J. Parikh	Director
2	Tushar R. Trivedi	Director
3	Ashish R. Trivedi	relative of directors
4	Bhavesh J. Patel	Director
5	Dakshesh J. Patel	relative of directors
6	Falguni M. Parikh	relative of directors
7	Hariprabha A. Parikh	relative of directors
8	Renuka J. Parikh	relative of directors
9	Miteshbhai Jagdish Bhai Parikh	relative of directors

**Enterprises where Key Management Personnel or their relatives are able to exercise significant influence**

- S Raja Export Private Limited
- Global Park Developers LLP



***Pashupati Cotspin Limited***

3. Pashupati Oil Industries
4. Madhav Oil Industries
5. Pashupati Cotton Industries
6. Pashupati Textiles
7. Pashupati Enterprise

(Rs. In Lacs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
<b>Ashishbhai Rameshchandra Trivedi</b>					
Opening Balance	49.03	29.05	11.83	0.10	0.00
Add Interest	23.76	19.97	17.23	11.73	0.10
Add Amount Received	124.00	0.00	0.00	50.00	0.00
Less Amount Paid	50.00	0.00	0.00	50.00	0.00
Closing Balance	146.78	49.03	29.05	11.83	0.10
<b>Bhaveshkumar Jayantilal Patel</b>					
Opening Balance	102.84	29.04	11.82	0.09	0.00
Add Interest	31.07	23.80	17.23	11.73	0.09
Add Amount Received	131.50	50.00	0.00	51.00	0.00
Less Amount Paid	0.00	0.00	0.00	51.00	0.00
Closing Balance	265.41	102.84	29.04	11.82	0.09
<b>Daksheshbhai Jayantibhai Patel</b>					
Opening Balance	111.94	18.67	7.86	0.06	0.00
Add Interest	22.30	18.27	10.81	7.79	0.06
Add Amount Received	70.50	75.00	0.00	51.70	0.00
Less Amount Paid	50.00	0.00	0.00	51.70	0.00
Closing Balance	154.74	111.94	18.67	7.86	0.06
<b>Falguniben Miteshbhai Parikh</b>					
Opening Balance	227.29	226.09	176.36	0.20	0.00
Add Interest	60.38	51.20	49.73	26.17	0.20
Add Amount Received	339.10	100.00	0.00	300.00	0.00
Less Amount Paid	183.60	150.00	0.00	150.00	0.00
Closing Balance	443.17	227.29	226.09	176.36	0.20
<b>Hariprabhaben Arvindbhai Parikh</b>					
Opening Balance	281.34	224.73	175.13	0.20	0.00
Add Interest	65.87	56.61	49.60	24.93	0.20
Add Amount Received	270.50	0.00	0.00	250.00	0.00
Less Amount Paid	100.00	0.00	0.00	100.00	0.00
Closing Balance	517.71	281.34	224.73	175.13	0.20
<b>Renuka Jagdishbhai Parikh</b>					
Opening Balance	384.35	551.42	175.13	0.20	0.00
Add Interest	81.54	82.93	51.29	24.93	0.20
Add Amount Received	369.50	0.00	325.00	250.00	0.00
Less Amount Paid	0.00	250.00	0.00	100.00	0.00
Closing Balance	835.39	384.35	551.42	175.13	0.20
<b>Saurin Jagdishbhai Parikh</b>					
Opening Balance	360.38	294.39	236.64	0.21	0.00
Add Interest	81.51	65.73	57.76	26.43	0.21
Add Amount Received	394.12	0.26	0.00	310.00	0.00
Less Amount Paid	150.26	0.00	0.00	100.00	0.00
Closing Balance	685.75	360.38	294.39	236.64	0.21
<b>Tushar Rameshchandra Trivedi</b>					
Opening Balance	22.22	14.38	3.96	0.04	0.00
Add Interest	10.02	7.84	6.67	3.93	0.04
Add Amount Received	46.50	0.00	3.75	0.00	0.00

Less Amount Paid	0.00	0.00	0.00	0.00	0.00
Closing Balance	78.74	22.22	14.38	3.96	0.04
<b>Miteshbhai Jagdish Bhai Parikh</b>					
Opening Balance	1,208.92	139.76	341.45	-	-
Amount Received	342.10	1,084.02	262.29	120.00	-
Amount paid	1,138.13	2,153.19	60.59	461.45	-
Closing Balance	2,004.95	1,208.92	139.76	341.45	-
<b>B.Enterprises where Key Management Personnel or their relatives are able to exercise significant Influence</b>					
<b>Madhav Oil Industries</b>					
Opening Balance	2.42	-	113.58	-	-
Sales	120.32	409.29	2,012.99	1,338.58	-
Job work charges	-	-	36.36	-	-
Amount received	162.75	436.87	3,960.00	1,300.00	-
Amount Paid	-	30.00	1,869.79	75.00	-
Closing Balance	(40.01)	2.42	-	113.58	-
<b>Pashupathi Cotton Industries</b>					
Opening Balance	23.97	2,082.29	(203.27)	-201.48	-
Sales	192.46	135.43	524.77	113.54	-
Purchases	131.78	33.01	19.12	359.37	-
Interest on loan	72.75	26.15	200.13	-	-
Amount Received	7,855.00	11,421.05	19,346.43	8,888.44	860.36
Amount paid	7,432.85	9,234.17	20,926.20	9,132.48	658.88
Closing Balance	(264.75)	23.97	2,082.29	(203.27)	(201.48)
<b>Pashupathi Oil Industries</b>					
Opening Balance	209.91	41.91	-	-	-
Sales	2,695.11	2,918.41	605.41	-	-
Purchases	1.46	-	10.65	-	-
Job work charges	55.19	46.03	38.81	-	-
Amount received	2,658.86	495.84	150.95	-	-
Amount Paid	4.16	3,200.22	664.99	-	-
Closing Balance	193.66	209.91	41.91	-	-
<b>S Raja Exports Pvt Ltd</b>					
Opening Balance	41.52	18.77	(2.10)	-	-
Sales	1,580.18	5,699.43	5,057.82	-	-
Purchases	-	-	7.72	-	-
Amount received	8,814.67	10,080.49	7,254.28	135.00	-
Amount Paid	5,680.93	4,329.60	2,388.33	135.23	-
Interest on loan	21.49	74.21	163.28	2.33	-
Closing Balance	(1,533.53)	41.52	18.77	(2.10)	-
<b>Pashupati Textiles</b>					
Opening Balance	-	-	-	-	-
Amount Paid	201.97	-	-	-	-
Interest on loan	0.83	-	-	-	-
Closing Balance	202.80	-	-	-	-
<b>Pashupati Enterprise</b>					
Opening Balance	1,385.47	(1,414.48)	(124.54)	-	-
Sales	10,474.77	6,588.17	3,074.46	693.18	-
Purchases	2,251.21	-	-	-	-
Amount Received	9,038.17	6,209.93	6,010.86	1,148.85	-
Amount Paid	2,018.95	2,421.71	1,646.46	331.13	-
Closing Balance	2,589.81	1,385.47	(1,414.48)	(124.54)	-
<b>Pashupati Agro Green Industries</b>					
Opening Balance	(1.43)	(1.43)	(1.43)	-	-

Sales	-	-	-	-	-
Purchases	-	-	-	-	-
Water Charges	-	-	-	1.43	-
Amount Paid	-	-	-	-	-
Closing Balance	(1.43)	(1.43)	(1.43)	(1.43)	-
<b>Global Industrial Park LLP</b>					
Opening Balance	-	-	-	-	-
Sales	-	-	-	-	-
Purchases	-	-	-	-	-
Amount Received	725.34	-	-	-	-
Amount paid	720.44	-	-	-	-
Closing Balance	(4.90)	-	-	-	-

**ANNEXURE - T  
RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Contingent liabilities in respect of:					
Income Tax demands / Notices before CIT Appeals	54.45	54.45	54.45	-	-
Bank Gaurantee in favour of DGFT	130.80	130.80	119.13	95.98	-
Bank Gaurantee in favour of Gujarat Vij Co Ltd	168.23	145.50	145.50	113.56	
Bank Gaurantee in favour of CustomDepartment	51.00	51.00	51.00	51.00	
Bank Gaurantee in favour of Ministry of textile	2.50	2.50			
Export obligation for duty saved	945.44	-	-	-	-
Commitments (to the extent not provided for)	-	-	-	-	-
<b>Total</b>	<b>1,352.42</b>	<b>384.25</b>	<b>370.08</b>	<b>260.54</b>	<b>-</b>

**Notes:**

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

**ANNEXURE - U  
STATEMENT OF TAX SHELTER**

(Rs. In Lakhs)

Particulars	As at				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Profit/(Loss) before taxes (A)	1953	935	694	(114)	(16)
Tax Rate Applicable %	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Taxes (MAT)	19.06%	19.06%	19.06%	19.06%	19.06%
LTCG Tax Rates	20.60%	20.60%	20.60%	20.60%	20.60%
Adjustments					
Add: Depreciation as per Companies Act, 1956/2013	493	476	460	128	-
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS					
Add:- TDS Demand as per 26 AS	1	0	0	1	0
Add: Donation Paid not Allowed Under Income Tax	7	-	-	0	-

***Pashupati Cotspin Limited***

Add: Prior Period Expenses					
Add: Disallowed u/s 40a					
Add: Disallowed u/s 43B (b)	66				-
Less: Allowed u/s 43(b)					
Add: Provision for Gratuity	11	3	7	3	-
Add: Disallowed U/s 36(1)					
Less- Profit on Sale of Fixed Asset	-	-	-	(2)	-
Add- Loss on Sale of Fixed Asset					
Deduction under Chapter VIA					
Less: Depreciation as per Income Tax Act, 1961	(781)	(864)	(1608)	(1176)	-
<b>Net Adjustments (B)</b>	<b>(203)</b>	<b>(385)</b>	<b>(1142)</b>	<b>(1045)</b>	<b>0</b>
<b>Business Income (A+B)</b>	<b>1750</b>	<b>550</b>	<b>(447)</b>	<b>(1160)</b>	<b>(16)</b>
Less: Unabsorbed loss to be utilised for Set-Off	-	309			
Less: Unabsorbed Depreciation to be utilised for Set-Off	1747	241	-	-	-
Less: deduction u/s 80G	3				
<b>Gross Total Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax Payable as per Normal Rate	-	-	-	-	-
Tax Payable as per Special Rate	-	-	-	-	-
MAT Credit Set Off\Entitlement	-	-	-	-	-
Tax as per Income Tax (D )	-	-	-	-	-
Current Tax as per Restated Statement of Profit & Loss	-				

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company, Income Tax Depreciation was recalculated due to regrouping of Assets and capitalization of few payment expenses from Revenue to Fixed Assets, due to which depreciation was recalculated and revised depreciation considered for above calculation.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexue IV, I, II and III.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

**The Board of Directors,  
Pashupati Cotspin Limited**  
Survey No.404 At & Post Balasar,  
Kadi-Detroj Road, Kadi ,  
Mahesana - 382715, Gujarat, India

Dear Sirs,

The principal terms of loans and assets charged as security as on 31<sup>st</sup> March, 2017 is as given below:

**A. Secured Loan**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Loan A/c No.	Sanctioned Amount	Rate of interest	Primary Security	Collateral/Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2017 as per Books
<b>Secured Loan</b>									
Oriental Bank of Commerce	Term Loan	01577025003033	5Cr	11.50% (BR+1.85%)	Exclusive charge on the project assets of the firm including land and building having total cost of Rs. 6.75 Cr.(excluding working capital margin).(Including land at survey No 404/1 At-Balsar,Taluka - Kadi,Distt-Mehsana admeasuring 25000 sq mtrs.and building thereon.)	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.	Repayable in 60 monthly installments of Rs.8.34 lacs w.e.f.31.10.2014. Interest will be recovered as and when due.	Upto 30.09.2014	250
Oriental Bank of Commerce	Term Loan	01577525004388	3.72Cr	10.65% (BR+1%)	Exclusive charge (EM) on the proiect assets of the firm, building	EM on the NA land at Survey No 435, Kadi Detroj Road At-	Repayable in 60 monthly installments of	8 Months	316



***Pashupati Cotspin Limited***

					(Godowns) Istructurel having total cost of Rs.4.97Cr to be carried out at Survey No.435, Kadi Detroj Road AIBaLasar, Taluka-Kadi, Distt-l,4ehsana on area admeasures '1265 00 sq mtrs.	Balasar, Taluka-Kadi, Disti-Mehsana on area admeasuring 14265.00 sq mtrs in the name of Sh.Mahadeeobhai Brahrnbhatt & Sh.Urdeepbhai Brahmbhatt.	Rs.6.20 lacs after a moratorium period of 8 months from the date first disbursement .Interest will be recovered as and when due.		
Oriental Bank of Commerce	Term Loan	01577025 002237	58.50Cr	11.50% (BR+1.85%)	Exclusive charge on the project assets of the firm including land and building having total cost of Rs. 6.75 Cr.(excluding working capital margin).(Including land at survey No 404/1 At-Balsar,Taluka - Kadi,Distt-Mehsana admeasuring 25000 sq mtrs.and building thereon.)	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.	Repayable in 60 monthly installments of Rs.75.42 lacs w.e.f.31.10.2014. Interest will be recovered as and when due.		3,692
Oriental Bank of Commerce	Cash credit	01574015 003044	19.50 Cr.	10.35% (MCLR+1.75%)	Hypothecation of stocks of raw material, stock-in-process, finished goods, stores & spares and receivables on pari-passu basis in case of consortium/multiple banking arrangements	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.			2,025
Oriental Bank of Commerce	Cash credit	01574015 002247	12 Cr.	10.35% (MCLR+1.75%)	Hypothecation of stocks of raw material, stock-in-process, finished goods, stores & spares and receivables on pari-passu basis in case of consortium/multiple banking arrangements	EQM of properties having MV of Rs. 5.77 Cr. & RV of Rs.5.26 Cr.			1,036

**B. Unsecured Loan**

<b>Name of the Lender</b>	<b>Outstanding amount as on 31.03.2017 as per Books</b>
Ashishbhai Rameshchandra Trivedi	146.78
Bhaveshkumar Jayantilal Patel	265.41
Daksheshbhai Jayantibhai Patel	154.74
Falguniben Miteshbhai Parikh	443.17
Hariprabhaben Arvindbhai Parikh	517.71
Renuka Jagdishbhai Parikh	835.39
Saurin Jagdishbhai Parikh	685.75
Tushar Rameshchandra Trivedi	78.74
Mukeshbhai Vitthalbhai Patel	224.29
Toralben Urdeepbhai Brahmhatt	71.90
S Raja Exports Private Limited	1533.53
Devyaniben Babubhai Patel	25.15
Jigeshaben Alpeshbhai Patel	8.80
Vanitaben Babubhai Patel	8.80
Babubhai Viththal Das Patel	14.10
Jeminkumar Babubhai Patel	12.09
Pinkesh Atulkumar Patel	12.09
Pashupati Cotton Industries	264.75

*Unsecured Loans from Directors/Promoters/Promoter Director/Promoter Group/Associates/Relatives Of Directors/Group Companies are generally at @ 12% p.a. interest rate, which can be reviewed as per mutually agreed terms from time to time. Long Term in nature. Generally not repayable on demand. Repayable as per mutually agreed terms from time to time*

**For A. Bafna & Co**  
**Chartered Accountants**  
**FRN 03660C**  
**PRC No. 007961**

**Sd/-**  
**CA. Jinendra Kumar Sethi, FCA**  
**Partner**  
**Membership No. 072006**  
**Date: 21.07.2017**  
**Place: Mumbai**

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled “Risk Factors” beginning on page 14 and “Forward Looking Statements” beginning on page 13 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 fiscal years ended March 31, 2017, 2016, 2015, 2014 and 2013, including the schedules and notes thereto and the reports thereto, which appear in the section titled “**Financial Information of the Company**” on Page 142 of the 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 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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central Registration Center on July 3, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11, 2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad. The firm was established with the main aim of setting up of a manufacturing plant of ginning and spinning yarn from cotton fibres.

We are engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The products manufactured at our Company include Cotton bales, Cotton yarn and Black Cotton seeds (Delineate Seeds). By setting up of the Ginning and Spinning unit our Company has entered into a forward integration of the Textile industry by manufacturing of cotton yarn to cope up with the changes in the fashion consciousness, development in the cotton textile sector and synchronizing with the initiatives provided by the Central and the state Government.

The manufacturing facility of our Company is situated at 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 spindlage of total 25536 spindle, and 56 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. Our Company is also using the storage space available with us for the purpose of letting it out to customers and thereby earning lease rentals as consideration.

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than two decades 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 March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 the total revenue of our Company stood at Rs. 27920.25 Lakhs, Rs. 26235.76 Lakhs, Rs. 26580.62 Lakhs & Rs. 7528.79 Lakhs respectively. Further, our PAT for the fiscal year ended on March 31, 2017 and March 31, 2016 were Rs. 1348.20 Lakhs and Rs. 843.01 Lakhs respectively. We have been able to increase our total revenue at compounded annual growth rate of 38.77% from fiscal 2014 until fiscal 2017.

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters**

The Promoters of our Company Mr. Saurin Jagdish Bhai Parikh, Mr. Trivedi Tushar R and Mr. Dakshesh Jayantilal Patel have more than 20 years experience in the cotton textile industry. They have proven background and rich experience in the Cotton industry. They have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry. For further details of our Promoter's experience and background, please refer the chapter titled "*Our Management*" on page 114 of this Prospectus.

### **2. Location advantage of our manufacturing unit**

The manufacturing facility of our Company is situated at Kadi, District Mehsana of Gujarat. The unit is at a distance of 2 km. from Kadi and 18 km. from Detroj. Kadi is connected to SH connecting Ahmedabad-Mehsana-Palanpur. There are many Ginning units at Kadi. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the close vicinity of the cotton rich belt of Gujarat and Maharashtra. The small staple cotton is also available in the month of February to April.

### **3. Forward Integration**

Our Company is engaged in the business of processing of Kapas (raw cotton) by way of Ginning of cotton, spinning of cotton yarn and delineating Process. The raw material for the ginning unit is Kapas (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.

### **4. 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 greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw material, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

### **5. Scalable Business Model**

We focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the increasing demand of the products, development of new markets and by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

## 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. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

### 2. Improving operational efficiencies

We continue to invest in operational excellence throughout the organization. We are addressing operational efficiency through continuous process improvement, customer service and technology development. Alignment of our people to “process improvement” through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

### 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. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over a number of years. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. Establishing strong, mutually beneficial long-term relationships with strategic supplier is also critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

### 5. Optimal Utilization of Resources:

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

## OUR LOCATION

<b>Registered Office &amp; Factory Unit</b>	Survey No.404 AT & Post Balasar, Kadi-Detroj Road, Kadi Mahesana Gujarat – 382715, India
<b>Corporate Office</b>	D-707, ganesh meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad-380060, Gujarat, India.

## OUR PRODUCT PORTFOLIO

The following is an illustrative list of the products that we manufacture in our in-house production facilities.

- **Ginning & Pressing**
  - Cotton Bales/Lint Cotton
  - Black Cotton Seeds/ Delineate Seeds
- **Spinning**

- Cotton Yarn

## EQUIPMENTS

Brief details of major Plant and Machinery installed:-

**Ginning & Pressing Unit:** - Double Roller Ginning Machines, Auto Feeder and its Accessories, Automatic System (Kapas to Press), Tractor Loader, Conveyor System, Bailing Press, Humidity System, ACE Forklift

**Spinning Unit:** - Blendomat BOA2300, Extention Unit BR- EW, Pre – Cleaner CL- P, Universal Mixer MX – U 6/1600, Cleanomat Cleaner CL- C 1/1600, Card TC 5-3 with KHC, Directfeed DFK CO 960, Lap former, Comber, ADF, Speed Frame - LF4200X-200 Spdl, Coil Spring Duly Hardened and Tempered With Castor, Moterised Bobbin

Transfer System, Automatic Bobbin Exchanger, Ring Frame - RXI240'e' with 1824 spindles inclusive of Toyota Auto Doffer and suitable for Link Winder, Humidification Plant, Securoprop SPFPU, Yarn Conditioning System - Model Profix 1250E (Capacity 1250 Kgs/Batch With Auto Feeding & Energy Saver Unit.

## COLLABORATIONS/TIE UPS/ JOINT VENTURES

Except as disclosed in this 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 Prospectus.

## EXPORT OBLIGATION

Below are the details of the export obligation as on date of this Prospectus:-

File No.	License No.	Date	Amount (in ₹)	Export Obligation Period
08/37/021/00023/AH14	830005508	16-May-13	70495204.14	6 Years
08/37/021/00022/AH14	830005518	20-May-13	105311424.18	6 Years
08/37/021/00021/AM14	830005520	21-May-13	5970624.00	6 Years
08/37/021/00041/AH14	830005525	22-May-13	52502313.60	6 Years
08/37/021/00053/AH14	830005538	29-May-13	780904.80	6 Years
08/37/021/00106/AH14	830005635	11-Jul-13	28775800.50	6 Years
08/37/021/00159/AH14	830005755	30-Aug-13	34808014.08	6 Years
08/37/021/00223/AM14	830005867	21-Oct-13	10121645.88	6 Years
08/37/021/00243/AH14	830005897	30-Oct-13	27561505.92	6 Years
08/37/021/00261/AH14	830005937	20-Nov-13	5894256.00	6 Years
08/37/021/00285/AH14	830005979	5-Dec-13	13078066.68	6 Years
08/37/021/00376/AH14	830006176	10-Mar-14	637598.70	6 Years
08/37/021/00067/AH14	830005555	6-Jun-13	164280279.42	6 Years
08/37/021/00258/AH14	830005931	19-Nov-13	13358829.42	6 Years
08/37/021/00191/AM15	830006707	30-Nov-14	20590079.10	6 Years
08/37/021/00234/AM15	830006790	28-Nov-14	9064608.00	6 Years
08/37/021/00279/AM15	830006930	20-Jan-15	1341445.26	6 Years
08/34/021/00040/AH16	830007242	2-Jun-15	1685505.29	6 Years
08/37/021/00229/AM15	830006783	25-Nov-14	1005715.92	6 Years

## 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**

### **Raw Materials**

The basic raw material required for the manufacture of Ginned Cotton is Kapas (Raw Cotton) and for Cotton yarn is ginned cotton. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from the local supplies. Normally the ginning season period is six to eight months depending up on crop level and export market. Ginned cotton is procured from the Ginning Unit of the Company and in certain cases from the local market.

Packing material required by the company are mainly Paper tube, HDPE bag, HM bag, etc. for safety of the products during transportation. Packing materials are easily available in domestic market.

### **Power**

The power requirements at the manufacturing facility are procured from the Uttar Gujarat Vij Company Limited (UGVCL).

### **Water**

The firm requires water for Humidification as well as drinking & sanitation purposes. The firm has made a provision for its own bore well at factory premises to meet its water requirement during manufacturing process of the products of the firm as well as for drinking & sanitation purposes.

## **SALES AND MARKETING**

Around Eighty percent (80%) of our production is utilized for our spinning mill and rests of the bales are sold in the market. We believe that the demand for our products will remain high in the coming years. Selling of cotton bales and cotton yarn in the textile industry are mostly done through brokers. Most of the Cotton bales and cotton yarn manufactured by us are sold through the brokers. However, we intend to adopt marketing module comprising of direct customer approach and dealers/ distributors network. The sales and marketing of Yarn is based on factors such as quality, easy availability and competitive pricing of the products.

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Group since a long period in time. The focus of our Company is to market its product in domestic markets as well as in the international market. The company is also focusing on viability of the textile activity in the European countries and the U.S.A, as the demands for cotton fabrics is increasing, which in turn requires cotton yarn. The company and the promoters focus on establishing cordial relationship with the customers' due to this we have been able to established relationship with number of textile mills & number of business houses and brokers dealing in Cotton and Cotton Yarn spread throughout the country.

### **MARKETING STRATEGY:**

We intend to focus on the following marketing strategies for yarn:

1. Direct sales to hosiery units.
2. Direct sales to textile mills (including power loom sector).
3. Exports to various countries.
4. Sales through brokers / business house.

### **COMPETITION**

The customer base for the cotton yarn manufactured by us includes local fabric producers and corporate buyers. The market for cotton yarn is highly competitive and fragmented, and we face competition from various local as well as well established manufacturers. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the

competition, our focus would be to provide products that would be of the superior quality, competitive pricing and timely available as per the requirements of our customer.

Some of our major competitors are:-

1. D Raja Spintex LLP
2. Omex Cotspin Pvt Ltd.
3. Arti International Ltd.
4. Supar Spinning Mill Ltd
5. Vardhman Spinning Mill
6. Sport King Group
7. Nahar Spinning Mill
8. Garg Acrylic Ltd
9. M M Yarn Pvt Ltd
10. Dhruv Cotton Processing Pvt Ltd.

#### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Conversion from a Limited Liability Partnership to Private Limited Company vide a Fresh Certificate of incorporation received dated July 03, 2017.
2. Conversion of the Company from Private Limited to Public Limited vide a certificate of incorporation dated July 18, 2017.
3. The authorized capital of the Company was increased from ₹ 7,50,00,000/- divided into 75,00,000 Equity Shares of ₹ 10/- each to ₹ 11,00,00,000/- divided into 1,10,00,000 Equity Shares of ₹ 10/- each vide shareholders Resolution dated July 22, 2017.
4. We have appointed Mr. Saurin Jagdish Bhai Parikh as Chairman and Managing Director and Mr. Trivedi Tushar R as Whole Time Director of the Company with effect from July 18, 2017.
5. We have passed a special resolution in shareholders meeting dated July 22, 2017 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 18 Crores.
6. We have appointed Mr. Hareshkumar Rameshchandra Shah as Chief Financial Officer of the Company with effect from July 18, 2017.
7. We have appointed Mr. Pratik Ashokbhai Patel as Company Secretary & Compliance officer of the Company with effect from July 18, 2017.
8. Appointment of Mr. Sandip Ashwanibhai Parikh, Mahendrabhai Gulabdas Patel and Sheela Kirtankumar Roy as Additional Independent Director vide a Board Meeting dated July 26, 2017.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in our cotton textile business.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;



6. Disruption in supply of Raw Materials at our manufacturing facilities;
7. Recession in the market;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
16. The timely completion of the Company's orders;
17. 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;
18. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
19. Conflicts of interest with affiliated companies, the promoter group and other related parties;
20. The performance of the financial markets in India and globally;
21. Any adverse outcome in the legal proceedings in which we are involved;
22. Our ability to expand our geographical area of operation;
23. Concentration of ownership among our Promoters.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled "*Financial Information of the Company*" on page 142 of this Prospectus.

**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter "*Financial Information of the Company*" on page 142, there has been no change in accounting policies in last 3 (three) years.

**Summary of the Results of Operations**



Particulars	31.03.2017	% of Total Income	31.03.2016	% of Total Income	31.03.2015	% of Total Income	31.03.2014	% of Total Income
Revenue from Operations	26,490.92	94.88%	24,757.89	94.37%	25,223.12	94.89%	7,201.30	95.65%
Other Incomes	1,429.33	5.12%	1,477.87	5.63%	1,357.49	5.11%	327.49	4.35%
<b>Total Revenue</b>	<b>27,920.25</b>	<b>100.00%</b>	<b>26,235.76</b>	<b>100.00%</b>	<b>26,580.62</b>	<b>100.00%</b>	<b>7,528.79</b>	<b>100.00%</b>
Expenses:								
Cost of materials consumed	22,775.14	81.57%	20,982.83	79.98%	22,059.43	82.99%	8,557.55	113.66%
Changes in inventory of Stock in Trade	(318.03)	-1.14%	373.79	1.42%	121.74	0.46%	(2,073.92)	-27.55%
Employee Benefits Expense	533.91	1.91%	354.45	1.35%	341.89	1.29%	104.88	1.39%
Finance Costs	1,296.92	4.65%	1,341.47	5.11%	1,530.57	5.76%	646.31	8.58%
Depreciation And Amortization Expense	493.08	1.77%	475.84	1.81%	459.70	1.73%	128.06	1.70%
Administrative and other Expenses	1,898.26	6.80%	1,772.10	6.75%	1,372.86	5.16%	280.25	3.72%
<b>Total Expenses</b>	<b>26,679.27</b>	<b>95.56%</b>	<b>25,300.48</b>	<b>96.44%</b>	<b>25,886.20</b>	<b>97.39%</b>	<b>7,643.12</b>	<b>101.52%</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>1,240.97</b>	<b>4.44%</b>	<b>935.28</b>	<b>3.56%</b>	<b>694.42</b>	<b>2.61%</b>	<b>( 114.33)</b>	<b>-1.52%</b>
Exceptional/Prior Period item	712.19	2.55%	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>1,953.16</b>	<b>7.00%</b>	<b>935.28</b>	<b>3.56%</b>	<b>694.42</b>	<b>2.61%</b>	<b>( 114.33)</b>	<b>-1.52%</b>
Provision for Tax								
- Current Tax	-	-	-	-	-	-	-	-
- Deferred Tax Liability / (Asset)	(604.96)	-2.17%	(92.26)	-0.35%	113.86	-0.43%	146.12	1.94%
MAT Credit Entitlement	-	-	-	-	-	-	-	-
Short/(Excess) Tax adjustment of prior years	-	-	-	-	-	-	-	-
<b>Restated profit after tax for the period from continuing operations</b>	<b>1,348.20</b>	<b>4.83%</b>	<b>843.01</b>	<b>3.21%</b>	<b>808.28</b>	<b>3.04%</b>	<b>31.79</b>	<b>0.42%</b>

*\*the company did not commenced commercial operations for the year ended on March 31, 2013 hence the same has not been taken into consideration while preparing the summary of the results of operation.*

## Key Components of Company's Profit And Loss Statement

**Revenue from Sale of Product:** Revenue from operations mainly consists of revenue from manufacturing and sale of Cotton Bales, Cotton yarn and seeds.

**Other Income:** Other income primarily comprises of Interest Income, Subsidy received and electricity and Vat Concession received.

**Expenses:** Company's expenses consist of cost of material consumed, employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a Straight Line Method (SLM method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Administration & Other Expenses:** Other expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc.

## Financial Performance Highlights for the year ended on 31<sup>st</sup> March 2017

**Total Income:** The Company's total income during the year ended on March 31<sup>st</sup>, 2017 was ₹ 27920.25 Lacs. The revenue from Sale of Products was ₹ 26490.92 Lacs which comprised 94.88% of company's total income for the year ended on March 31<sup>st</sup>, 2017. The Other income during the said period was ₹ 1429.33 Lacs which comprised 5.12% of company's total income for the year ended on March 31<sup>st</sup>, 2017.

**Total Expenses:** The total expenditure during the year ended on March 31<sup>st</sup>, 2017 was ₹ 26679.27 Lacs. The total expenditure represents 95.56% of the total revenue. The total expenses are represented by Cost of material consumed, Employee Benefits Expense, Administrative and other Expenses, Finance Costs, Depreciation and Amortization Expense. The main constituent of total expenditure is Cost of material consumed, which is ₹ 22775.14 Lacs.

**Profit/ (Loss) after tax:** The restated net profit during the year ended on March 31<sup>st</sup>, 2017 was ₹ 1348.20 Lacs representing 4.83% of the total revenue of the Company.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

**Total Income:** During the year 2016-17 the total revenue of the company increased to ₹ 26490.92 Lacs as against ₹ 24757.89 Lacs in the year 2015-16, representing an increase of 7.00% of the total revenue. This increase was mainly due to increase in sale of products.

**Other Income:** Other income of the Company for the year 2016-17 was ₹ 1429.33 Lacs in comparison with ₹ 1477.87 Lacs for F.Y. 2015-16.

**Total Expenses:** The total expenditure for the year 2016-17 increased to ₹ 26679.27 Lacs from ₹ 25300.48 Lacs in year 2015-16, representing an increase of 5.45 % to the previous year.

**Cost of Goods consumed:** The Cost of Material Consumed for the year 2015-17 increased to ₹ 22775.14 Lacs from ₹ 20982.83 Lacs, representing an increase of 8.54 % to the 2015-16.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to ₹ 533.91 Lacs during the F.Y. 2016-17 from ₹ 354.45 Lacs in the previous year 2015-16.

**Finance Costs:** Finance cost for the year 2016-17 decreased to ₹ 1296.92 Lacs as against ₹ 1341.47 Lacs of the year 2015-16.

**Depreciation and Amortization Expense:** Depreciation for the year 2016-17 stood at ₹ 493.08 Lacs calculated at SLM method as per companies Act. For the year 2015-16 the same was ₹ 475.84 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses increased to ₹ 1898.26 Lacs for the year 2016-17 as against ₹ 1772.10 Lacs of the year 2015-16.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2016-17 was Rs 1953.16 Lacs as against ₹ 935.28 Lacs in the year 2015-16 representing an increase of 108.83% to the previous year.

**Profit/ (Loss) After Tax :** For the year 2016-17 the profit stood at ₹ 1348.20 Lacs as against the profit of ₹ 843.01 Lacs for the year 2015-16, representing a increase of 59.93% to the previous year.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

**Total Income:** During the year 2015-16 the total revenue of the company decreased to ₹ 24757.89 Lacs as against ₹ 25223.12 Lacs in the year 2014-15, representing a decrease of 1.84% of the total revenue. This decrease was mainly due to decrease in sale of Products.

**Other Income:** Other income of the Company for the year 2015-16 was ₹ 1477.87 Lacs in comparison with ₹ 1357.49 Lacs for F.Y. 2014-15.

**Total Expenses:** The total expenditure for the year 2015-16 decreased to ₹ 25300.48 Lacs from ₹ 25886.20 Lacs in year 2014-15, representing a decrease of 2.26% to the previous year. This was due to decrease in volume of business, which resulted in decrease in expenses viz. Cost of material consumed.

**Cost of Material Consumed:** The Cost of Material Consumed for the year 2014-15 decreased to ₹ 20982.83 Lacs from ₹ 22059.43 Lacs, representing a decrease of 4.88% to the previous year.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increase to ₹ 354.45 Lacs during the F.Y. 2015-16 from ₹ 341.89 Lacs in the previous year 2014-15.

**Finance Costs:** Finance cost for the year 2015-16 decreased to ₹ 1341.47 Lacs as against ₹ 1530.57 Lacs of the year 2014-15.

**Depreciation and Amortization Expense:** Depreciation for the year 2015-16 stood at ₹ 475.84 Lacs calculated at SLM method as per companies Act. For the year 2014-15 the same was ₹ 459.70 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2015-16 increased to ₹ 1772.10 Lacs as against ₹ 1372.86 Lacs of the year 2014-15.

**Profit/ (Loss) Before Tax** The company's profit before tax for F.Y. 2015-16 increase to Rs 935.28 Lacs from ₹ 694.42 Lacs in the year 2014-15 representing a increase of 34.69% compared to the previous year.

**Profit/ (Loss) after Tax** For the year 2015-16 the profit stood at ₹ 843.01 Lacs as against the profit of ₹ 808.28 Lacs for the year 2014-15.



**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

**Total Income:** During the F.Y. 2014-15 the total income of the Company increased to ₹ 25223.12 Lacs as against previous financial year 2013-14 of ₹ 7201.30 Lacs representing an increase of 250.26%. This increase was mainly due to increase in revenue from sale of products.

**Total Expenses:** Total expenditure for the F.Y. 2014-15 increased to ₹ 22059.43 Lacs from ₹ 8557.55 Lacs in FY 2013-14 representing an increase of 238.39%. This was due to increase in expenses viz. Cost of material consumed, employees benefit expenses, Administrative and other Expenses and changes in inventory of Finished Goods.

**Employee benefits expense:** Employee benefits expense increased to ₹ 341.89 Lacs in the year F.Y 2014-15 from ₹ 104.88 Lacs in FY 2013-14, representing an increase of 225.99%.

**Finance Costs:** Finance costs increased to ₹ 1530.57 Lacs in F.Y 2014-15 as compared to F.Y 2013-14 in which it was ₹ 646.31 Lacs

**Depreciation and amortization expense:** Depreciation and amortization expense increased in FY 2014-15 to ₹ 430.53 Lacs from ₹ 126.17 Lacs compared to previous year FY 2013-14.

**Administrative and other Expenses:** Other expenses for the F.Y 2014-15 increased to ₹ 1372.86 Lacs whereas it was ₹ 280.25 Lacs in previous F.Y. 2013-14.

**Net Profit before tax:** Net Profit before tax for the F.Y 2014-15 was ₹ 694.42 Lacs as against loss of ₹ 114.33 Lacs for the previous year 2013-14.

**Profit after tax:** The Restated profit after tax for the F.Y 2014-15 was at ₹ 808.28 Lacs as against profit of ₹ 31.79 Lacs in the previous year 2013-14.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII 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. Except as disclosed in this Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no 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 14 in the 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 demand/supply situation in the textile industry for the cotton textiles, government policies and prices quoted by our suppliers for raw material.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of the manufacturing and marketing of Cotton bales, cotton yarn and seeds. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” beginning on page 79 of this Prospectus.



## ***Pashupati Cotspin Limited***

### **6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

There is no addition to our product portfolio during the last 1 year.

### **7. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product.

### **8. Seasonality of business**

The main raw material used by our Company is Cotton. The availability cotton is season in nature.

### **9. Dependence on few customers/ clients**

The percentage of contribution of our Company's Top Customers/Clients for the year ended March 31, 2017 is as follows:

#### **Our Major Customers/ Clients for the year ended March 31<sup>st</sup>, 2017**

<b>Name of the Clients</b>	<b>Amount (₹ in Lacs)</b>	<b>As % of total turnover</b>
Pashupati Enterprises	10474.77	39.54
S Raja Exports Private limited	1580.18	5.97
Jaydeep Cotton Fibres	588.55	2.22
Azeen Exim P Ltd.	568.03	2.14
Gujarat Cotton Corporation	472.11	1.78
Nahar Fibres	418.37	1.58
Nahar Industrial Enterprise Ltd	319.12	1.20
Strykar Overseas LLP	302.66	1.14
AB & CO	302.03	1.14
U B Cotton P Ltd	286.19	1.08
<b>Total</b>	<b>15312.00</b>	<b>57.80</b>

*\*The above value is inclusive of all applicable taxes and incidental expenses.*

#### **Our Major Suppliers of Raw material for the year ended March 31<sup>st</sup>, 2017**

<b>Name of the Supplier</b>	<b>Amount (₹ in Lacs)</b>	<b>As % of total purchase</b>
Gandhi Cotton	378.47	1.66
Umesh Industries P Ltd	277.65	1.22
Shree Ram Cotton Ginning	248.98	1.09
PC Cotton Industries	209.32	0.92
Shree BV Oil Industries	208.39	0.91
Tirupati Cotton	204.74	0.90
Unitech Cotspin Ltd	139.04	0.61
Shree Narayan Krupa	128.71	0.57
Sreeji Cotton	122.42	0.54
Sadaram Ginning & Pressing Industries	79.92	0.35
<b>Total</b>	<b>1997.64</b>	<b>8.77</b>

*\*The above value is inclusive of all applicable taxes and incidental expenses.*

### **10. Competitive conditions**

Competitive conditions are as described under the Chapters "**Industry Overview**" and "**Our Business**" beginning on page 79 and 88 respectively of the Prospectus.

***11. Details of material developments after the date of last balance sheet i.e. March 31, 2017***

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

**SECTION VI – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2009 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 1% of the Profit after Tax and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2009 as amended for creditors where outstanding due to any one of them exceeds 10% of consolidated trade payables as per the last audited financial statements of the Issuer.

**PART 1 – Contingent Liabilities of Our Company**

<b>Particulars</b>	<b>Amount (in Lacs)</b>
Income Tax demands / Notices before CIT Appeals	54.45
Bank Guarantee	352.53
Export obligation for duty saved	945.44
<b>TOTAL</b>	<b>1352.42</b>

**PART 2 – LITIGATIONS 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) Litigation involving Tax Liability

i. Direct Tax

**(a) Income Tax:**

**1) Assessment Year 2014-15**

Our Company had received a notice dated August 28, 2015 from the Office of Income Tax Officer, Ward No. 1, Mehsana under Section 143(3) for the return of income filed by the Company for the A.Y. 2014-15. The notice was received after the case of the Company was selected under Computer Assisted Scrutiny Selection (CASS). As per the notice the Company was directed to attend the office of the Income Tax Officer on September 15, 2016 through authorised representative of the Company. Another notice dated September 12, 2016 under Section 142(1) of the Income Tax Act, 1961 was issued by the Income tax department along with a questionnaire. In response the Company through its authorised representative from time to time attended and submitted the details required by the Income Tax department. The Income Tax department passed an Assessment Order dated December 30, 2016 for disallowing the depreciation of Rs. 54,44,720 and thereby assessing the total income from business by the Company at Rs. (11,90,03,684) instead of Rs. (12,44,48,404). Aggrieved by the said order the Company filed an appeal on January 27, 2017 before the Hon'ble Commissioner of Income Tax (CIT (A)), Gandhinagar, Ahmedabad. The said appeal is pending before the CIT(A) for





**Pashupati Cotspin Limited**

disposal. Further, a notice numbering ITBA/PNL/S/271(1)(c)/2016-17/1000517242(1) dated December 30, 2016 was received by the company under Section 274 read with Section 271(1)(c) of the Act by Income Tax Officer, Ward-5, Mehsana stating that the Company has concealed the particulars of Income or furnished inaccurate particulars of such income and further directing the Company to appear on January 17, 2017 through its authorised representative and to show cause as to why an order under Section 271(1) (c) imposing penalty not be passed against it. Another, show cause notice was issued on May 5, 2017 by Income Tax Officer, Ward -1, Mehsana referring to earlier notice dated December 30, 2016 directing the Company to appear on January 17, 2017 through its authorised representative and to show cause as to why an order under Section 271(1) (c) imposing penalty not be passed against it. In response to the aforesaid show cause notices the Company on June 28, 2017 has replied by way of letter stating that an appeal in the said matter is pending before the CIT (A) the charges under Section 271(1)(c) may be kept in abeyance till the disposal of the said appeal. Company has not received any further information from the Income Tax Department and the matter is still pending for disposal before Hon'ble Commissioner of Income Tax (CIT (A)), Gandhinagar, Ahmedabad.

**TDS:**

TDS Cases on the TRACES (TDS Reconciliation Analysis and Correction Enabling System) website of Income Tax for TDS, there are defaults in payment of TDS by the Company in following financial years:

(Amount in Rs.)

Sr. No.	Financial Year	Processed Demand
1.	2016-17	1,35,353.16
2.	2015-16	9,777.90
3.	2014-15	5,583.11
4.	2013-14	136099.30
5.	Previous Years	2751.00
<b>TOTAL</b>		<b>289564.47</b>

The demands are still pending.

ii. Indirect Tax

4) Other Pending Litigation - NIL

**B. CASES FILED BY OUR COMPANY**

1) Litigation involving Criminal Laws - NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL

3) Litigation involving Tax Liability - NIL

4) Other Pending Litigation - NIL

**PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

1) Litigation involving Criminal Laws - NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL

3) Litigation involving Tax Liability

i. Direct Tax

**Mr. Saurin Jagdish Bhai Parikh**

**1. Assessment Year 2014-15**

An outstanding demand numbering 2016201437015170821T dated May 30, 2016 is showing on the Income Tax website for the Assessment Year 2014-15 for Rs. 6,290 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. In response to the said demand rectification of mistake under Section 154 of Income Tax Act, 1961 has been filed by Mr. Saurin and further the Company on July 7, 2017 paid the said outstanding demand raised by the Income Tax Department vide challan numbering 08147. The Company has not received any further communication from the Income Tax Department and the matter is still pending for disposal.

**2. Assessment Year 2013-14**

An outstanding demand numbering 2015201310008613473T dated January 30, 2016 under Section 143(3) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2009-10 for Rs. 6,28,870 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. The demand of the same has not yet been deposited by Mr. Saurin Jagdish Bhai Parikh and the said matter is pending for disposal.

**3. Assessment Year 2010-11**

An outstanding demand numbering 2013201037014421751T dated June 19, 2013 under Section 220(2) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2009-10 for Rs. 4,596 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. In response the Company on July 7, 2017 paid the said outstanding demand raised by the Income Tax Department vide challan numbering 07958 and has not yet received any further communication from the Income Tax Department and the matter is still pending for disposal.

**4. Assessment Year 2009-10**

- a. An outstanding demand numbering 2010200951089734874T dated December 30, 2010 under Section 143(3) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2009-10 for Rs. 2,15,431 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. The demand of the same has not yet been deposited by Mr. Saurin Jagdish Bhai Parikh and the said matter is pending for disposal.
- b. An outstanding demand numbering 2010200910016408290T dated July 1, 2010 under Section 143(1) (a) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2009-10 for Rs. 13,97,410 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. The demand of the same has not yet been deposited by Mr. Saurin Jagdish Bhai Parikh and the said matter is pending for disposal.

**5. Assessment Year 2008-09**

- a. An outstanding demand numbering 2010200851054045414T dated March 10, 2010 under Section 143(1) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2008-09 for Rs. 2,63,807 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. The demand of the same has not yet been deposited by Mr. Saurin Jagdish Bhai Parikh and the said matter is pending for disposal.
- b. An outstanding demand numbering 2010200851089519675T dated December 29, 2010 under Section 143(1) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2008-09 for Rs. 3,533 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. . In response the Company on July 7, 2017 paid the said outstanding demand raised by the Income Tax Department vide challan numbering 07602 and has not yet received any further communication from the Income Tax Department and the matter is still pending for disposal.

**6. Assessment Year 2007-08**

An outstanding demand numbering 201220073701867971T dated November 5, 2012 under Section 220(2) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2007-08 for Rs. 387 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company.. In response the Company on July 7, 2017 paid the said outstanding demand raised by the Income Tax Department vide challan numbering 07265 and has not yet received any further communication from the Income Tax Department and the matter is still pending for disposal.

**7. Assessment Year 2006-07.**

An outstanding demand numbering 2010200651089520201 dated December 12, 2010 under Section 143(3) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment Year 2006-07 for Rs. 14,57,366 against Mr. Saurin Jagdish Bhai Parikh, Promoter and Director of the Company. The demand of the same has not yet been deposited by Mr. Saurin Jagdish Bhai Parikh and the said matter is pending for disposal.

#### 4) Other Pending Litigation

##### 1. Suit No. 130/2012

A Civil Suit numbering 130/2012 has been filed by Mr. Solanki Kaluba, Solanki Surajben and Others (“Plaintiffs”) against Popat Sang Ishwarsingh and Others (including Janakba Ishwarsang, Umiyaba Ishwarsang, Chandraba Ishwarsang, Ganpat Singh Jaswantsang, Baldevsingh Hanuba, Panvirsingh Haubha, Sajanba Jasantsang, Anandsingh, Vilasba Jasvantsang, Lilaba hanubhai, Dolatbha Bhavsang and Bhartsingh Hanubha) (“Defendant No. 1 to 14”), in the Hon’ble Court of Principal Sr. Civil Judge, Viramgam for property situated at Sr.no. 55/2/8, Old Tenure Agricultural Land at Village - Ukardi, Taluka Mandal, District- Ahmedabad admeasuring H. Are SM=17-77-59. It was alledged by the Plaintiffs that Defendant No. 1-14 had illegally sold the said property by executing registered Sale Deed No.1474 dated September 1, 2006 which was mutated in land records in their names. The said land was which was later on sold to **Mr. Saurinbhai Jagdishbhai Parikh and Mr. Mitheshbhai Jagdishbhai Parikh** (“Purchasers”/ “Defendants No. 15 and 16”). The said suit has been filed for mandatory injunction and possession of the land. The said matter is still pending before Hon’ble Court for disposal.

##### 2. Suit No. 65/2013

A Civil suit numbering 65/2013 has been filed by Mr. Sureshbhai Chhaganbhai Patel (“Plaintiff”) against (i) Rataneben d/o Kusabhai Visabhai (Original Seller)(Defendant No.1), Miteshbhai Jagdishbhai Parikh, (Second Purchaser)(Defendant No.2), Saurinbhai Jagdishbhai Parikh, Promoter/Director of the Company (Second Purchaser) )(Defendant No.3), Anandkumar Ranchodbhai Patel (Third Purchaser) (Defendant No.4) and Rameshbhai Vithalbhai Patel (Fourth Purchaser) (Defendant No.5) (“Defendant No. 1-5”) in the Hon’ble Court of Principal Sr. Civil Judge, Viramgam. As per the plaint Plaintiff executed an unregistered agreement to sale dated May 18, 1995 with Defendant No. 1 to sell agricultural land located at Survey No. 55/2/5 at Village - Ukardi, Taluka Mandal, Dist. Ahmedabad admeasuring 20234 sq.mtr. The said land was then purchased by Mr. Saurinbhai Jagdishbhai and Mr. Miteshbhai Jagdishbhai, from Defendant No.1 and which was registered with Sub-Registrar, Viramgam on August 30, 2008 vide Sr. No. 1460 and Entry no.1003 for same was mutated in F.F. No. 6 record of right. The said land was subsequently sold vide sale deed numbering 220 dated March 14, 2012 by Mr. Saurinbhai Jagdishbhai and Mr. Miteshbhai Jagdishbhai to Defendant No.4 and 5. It was further alleged by the Plaintiff that Defendant No.1 to 5 in collusion with each and with a malafide intention destroyed legal right, title and interest of the Plaintiff towards purchase of suit land by executing the aforesaid registered sale deeds. The said suit has therefore been filed for possession and specific performance of the agreement to sale. The Plaintiff had filed an interim application seeking status-quo on the property which has been rejected by the Hon’ble Court by its order dated September 30, 2014 and the suit is pending before Hon’ble Court for disposal.

##### 3. Suit No. 64/2013

A Civil suit numbering 64/2013 has been filed by Mr. Sureshbhai Chhaganbhai Patel (“Plaintiff”) against Rataneben d/o Kusabhai Visabhai (Original Seller) (Defendant No.1), Miteshbhai Jagdishbhai Parikh (Second Purchaser)(Defendant No.2), Saurinbhai Jagdishbhai Parikh, Promoter/Director of the Company (Second Purchaser) (Defendant No.3), Anandkumar Ranchodbhai Patel (Third Purchaser) (Defendant No.4) and Rameshbhai Vithalbhai Patel (Fourth Purchaser) (Defendant No.5) (“Defendant No. 1-5”) in the Hon’ble Court of Principal Sr. Civil Judge, Viramgam. As per the plaint Plaintiff executed an unregistered agreement to sale dated May 18, 1995 with Defendant No. 1 to sell agricultural land located at Taluka Mandal (Old Virangam), Mouje Ukardi Survey No. 54/9 at Village - Ukardi, Taluka- Mandal, District- Ahmedabad admeasuring 0-40-47 he.re.sq.mtr. The said land was then purchased by **Mr. Saurinbhai Jagdishbhai and Mr. Miteshbhai Jagdishbhai**, from Defendant No.1 and which was registered with Sub-Registrar, Viramgam. The said land was subsequently sold by Mr. Saurinbhai Jagdishbhai and Mr. Miteshbhai Jagdishbhai to Defendant No.4 and 5. The said suit has therefore been filed for possession and specific performance of the agreement to sale. It was further alleged by the Plaintiff that Defendant No.1 to 5 in collusion with each and with a malafide intention destroyed legal right, title and interest of the Plaintiff towards purchase of suit land by executing the aforesaid registered sale deeds. The Plaintiff has filed an interim application seeking status-quo on the property which has been rejected by the Hon’ble Court by its order dated Septemer 30, 2014 and the suit is pending before Hon’ble Court for disposal.

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

- 1) Litigation involving Criminal Laws - NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL
- 3) Litigation involving Tax Liability - NIL
- 4) Other Pending Litigation - NIL

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

- 1) Litigation involving Criminal Laws - NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL
- 3) Litigation involving Tax Liability Direct Tax

**i. Direct Tax**

**1. S Raja Export Private Limited**

**TDS:**

TDS Cases on the TRACES (TDS Reconciliation Analysis and Correction Enabling System) website of Income Tax for TDS, there are defaults in payment of TDS by the Company in following financial years:

**(Amount in Rs.)**

Sr. No.	Financial Year	Short Payment	Short Deduction	Interest on Payments default	Interest on Deduction Default u/s 201	Late Filing Fee u/s 234E	Interest u/s 220(2)	Total Default
1.	2016-17	0.00	12.04	29,016.50	0.00	0.00	0.00	29,028.54
2.	2015-16	0.00	0.00	12,212.50	0.00	74,800.00	0.00	87,012.50
3.	2014-15	0.00	49,776.74	65,194.50	1,012.00	22,000	7,274.00	1,45,257.24
4.	2013-14	0.00	9,940.84	15,253.00	3,366.00	16,650.00	3,633.00	48,842.84
5.	Previous Years	6,20,250.00	62,204.56	3,70,855.00	28,906.00	66,800.00	0.00	11,49,015.56
<b>TOTAL</b>		<b>62,0250.00</b>	<b>121,934.18</b>	<b>4,92,531.50</b>	<b>33,284.00</b>	<b>1,80,250.00</b>	<b>10,907.00</b>	<b>14,59,156.68</b>

The demands are still pending.

**2. Pashupati Solar Private Limited**

**TDS:**

TDS Cases on the TRACES (TDS Reconciliation Analysis and Correction Enabling System) website of Income Tax for TDS, there are defaults in payment of TDS by the Company in following financial years:

**(Amount in Rs.)**

Sr. No.	Financial Year	Short Payment	Short Deduction	Interest on Payments default	Interest on Deduction Default u/s 201	Late Filing Fee u/s 234E	Interest u/s 220(2)	Total Default
1.	2014-15	0.00	0.00	460.00	0.00	0.00	0.00	460.00
2.	2013-14	0.00	0.00	0.00	0.00	7000.00	0.00	7000.00
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>	<b>460.00</b>	<b>0.00</b>	<b>7000.00</b>	<b>0.00</b>	<b>7460.00</b>

The demands are still pending.

ii. Indirect Tax

**1. S Raja Export Private Limited**

**VAT/Sales Tax**

**Year 2011-12**

A notice under form 6 KH was received by the Company calling for information and directing the Company to be present for the assessment proceedings. In response, authorised representatives of the Company attended the proceedings. An assessment order dated March 16, 2015 was passed by the assessing officer determining ritotal sales at Rs. 3,53,68,77,884, in state total sales of Rs.1,27,90,3004 and out state sales totaling to Rs.3,32,23,64,369. The Company claimed that it has already paid sales tax and also deposited H Forms and Export evidences. The demand of Rs. 17,32,210 was raised and out of which Company had already paid Rs.1729136 in form of sales tax. The remaining balances of Rs. 3074 was also paid and there was no due pending dues towards sales tax. However, the department deducted an amount of Rs. 56,31,853 from input VAT c/f amount. Aggrieved by the action of Sales Tax Department the Company filed an appeal dated May 10, 2015 before the appellate authority and the said appeal is pending for disposal.

4) Other Pending Litigation - NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

1) Litigation involving Criminal Laws - NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities - NIL

3) Litigation involving Tax Liability

i. Direct Tax - NIL

ii. Indirect Tax - NIL

4) Other Pending Litigation - NIL

**PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 10% of our Company's total Trade Payables for Goods & Expenses as per Restated Audited financial statements, to small scale undertakings and other creditors as material dues for our Company. As on March 31, 2017, there are 12 creditors to each of whom our Company owes amounts exceeding 10% of our Company's Trade Payables for Goods & Expenses and the aggregate outstanding dues to them being approximately Rs. 235.41 lakhs. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Therefore, as on March 31, 2017, our Company owes amounts aggregating to Rs. 904.01 lacs approximately towards 490 creditors for Trade Payables - for Goods & Expenses as per Restated Standalone Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: [www.pashupaticotspin.com](http://www.pashupaticotspin.com)

**PART 7: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 177 there have been no material developments that have occurred after the Last Balance Sheet Date.

**GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Prospectus.*

*In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.*

**1. Approvals for the Issue**

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have, pursuant to a resolution passed at its meeting held on July 18, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) ( c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of shareholders held on July 22, 2017.
- c. Our Company has obtained approval from SME platform of the by way of a letter dated August 08, 2017 to use the name of the Stock Exchange in this Prospectus for listing of Equity Shares on the Stock Exchange.
- d. NSDL/CDSL: ISIN: INE124Y01010

**II. Approvals obtained by our Company**

S NO.	NATURE OF LICENSE/APPROVAL	REGISTRATION/LI CENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
1.	Certificate of Incorporation in the name of Pashupati Cotspin LLP	LLP Identification Number AAB-3046	Ministry of corporate affairs Registrar Gujarat, Dadra and Nagar Havelli	January 07,2013	One time registration
2.	Fresh Certificate of Incorporation consequent upon change of name of our LLP from Pashupati Cotspin LLP to Pashupati Cotspin Private Limited	U17309GJ2017PTC09 8117	The Registrar of Companies, Central Registration Centre	July 03, 2017	One Time registration
3.	Fresh Certificate of Incorporation consequent upon change of name of our Company from Pashupati Cotspin	U17309GJ2017PLC09 8117	The Registrar of Companies at Ahmedabad	July 18, 2017	One Time registration

	Private Limited to Pashupati Cotspin Limited				
<b>Tax Related Approvals</b>					
1.	Permanent Account Number (PAN)	AAOFP3777F	Income Tax Department	January 7,2013	One Time registration
2.	Tax Deduction Account Number (TAN)	AHMP09049F	Income Tax Department	February 14,2013	One Time Registration
3.	Professional Tax Registration Certificate (PTRC) (under section 5 of Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976)	EC-0402013001	Profession Tax Officer	December 31, 2014	One Time Registration
4.	Registration Certificate for Central Excise under Rule 9 of the Central Excise Rules, 2002	AAOFP3777FEM001	Assist Commissioner of Central Excise	Date of original issue- March 18,2013	One Time Registration
5.	Registration Certificate Under chapter V of the Finance Act ,1994 read with the Service Tax Rules ,1994	AAOFP3777FSD001	Central Board of Excise and Customs	Date of Original issue – April 6,2016	One Time Registration
6.	Certificate of Registration under rule 6 Gujarat Vat Act, 2003	24040902507	Commercial Tax Department Government of Gujarat	Date of Issue – March 04, 2013 Date of effect - February 06, 2013	One time registration
7.	Central Sales Tax Registration Certificate under Central Sales Tax (Registration & Turnover) Rules, 1957	24540902507	Commissioner of Commercial Tax, Gujarat	March 04, 2013	One time registration
8.	Provisional Registration Certificate of GST	24AAOFP3777F1ZX	Central Board of Excise and Customs	June 25, 2017	NA
9.	Eligibility Certificate for VAT Concession	IC/Salt-tex/455392/147/1019612	Addl. Industries Commissionerate	December 06, 2013	December 05, 2021
10.	Eligibility Certificate for VAT Concession	IC/Salt & Text /455392/147/1040019	Addl. Industries Commissionerate	February 2, 2015	NA
<b>Business Related Approvals</b>					
11.	Factory License	License No. 21415	Deputy Director Industrial Safety and Health, Mehsana	December 06, 2013	December 31, 2019
12.	Certificate of Importer Exporter Code (IEC)	0812023072	Foreign Trade Development Officer	Date of issue – February 15, 2013	One time registration
13.	Registration under the Employees Provident	GJAHD0059961000	Employees Provident Fund Organization	Date of Issue – March 19, 2014	One time registration



***Pashupati Cotspin Limited***

	Funds and Miscellaneous Provisions Act, 1952			Effective from – December 01, 2013	
14.	Industrial Entrepreneur Memorandum	350/SIA/IMO/2013	Ministry of Commerce & Industry	February 21, 2013	One Time registration
15.	Exemption for payment of electricity duty Conn No H.T – 17658 under rule 10(2) of the Bombay Electricity Duty Gujarat (Rules) 1986 – to grant exemption on motive power consumption @ 90% of the total units consumed during the said period.	Ref No: E/Ex/Meh/06-01-2014/1479	Collector of Electricity Duty, Gandhinagar	January 18,2016	December 05,2018
17.	Consent to operate for use of outlet for the discharge of trade effluent under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 , under Section 21 of Air (Prevention and Control ) Act ,1981 and Authorization under rule 5(4) of the Hazardous Waste (Management, Handling & Transboudry Movement) Rules-2008, framed under the Environmental (Protection) Act, 1986.	AWH-67374	Gujarat Pollution Control Board	January 02, 2015	December 22, 2019

**Certificates**

S NO.	NATURE OF LICENSE/APPROVAL	REGISTRATIO N/LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANTING LICENSE/APPROVAL	VALIDITY
1.	Registration Cum Membership Certificate	Texprocil Code – 66269	The Cotton Textiles Export Promotion Council	April 10, 2017	March 31, 2022

**III. Pending Approvals - Nil**


**IV. Approvals obtained in relation to Intellectual property rights:**

S. No.	Trademark	Logo	Registration/ Application No.	Class	Registration/ Application Date	Status/ Validity
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***Pashupati Cotspin Limited***

1.	Trademark		3592746	23	July 17, 2017	Objected
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The Details of Domain Name registered on the name of the Company is –

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	www.pashupaticotspin.com	PDR Ltd. d/b/a PublicDomainRegistry.com (IANA ID 303)	February 07, 2013	February 07, 2019

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on July 18, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on July 22, 2017 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in this Prospectus/Prospectus pursuant to an approval letter dated August 08, 2017 NSE is the Designated Stock Exchange.

#### **Prohibition by SEBI or other Governmental Authorities**

We confirm that there is no prohibition on our Company, our Promoter, our Promoters Group, our Directors, our Group Companies or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoter, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

#### **Association with Securities Market**

None of our Directors 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 Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter 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***” on page 190 of this Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an company whose post issue paid up capital is more than ₹ 10 crore and upto ₹ 25.00 Crore and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange, in this case being the “SME Platform of NSE”.

We confirm that:



## Pashupati Cotspin Limited

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “**General Information – Underwriting**” on page 45 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working 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 (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our 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.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled “**General Information – Details of the Market Making Arrangements for this Issue**” on page 45 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

5. Our Company shall facilitate trading in demat securities and will enter agreements with NSDL and with CDSL. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated August 01, 2017 and National Securities Depository Limited dated August 01, 2017 for establishing connectivity
6. Our Company has a website i.e. [www.pashupaticotspin.com](http://www.pashupaticotspin.com).
7. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. 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 “Pashupati Cotspin LLP” (LLPIN:3046) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 07, 2013. The constitution and capital Contribution of the Limited Liability partnership was changed pursuant to supplementary agreement modifying the Limited Liability partnership Agreement dated January 9, 2013, July 29, 2013, October 21, 2013 and March 31, 2017. Further, “Pashupati 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 Pashupati Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Central registration Centre on July 03, 2017. The Corporate Identification Number of our Company is U17309GJ2017PTC098117. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Pashupati Cotspin Private Limited” to “Pashupati Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 11,

2017 and a fresh certificate of incorporation dated July 18, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad.

2. The post issue paid up capital of the company will be 1,02,84,000 shares of face value of ₹ 10/- aggregating to ₹ 10.284 Crore which is less than ₹ 25 Crore.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2017 is positive.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. 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.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. 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.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has been formed by the conversion of a Limited Liability partnership into a company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 21, 2017 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC.**

**AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE**

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
  - B. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. - NOTED FOR COMPLIANCE
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

***Note:***

*The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.*

*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, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	Global education Limited	10.245	150.00	March 02, 2017	180.00	58.33% [3.80%]	83.33% [8.15%]	NA
2.	RMC Switchgear s Limited	4.1472	27.00	March 14, 2017	32.40	41.85% [0.06%]	42.59% [5.61%]	NA
3.	Laxmi Cotspin Limited	9.60	20.00	March 31, 2017	21.00	-11.75% [1.42%]	-16.00% [3.46%]	NA
4.	Dev Information Technology Limited	6.25	42.00	April 17, 2017	50.40	39.52% [4.23%]	32.38% [7.53%]	NA
5.	Vadivarhe Speciality Chemicals Limited	14.46	42.00	June 02, 2017	50.40	146.90% [-0.40%]	NA	NA
6.	Globe Textile (India) Limited	13.7088	51.00	June 23, 2017	50.00	1.27% [3.55%]	NA	NA
7.	Accord Synergy Limited	5.832	60.00	July 06, 2017	72.00	0.00% [3.14%]	NA	NA
8.	Captain Technocast Limited	5.70	40.00	August 01, 2017	48.00	NA	NA	NA
9.	Shanti Overseas (India) Limited	10.02	50.00	August 03, 2017	60.00	NA	NA	NA
10.	Surevin BPO Services Limited	3.648	40.00	August 09, 2017	48.00	NA	NA	NA

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) , Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			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%





## ***Pashupati Cotspin Limited***

2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	2	3	1	2
2017-18	7 <sup>(5)</sup>	59.62	-	-	-	1	1	2	-	-	-	-	-	-

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

(4) The scrips of Raghav Ramming Mass Limited and Advance Syntex Limited was listed on April 13, 2016 and July 12, 2016 respectively. Further, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited and Art Nirman Limited were listed on October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016 and October 19th, 2016 respectively and has completed 180th day from date of listing. Further Krishana Phoschem Limited and Global Education Limited as listed on February 27, 2017 and March 02, 2017 respectively and have not completed 180<sup>th</sup> days. Further RMC Switchgears Limited was listed on March 14, 2017 and Laxmi Coptsin Limited was listed on March 31, 2017 have not completed 180th days.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textile (India) Limited and Accord Synergy Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017 and July 06, 2017 respectively and has not completed 90th and 180th days from Listing. Further the Script of Captain Technocast Limited, Shanti Overseas (India) Limited and Surevin BPO services Limited was listed on August 01, 2017, August 03, 2017 and August 09, 2017 respectively and has not completed 30th, 90th and 180th days from Listing

### **Note:**

- Based on date of listing.
- BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

### **Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com)

### **Disclaimer from our Company, Director and the Lead Manager**



## ***Pashupati Cotspin Limited***

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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 LM accept no responsibility, save to the limited extent as provided in the agreement entered between the LM (Hem securities Limited) and our Company on July 21, 2017 and the Underwriting Agreement dated July 28<sup>th</sup>, 2017 entered into between the Underwriters and our Company and the Market Making Agreement dated August 19, 2017 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company and the 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 Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, 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 Companies, and our affiliates or associates or selling shareholder, for which they have received and may in future receive compensation.

### **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.

### **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 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 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 Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this 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 of the SME Platform of NSE**

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 August 08, 2017 permission to the Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized 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 Promoter, its management or any scheme or project of this Company.

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.

### **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.

### **Filing**

The Draft 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

A copy of this Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad, Gujarat 380009 for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

### **Listing**

The Equity Shares of our Company are proposed to be listed on SME Platform of NSE. Our Company has obtained in-principle approval from NSE by way of its letter dated August 08, 2017 for listing of equity shares on SME Platform of NSE.

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, without interest, 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 SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company and Selling Shareholder 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. Subject to applicable law.

### **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 to the Company; (b) Lead Manager to the Issue, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriters to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required 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.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Mahendra N. Shah & Co., Chartered Accountants, Statutory Auditor and M/s A Bafna & Co, Chartered Accountants Peer Review Auditors of the Company has 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 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 Prospectus.

### **Experts Opinion**

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 142 and page 77 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, 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.

### **Expenses of the Issue**

The total expenses of the Issue are estimated to be approximately Rs. 25.50 Lacs, which is 1.22% of the Issue size. The

estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB's commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The Estimated Issue expenses are as under:-

S. No.	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses	17.50	68.63	0.84
2.	Printing and Stationery and postage expenses	2.50	9.80	0.12
3.	Advertising and Marketing expenses	2.50	9.80	0.12
4.	Regulatory fees and expenses	3.00	11.76	0.14
	<b>Total estimated Issue Expenses</b>	<b>25.50</b>	<b>100.00%</b>	<b>1.22%</b>

#### **Fees, Brokerage and Selling Commission payable to the LM**

The total fees payable to the Lead Manager will be as per the (i) Agreement dated July 21, 2017 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated July 28<sup>th</sup>, 2017 with the Underwriters and (iii) the Market Making Agreement dated August 19, 2017 with the Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated July 21, 2017 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

#### **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 Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 52 of this 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-a-vis objects – Public/right 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 52 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies or subsidiaries or associates of our Company has made Public Issue or Right Issue of equity Shares immediately preceding the date of filing of this Prospectus are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate body corporate are unlisted and have not made a public issue of shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**Outstanding Convertible Instruments**

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

**Option to Subscribe**

Equity Shares being offered through the 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 between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, 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



## ***Pashupati Cotspin Limited***

complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on July 26, 2017 For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 114 of this Prospectus.

**Our Company has appointed Mr. Pratik Ashokbhai Patel, 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:**

**Mr. Pratik Ashokbhai Patel**  
**Pashupati Cotspin Limited**  
Survey No.404 AT & Post Balasar,  
Kadi-Detroj Road, Kadi Mahesana  
Gujarat – 382715, India  
Tel. No. +91-02764-262200  
E-mail: [cs@pashupaticotspin.com](mailto:cs@pashupaticotspin.com)  
Website: [www.pashupaticotspin.com](http://www.pashupaticotspin.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](http://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 Prospectus and hence there are no pending investor complaints as on the date of this 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**

Apart from the appointment of M/s. A Bafna & Co, Chartered Accountants, as peer review auditor, below are the details of the changes in our Company’s auditors in the last three (3) years:-

<b>Name of Auditor</b>	<b>Financial Period audited</b>
Bagdiya & Jain, Chartered Accountant FRN 128719W	2014-15
B shah & Associates, Chartered Accountants FRN : 109491W	2015-16
Mahendra N. Shah & co., Chartered Accountants FRN 105775W	2016-17

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “*Capital Structure*” beginning on page 52 of this 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 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 Tax Benefits***” beginning on page 77 of this Prospectus.

## **Purchase of Property**

Other than as disclosed in Section “***Our Business***” and section “***Our Promoter and Promoter Group***” on page 88 and 128 of this 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 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 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 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 114 and “Annexure S – Statement Related Party Transactions” beginning on page 169 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.***



## **SECTION VII – 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, 2009, our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, 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 terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the investors applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.*

#### **Authority for the Issue**

The present Public Issue of 27,84,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 18, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on July 22, 2017 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "***Main Provisions of Articles of Association of the Company***" on page 265 of the Prospectus.

#### **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***" on page 141 of the Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Prospectus at the price of Rs. 75.00 per Equity Share (including premium of Rs. 65.00 per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "***Basis for Issue Price***" on page 74 of the Prospectus. 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 requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & 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 “**Main Provisions of Articles of Association of the Company**” beginning on page 265 of the Prospectus.

## **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, agreements have been signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated August 01, 2017 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated August 01, 2017 between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of 1600 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 Offer will be done in multiples of 1600 Equity Shares and is subject to a minimum allotment of 1600 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 Regulation 106(Q) of the 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.

#### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	August 28, 2017
<b>ISSUE CLOSES ON</b>	August 31, 2017

#### **Minimum Subscription**

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.

As per section 39 of the Companies Act 2013, if the “**stated minimum amount**” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance 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 1600 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 SME Platform of NSE.

### **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 extant policy of the Government of India, OCBs cannot participate in this Issue.**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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 52 of the 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 "**Main Provisions of the Articles of Association**" on page 265 of the 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 Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the Companies Act 2013, and in accordance with SEBI (ICDR) Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized

segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, 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 likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board
- OR
- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the 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 Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Issue**" on page 45 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

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

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.



## ***Pashupati Cotspin Limited***

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### **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 Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, Gujarat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. 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 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ten crore rupees and upto twenty five crore rupees, 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 NSE). 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 215 and 224 of the Prospectus.

The Issue comprise of a Public Issue of 27,84,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The "Equity Shares") for cash at a price of ₹ 75.00/- per Equity Shares (including a premium of ₹ 65.00 /- per Equity Share) aggregating to ₹ 2088.00 Lacs ( "*the issue*") by our Company of which 2,04,800 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 25,79,200 Equity Shares of ₹ 10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 27.07% and 25.08% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	25,79,200 Equity Shares	2,04,800 Equity Shares
Percentage of Issue Size available for allocation	92.64% of the Issue Size	7.36 % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 1600 Equity Shares and further allotment in multiples of 1600 Equity Shares each. For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 255 of this Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 1600 Equity Shares at an Issue price of ₹ 75.00 each, such that the Application Value exceeds ₹ 2.00 Lakh.</p> <p><b><u>For Retail Individuals Investors:</u></b> 1600 Equity Shares at an Issue price of ₹ 75.00 each</p>	2,04800 Equity Shares
Maximum Application Size	<p><b><u>For Other than Retails Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 1600 Equity Shares such that the Application Value does not exceed ₹ 2, 00,000/-.</p>	2,04,800 Equity Shares
Trading Lot	1600 Equity Shares	1600 Equity Shares, However the Market Makers may accept odd

		lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Application lot Size	1600 Equity Shares thereafter Equity Shares and in multiples of 1600	
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “**Issue Structure**” on page 221 of the Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Investors other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

***If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

**Withdrawal of the Issue**

The Company, in consultation with the 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 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 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.

**Issue Programme**

<b>ISSUE OPENING DATE</b>	August 28, 2017
<b>ISSUE CLOSING DATE</b>	August 31, 2017

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:



***Pashupati Cotspin Limited***

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- 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 LM 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 Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “-PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.*

***Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.***

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

**Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

### **PART A**

#### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

**Application Form**

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
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

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed 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)

*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 application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

**Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

**Who can apply?**

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons 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

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1600 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 Applicant cannot withdraw its Application and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application 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 Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriters, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**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 Applicants:**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the 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 Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The 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.
8. Applicants applying directly through the SCSBs should ensure that the 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 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 Applicants, or in the case of application in joint names, the first Applicant (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 Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons 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 Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the 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 Application Form is liable to be rejected.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

**Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;

- b) Nothing contained in clause (a) shall apply to:
- ❖ Any transactions in derivatives on a recognized stock exchange;
  - ❖ Short selling transactions in accordance with the framework specified by the Board;
  - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - ❖ Any other transaction specified by the Board.
- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

## **Pashupati Cotspin Limited**

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.



**Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

**Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

**Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

**Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

**Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after application on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the 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

Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants 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.

### **Terms of payment**

The entire Issue price of 75.00 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 Applicants.

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 applicants 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 Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the 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 Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful 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 Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **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,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the 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 Lead Managers nor our Company nor the Registrar to the Issue, 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

(iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be 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 Lead Manager on a regular basis.
6. With respect to applications by Applicants, 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 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 Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - 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 an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA 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 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 Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

**Pashupati Cotspin Limited**

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 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 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 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 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.

**Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 2,04,800 Equity Shares shall be reserved for Market Maker and 25,79,200 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

**Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our Company has entered into an Underwriting Agreement dated July 28<sup>th</sup>, 2017.
- b) A copy of Prospectus will be filled with the ROC in terms of Section 32 of Companies Act, 2013.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the 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.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants 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 Applicant.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA 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 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](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://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 Application forms in Public Issue with effect from 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](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant'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 application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All 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 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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of 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 SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) 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. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

**Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

**Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the 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;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;



**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 Issue, 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 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) Agreement dated August 01, 2017 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated August 01, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE124Y01010

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **Section 2: Brief Introduction to IPOs on SME Exchange**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

##### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of 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.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- f) The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2017 is positive.
- g) The issuer shall mandatorily facilitate trading in demat securities.
- h) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- i) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- j) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- k) The company should have a website.
- l) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to NSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed ₹ 2,500 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

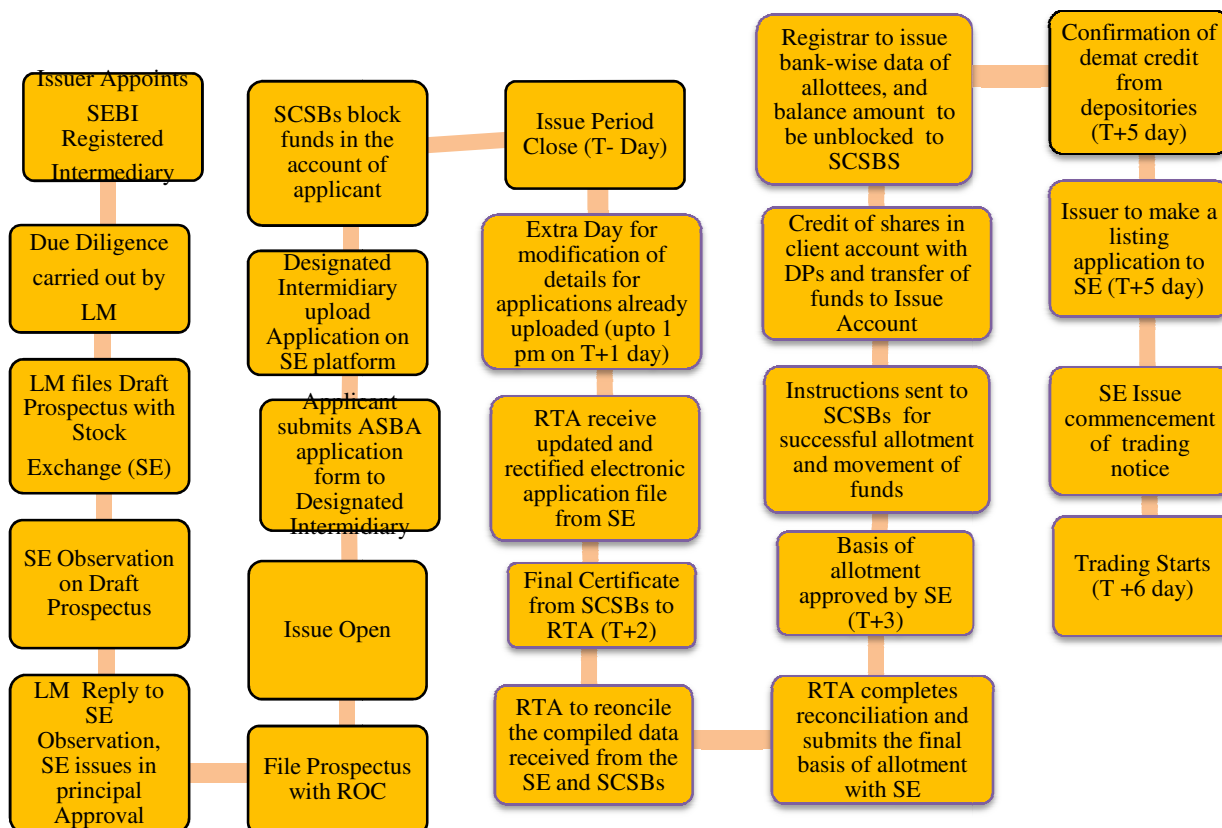
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

### **2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:



### Section 3: Category of Investors Eligible to Participate in an Issue

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;

- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### **Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Color of the Application</b>
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align:center;"><b>FIXED PRICE GME ISSUE</b></td> <td style="text-align:center;">Bid cum Application Form No. _____</td> </tr> <tr> <td style="text-align:center;"><b>INE00000000000</b></td> <td></td> </tr> </table>	<b>FIXED PRICE GME ISSUE</b>	Bid cum Application Form No. _____	<b>INE00000000000</b>																													
<b>FIXED PRICE GME ISSUE</b>	Bid cum Application Form No. _____																																	
<b>INE00000000000</b>																																		
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>																																
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Mr. / Ms. _____																																
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Address _____																																
		Email _____																																
		Tel. No (with STD code) / Mobile _____																																
		<b>2. PAN OF SOLE / FIRST BIDDER</b>																																
		_____																																
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. INVESTOR STATUS</b>																																
For NSDL, enter 8 digit DP ID followed by 3 digit Client ID / For CDSL, enter 16 digit Client ID		<input type="checkbox"/> Individual(s) - IND																																
		<input type="checkbox"/> Hindu Undivided Family* - HUF																																
		<input type="checkbox"/> Bodies Corporate - CO																																
		<input type="checkbox"/> Banks & Financial Institutions - FI																																
		<input type="checkbox"/> Mutual Funds - MF																																
		<input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)																																
		<input type="checkbox"/> National Investment Fund - NIF																																
		<input type="checkbox"/> Insurance Companies - IC																																
		<input type="checkbox"/> Venture Capital Funds - VCF																																
		<input type="checkbox"/> Alternative Investment Funds - AIF																																
		<input type="checkbox"/> Others (Please specify) - OTH																																
		<small>* HUF should apply only through Karva (Application by HUF would be treated on par with Individual)</small>																																
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		<b>5. CATEGORY</b>																																
Bid Options:	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	<input type="checkbox"/> Retail Investor Bidder																																
	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	<input type="checkbox"/> Non-Institutional Bidder																																
	Bid Price    Retail Discount    Net Price    "Cut-off" (₹/tick)	<input type="checkbox"/> QIB																																
Option 1	_____																																	
(OR) Option 2	_____																																	
(OR) Option 3	_____																																	
<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>																																
Amount paid (₹ in figures) _____ (₹ in words) _____																																		
ASBA Bank A/c No. _____																																		
Bank Name & Branch _____																																		
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED BROCHURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>																																		
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>																																
Date : _____	1) _____ 2) _____ 3) _____																																	
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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details: _____ CEN No _____	<b>For Eligible NRI, FI, FVCI, applying on Restriction Basis</b>
LOGO  TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE GME ISSUE</b> <b>INE0000000000</b>	Bid cum Application Form No. _____
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Mr. / Ms. _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Address _____
		Email _____
		Tel. No (with STD code) / Mobile _____
		<b>2. PAN OF SOLE / FIRST BIDDER</b>
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. Investor Status</b>
For NSDL, enter 8 digit DP ID followed by 4 digit Client ID / For CDSL, enter 16 digit Client ID		
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>		
<b>5. CATEGORY</b>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB	
<b>6. Investor Status</b>	<input type="checkbox"/> Non-Resident Indian (Repatriation Basis)    NRI <input type="checkbox"/> Foreign Institutional Investor    FI <input type="checkbox"/> Foreign Venture Capital Investor    FVC <input type="checkbox"/> FI Sub Account Corporate/Individual    FI SA <input type="checkbox"/> Others (Please Specify)    OTH	
<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAY</b>
Amount paid (₹ in figures) _____ (₹ in words) _____		
ASBA Bank A/c No. _____		
Bank Name & Branch _____		
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AMENDED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>		
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do all acts as an necessary to make the Application in the line</small>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
Date : _____	1) _____ 2) _____ 3) _____	
TEAR HERE		
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>
DPID / CUID	Bank & Branch	Bid cum Application Form No. _____
Amount paid (₹ in figures)	Stamp & Signature of SCSB Branch	PAN of Sole / First Bidder
ASBA Bank A/c No.	<b>Acknowledgement Slip for Bidder</b>	
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		
TEAR HERE		
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Option 1    Option 2    Option 3	Stamp & Signature of Broker / SCSB / DP / RTA
No. of Equity Shares	Name of Sole / First Bidder	_____
Bid Price	<b>Acknowledgement Slip for Bidder</b>	
Amount Paid (₹)	Bid cum Application Form No. _____	
ASBA Bank A/c No. _____		
Bank & Branch _____		

**4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.



- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of \Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
  - **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
  - **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

**4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT**

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

- a) The Issuer may mention Price as per Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
  - i. For Retails Individual Applicants

The Application must be for a minimum of 1600 Equity Shares. As the application price payable by the retail individual applicants cannot exceed ₹ 200000 they can make Application for only minimum Application size i.e for 1600 Equity Shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹ 200000 and in multiples of 1600 Equity Shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for

common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- e) The following applications may not be treated as multiple applications:
  - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account

designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.

- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.

- iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise or withdraw their applications till closure of the issue period.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:



#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1600;



- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

#### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

##### **7.1 Basis of Allotment**

Allotment will be made in consultation with SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 1600 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 1600 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 1600 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1600 Equity Shares subject to a minimum allotment of 1600 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 1600 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters , if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) 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 Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### **8.3 Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### **8.3.1 Mode of making refunds for Applicants**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **8.4 Interest In Case Of Delay in Allotment**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Closing Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date

Term	Description
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .

Term	Description
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares

Term	Description
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992

<b>Term</b>	<b>Description</b>
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s) and Monarch Network Capital Limited
Underwriting Agreement	The agreement entered into between the Underwriters and our Company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and 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 FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public Issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

### **Representation from the Applicants**

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, 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, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under 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 promulgated under the Securities Act), except pursuant to an exemption from, or in a



***Pashupati Cotspin Limited***

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transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

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.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. <b>“The Act”</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>The Act</b>
	ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. <b>“Board” or “Board of Director”</b> means the Collective body of the Board of Directors of the Company.	<b>Board or Board of Director</b>
	v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. <b>“The Company”</b> means Pashupati Cotspin Limited	<b>The Company</b>
	vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act, 1996</b>
	viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. <b>“Directors”</b> mean the Directors for the time being of the Company.	<b>Directors</b>
	x. <b>“Dividend”</b> includes any interim dividend.	<b>Dividend</b>
	xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013	<b>Document</b>
	xii. <b>“Equity Share Capital”</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital.	<b>Equity Share Capital</b>
	xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	xiv. <b>“Managing Director”</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	<b>Managing Director</b>
	xv. <b>“Month”</b> means Calendar month.	<b>Month</b>
	xvi. <b>“Office”</b> means the registered office for the time being of the Company.	<b>Office</b>
	xvii. <b>“Paid-up share capital”</b> or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.	<b>Paid-up share capital</b>
	xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode.	<b>Postal Ballot</b>
	xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	<b>Proxy</b>
	xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the	<b>Public Holiday</b>

	Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	
	xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	<b>Registrar</b>
	xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force.	<b>Rules</b>
	xxiii. <b>“SEBI”</b> means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	<b>Share</b>
	xxvi. <b>“Seal”</b> means the common seal of the Company.	<b>Seal</b>
	xxvii. <b>“Preference Share Capital”</b> , with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;	<b>Preference Share Capital</b>
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	<b>Share Capital</b>
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share	<b>Issue of Sweat</b>

	Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Equity Shares</b>
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	<b>Issue of Debentures</b>
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	<b>Issue of Share Certificates</b>
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	

<p>10.</p>	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	<p><b>Power to pay Commission In connection with the Securities issued</b></p>
<p>11.</p>	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	<p><b>Variations of Shareholder's rights</b></p>
<p>12</p>	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.</p>	
<p>13.</p>	<p>Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.</p>	<p><b>Issue of Preference Shares</b></p>
<p>14.</p>	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of</p>	<p><b>Further Issue of shares</b></p>

	loan, by a special resolution passed by the company in general meeting.	
15.	<p>i. The Company shall have a first and paramount lien—</p> <ol style="list-style-type: none"> <li>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</li> <li>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</li> <li>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</li> </ol> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ol style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable; or</li> <li>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</li> </ol>	<b>Lien</b>
17.	<ol style="list-style-type: none"> <li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ol>	
18.	<ol style="list-style-type: none"> <li>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li> <li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li> </ol>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ol style="list-style-type: none"> <li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</li> <li>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</li> <li>d) Any one of such joint-holders may give effectual receipts of any</li> </ol>	<b>Joint Holdings</b>

	<p>dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
<p>20.</p>	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	
<p>21.</p>	<p>A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.</p>	<p><b>Calls on shares</b></p>
<p>22.</p>	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>	
<p>23.</p>	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
<p>24.</p>	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these</p>	



	<p>regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25	<p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	<p>The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.</p>	
28.	<p>The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
29.	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	<b>Transfer of shares</b>
30.	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <p>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>ii. any transfer of shares on which the Company has a lien.</p> <p>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.</p>	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <p>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</p>	

	<p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <p>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</p> <p>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
34.	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year	
35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	<b>Register of Transfers</b>
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of 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 the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the</li> </ul>	<b>Dematerialisation of Securities</b>

	<p>Securities of the Company held by it on behalf of the beneficial owners.</p> <p>d. Rights of Depositories &amp; Beneficial Owners:- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) 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.</p> <p>f. 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 Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<p><b>Transmission of Shares</b></p>

39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>e. to be registered himself as holder of the share; or</p> <p>f. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.</p>	
44.	<p>The notice aforesaid shall—</p> <p>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>	<b>Forfeiture of Shares</b>
45.	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>	

46.	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>	
47.	<ul style="list-style-type: none"> <li>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> <li>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</li> </ul>	
48.	<ul style="list-style-type: none"> <li>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</li> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</li> </ul>	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way	<b>Initial payment not to preclude forfeiture</b>

	of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	<b>Alteration of capital</b>
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>	
58.	Where shares are converted into stock,— <ul style="list-style-type: none"> <li>i. 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:</li> </ul> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <ul style="list-style-type: none"> <li>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul>	<b>Conversion of Shares into Stock</b>
59.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>	<b>Reduction of Capital</b>
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant. The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants. Not more than one person shall be recognized as depositor of the share warrant.	<b>Share Warrants</b>

	<p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<p>61.</p>	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	<p style="text-align: center;"><b>Capitalisation of profits</b></p>

62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b) generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b) to 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 profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	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.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extraordinary general meetings.	
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	<b>General Meeting</b>
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	<b>Proceedings at general meetings</b>
67.	The chairperson, if any, of the Board shall preside as Chairperson at every	



	general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<ul style="list-style-type: none"> <li>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</li> <li>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	<b>Demand for poll</b>
73.	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</li> </ul>	<b>Time of taking poll</b>
74.	<ul style="list-style-type: none"> <li>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</li> <li>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</li> <li>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</li> <li>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</li> </ul>	<b>Adjournment of meeting</b>
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</li> </ul>	<b>Voting rights</b>
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<ul style="list-style-type: none"> <li>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the</li> </ul>	

	<p>votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
78.	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.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>	
83	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	<b>Casting Vote</b>
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	<b>Resolutions passed at adjourned meeting</b>
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	<b>Registration of resolutions and agreements</b>
90.	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of</p>	<b>Minutes of proceedings of</b>

	<p>Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	<p><b>general meeting and of Board and other meetings</b></p>
<p>91.</p>	<p>The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.</p>	<p><b>Minutes to be considered to be evidence</b></p>
<p>92.</p>	<p>No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.</p>	<p><b>Publication of reports of proceeding of general meetings</b></p>
<p>93.</p>	<p>The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of ₹a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.</p>	<p><b>Proxy</b></p>
<p>94.</p>	<p>An instrument appointing a proxy shall be in the form as prescribed in the rules</p>	

	made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96.	<p>The first Directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Saurin Jagdish Bhai Parikh</li> <li>2. Mr. Trivedi Tushar R</li> <li>3. Mr. Dakshesh Jayantilal Patel</li> </ol>	
97.	The Directors need not hold any “Qualification Share(s)”.	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	<b>Board of Directors</b>
99.	<ol style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ol> </li> </ol>	
100.	The Board may pay all expenses incurred in getting up and registering the company	
101.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	
102.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by	

	such person and in such manner as the Board shall from time to time by resolution determine.	
103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
104.	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	<b>Retirement and Rotation of Directors</b>
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (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 or persons so appointed and to appoint any person or persons in his or their places.	
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable	

	to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
115.	Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	<b>Removal of Directors</b>
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the</p>	

	<p>company’s default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company’s costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>	<p><b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b></p>
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	i. Without derogating from the powers vested in the Board of Directors	<b>Powers and duties</b>



	<p>under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <ol style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act.</li> <li>c. Power to issue securities, including debenture, whether in or outside India</li> <li>d. The power to borrow moneys</li> <li>e. The power to invest the funds of the Company,</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans</li> <li>g. Power to approve financial statements and the Board’s Report</li> <li>h. Power to diversify the business of the Company</li> <li>i. Power to approve amalgamation, merger or reconstruction</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director’s interest and shareholding;</li> <li>p. Powers 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;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ol> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <ol style="list-style-type: none"> <li>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</li> <li>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</li> <li>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such</li> </ol>	<p><b>of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting</b></p>
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	<p>purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will 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; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	<p><b>Restriction on powers of Board</b></p>
128.	<p>Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.</p>	

<p>129.</p>	<p>Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p>	<p><b>General powers of the Company vested in Directors</b></p>
<p>130.</p>	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ul style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock 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 thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to</li> </ul>	<p><b>Specific powers given to Directors</b></p>

	<p>accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. 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 subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest,</p>	
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	<p>commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit;</p>	
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	<p>and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and Managing Director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>
132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.</p>	
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	<p><b>Proceedings of the Board</b></p>
135.	The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	
136.	The participation of Directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p>	

	b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.	
138.	a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	<b>Delegation of Powers of Board to Committee</b>
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	Subject to the provisions of the Act,—  a) 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; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
145.	a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	<b>Dividends and Reserve</b>

147.	Subject to the provisions of section 123, 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.
148.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
149	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>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 dividend as from a particular date such share shall rank for dividend accordingly.</p>
150.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
151.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
152.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>
155.	Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total

	<p>amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	<b>Accounts</b>
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>i. be kept at the registered office of the Company, and</p> <p>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof</p>	<b>Inspection of Statutory Documents of the Company</b>
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
161.	a) The first Auditor of the Company shall be appointed by the Board of	<b>Audit</b>



	<p>Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	<b>Winding up</b>
163.	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	<b>Indemnity</b>
164.	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	<b>Secrecy</b>

**SECTION IX – OTHER INFORMATION**

**MATERIAL CONTRACT 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 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 Prospectus, delivered to the Registrar of Companies, Ahmedabad for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date.

**Material Contracts**

1. Issue agreement dated July 21, 2017 between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated July 21, 2017 executed between our Company and the Registrar to the Issue (Sharex Dynamic (India) Private Limited)
3. Banker to the Issue Agreement dated August 10, 2017 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated August 19, 2017 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated July 28, 2017 between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated August 01, 2017 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated August 01, 2017 among NSDL, the Company and the Registrar to the Issue.

**Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 03, 2017 issued by the Assistant Registrar of Companies Gujarat, Central registration Centre.
3. Fresh Certificate of Incorporation dated July 18, 2017 issued by the Registrar of Companies, Ahmedabad consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated July 18, 2017 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated July 22, 2017 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013.
7. Peer Review Auditors Report dated July 21, 2017 on Restated Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013.
8. Copy of the Statement of Tax Benefits dated July 21, 2017 from the Statutory Auditor.
9. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriters, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
10. Copy of Certificate from the Peer Review Auditors of our Company, A Bafna & Co, and Chartered Accountant dated July 21, 2017 regarding the Eligibility of the Issue.
11. Board Resolution dated July 24, 2017 for approval of Draft Prospectus and Board Resolution dated August 21, 2017 for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated July 24, 2017 filed with NSE and dated August 21, 2017 filed with SEBI.
13. Approval from NSE vide letter dated August 08, 2017 to use the name of NSE in the Prospectus for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in this 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, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines 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 Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and 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 Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY:**

Sd/-  
\_\_\_\_\_ **Mr. Saurin Jagdish Bhai Parikh**  
Chairman & Managing Director  
DIN: 02136530

Sd/-  
\_\_\_\_\_ **Mr. Trivedi Tushar R**  
Whole- Time Director  
DIN: 06438707

Sd/-  
\_\_\_\_\_ **Mr. Daksesh Jayantilal Patel**  
Non Executive Director  
DIN: 07859419

Sd/-  
\_\_\_\_\_ **Mr. Sandip Aswinbhai Parikh**  
Independent Director  
DIN: 00030990

Sd/-  
\_\_\_\_\_ **Mr. Mahendrabhai Gulabdas Patel**  
Independent Director  
DIN: 00104706

Sd/-  
\_\_\_\_\_ **Mrs. Sheela Kirtankumar Roy**  
Independent Director  
DIN: 07891440

**SIGNED BY THE COMPANY SECRETARY & CHIEF FINANCIAL OFFICER OF OUR COMPANY:-**

Sd/-  
\_\_\_\_\_ **Mr. Pratik Ashokbhai Patel**  
*Company Secretary & Compliance officer*  
(M. No : ACS49043)

Sd/-  
\_\_\_\_\_ **Mr. Hareshkumar Rameshchandra Shah**  
*Chief Financial Officer*  
(PAN : AUFPS5845N)

**Place: Kadi, Gujarat**  
**Date: August 21, 2017**