

September 12, 2023

To
Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai- 400051

NSE Symbol: **ABCOTS**
ISIN: **INE08PH01015**

Subject- Annual Report-2022-23 of A B Cotspin India Limited

Please find enclosed herewith the Annual Report for the period 2022-2023.

We request you to take the above information on record.

Thanking You

Yours faithfully
For, **A B Cotspin India Limited**

KANNU
SHARMA Digitally signed by
KANNU SHARMA
Date: 2023.09.12
18:36:40 +05'30'

Kannu Sharma
Company Secretary & Compliance Officer

A B COTSPIN INDIA LIMITED

**CIN: L17111PB1997PLC020118, Registered Address: NH-54, Goniana Road, Near Lake-3
Bathinda, Punjab-151001, Factory Address: Bathinda Road, Jaitu, Faridkot, Punjab-151202,
Website: www.abcotspin.com, Email: info@abcotspin.in, Ph.: 01635-232670**

ANNUAL REPORT

2022-23

A B COTSPIN INDIA LIMITED

Email: info@abcotspin.in
Website: www.abcotspin.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Deepak Garg
(Chairman & Managing Director)
Mr. Manohar Lal
(Whole-time Director)

Non-Executive Director

Mr. Ramesh Kumar

Independent Directors

Mr. Puneet Bhandari
Ms. Preet Bhatia

Chief Financial Officer

Mr. Rajender Prashad Garg

Company Secretary & Compliance Officer

Ms. Kannu Sharma

Registrar & Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083
Telephone: 022 49186000
Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

STATUTORY AUDITORS

P L Mittal & Company
21368 (Old No. 3050), Power
House Road, Bathinda-151001

SECRETARIAL AUDITORS

M/s DR Associates
607, 6th Floor, Rattan Jyoti
Building, Rajendra Place, New Delhi-
110008

REGISTERED OFFICE

NH-54, Goniana Road, Near lake-3,
Bathinda, Punjab-151001

MANUFACTURING UNIT

Bathinda Road, Jaito, Dist: Faridkot,
Punjab-151202

Bankers

HDFC Bank Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Sixth (26th) Annual General Meeting of the Members of A B Cotspin India Limited will be held on **Monday, the 25th day of September, 2023 at 12:00 Noon IST** through Video Conferencing (“VC”)/ Other Audio- Visual Means (“OAVM”) (hereinafter referred to as electronic mode) to transact the following businesses:

ORDINARY BUSINESS:

- 1) To consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditor’s thereon.
- 2) To appoint a Director in place of Mr. Manohar Lal (DIN: 02406686), who retires from the office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 3) **RATIFICATION OF REMUNERATION PAYABLE TO M/S JAIN SHARMA & ASSOCIATES, COST AUDITORS, FOR THE FINANCIAL YEAR 2023-24.**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) remuneration of Rs. 30000/- plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, approved by the Board of Directors based on the recommendation of the Audit Committee to be paid to **M/s Jain Sharma & Associates (Firm Registration No.: 000270)**, Cost Accountants for conducting the Cost Audit of the Company for the financial year 2022-23, be and is hereby ratified confirmed and approved.”

- 4) **TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND ALTER CLAUSE V OF MEMORANDUM OF ASSOCIATION:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 13, 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder (including any amendment thereto or re-enactment thereof), the consent of the members be and is hereby accorded to increase the Authorized Share Capital of the Company from existing ₹ 11,40,00,000 (Rupees Eleven Crore Forty Lakh) divided into 1,10,00,000 (One Crore Ten Lakh) Equity Shares of ₹ 10/- each and 4,00,000 (Four Lakh) Preference Shares of ₹ 10/- each to ₹ 24,40,00,000 (Rupees Twenty-Four Crore Forty Lakh) divided into 2,40,00,000 (Two Crore Forty Lakh) Equity Shares of ₹ 10/- each and 4,00,000 (Four Lakh) Preference Shares of ₹ 10/- each by creation of additional 1,30,00,000 (One Crore Thirty Lakh) Equity Shares of ₹ 10/- each ranking pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be altered in the following manner i.e., existing Clause V of the Memorandum of Association be substituted with the following new clause as Clause V:

“V. The Authorised Share Capital of the Company is ₹ 24,40,00,000 (Rupees Twenty-Four Crore Forty Lakhs Only) divided into 2,40,00,000 (Two Crore Forty Lakh) Equity Share of ₹ 10/- each and 4,00,000 (Four Lakh) Preference Share of ₹ 10/-each.”

RESOLVED FURTHER THAT Mr. Deepak Garg, and/or Mr. Manohar Lal, Directors and/or Company Secretary of the Company and/or any other person so authorized by the Director(s), be hereby authorized on behalf of the Company to take all such steps as may be necessary, proper or expedient to give effect to this resolution including to file necessary forms/return/documents with the Registrar of Companies.”

5) ISSUANCE OF UPTO 1,20,28,562 FULLY CONVERTIBLE WARRANTS TO THE PERSONS BELONGING TO ‘PROMOTER & PROMOTER GROUP CATEGORY AND ‘NON-PROMOTER CATEGORY’ ON PREFERENTIAL BASIS

To consider and, if thought fit, to pass the following resolution as a *Special Resolution*:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “**Companies Act**”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended and other relevant rules made there under [including any statutory modification(s) thereto or re-enactment thereof for the time being in force], enabling provisions in Memorandum and Articles of Association of the Company, provisions of the uniform listing agreement entered into by the Company with National Stock Exchange of India Limited (NSE) where the shares of the Company are listed (“**Stock Exchange**”), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (“**SEBI**”), as amended including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), as amended, the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (“**Takeover Regulations**”) as amended, the Foreign Exchange Management Act, 1999 as amended and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by Ministry of Corporate Affairs, SEBI and / or any other competent authorities, and subject to the approvals, consents, permissions and / or sanctions, as may be required from the Government of India, SEBI, Stock Exchange, and any other relevant statutory, regulatory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee, which the Board has constituted or may hereafter constitute, to exercise one or more of its powers, including the powers conferred hereunder), the consent of the Board of Directors of the Company, subject to the approval of members of the Company, be and is hereby accorded to create, issue, offer and allot, on a preferential basis, **upto 1,20,28,562 (One Crore Twenty Lakh Twenty Eight Thousand Five Hundred and Sixty Two) Fully Convertible Warrants (“Warrants”)** carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant, to persons belonging to ‘Promoter & Promoter Group’ and ‘Non-Promoter’ Category, on preferential basis, at an issue price of **Rs. 70/- (Rupees Seventy Only) per warrant** in accordance with provisions of Chapter V of SEBI ICDR Regulations, for an aggregate amount of up to **Rs. 84,19,99,340/- (Rupees Eighty-Four Crores Nineteen Lakhs Ninety-Nine Thousand Three Hundred and Forty Only)**, on such further terms and conditions as may be finalized, to the below mentioned persons (“**Proposed Allottees**”):

S. No.	Name of the Proposed Allottee	Category	No. of Warrants
1.	Mr. Deepak Garg	Promoter	20,28,571
2.	Ms. Sanya Jindal	Non-Promoter	20,28,571
3.	Mr. Rajiv Garg	Non-Promoter	1,42,857
4.	Ms. Neelu Garg	Non-Promoter	1,42,857
5.	Chaman Lal & Sons HUF	Non-Promoter	1,00,000
6.	Pankaj Takkar & Sons HUF	Non-Promoter	1,00,000
7.	Sameer Takkar & Sons HUF	Non-Promoter	1,00,000
8.	Puneet Takkar & Sons HUF	Non-Promoter	1,00,000
9.	Mr. Gian Singh	Non-Promoter	1,42,857
10.	Mr. Balwant Singh	Non-Promoter	71,428
11.	Ms. Gurnam Kaur	Non-Promoter	71,428
12.	Mr. Krishan Kumar	Non-Promoter	7,14,285
13.	Mr. Tarun Aggarwal	Non-Promoter	7,14,285
14.	Mr. Mukesh Mittal	Non-Promoter	7,14,285
15.	Mr. Shyam Lal Mittal	Non-Promoter	7,14,285
16.	Mr. Govind Aggarwal	Non-Promoter	7,14,285
17.	Mr. Ishwar Chand Mittal	Non-Promoter	7,14,285
18.	Mr. Shaurya Garg	Non-Promoter	2,14,285
19.	Mr. Pranav Singla	Non-Promoter	5,71,428
20.	Green Globe Textiles Ltd	Non-Promoter	14,28,571
21.	Mr. Yatin Bansal	Non-Promoter	2,14,285
22.	Mr. Rajesh Kumar Jindal	Non-Promoter	1,42,857
23.	Ms. Nishi Chopra	Non-Promoter	1,42,857
Total			1,20,28,562

RESOLVED FURTHER THAT in terms of the provisions of Chapter V of ICDR Regulations, the **Relevant Date** for determining the minimum issue price shall be **Friday, August 25, 2023**, being the working day immediately preceding the date which is 30 days prior to the date of the Annual General Meeting of the shareholders of the Company scheduled to be held on Monday, September 25, 2023.

RESOLVED FURTHER THAT the aforesaid issue of Warrants shall be subject to the following terms and conditions:

- (a) The conversion of warrants into equity shares shall happen at any time within a period of Eighteen (18) months from the date of allotment of warrants in terms of SEBI ICDR Regulations (the “**Warrant Exercise Period**”).
- (b) The Proposed Allottee(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the Warrant Issue Price fixed per Warrant in terms of the SEBI ICDR Regulations which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 75% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants.
- (c) Warrants being allotted to the Proposed Allottee(s) and the Equity Shares proposed to be allotted pursuant to the conversion of these Warrants shall be under lock-in for such period as may be prescribed under SEBI ICDR Regulations.

- (d) Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- (e) Warrants shall be issued and allotted by the Company only in dematerialized form.
- (f) The consideration for allotment of Warrants and/or Equity Shares arising out of the exercise of such Warrants shall be paid to the Company from the bank account of the Proposed Allottee(s)
- (g) In the event the Warrant Holder(s) do not exercise Warrants within the Warrant Exercise Period, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- (h) The Warrants by itself until converted into Equity Shares, do not give to the Warrant Holder any voting rights in the Company in respect of such Warrants.”

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted upon conversion of Warrants shall rank *pari-passu* in all respects including as to dividend, with the existing fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company and Ms. Kannu Sharma, Company Secretary & Compliance Officer of the Company, be and are hereby authorized severally on behalf of the Company to take all actions and to do all such acts, deeds, matters and things and perform such actions as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, authorize any person including to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants, application to Stock Exchanges for obtaining of in-principle approval, listing of the equity shares allotted pursuant to conversion of warrants, filing of requisite documents with the Registrar of Companies and with any other regulatory authority as required, and to modify, accept and give effect to any modifications in the terms and conditions of the issue as they may deem fit, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such person as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the Preferential Issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

By order of the Board of Directors
For A B Cotspin India Limited

Sd/-

Kannu Sharma

Membership No.: A64063

Company Secretary & Compliance Officer

Date: 01st September, 2023

Place: Bathinda, Punjab

Registered Office

NH-54, Goniana Road, Near lake-3, Bathinda, Punjab-
151001

Email: cs@abcotspin.in

Website: www.abcotspin.com

Tel: +1635232670

NOTES:

1. Pursuant to the General Circulars No.14/2020, 17/2020, 20/2020, 2/2021, 19/2021, 21/2021, 2/2022 and 10/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively (collectively referred to as “MCA Circulars”) allowing, inter-alia, to conduct Annual General Meeting (“AGM”) through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”) facility. In compliance with these Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (“SEBI”) vide its circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 read with Circular Dated May 13, 2022, January 15, 2021 and May 12, 2020 (“SEBI Circulars”), the 26th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 26th AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolution in respect of the business set out above is annexed hereto.
4. The relevant details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard on General Meetings (‘SS-2’), issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at this Annual General Meeting (‘AGM’/ ‘the meeting’) is also annexed as Annexure-A.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. The Company is pleased to provide two-way VC facility through VC / OAVM.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e voting as well as the e-voting system during the AGM will be provided by CDSL.
8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders

Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
11. The Voting rights of Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on Cut-off Date of **18th September, 2023**.
12. Institutional/Corporate members (i.e., other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/ JPEG format) of its Board or Governing Body resolution/authorization etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting pursuant to section 113 of the Act. The said resolution/authorization shall be sent to the Company via email through its registered email address at cs@abcotspin.in with a copy to office@drassociate.org.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE

13. In compliance with the Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
14. In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.abcotspin.com. The Notice can also be accessed from the websites of the Stock Exchange i.e., NSE Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com.
15. Member(s) may also note that the Notice of the Meeting and the Annual Report for FY 2022-23 will also be available on the Company's website www.abcotspin.com.
16. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by sending signed request letter mentioning your name, email-id, folio number, number of shares held, certificate number, distinctive number and Complete Address along with self-attested copy of PAN card to the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited on rnt.helpdesk@linkintime.co.in.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

17. INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 22nd September, 2023 at 9.00 A.M. and ends on 24th September, 2023 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (**record date**) of **18th September, 2023** may cast their vote electronically. The e voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by the Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p>

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders Holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e- Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e- Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

		For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN		Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)		Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN A B COTSPIN INDIA LIMITED on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non - Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e., other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;

cs@abcotspin.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- a) **For Physical Shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company's Registrar and Share Transfer Agent (Link Intime India Private Limited) at rnt.helpdesk@linkintime.co.in.
- b) **For Demat Shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's Registrar and Share Transfer Agent (Link Intime India Private Limited) at rnt.helpdesk@linkintime.co.in.
- c) **For Individual Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

18. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
19. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
20. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e- Voting system available during the AGM.
21. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
22. Members who are holding shares in physical form or who have not registered their email address with the Company / Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as on the cut-off date, i.e., 18th September, 2023 he/she may write to the CDSL on the E-mail ID: helpdesk.evoting@cdslindia.com. However, if a member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

23. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
24. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.

25. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
26. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS

27. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@abcotspin.in. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
28. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
29. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
30. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@abcotspin.in. These queries will be replied to by the company suitably by email.

GENERAL INFORMATION FOR SHAREHOLDERS

31. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact 022-23058738 and 022-23058542/43.
32. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 26th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
33. The Board of Directors of the Company has appointed Mr. Deepak Gupta (Membership No. F5339; COP No. 4629) Partner at DR Associate, Practicing Company Secretaries as Scrutiniser to scrutinise the remote e-voting process and voting during the AGM in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
34. The voting results declared along with the report of the scrutinizer shall be placed on the Company’s website and communicated to the Stock exchange immediately after the declaration of result by the Chairman or a person authorized by him in writing.
35. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company’s Registrar and Transfer Agent, Link Intime India Private Limited (RTA). In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

36. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@abcotspin.in.
37. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
38. As per Regulation 40 of the Listing Regulations and notification issued by SEBI in this regard, the securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. In case any clarification is needed in that regard, Members can contact the Company's RTA.
39. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details/ NECS/mandates, nominations, power of attorney, change of address/name, e-mail address, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA to provide efficient and better service to the members.
- In case of members holding shares in physical form, such information is required to be provided to the Company's RTA.
40. Non-Resident Indian Members are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
- The particulars of the Bank Account maintained in India with complete name, branch, account-type, account number and address of the Bank, if not furnished earlier.
 - Any change in their residential status on return to India for permanent settlement.
41. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/RTA.
42. In all correspondence with the Company and/or the RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of M/s Jain Sharma & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of the Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company by means of passing an Ordinary Resolution.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors/Key Managerial Personnel or their relatives are, in any way, financially or otherwise, concerned or interested in the resolution set out at Item No. 3 of the Notice.

Item No. 4

In order to meet its growth objectives and to facilitate the fund raising in future, it is proposed to increase the Share Capital of the Company from ₹ 11,40,00,000 (Rupees Eleven Crore Forty Lakh) divided into 1,10,00,000 (One Crore Ten Lakh) Equity Shares of ₹ 10/- each and 4,00,000 (Four Lakh) Preference Shares of ₹ 10/- each. It is proposed to increase the Authorised Share Capital of your Company to ₹ 24,40,00,000 (Rupees Twenty-Four Crore Forty Lakhs Only) divided into 2,40,00,000 (Two Crore Forty Lakh) Equity Share of ₹ 10/- each and 4,00,000 (Four Lakh) Preference Share of ₹ 10/- each by creation of additional 1,30,00,000 (One Crore Thirty Lakh Only) Equity Shares of Rs. 10/- each and for that purpose, the Memorandum of Association of your Company is proposed to be suitably amended by increasing the Authorised Share Capital as set out in the resolution. The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for amending the Capital clause (Clause V) of the Memorandum of Association of the Company.

The Board at its meeting held on 25th August, 2023 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the Resolution with the Registrar of the Companies. The proposed change requires the approval of shareholders through Ordinary Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The Board recommends the ordinary resolution for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

The *Special Resolution* contained in Item No. 5 of this Notice, has been proposed pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013, read with the applicable rules made thereunder to issue and allot up to 1,20,28,562 (One Crore Twenty Lakh Twenty-Eight Thousand Five Hundred and Sixty-Two) Fully Convertible Warrants (“Warrants”), at an issue price of Rs. 70/- (Rupees Seventy Only) each, determined by the Board in accordance with the provisions of Chapter V of SEBI ICDR Regulations, as amended, aggregating up to Rs. 84,19,99,340/- (Rupees Eighty-Four Crores Nineteen Lakhs Ninety-Nine Thousand Three Hundred and Forty Only).

The proposed Preferential Issue is to be issued to the persons belonging to Promoter & Promoter Group and Non-Promoter Category, in terms of Chapter V of the SEBI (ICDR) Regulations, 2018 and applicable provisions of Companies Act, 2013. The said proposal has been considered and approved by the Board in their meeting held on Friday, August 25, 2023.

The approval of the members is accordingly being sought by way of a ‘Special Resolution’ under Sections 42, and 62(1)(c) of the Companies Act, 2013, read with the rules made thereunder, and Regulation 160 of the SEBI (ICDR), Regulations.

The details of the issue and other particulars as required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Regulation 163 of the SEBI (ICDR), Regulations are set forth below:

I. Objects of the Preferential Issue

The Company intends to utilize the proceeds raised through the issue (“Issue Proceeds”) towards the following objects:

1. To meet the Working Capital requirements of the Company including Cash Credit and Over Draft Limits.
2. To repay loans availed by the Company.
3. To purchase Plant and Machinery for expansion of manufacturing capacity of the Company.
4. For General Corporate Purposes.

Utilization of Proceeds

As the funds to be received against issue and allotment of Fully Convertible Warrants and Conversion of Warrants into Equity Shares, will be in tranches and quantum of funds required on different dates may vary therefore, the Broad Range of intended use of the Issue Proceeds of the Issue is as under:

S. No.	Particulars	Total estimated amount to be utilized (Rs.)*	Tentative timelines for utilization of issue proceeds from the date of receipt of funds
1	To meet the Working Capital requirements of the Company including Cash Credit and Over Draft Limits	35,00,00,000.00	Latest by April 30, 2025

2	To repay loans availed by the Company.	18,70,00,000.00	Latest by April 30, 2025
3	To purchase Plant and Machinery for expansion of manufacturing capacity of the Company.	9,50,00,000.00	Latest by April 30, 2025
4	For General Corporate Purpose	20,99,99,340.00	Latest by April 30, 2025
Total		84,19,99,340.00	

(*) considering 100% conversion of Warrants into Equity Shares within the stipulated time.

Note: In terms of NSE Notice No. NSE/CML/2022/56, dated December 13, 2022, the amount specified for the above-mentioned object of issue size may deviate +/- 10% depending upon the future circumstances.

Schedule of Implementation and Deployment of Funds

This preferential issue is for Fully Convertible Warrants. The issue proceeds for warrants shall be received by the Company in 18 months period from the date of allotment of warrants in terms of Chapter V of the SEBI ICDR Regulation and as estimated by our management, the entire proceeds received from the issue would be utilized for all the above-mentioned objects, in phases, as per the Company's business requirements and availability of issue proceeds, latest by April 30, 2025.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time and subject to the use of proceeds as stipulated in this notice, will have the flexibility to deploy the Issue Proceeds. Pending utilization of the Issue Proceeds for the purposes described above, our Company intends to deposit the Gross Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934.

II. Monitoring of Utilization of Funds

As the issue size does not exceed Rs. 100 Crore, the Company is not required to appoint a credit rating agency to monitor the issue in terms of the provisions of Regulation 162A of the SEBI ICDR Regulations.

III. Particulars of the offer including the maximum number of specified securities to be issued and date of passing of board resolution:

Preferential Issue of up to 1,20,28,562 (One Crore Twenty Lakhs Twenty-Eight Thousand Five Hundred and Sixty-Two) Fully Convertible Warrants ["Warrants"], at an issue price of Rs. 70/- (Rupees Seventy Only) each, determined by the Board in accordance with the provisions of Chapter V of SEBI ICDR Regulations, as amended, aggregating up to Rs. 84,19,99,340/- (Rupees Eighty-Four Crores Nineteen Lakhs Ninety-Nine Thousand Three Hundred and Forty Only) as approved in the meeting of the Board of Directors of the Company held on Friday, August 25, 2023.

IV. The intent of the promoters, directors, key management personnel or senior management of the issuer to subscribe to the offer.

Except as following none of the promoters, directors, key management personnel or senior management of the issuer intent to subscribe to the offer.

#	Name	Category	Designation	Type of Security	Number of Security
1	Mr. Deepak Garg	Promoter	Promoter & Managing Director	Warrants	20,28,571

V. The Shareholding Pattern of the issuer before and after the preferential issue.

The shareholding pattern of the Company before and after the proposed preferential issue to 'Promoter & Promoter Group' and 'Non- Promoter' is likely to be as follows:

Category	Pre issue Shareholding Structure		No. of Warrants to be allotted	Post Issue Shareholding Structure (#)	
	No. of Shares	%		No. of Shares	%
(1) Indian					
(a) Individuals & HUF	35,93,340	34.91	20,28,571	56,21,911	25.19
(b) Bodies Corporate	-	-	-	-	-
Sub Total (A)(1)	35,93,340	34.91	20,28,571	56,21,911	25.19
(2) Foreign promoters	-	-	-	-	-
Total Promoter shareholding A=A1 +A2	35,93,340	34.91	20,28,571	56,21,911	25.19
B1) Institutional Investors	-	-	-	-	-
B2) Central Govt./Stat Govt./POI	-	-	-	-	-
B3) Non-Institutional Investors	-	-	-	-	-
Individuals	66,02,860	64.15	81,71,420	1,47,74,280	66.19
Body Corporate	32,000	0.31	14,28,571	14,60,571	6.54
Others (Including HUF, LLP & NRI)	64,000	0.62	4,00,000	4,64,000	2.07
Total Public Shareholding B=B1+B2+B3	66,98,860	65.08	99,99,991	1,66,98,851	74.81
C) Non-Promoter - Non-Public	-	-	-	-	-
Grand Total (A+B+C)	1,02,92,200	100.0	1,20,28,562	2,23,20,762	100.0

(#) These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e., Rs. 22,32,07,620/- (Rupees Twenty-Two Crores Thirty-Two Lakh Seven Thousand Six Hundred and Twenty Only) divided into 2,23,20,762 (Two Crore Twenty-Three Lakh Twenty Thousand Seven Hundred and Sixty-Two) Equity Shares of face value of Rs. 10/- each, which may vary depending upon any other corporate action in between.

Notes:

1. The pre-issue shareholding pattern is as on the latest BENPOS date i.e., Friday, August 25, 2023.
2. The Warrants to be converted over a period of 18 months from the date of allotment.

VI. Proposed time limit within which the allotment shall be complete:

In terms of SEBI (ICDR) Regulations, preferential allotment of said Warrants will be completed within a period of 15 (fifteen) days from the date of passing of special resolutions at Item No. 5. Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

VII. Number of persons to whom allotment on a preferential basis has already been made during the year, in terms of the number of securities as well as price:

Not Applicable, since the Company has not made preferential issue of any Security during the year.

VIII. The identity of the natural persons who are the ultimate beneficial owners of the securities proposed to be allotted and/or who ultimately control the proposed allottee(s):

Identity of the ultimate beneficial owners of the securities proposed to be allotted:

S. No.	Name of the Proposed Allottees	Category	Name of the Beneficial Owners
1	Mr. Deepak Garg	Promoter	Not Applicable
2	Ms. Sanya Jindal	Non-Promoter	Not Applicable
3	Mr. Rajiv Garg	Non-Promoter	Not Applicable
4	Ms. Neelu Garg	Non-Promoter	Not Applicable
5	Chaman Lal & Sons HUF	Non-Promoter	Mr. Pankaj Takkar
6	Pankaj Takkar & Sons HUF	Non-Promoter	Mr. Pankaj Takkar
7	Sameer Takkar & Sons HUF	Non-Promoter	Mr. Sameer Takkar
8	Puneet Takkar & Sons HUF	Non-Promoter	Mr. Puneet Takkar
9	Mr. Gian Singh	Non-Promoter	Not Applicable
10	Mr. Balwant Singh	Non-Promoter	Not Applicable
11	Ms. Gurnam Kaur	Non-Promoter	Not Applicable
12	Mr. Krishan Kumar	Non-Promoter	Not Applicable
13	Mr. Tarun Aggarwal	Non-Promoter	Not Applicable
14	Mr. Mukesh Mittal	Non-Promoter	Not Applicable
15	Mr. Shyam Lal Mittal	Non-Promoter	Not Applicable
16	Mr. Govind Aggarwal	Non-Promoter	Not Applicable
17	Mr. Ishwar Chand Mittal	Non-Promoter	Not Applicable
18	Mr. Shaurya Garg	Non-Promoter	Not Applicable
19	Mr. Pranav Singla	Non-Promoter	Not Applicable
20	Green Globe Textiles Ltd	Non-Promoter	Mr. Sanjay Jain
21	Mr. Yatin Bansal	Non-Promoter	Not Applicable
22	Mr. Rajesh Kumar Jindal	Non-Promoter	Not Applicable
23	Ms. Nishi Chopra	Non-Promoter	Not Applicable

Note: Where the Proposed Allottee is a natural person the Ultimate Beneficial Owner disclosure is not applicable.

IX. The percentage of post preferential issue capital that may be held by the allottee(s) pursuant to the preferential issue.

S. No.	Name of the Proposed Allottee	Pre issue Shareholding Structure		No. of Warrants to be Allotted	Post Issue Shareholding (Presuming full conversion of Warrants)#	
		No. of Shares	%		No. of Shares	%
1.	Mr. Deepak Garg	30,77,100.00	29.90	20,28,571	51,05,671.00	22.87
2.	Ms. Sanya Jindal	7,84,860.00	7.63	20,28,571	28,13,431.00	12.60
3.	Mr. Rajiv Garg	-	-	1,42,857	1,42,857.00	0.64
4.	Ms. Neelu Garg	-	-	1,42,857	1,42,857.00	0.64
5.	Chaman Lal & Sons HUF	-	-	1,00,000	1,00,000.00	0.45
6.	Pankaj Takkar & Sons HUF	-	-	1,00,000	1,00,000.00	0.45
7.	Sameer Takkar & Sons HUF	-	-	1,00,000	1,00,000.00	0.45
8.	Puneet Takkar & Sons HUF	-	-	1,00,000	1,00,000.00	0.45
9.	Mr. Gian Singh	68,000.00	0.66	1,42,857	2,10,857.00	0.94
10.	Mr. Balwant Singh	20,000.00	0.19	71,428	91,428.00	0.41
11.	Ms. Gurnam Kaur	16,000.00	0.16	71,428	87,428.00	0.39
12.	Mr. Krishan Kumar	8,000.00	0.08	7,14,285	7,22,285.00	3.24
13.	Mr. Tarun Aggarwal	8,000.00	0.08	7,14,285	7,22,285.00	3.24
14.	Mr. Mukesh Mittal	8,000.00	0.08	7,14,285	7,22,285.00	3.24
15.	Mr. Shyam Lal Mittal	32,000.00	0.31	7,14,285	7,46,285.00	3.34
16.	Mr. Govind Aggarwal	32,000.00	0.31	7,14,285	7,46,285.00	3.34
17.	Mr. Ishwar Chand Mittal	4,000.00	0.04	7,14,285	7,18,285.00	3.22
18.	Mr. Shaurya Garg	-	-	2,14,285	2,14,285.00	0.96
19.	Mr. Pranav Singla	-	-	5,71,428	5,71,428.00	2.56
20.	Green Globe Textiles Ltd	-	-	14,28,571	14,28,571.00	6.40
21.	Mr. Yatin Bansal	-	-	2,14,285	2,14,285.00	0.96
22.	Mr. Rajesh Kumar Jindal	-	-	1,42,857	1,42,857.00	0.64
23.	Ms. Nishi Chopra	-	-	1,42,857	1,42,857.00	0.64

(#) These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e., Rs. 22,32,07,620/- (Rupees Twenty-Two Crores Thirty-Two Lakh Seven Thousand Six Hundred and Twenty Only) divided into 2,23,20,762 (Two Crore Twenty-Three Lakh Twenty Thousand Seven Hundred and Sixty-Two) Equity Shares of face value of Rs. 10/- each, which may vary depending upon any other corporate action in between.

X. Consequential changes in the Voting Rights, change in control and change in the Management, if any, in the issuer consequent to the preferential issue:

As a result of the proposed preferential issue of Warrants, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

XI. Lock-in Period:

- (a) Fully Convertible Warrants and the Equity Shares to be allotted upon conversion of the warrants, shall be subject to lock-in in accordance with Chapter V of the SEBI ICDR Regulations.
- (b) The entire pre-preferential allotment shareholding, if any, of the Proposed Allottees, shall be locked-in as per Chapter V of the SEBI ICDR Regulations.

XII. Issue price and Relevant Date:

In terms of Regulation 161 of SEBI (ICDR) Regulations, 2018 the Relevant Date has been reckoned as Friday, August 25, 2023, for the purpose of computation of issue price.

In compliance with SEBI ICDR Regulation, the minimum issue price per Warrant is higher of the price determined through the following methods:

- a. The Equity shares of the Company are listed on the SME Platform of National Stock Exchange of India Limited (“NSE Emerge”) and are frequently traded as per the provisions of SEBI ICDR Regulations. In terms of the provisions of Regulation 164 of the SEBI ICDR Regulations, the minimum price at which the Warrants may be issued computes to Rs. 65.76/- each.
- b. In terms of the provisions of Regulation 166A of the SEBI ICDR Regulations, as the proposed allotment is of more than 5% of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, the price shall be determined by the Valuation Report issued by the Independent Registered Valuer. Thus, the minimum price is determined through the Valuation Report of M/s. Corporate Professionals Valuation Services Private Limited, (Registration No.: IBBI/RV-E/02/2019/106), having registered office at D-38, 1st Floor South Extension Part-1 New Delhi-110049, i.e., Rs. 69.83/- per warrant. The said report is available on the website of the Company at www.abcotspin.com.
- c. Method of determination of price as per the Articles of Association of the Company - *Not applicable* as the Articles of Association of the Company are silent on the determination of a floor price/ minimum price of the shares issued on a Preferential basis.

The price of the Warrants to be allotted on a preferential basis is Rs. 70/- (Rupees Seventy Only) each to the proposed allottees, which is higher than the above-mentioned prices.

XIII. Undertakings:

- None of the Company, its directors or Promoters are categorized as willful defaulter(s) or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India. Consequently, the undertaking required under Regulation 163(1)(i) is not applicable.
- None of its Directors or Promoters is fugitive economic offenders as defined under the SEBI ICDR Regulations.
- As the equity shares have been listed on a recognized Stock Exchange for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable. Consequently, the undertaking required under Regulation 163(1)(g) and Regulation 163(1)(h) is not applicable.
- None of the allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.

XIV. Disclosures specified in Schedule VI of ICDR Regulations, if the issuer or any of its promoters or directors is a willful defaulter or fraudulent borrower: Not Applicable**XV. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:**

S. No.	Name of The Proposed Allottees	Current Status	Post Status
1	Mr. Deepak Garg	Promoter	Promoter
2	Ms. Sanya Jindal	Non-Promoter	Non-Promoter
3	Mr. Rajiv Garg	Non-Promoter	Non-Promoter
4	Ms. Neelu Garg	Non-Promoter	Non-Promoter
5	Chaman Lal & Sons HUF	Non-Promoter	Non-Promoter
6	Pankaj Takkar & Sons HUF	Non-Promoter	Non-Promoter
7	Sameer Takkar & Sons HUF	Non-Promoter	Non-Promoter
8	Puneet Takkar & Sons HUF	Non-Promoter	Non-Promoter
9	Mr. Gian Singh	Non-Promoter	Non-Promoter
10	Mr. Balwant Singh	Non-Promoter	Non-Promoter
11	Ms. Gurnam Kaur	Non-Promoter	Non-Promoter
12	Mr. Krishan Kumar	Non-Promoter	Non-Promoter
13	Mr. Tarun Aggarwal	Non-Promoter	Non-Promoter
14	Mr. Mukesh Mittal	Non-Promoter	Non-Promoter
15	Mr. Shyam Lal Mittal	Non-Promoter	Non-Promoter
16	Mr. Govind Aggarwal	Non-Promoter	Non-Promoter
17	Mr. Ishwar Chand Mittal	Non-Promoter	Non-Promoter
18	Mr. Shaurya Garg	Non-Promoter	Non-Promoter
19	Mr. Pranav Singla	Non-Promoter	Non-Promoter
20	Green Globe Textiles Ltd	Non-Promoter	Non-Promoter
21	Mr. Yatin Bansal	Non-Promoter	Non-Promoter
22	Mr. Rajesh Kumar Jindal	Non-Promoter	Non-Promoter
23	Ms. Nishi Chopra	Non-Promoter	Non-Promoter

XVI. Practicing Company Secretary's Certificate:

The certificate from **Mr. Deepak Gupta**, CP No. **4629**, Practicing Company Secretaries, certifying that the preferential issue of Warrants is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate shall be available for inspection by the members and the same may be accessed on the Company's website at the link: www.abcotspin.com.

XVII. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution:

Except as follows none of the other Directors or key managerial personnel or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution.

S. No.	Name	Category	Designation	Type of Security	Number of Security
1	Mr. Deepak Garg	Promoter	Promoter & Managing Director	Warrants	20,28,571

The Board of Directors recommends the resolutions as set out in Item No. 5 of this notice for the issue of Warrants, on a preferential basis, to the persons belonging to the promoter and promoter group category and non-promoter category by way of *Special Resolution*.

By order of the Board of Directors
For A B Cotspin India Limited

Sd/-

Kannu Sharma

Membership No.: A64063

Company Secretary & Compliance Officer

Date: 01st September, 2023

Place: Bathinda, Punjab

Registered Office

NH-54, Goniana Road, Near lake-3, Bathinda, Punjab-151001

Email: cs@abcotspin.in

Website: www.abcotspin.com

Tel: +1635232670

Annexure-A**Details of the Directors retiring by rotation seeking re-appointment at the Annual General Meeting**

[Pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Secretarial Standard on General Meetings]

Name	Manohar Lal
Directors Identification Number (DIN)	02406686
Date of Birth	June 24, 1944
Age	79
Nationality	Indian
Qualifications	He does not have formal education degree.
Terms and conditions of appointment and re-appointment	Liable to Retire by Rotation
Expertise in Specific Area	He is engaged in providing guidance to the management in respect of Cotton Industry.
Date of first appointment on the Board of the Company	23-06-1997
Directorship in other limited companies (excluding A B Cotspin India Limited)	Nil
Relationship with other Directors and Key Managerial Personnel	Father of Mr. Deepak Garg, Managing Director
Membership/Chairmanship of committee of the Company	Nil
Membership/Chairmanship of committee of Directors of other companies	Nil
No. of Share held as on 31-03-2023	21,240
Number of Meetings of the Board attended during the financial year 2022-23	7
Remuneration last drawn (FY 2022-23) (including sitting fees, if any)	₹ 9,00,000
Details of remuneration sought to be paid	As per existing approved terms and conditions

By order of the Board of Directors
For A B Cotspin India Limited

Sd/-

Kannu Sharma

Membership No.: A64063

Company Secretary & Compliance Officer

Date: 01st September, 2023

Place: Bathinda, Punjab

Registered Office

NH-54, Goniana Road, Near lake-3, Bathinda, Punjab-151001

Email: cs@abcotspin.inWebsite: www.abcotspin.com

Tel: +1635232670

BOARD'S REPORT

The Members,
A B COTSPIN INDIA LIMITED

Your directors are pleased to present their 26th Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended on 31st March, 2023.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2023 is summarized as under:

PARTICULARS	Financial Year 2022-23 (Amount in ₹) Lacs	Financial Year 2022-23 (Amount in ₹) Lacs
Revenue from operations (net)	16910.01	14068.87
Add: Other Income	55.75	22.90
Total Income	16965.76	14091.77
Profit/(Loss) before Depreciation & Amortisation, Exceptional items & Tax expense	1099.46	1452.47
Less: Finance Cost	349.94	216.18
Less: Depreciation and Amortisation Expense	492.23	327.88
Profit before exceptional items & tax Expense	257.29	908.41
Less: Exceptional items	-	-
Profit/(Loss) before Tax Expense	257.29	908.41
Less: Taxation Expense	63.99	225.09
Profit/(Loss) for the year	193.30	683.32
Other Comprehensive Income/(Loss)	187.78	27.28
Total Comprehensive Income/(Loss) for the year	381.08	710.59
Earnings per Share (₹)		
- Basic	1.88	8.47
- Diluted	1.88	8.47

STATE OF COMPANY'S AFFAIRS

The Revenue from its business and operations for the financial year ended 31st March, 2023 is ₹ 16910.01 Lacs as against ₹ 14068.87/- Lacs in the previous financial year.

The Company has earned other income during the financial year of ₹ 55.75/- Lacs as against ₹ 22.90/- Lacs in the previous financial year and the Company has earned profit after tax of ₹ 193.30/-Lacs as compared to profit after tax of ₹ 683.32/- Lacs in the previous financial year.

The management of the Company is contemplating various business plans and also making strategies to develop the business of the Company.

DIVIDEND

With a view to conserve the profits, the Board of Directors decided not to recommend any dividend for the financial year 2022-23.

RESERVES

The Board of Directors of the Company has not proposed to transfer any amount to the Reserves for the year under review.

Total reserve and Surplus of the Company has been increased to ₹ 2995.91 Lacs on March 31, 2023 from ₹ 2808.30 Lacs on March 31, 2022.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No unpaid/unclaimed dividend or any other amount was required to be transferred to the Investor Education and Protection Fund during the year under review.

CREDIT RATING

As on the report date, CARE has assigned ratings with respect to the bank / credit facilities availed by the Company is as follows:

S. No.	Particulars	Rating Assigned
1.	Long Term Bank Facilities	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)
2.	Short Term Bank Facilities	CARE A3 (A Three)

ANNUAL RETURN

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with rule 12 of the Companies (Management and Administration) Rules, 2014, as amended vide MCA notification dated August 28, 2020, a copy of the Annual Return is available on the link <https://abcotspin.com/annual-return/>

SHARE CAPITAL OF THE COMPANY

During the period under review, the authorised share capital of the Company is divided into:

- ✚ Equity Share 1,10,00,000 (One Crore Ten Lakh) of ₹ 10 each 11,00,00,000 (Rupees Eleven Crore)
- ✚ Preference Share 400,000 (Four Lakh only) of ₹ 10 Each 40,00,000 (Rupees forty lakh only)

The paid-up Equity Share Capital as on March 31, 2023 was 10,29,22,000/- (Rupees Ten Crore Twenty-Nine Lakh Twenty-Two Thousand Only) and in earlier years, the Company has forfeited the 3,92,000 (Three Lakh Ninety-Two Thousand) Equity Shares of ₹ 5 /- which was not yet issued.

NUMBERS AND DATE OF MEETINGS

During the year under review, **seven (07)** Board Meetings were held on May 30, 2022, August 28, 2022, October 01, 2022, November 10, 2022, January 31, 2023, March 09, 2023 and March 22, 2023. The provisions of Companies Act, 2013 were adhered while considering the time gap between two such meetings.

The details of composition of the Board and the attendance record of the Directors at the Board Meetings and AGM held during the financial year ended on March 31, 2023 is as under:

Name	Designation	Category	No. of meetings entitled to attend	No. of meetings attended	Last AGM attended
Deepak Garg	Chairman & Managing Director	Executive Director	7	7	Yes
Manohar Lal	Whole-Time Director	Executive Director	7	7	Yes
Ramesh Kumar	Director	Non-Executive Director	7	7	Yes
Puneet Bhandari	Director	Non-Executive Independent Director	7	7	Yes
Preet Bhatia	Director	Non-Executive Independent Director	7	7	Yes

GENERAL MEETINGS

Type of Meeting	Date of Meeting	Number of Directors Attended the Meeting
Annual General Meeting	26 th September, 2022	5

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

DIRECTORS:

a) Composition of Board of Directors

As on March 31, 2023, the Board of Directors of the Company comprised of Five Directors, with Two Executive and Three Non-Executive Directors, which includes two Independent Directors.

The composition of the Board of Directors is as below:

S. No.	Name of Directors	Designation	Date of Appointment
1.	Deepak Garg	Chairman and Managing Director	26/08/2014
2.	Manohar Lal	Whole-time Director	01/08/2018
3.	Ramesh Kumar	Non-Executive Director	02/03/2020
4.	Puneet Bhandari	Independent Director	09/03/2021

5.	Preet Bhatia	Independent Director	09/03/2021
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- b) **Retire by Rotation:** In accordance with the provisions of Section 152 of the Act and Articles of Association of the Company, Mr. Manohar Lal (DIN: 02406686) Whole-time Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

A brief profile, expertise of Director and other details as required under the Act, Secretarial Standard-2 and Listing Regulations relating to the director proposed to be re-appointed is annexed to the notice convening the AGM.

- c) **Declaration given by Independent Director:** Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year under review.

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA').

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 203 of the Act, the following are the Key Managerial Personnel ("KMP") of the Company:

S. No.	Name	Designation
1.	Deepak Garg	Managing Director
2.	Manohar Lal	Whole-Time Director
3.	Rajinder Prashad Garg*	Chief Financial Officer
4.	Kannu Sharma	Company Secretary

**Subsequent to the cessation of Mr. Niti Rajan Bansal as Chief Financial Officer of the Company with effect from June 04, 2022, Mr. Rajinder Prashad Garg was appointed as Chief Financial Officer of the Company also designated as KMP with effect from August 24, 2022.*

BOARD COMMITTEES

The Committees of the Board of Directors of the Company plays vital role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is governed by their respective terms of reference which exhibit their composition, scope, powers, duties and responsibilities. The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees of the Board along with their composition, number of meetings and attendance at the meetings are given below. Further during the period under review, all recommendations made by the various committees have been accepted by the Board.

AUDIT COMMITTEE

The Audit Committee ('AC') of the Company had been constituted and functions in accordance with provisions of Section 177 of the Act and Listing Regulations. The Company Secretary is acting as the Secretary to the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

Some of the key functions and responsibilities of the AC is enumerated as below:

- Reviewing the procedures of financial reporting
- Review and monitor the auditor's independence, performance and effectiveness of audit process
- Review the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the Internal Auditor.
- Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
- monitoring the end use of funds raised through public offers and related matte₹
- approval or any subsequent modification of transactions of the Company with related parties;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- scrutiny of inter-corporate loans and investments;

During the period under review **three (3)** meetings were held on May 30, 2022, August 28, 2022 and November 10, 2022.

The details of composition of the Committee and the attendance record of the Directors at the AC Meetings held during the financial year ended on March 31, 2023 is as under:

Name of the Director	Designation in Committee	Category	No. of Meeting held during the year	No. of Meetings Attended
Puneet Bhandari	Chairman	Independent Director	3	3
Ramesh Kumar	Member	Non-Executive Director	3	3
Preet Bhatia	Member	Independent Director	3	3

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') of the Company had been constituted and functions in accordance with provisions of Section 178 of the Act and Listing Regulations. The Company Secretary is acting as the Secretary to the Nomination and Remuneration Committee.

Some of the key functions and responsibilities of the NRC is enumerated as below:

- Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy relating to the remuneration for the directors, key managerial personnel (KMPs) and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Recommending to the Board whether to extend or continue the term of appointment of appointment of the independent director, on the basis of report of performance evaluation of independent directors.
- ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To develop a succession plan/policy for the Board and to regularly review the plan/policy

During the period under review two (2) meetings were held on May 30, 2022 and August 28, 2022.

The details of composition of the Committee and the attendance record of the Directors at the NRC Meetings held during the financial year ended on March 31, 2023 is as under:

Name of the Director	Designation in Committee	Category	No. of Meeting held during the year	No. of Meetings Attended
Puneet Bhandari	Chairman	Independent Director	2	2
Ramesh Kumar	Member	Non-Executive Director	2	2
Preet Bhatia	Member	Independent Director	2	2

- **Company's policy relating to Director's appointment, Payment of remuneration and Discharge of their duties:**

The provisions of Section 178 of the Companies Act, 2013 relating to the Nomination and Remuneration Committee are applicable to our Company and hence the NRC Committee of the Company has devised policy relating to appointment of directors, payment of managerial remuneration, directors' contribution, positive attributes, Independence of Directors and other related matters as provided under section 178(3) of Companies Act, 2013. The Policy may be accessed on the Company's website at the web link: <https://abcotspin.com/policies-and-code-of-conduct/>.

STAKEHOLDER RELATIONSHIP COMMITTEE

In compliance of provisions of Section 178 of Companies Act, 2013 & Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attends to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

The details of composition of the Committee and the attendance record of the Directors at the SRC Meetings held during the financial year ended on March 31, 2023 is as under:

Name of the Director	Designation in Committee	Category	No. of Meeting held during the year	No. of Meetings Attended
Deepak Garg	Chairman	Managing Director	1	1
Ramesh Kumar	Member	Non-Executive Director	1	1
Puneet Bhandari	Member	Independent Director	1	1

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to believe in operating and growing its business in a socially responsible way. This belief forms the core of the CSR policy of the Company that drives it to focus on holistic development of its host community and immediate social and environmental surroundings qualitatively. Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Corporate Social Responsibility (CSR) committee was constituted by Board of Directors in their meeting held on 24th August, 2022. The Board has formulated the CSR policy indicating the activities to be undertaken by the Company, which has been approved by the Board.

During the Financial Year 2022-23, your Company was required to spend ₹ 10.60 Lacs towards CSR Activities in terms of the mandatory provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, and your Company has made the contribution of ₹ 10.60 Lacs according to the provision of the Act.

The Annual Report on CSR activities indicating the program wise details is provided as **Annexure A** and forms part of this Report.

The details of composition of the Committee and the attendance record of the Directors at the CSR Meetings held during the financial year ended on March 31, 2023 is as under:

Name of the Director	Designation in Committee	Category	No. of Meeting held during the year	No. of Meetings Attended
Deepak Garg	Chairman	Managing Director	1	1
Ramesh Kumar	Member	Non-Executive Director	1	1
Puneet Bhandari	Member	Independent Director	1	1

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The Independent Directors of the Company have held one meeting during the year on March 28, 2023, without the presence of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors and the Board of Directors as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Outcome of the evaluation was submitted to the Chairman of the Company. The Directors discussed and expressed their satisfaction with the entire evaluation process.

AUDITORS AND AUDITOR'S REPORT**A. STATUTORY AUDITOR**

M/s P L Mittal & Co., Chartered Accountants, (FRN: 002697N), were appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 25th Annual General meeting (AGM) held on September 26, 2022 until the conclusion of the 30th AGM of the Company.

RESERVATION AND QUALIFICATION ON AUDITOR'S REMARKS

The Auditors Report read together with Annexures referred to in the Auditor's Report as provided by the auditors are self-explanatory and does not contain any qualification reservation, adverse remark or disclaimers.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR

There are no frauds reported for the period under review by the Auditor's under section 143(12) of the Companies Act, 2013 and hence, the said disclosure requirements are not applicable.

B. SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made thereunder, M/s DR Associates, Company Secretaries were appointed as Secretarial Auditors for the financial year 2022-23.

The Secretarial Audit Report for the financial year ended on March 31, 2023 is annexed herewith marked as **Annexure B** to this Report.

The said report is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimers.

C. COST AUDITOR

M/s Jain Sharma & Associates, Cost Accountants (FRN: 000270), were appointed as Cost Auditor of the Company by the Board of Directors in its meeting held on August 24, 2022 for the financial year 2022-23 as per provision of Section 148 of the Companies Act, 2013.

Further, the Board of Directors, based on the recommendation of the Audit Committee and pursuant to the provisions of Section 148 of the Act read with the Companies (Management and Remuneration Personnel) Rules, 2014, has re-appointed M/s Jain Sharma & Associates, Cost Accountants (FRN: 000270), as the Cost Auditors of your Company for the financial year 2023-24. The Cost Auditor conducts the Cost audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

The remuneration payable to the Cost Auditors is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s Jain Sharma & Associates, Cost Accountants (FRN: 000270), is included at Item No.3 of the Notice of the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

During the year under review, your Company has made Loans, given guarantees and made investments in compliance to the provisions of Section 186 of the Act and details of which are given in the Note no. 4 and 10 to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The transactions during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2, appended as **Annexure - C** to the Board's report.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and hence there is no information to be provided as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provision of Section 134(5) of the Companies Act, 2013, the Board, to the best of the knowledge and based on the information and explanations received from your Company confirms that:

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that they have selected such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

During the year under review, the Company enjoyed cordial relations with workers, employees, Bankers, Shareholders and all stakeholders at all levels.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

CORPORATE GOVERNANCE

As our Company has been listed on SME Emerge Platform of National Stock exchange Limited (NSE), by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations,

2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable to the Company.

Hence, Corporate Governance Report does not form a part of this Board Report.

MAINTENANCE OF COST RECORDS

The Company has maintained cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Statement pertaining to provision of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring the names of top ten employees in terms of remuneration drawn. It is also to be stated here that there was no employee during the year who were in receipt of remuneration mention in Rule 5 (2) (I), (II) and (III) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as **Annexure D**.

INTERNAL FINANCIAL CONTROLS

A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks.

The Company has in place adequate internal financial controls with reference to Financial Statements and such controls were operating effectively as at March 31, 2023. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations. During the year, such controls were tested and no reportable weaknesses in the design or operations were observed.

RISK MANAGEMENT

Your Company has a Risk Management Policy which identifies and evaluates business risks and opportunities. The Company recognize that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. The Risk Management policy may be accessed on the Company's website at the Weblink: <https://abcotspin.com/policies-and-code-of-conduct/>

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

There is no Company which have become or ceased to be its subsidiary, joint venture or associate company during the year. At present there are no subsidiary, joint venture or associate companies.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, ADAPTATION INNOVATION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relevant disclosure is given below:

A. CONSERVATION OF ENERGY:

The Company is taking all possible measures to conserve the energy. The Company have set up a solar plant of 1.5 MW to reduce our dependency on conventional electricity energy resources.

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

At your company, we prioritize the integration of cutting-edge technologies into our core operations. Recognizing the constantly evolving nature of technology, we ensure that our employees stay up-to-date with the latest working techniques and technologies. We achieve this through a range of initiatives, including workshops, group e-mails, and discussion sessions. By doing so, we aim to maximize the utilization of available resources and enhance operational efficiency across the organization.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year, the Company has not earned any Foreign Exchange. However, the total Foreign Exchange outgo/earnings of the Company is as given below:

Particulars	Current Year	Previous Year
Foreign Exchange outgo	2.06 Lacs	2.06 Lacs
Foreign Exchange earnings	-	-

DISCLOSURES UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has guidelines and requisite policy in place for prevention & redressal of complaints on sexual harassment of women at workplace, in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH”).

The Company has duly constituted the Internal Complaints Committee under the POSH to redress the complaints received regarding sexual harassment.

During the financial year ended 31st March, 2023, no case of sexual harassment and discriminatory employment complaints were reported.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the period under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

During the period under review, there has been no one time settlement of Loan taken from Banks and Financial Institutions.

VIGIL MECHANISM

Your Company has adopted a Vigil Mechanism with a view to provide its employees an avenue to raise any sensitive concerns regarding any unethical behaviour or wrongful conduct and to provide adequate safeguard for protection from any victimization.

In accordance with the provision of Section 177(9) of the Act, every Listed Company shall establish a vigil mechanism for directors and employees to report genuine concerns of unethical behaviour, actual or suspected fraud or violation of the codes of conduct.

Accordingly, the Company has framed the policy to align the same with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (LODR) Regulations and may be accessed on the Company's website at the weblink: <https://abcotspin.com/policies-and-code-of-conduct/>. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee and affirms that no Director/employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

OTHER STATUTORY DISCLOSURES

During the year under review:

1. No significant and material orders were passed by the Regulators/ Courts/ Tribunals which impact the going concern status and Company's operations in future.
2. No equity shares were issued with differential rights as to dividend, voting or otherwise.
3. No Sweat Equity shares were issued.
4. Neither the Managing Director nor the Whole time Director of your Company received any remuneration or commission from any of its subsidiaries, as your Company doesn't have any subsidiary Company as on March 31, 2023.
5. No deposits have been accepted by the Company from the public. The Company had no outstanding, unpaid or unclaimed public deposits at the beginning and end of FY 2022-23.
6. No Change in nature of Business of Company.
7. No Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
8. Except as disclosed in this Report, there are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

ACKNOWLEDGMENT

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, and Auditors, financial institutions, Customers, employees, suppliers, other business associates and various other stakeholders.

For and on behalf of the Board

Sd/-

Deepak Garg

Chairman and Managing Director

DIN: 00843929

Bathinda, Punjab

25th August, 2023

Annexure A

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company- The CSR Policy of the Company is aimed to improving the quality of the life of the communities we serve through long term stakeholder value creation. Accordingly, the CSR activities/programs were undertaken in line with and as specified in Schedule VII of the Act to serve and to be seen to serve society and community and create significant and sustained impact in their lives and provide opportunities for employees to contribute to these efforts through volunteering.

2. The composition of the CSR committee: The Company has constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and details of its members are as follows: -

Name of the Director	Designation in Committee	Category	No. of Meeting held during the year	No. of Meetings Attended
Deepak Garg	Chairman	Managing Director	1	1
Ramesh Kumar	Member	Non-Executive Director	1	1
Puneet Bhandari	Member	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- www.abcotspin.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NIL			

6. Average net profit of the company as per section 135(5)- 9,04,24,170.33 /-

- 7. a)** Two percent of average net profit of the company as per section 135(5)- ₹ 10,57,101.254 /-
b) Surplus arising out of the CSR projects or programs or activities of the previous financial years- Nil
c) Amount required to be set off for the financial year, if any-Nil
d) Total CSR obligation for the financial year (7a+7b-7c)- ₹ 10,57,101.254 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
10,60,000	N.A.		N.A.		

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **NIL**

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting health care		No	Delhi		10,60,000	No	Dr. Narayan Dutt Shrimali Foundation International Charitable Trust Society	CSR00024675

(d) Amount spent in Administrative Overheads- **NIL**

(e) Amount spent on Impact Assessment, if applicable- **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **₹ 10,60,000/-**

(g) Excess amount for set off, if any: **NIL**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **N.A.**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **N.A.**

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s)-**NIL**

(b) Amount of CSR spent for creation or acquisition of capital asset-**NIL**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.-**N.A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)- **N.A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- **N.A.**

For and on behalf of the Board

Sd/-

Deepak Garg

Chairman and Managing Director

DIN: 00843929

Punjab

25th August, 2023

Annexure-B

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2023

To,

The Members,

AB Cotspin India Limited
NH-54, Goniana Road, Near Lake-3
Bathinda Punjab- 151001

We have conducted the Secretarial Audit of compliances, applicable statutory provisions and the adherence to good corporate practices by AB Cotspin India Limited (hereinafter called “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable to the Company during the audit period**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the audit period**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable to the Company during the audit period**

- e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable to the Company during the audit period**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable to the Company during the audit period**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable to the Company during the audit period**
- i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- j) Secretarial Standards issued by the Institute of Company Secretaries of India.
- k) As informed by the management, there aren't any law, which were specifically applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.
3. As per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

4. There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period the company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

Place: New Delhi
Date: 25th August 2023

For DR Associates
Company Secretaries
Firm Regn.: P2007DE003300

CP No.: 4629
Deepak Gupta
Partner
UDIN: F005339E000851461

ANNEXURE- C

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. Details of the contact, arrangements or transactions not at arms' length price:

Particulars	Remarks
(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/ transactions	NIL
(c) Duration of the contracts/arrangements/transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) Date of approval by the Board	NIL
(g) Amount paid as advance	NIL
(h) Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.	NIL

2. Details of the material contracts or arrangements or transactions at arms' length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/arrangements/transactions	Duration of the Contracts/arrangements or transactions including the value, if any	Salient terms of the contacts or arrangements or transactions including the value, if any	Amount paid as advance, if any
1.	Pooja Garg, Relative of KMP	Remuneration Paid	2022-2023	5,25,600	NA
		Rent Paid		18,80,000	
2.	Shimla Devi Relative of KMP	Rent Paid	2022-2023	90,000	NA
3.	AB Cotton Textiles Private Limited, Group Company	Sale of Goods	2022-2023	1,17,41,497	NA
4.	Deepak Garg & Son HUF, Relative of KMP	Sale of Goods	2022-2023	26,28,803	NA

For and on behalf of the Board

Sd/-

Deepak Garg

Chairman and Managing Director

DIN: 00843929

Punjab

25th August, 2023

Annexure D

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. The ratio of the remuneration of each Director to the median remuneration of the employees and the performance of the Company for the year 2022-23:**

S. No.	Name of the Director	Designation	Ratio
1.	Deepak Garg	Chairman and Managing Director	3.97
2.	Manohar Lal	Whole-time Director	3.31
3.	Ramesh Kumar	Non-Executive Director	1.41
4.	Puneet Bhandari	Independent Director	-
5.	Preet Bhatia	Independent Director	-

- B. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:**

S. No.	Name	Designation	Percentage
1.	Deepak Garg	Chairman and Managing Director	-
2.	Manohar Lal	Whole-time Director	-
3.	Ramesh Kumar	Non-Executive Director	2.97%
4.	Puneet Bhandari	Independent Director	-
5.	Preet Bhatia	Independent Director	-
6.	Kannu Sharma	Company Secretary	42%
7.	Rajinder Prashad Garg ¹	Chief Financial Officer	*

¹ Rajinder Prashad Garg¹ was appointed w.e.f. August 24, 2022.

*Since the remuneration is only part for the FY22-23, the percentage increase in remuneration is not comparable and hence, not stated.

- C. The percentage increase in the median remuneration of employees in the financial year:** During FY 2022-23, the percentage increase in the median remuneration of employees as compared to previous year was approximately 8.45%.
- D. The numbers of permanent employees on the rolls of company:** There were 361 employees as on March 31, 2023
- E. Average percentile increases already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:** The average increase in the salaries of the employees other than managerial personnel in the last financial year was 6.74%. The average increase in managerial remuneration in the last financial year was 45.56%.
- F. If remuneration is as per the Remuneration Policy of the Company:** It is affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

Note:

- The median remuneration of all the employees of the Company was ₹ 3.18 Lacs. For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration.
- Apprentices are excluded from the total No. of Permanent Employees on the rolls of the Company.
- Figures have been rounded off wherever necessary.

For and on behalf of the Board

Sd/-

Deepak Garg

Chairman and Managing Director

DIN: 00843929

Bathinda, Punjab

25th August, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We are primarily engaged in manufacturing of cotton yarn, knitted fabric, cottonseed oil and oilcakes. Our Company commenced its business in 1997 with a cotton ginning plant with cotton bales and cotton seeds being our initial products. Thereafter in the year 2000, we installed a crushing unit to extract oil from cotton and mustard seeds and expanded our product basket with the addition of cotton seed oil, mustard oil and oil cake. In the year 2011, we ventured in manufacturing cotton yarn by setting up a spinning plant. In the year 2014 we installed a knitting machine and thus forayed into manufacturing of knitted fabric. With our expansion over the years under the guidance of our management, we have been able to generate revenue from operations of Rs. 16910.01 lakhs during the financial year 2022-23.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry in India holds a distinct and significant position. It has been one of the earliest industries to emerge in the country and stands as the second-largest employment provider, next only to agriculture. Catering to one of the most fundamental human needs, the Textile Industry plays a vital role in enhancing the overall quality of life through sustained growth.

What sets it apart is its self-sufficiency, encompassing the entire production process, starting from raw materials to the final products, with considerable value addition at each step. This self-reliance not only fosters economic resilience but also ensures a steady supply of textiles, which is crucial for meeting domestic demands and fostering export opportunities, contributing significantly to the nation's economy.

Furthermore, the textile sector has immense potential for creating job opportunities across various sectors, including agriculture, industry, organized, and decentralized setups, spanning both rural and urban areas. Notably, it opens doors for women and disadvantaged individuals, offering them promising avenues for livelihood and progress.

The industry's impact goes beyond economic aspects; it plays a pivotal role in preserving and promoting India's rich cultural heritage. The diversity of traditional textiles and crafts woven into the fabric of this industry reflects the country's vibrant history and artistic legacy. By supporting and nurturing these ancient crafts, the textile industry contributes to the conservation of traditional knowledge and skills, passing them on to future generations.

Moreover, the sector's emphasis on sustainable practices and innovations has gained momentum, fostering environmentally friendly manufacturing processes and encouraging eco-conscious consumer choices. As global awareness about environmental issues rises, India's commitment to sustainable textiles positions it as a responsible and forward-thinking player in the international market.

The textile industry in India not only holds a unique and crucial role in the country's economy but also serves as a guardian of cultural heritage, a champion of sustainable practices, and a facilitator of social progress by providing employment opportunities to diverse segments of the population. Its continued growth and development will undoubtedly contribute to India's prosperity and global standing in the years to come.

GLOBAL ECONOMY

Over the course of the past year, the global economy has experienced numerous challenges in the form of geopolitical tension, rising interest rates, high inflation levels. Alongside, the consequences of a sudden surge in COVID-19 cases in China also impacted growth projections.

As per the latest estimates by the International Monetary Fund, the global GDP growth rate is estimated to be 3.4% in CY22 showing resilience towards the recessionary fears. On account of these headwinds, supply chain disruptions were also rampant. Moreover, due to geopolitical conflicts, crude oil prices soared, global trade was impacted and inflationary pressures worsened. To rein in inflation, Central Banks across the world, including the US Federal Reserve, responded with synchronized rate hikes.

A stronger boost from pent-up demand in numerous economies or a fall in inflation is expected in the course of 2023. The emerging and developing economies of the world are likely to play a major role in accelerating global economic growth. Another silver lining is the fact that global inflation is likely to decline from *8.8% in C.Y. 2022 to 6.6% in C.Y. 2023 and 4.3% in C.Y. 2024.

Source- IMF World Economic Outlook, January 2023

INDIAN ECONOMY

The Indian economy is poised to continue its rapid growth trajectory in the fiscal year 2023.

Despite global uncertainties and challenges such as the pandemic-induced contraction, the Russian-Ukraine conflict, and inflation, the Indian economy has exhibited remarkable resilience, rebounding strongly across various sectors. This recovery has placed India on track to reclaim pre-pandemic growth levels in the fiscal year 2023. India's consistent average growth rate of ~7.5% per annum over the last two decades serves as a testament to its promising path of expansion.

Growth of Indian economy is driven by a large, young, and growing upper-middle-income population with a high propensity to spend. Anticipated growth for the year is 5.9%, with a focus on investment expected to play a vital role in setting India on a path of sustained growth over the next two years. More importantly, IMF expects Indian to grow faster over the next 5 years, with the growth rate averaging 6.1%.

Asian Development Bank (ADB) shares the same optimism about India. ADB Country Director for India Takeo Konishi believes that "Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth."

Govt. of India's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. This should drive improvement in labour market conditions and consumer confidence, that should in turn drive growth in private consumption.

Source: IMF, April 2023, Asian Development Outlook 2023

OPPORTUNITIES AND THREATS

OPPORTUNITIES-

The textile industry is currently presented with diverse and promising opportunities. Rising global demand driven by a growing population and middle-class, coupled with increasing consumer awareness of sustainability, opens avenues for eco-friendly and innovative textiles. Technological advancements in smart fabrics and online retailing offer new market segments, while a shift towards circular economy practices and collaborations with fashion brands cater to environmentally conscious consumers. Embracing Industry 4.0 technologies and exploring technical textiles can enhance efficiency and tap into higher-

value applications. The industry's adaptability and focus on research and development provide a fertile ground for expansion and innovation in the current period.

THREATS:

The textile industry faces several threats in the current period. Fluctuating raw material prices and supply chain disruptions pose challenges to cost management and production stability. Intense competition in pricing and customer base can erode profitability. Moreover, changing consumer preferences and demands require constant innovation and adaptation. Compliance with evolving environmental regulations and geopolitical uncertainties further add to the industry's complexities.

However, we are making all our efforts to mitigate these risks and concerns, and proactively develop risk management strategies, invest in research and development, stay adaptable to market changes, foster a culture of innovation, and prioritize sustainability practices throughout the operations.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has one segment of activity namely "Cotton Ginning". Hence, Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountant of India does not apply.

RISK AND CONCERNS

The company is subject to various business risks, both internal and external, as the growth of our industries is closely tied to the overall economic conditions. The primary risk that the business encounters is the potential impact of adverse changes in the economy. Additionally, the company faces significant competition in terms of pricing and attracting and retaining customers.

OUTLOOK

Our firm conviction lies in leveraging our strengths to establish a prominent position in the global textile industry, providing us with a competitive advantage. Over the years, we have cultivated enduring relationships with our clients, and our proven track record of delivering high-quality products throughout the textile industry further reinforces these bonds, leading to an upsurge in repeat business from our existing clientele.

Moreover, our customer base is spread across numerous countries and regions, which strategically reduces our dependence on any particular country or region. This diversification in clientele enhances our resilience and positions us to adapt more effectively to market fluctuations and changes in demand.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate and efficient internal control system, which provide protection to all its assets against loss from unauthorized use and for correct reporting of transactions. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorized and correctly reported and assets are safeguarded. The Audit Committee of the Board addresses issue raised by Auditor. The internal control system are implemented to safeguard the company's assets from loss and damages. To keep constant check on cost structure and to provide adequate financial and accounting controls and implement accounting standards. In addition to above, the Company has formulated a vigil Mechanism (Whistle Blower Policy) for its Directors and Employees of the Company for reporting genuine concern about unethical practices and suspected malpractices.

HUMAN RESOURCE MANAGEMENT

Human capital is highly regarded as a valuable and essential resource, playing a pivotal role in the Company's overall success. We firmly believe that our employees constitute the key pillar behind our achievements in the market. To foster a culture of excellence, we have consistently invested in creating a work environment that empowers individuals to realize their full potential and continuously raise the bar.

Recruitment, training, and development, along with competitive compensation, are the fundamental elements that shape our organizational culture. Our unwavering commitment lies in providing a safe, secure, and healthy working atmosphere for all our employees. Striving for excellence, we continuously aim to surpass both industry standards and our internal benchmarks concerning staff productivity and performance.

At all levels, employees and teams align their professional ambitions with the organization's broader goals and objectives, instilling a sense of purpose and direction throughout the company. As a company, we are dedicated to being recognized as one of the top employers in the industry.

Our industrial relations remain cordial and satisfactory, with a harmonious relationship between the Company and its workers and employees at all levels. We genuinely appreciate our employees' efforts and take great pride in their dedication, sincerity, and hard work. Empowering individuals with stable and long-term employment has been one of the core objectives of the Company.

As of March 31, 2023, the Company had 361 permanent employees on its payroll, reflecting our commitment to nurturing a skilled and dedicated workforce to drive our continued growth and success.

DISCUSSION ON FINANCIAL PERFORMANCE

1. The Summary of the Operating performance is given below:

Particulars	F.Y. 2022-23	F.Y. 2021-22	% of Change
Revenue from Operation	16910.01	14068.87	20.19%
Operating Profit (EBITDA)	1099.66	1452.47	24.29%
Finance Cost	349.94	216.18	61.87%
Depreciation Cost	492.43	327.88	50.18%
Profit Before Tax	257.29	908.41	71.67%
Profit After Tax	193.30	683.32	71.71%

Your Company's Total Income (Revenue) during the year under review was Rs. 16910.01 Lakhs as compared to Rs. 14068.87 Lakhs in the previous year. Profit before Tax for the year 2022-23 was Rs. 257.29 Lakhs as against Rs. 908.41 Lakhs in the previous year. Profit after Tax for the year 2022-23 stood at Rs. 193.30 Lakhs as against Rs. 683.32 Lakhs in the previous year.

The Financial Results for the year ended March 31, 2023, have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures have been restated as per Ind AS to make them comparable.

2. KEY FINANCIAL RATIOS OF THE COMPANY SHOWING FINANCIAL PERFORMANCE ARE AS UNDER:

Ratios	F.Y. 2022-23	F.Y. 2021-22	% of Change
Debtors Turnover Ratio	15.64	18.31	-14.58%
Creditors Turnover Ratio	15950.76	260.60	6020.78%
Inventory Turnover	5.45	6.02	-9.47%
Interest Coverage Ratio	1.55	6.05	-74.38%
Current Ratio	1.29	1.93	-33.16%
Debt Equity Ratio	2.51	1.13	122.12%
Operating Profit Margin (%)	1.52	7.72	-80.31%
Net Profit Margin (%)	0.01	0.05	-80%
Return on Net worth (%)	0.04	0.16	-75%

CAUTIONARY STATEMENT

Statements made herein describing the Company's expectations are "forward looking statement." The actual results may differ from those expected or predicted since the Company's operations are influenced by many external factors which are beyond the control of your Company. These include climatic and economic conditions affecting demand and supply, government regulations, taxation, and natural calamities over which the Company does not have any direct control.

For and on behalf of the Board

Sd/-

Deepak Garg

Chairman and Managing Director

DIN: 00843929

Punjab

25th August, 2023

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
M/S A B COTSPIN INDIA LIMITED
JAITU

Report on the Audit of Standalone Financial Statements**Opinion**

We have audited the Standalone Ind AS Financial Statements of **M/S A B COTSPIN INDIA LIMITED, Jaitu** (“the Company”), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023 and its profit and comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. Our report does not include any key audit matter, as there was no matter of most significance which came to our notice during the Audit.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report 2022-23 but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, and we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified U/s 133 of the Act;

f) On the basis of the written representations received from the directors as on 31st March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

i) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; In our opinion and to the best of our information and according

to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provision of section 197 of this Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- 1) The Company does not have any pending litigations which would impact on its financial position.
- 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 4)
 - i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 5) No Dividend is declared or paid by the Company during the Year. Hence there is no noncompliance of Section 123 of the Companies Act 2013.
- 6) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For P L Mittal & Co
Chartered Accountant
FRN No.: 002697N
(Sourabh Goyal)
Partner

M. No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

ANNEXURE A REFERRED TO IN PARA 1 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) All Property, Plant and Equipment have been physically verified by the management during the year at regular intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Interval of Physical Verification of Property, Plant and Equipment didn't fall during the period under Audit. No material discrepancies were noticed, which may require adjustments in the books of accounts of the company.

(c) The title deeds of immovable properties (i.e., Land & Building) are held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such verification which may require adjustments in the books of accounts of the company.

(b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate from banks or financial institutions on the basis of security of current assets. In our opinion, the drawing power of the Credit Facility available to the Company as per Books of Accounts exceeds the Credit Facility utilized by the Company, hence there is no contravention in this regard.
- iii. According to the information and explanation given to us and on the basis of our examination of the records, the Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties. Hence Para (a), (b), (c), (d), (e), (f) of this clause are not applicable.

- iv. According to the information and explanation given to us and on the basis of our examination of the records, the company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided guarantee or security as specified under Section 186 of the Companies Act, 2013. Further the Company has complied with the provision of the Section 186 of the Companies Act, 2013 in relations to loan given if any and investment made if any.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost Records and audit) Rules, 2014, as amended prescribed by the Central government under sub section (1) of section 148 of the Companies Act, 2013, are of opinion that, prime facie, the prescribed cost records have been made and maintained. We have , however, not made an examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing undisputed statutory dues including good and services tax, provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Cess, and any other statutory dues to the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to information and explanation given to us, there are no dues on account good and services tax, provident fund, employees state insurance tax, income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- ix. (a) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of borrowings to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the company has obtained term loans during the year and the same was applied for the purpose for which loans were obtained.
 - (d) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds which have been raised on short- term basis by the Company have been used for long-term purposes.
 - (e) According to the information and explanations given to us and on overall examination of the financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) Fresh funds have been raised by way of initial public offer during the year. Raised moneys by way of initial public offer have been applied for the purposes for which those were raised.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable.
- xi. (a) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistleblower complaints (if any) received by the Company during the year (and up to the date of this report), while determining the nature, timing, and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the

related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, time and extent of our audit procedures
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3(xvi)(a) of the Order are not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors of the Company during the year due to the reason of Fees being not commensurate with Work as per them. We have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) As the CSR Provisions are applicable to the Company, **there is no unspent amount towards Corporate Social Responsibility (CSR)** other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) As the CSR Provisions are applicable to the Company for Financial Year 2022-23, however there is no Ongoing Project for which amount needs to be transferred to the Special Account. accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Place: Bathinda
Date: 30/05/2023

For P L Mittal & Co
Chartered Accountant
FRN No.: 002697N
(Sourabh
Goyal)
Partner
M. No.: 529363
UDIN: 23529363BGYDPT9253

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/S A B COTSPIN INDIA LIMITED, Jaitu (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bathinda
Date: 30/05/2023

For P L Mittal & Co
Chartered Accountant
FRN No.: 002697N
(Sourabh Goyal)
Partner
M. No.: 529363
UDIN: 23529363BGYDPT9253

Balance Sheet as on 31.03.2023

S. No.	Particulars	Note No.	As at 31 st March, 2023 (₹ In Lacs)	As at 31 st March, 2022 (₹ In Lacs)
	ASSETS			
I	Non-Current Assets			
	(a) Property, Plant and Equipment	2	7,733.92	2,270.39
	(b) Capital work-in-progress	2A	-	1,894.29
	(c) Other Intangible Assets	2B	-	-
	(d) Deferred Tax Assets (Net)	3	-	-
	(e) Financial Assets		-	-
	(i) Investments	4	439.21	1.43
	(ii) Other Financial Assets	5	123.76	102.22
	(f) Other Non-Current assets	6	13.07	163.34
	TOTAL NON-CURRENT ASSETS		8,309.96	4,431.67
II	CURRENT ASSETS			
	(a) Inventories	7	4,356.05	1,841.54
	(b) Financial Assets			
	(i) Trade receivables	8	1,346.11	804.00
	(ii) Cash and Cash Equivalents	9	10.30	65.94
	(iii) Bank Balances Other than Cash and Cash Equivalents	9A	58.40	752.97
	(iv) Loans	10	-	-
	(v) Other Financial Assets		-	-
	(c) Other Current Assets	11	862.86	384.22
	TOTAL CURRENT ASSETS		6,633.73	3,848.66
	TOTAL ASSETS (I+II)		14,943.69	8,280.33
	EQUITY AND LIABILITIES			
III	EQUITY			
	(a) Equity Share Capital	12	1,048.82	1,048.82
	(b) Other Equity	13	3,209.02	2,833.63
	TOTAL EQUITY		4,257.84	3,882.45
	LIABILITIES			
IV	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	14	5,294.76	2,255.32
	(ii) Other Financial Liabilities		-	-
	(b) Other Non-Current Liabilities		-	-
	(c) Provisions		19.98	30.03
	(d) Deferred Tax Liabilities (Net)	3	233.27	118.89
	TOTAL NON- CURRENT LIABILITIES		5,548.00	2,404.24
V	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	15	4,514.56	800.06
	(ii) Trade Payables	16		

	Dues to micro and small enterprises		-	229.46
	Dues to others		142.63	2.01
	(iii) Other Financial Liabilities	17	30.12	4.09
	(b) Other Current Liabilities	18	450.26	933.29
	(c) Provisions	19	0.27	24.74
	TOTAL CURRENT LIABILITIES		5,137.85	1,993.65
	TOTAL EQUITY AND LIABILITIES (III+IV+V)		14,943.69	8,280.33
	Significant Accounting Policies	1		
	The accompanying notes form an integral part of these Financial Statements. The above statements should be read with the company overview and significant accounting policies and Notes to the Ind AS Financial Statements.			2-46

As per our report of even date attached.
For P L Mittal & Co.
Chartered Accountants
FRN:002697N

Sourabh Goyal
Partner
Membership No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

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

Deepak Garg
(Managing Director)
(DIN 00843929)

Manohar Lal
(Whole Time Director)
(DIN 02406686)

Rajinder Prashad Garg
(Chief Financial Officer)
(PAN: ABXPG1267D)

Kannu Sharma
(Company Secretary)
(M. No. A64063)

Statement of profit and loss for the year ended 31st March, 2023

S. No.	Particulars	Note No.	As at 31 st March, 2023 (₹ In Lacs)	As at 31 st March, 2022 (₹ In Lacs)
	INCOME			
I	Revenue From Operations		16,910.01	14,068.87
II	Other Income		55.75	22.90
III	Total Income (I+II)		16,965.76	14,091.77
	EXPENSES			
IV	Cost of Material Consumed	22	14,364.06	9,809.11
	Changes in Inventory	23	(639.66)	(362.01)
	Purchase of Stock in Trade		-	1,061.03
	Employees Benefit Expenses	24	743.86	701.94
	Finance Costs	25	349.94	216.18
	Depreciation and Amortisation Expenses	26	492.43	327.88
	CSR Expenses		10.60	-
	Other Expenses	27	1,387.24	1,429.23
	Total Expenses (IV)		16,708.47	13,183.36
V	Profit/(Loss) Before Exceptional Items Tax (III-IV)		257.29	908.41
VI	Exceptional Items		-	-
VII	Profit/(Loss) Before Tax (V-VI)		257.29	908.41
VIII	Tax expenses:	28		
	Current Tax		5.63	239.74
	Current Tax of prior periods		7.14	-
	Deferred Tax		51.22	(14.65)
	Total Tax Expenses		63.99	225.09
IX	Profit/(Loss) for the period (VII-VIII)		193.30	683.32
X	Other Comprehensive Income			
	:- Items that will not be re-classified to profit and Loss			
	Net (Loss)/Gain on Fair Value of FVOCI of Investments		226.12	0.26
	Income Tax Effect thereon		(56.91)	(0.07)
	Re-measurement (Loss)/ Gain on defined Benefit Plans		24.82	36.19
	Income Tax Effect thereon		(6.25)	(9.11)
XI	Total Other Comprehensive Income		187.78	27.28
XII	Total Comprehensive Income for the Year (IX+X)		381.08	710.59
XIII	Earnings per equity share (Par value ₹ 10/- each)* (For continuing operation)	29		
	Basic		1.88	8.47
	Diluted		1.88	8.47
	Significant Accounting Policies	1		

The accompanying notes form an integral part of these Financial Statements. The above statements should be read with the company overview and significant accounting policies and Notes to the Ind AS Financial Statements.	2-46
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As per our report of even date attached.
For P L Mittal & Co.
Chartered Accountants
FRN:002697N

Sourabh Goyal
Partner
Membership No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

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

Deepak Garg
(Managing Director)
(DIN 00843929)

Manohar Lal
(Whole Time Director)
(DIN 02406686)

Rajinder Prashad Garg
(Chief Financial Officer)
(PAN: ABXPG1267D)

Kannu Sharma
(Company Secretary)
(M. No. A64063)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

(A) Equity Share Capital

Particulars	(₹ In Lacs)	(₹ In Lacs)
	As at 31st March 2023	As at 31st March 2022
Balance as the beginning of the reporting year	1,048.82	266.54
Changes in Equity Share Capital during the year	-	782.28
Balance at the end of the reporting year	1,048.82	1,048.82

(B) Other Equity

Particulars	Share Application on money pending allotment	Reserve and Surplus				Debt instruments through OCI	Equity instruments & FVDBO through OCI	Total
		Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings			
Balance as at 01st April 2021	-	76.80	925.83	-	916.93	-	-1.95	1,917.61
Addition during the period:	-	-	721.00	-	-	-	-	721.00
Bonus Share Issued	-	-	-493.88	-	-	-	-	-493.88
Share Issue Expenses	-	-	-20.50	-	-	-	-	-20.50
Profit for the Year	-	-	-	-	683.32	-	-	683.32
Prior Period Errors	-	-	-	-	-1.20	-	-	-1.20
Other Comprehensive Income	-	-	-	-	-	-	27.28	27.28
Total Comprehensive Income	-	76.80	1,132.45	-	1,599.05	-	25.32	2,833.63
Transfer to General Reserve	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	76.80	1,132.45	-	1,599.05	-	25.32	2,833.63
Balance as at 01st April 2022	-	76.80	1,132.45	-	1,599.05	-	25.32	2,833.63
Addition during the period:	-	-	-	-	-	-	-	-
Bonus Share Issued	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-

Profit for the Year	-	-	-	-	193.30	-	-	193.30
Prior Period Errors	-	-	-	-	-5.69	-	-	-5.69
Other Comprehensive Income	-	-	-	-	-	-	187.78	187.78
Total Comprehensive Income	-	76.80	1,132.45	-	1,786.67	-	213.10	3,209.02
Transfer to General Reserve	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	-	76.80	1,132.45	-	1,786.67	-	213.10	3,209.02

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

(i) Capital Reserve: Capital Reserves include Capital Subsidy received by the Company in earlier years.

(ii) Securities Premium Reserve: Securities premium is used to record the premium received on issue of shares. This reserve can be utilized in accordance with the provisions of the Companies Act 2013.

(iii) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(iv) Equity Instruments & FVBDO though OCI: Any changes in the Asset i.e., Investments due to change in Market Price of Investments and Changes in liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

As per our report of even date attached.
For P L Mittal & Co.
Chartered Accountants
FRN:002697N

Sourabh Goyal
Partner
Membership No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

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

Deepak Garg
(Managing Director)
(DIN 00843929)

Rajinder Prashad Garg
(Chief Financial Officer)
(PAN: ABXPG1267D)

Manohar Lal
(Whole Time Director)
(DIN 02406686)

Kannu Sharma
(Company Secretary)
(M. No. A64063)

Cash Flow Statement for the year ended 31st March, 2023

	Particulars	For the year ended 31 st March, 2023 (₹ In Lacs)	For the year ended 31 st March, 2022 (₹ In Lacs)
A	CASH FLOW FROM OPEARTING ACTIVITIES		
	Net Profit before tax	257.29	908.41
	Add:		
	Effect of Prior Period Errors	-5.69	-1.20
	Depreciation/Amortisation	492.43	327.88
	Provision for Gratuity	14.39	15.92
	Finance Cost	349.94	216.18
	Reclassification of Assets from Non- Current to Current Asset	-	-
	Loss (Profit) on sale of Fixed Assets/ Long Term Investments	-	-4.16
	Less:		
	Operating (loss)/profit before Working Capital Changes	1,108.37	1,463.03
	Movements in working capital:-		
	(Increase)/ Decrease in Inventories	-2,514.52	983.06
	(Increase)/ Decrease in Trade Receivables	-542.11	-79.91
	(Increase)/ Decrease in Other than Cash Bank Balances	694.56	-752.12
	(Increase)/ Decrease in Other Current Assets	-426.40	-180.25
	Increase/ (Decrease) in Trade Payables	-88.84	-475.72
	Increase/ (Decrease) in Other Current Liabilities	-483.03	650.41
	Operating (loss)/profit after Working Capital Changes	-2,251.97	1,608.50
	(Increase)/ Decrease in Non- Current/Security Deposits	-21.55	9.54
	(Increase)/ Decrease in Non- Current Prepaid Expenses	-7.02	0.48
	(Increase)/ Decrease in Non- Current Earmarked Deposits with Bank	-0.61	-
	Refund/(Payment) of Taxes (including TDS)	-89.09	-261.40
	Cash Generated from Operations	-2,370.23	1,357.12
	Net Cash Flow from Operating Activities (A)	-2,370.23	1,357.12
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Sale of Property, Plant and Equipment	-	6.00
	Sale of Long-Term Investments	-	-
	Less:		
	Amount spent on Capital WIP	-	-1,249.10
	Purchase of Long-Term Investments	-211.66	-
	Capital Advances against Purchase of Fixed Assets	157.90	-156.64
	Purchase of Fixed Assets	-4,061.67	-115.56
	Net Cash Flow from Investing Activities (B)	-4,115.43	-1,515.30
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Add: Allotment of Shares (in Cash)	-	988.90
	Increase/(Decrease) of Long-Term loan and borrowings	3,039.44	931.26
	Increase/(Decrease) of Short-Term loan and borrowings	3,714.50	-1,484.35

	Less: Interest Paid	-323.91	-218.38
	Net Cash Flow from Financing Activities (C)	6,430.03	217.42
	Net Increase in Cash and Cash Equivalents(A+B+C)	-55.63	59.24
	Cash and Cash Equivalents (Opening Balance)	65.94	6.70
	Cash and Cash Equivalents (Closing Balance)	10.31	65.94
	Cash and cash equivalents consist of Balance with Bank.	10.30	65.94

Notes: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of these Financial Statements. The above statements should be read with the company overview and significant accounting policies and Notes to the Ind AS Financial Statements.

As per our report of even date attached.
For P L Mittal & Co.
Chartered Accountants
FRN:002697N

Sourabh Goyal
Partner
Membership No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

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

Deepak Garg
(Managing Director)
(DIN 00843929)

Manohar Lal
(Whole Time Director)
(DIN 02406686)

Rajinder Prashad Garg
(Chief Financial Officer)
(PAN: ABXPG1267D)

Kannu Sharma
(Company Secretary)
(M. No. A64063)

1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1.01 Corporate Information

A B COTSPIN INDIA LIMITED (“Company”) is a Public Limited Company and was incorporated in 1997 with an objective of carrying on the business of Manufacturing and Trading of Yarns and other allied products. The Registered and Corporate Office of the Company is situated in Bathinda. The Company is a public limited company listed on the SME Exchange of NSE.

1.02 Basis of Preparation and Presentation of Financial Statements

These Standalone Financial Statements (‘Financial Statements’) of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgation requires a different treatment.

The Ind AS Financial Statements comprise of the Balance Sheet as at year ended 31st March 2023, the Statement of profit and loss (including Other Comprehensive Income) for the year ended 31st March 2023, statement of cash flows for the year ended 31st March 2023 and Statement of changes in equity for the year ended on that date, and accounting policies and other explanatory information.

The Financial Statements were approved by the Company’s Board of Directors and authorized for issue on 30th May 2023.

As required by Division II issued under Schedule III of the act, the company has presented the assets and liabilities in the Balance Sheet in the order of liquidity.

1.03 Basis of Measurement

The Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India to comply with Indian Accounting Standards (Ind AS) prescribed in Companies Act.

These statements are prepared under historical cost convention on accrual basis and also certain financial assets and financial liabilities which are measured at fair values at the end of each reporting period as mentioned in the relevant notes to accounts.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in

an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

The Balance Sheet and Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The Statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the Financial statements are presented in Indian Rupees rounded off to Lacs in two decimal places as permitted by Schedule III to the Companies Act, 2013 except otherwise stated. Per share data are presented in Indian Rupees to two decimals places.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle. The Operating Cycle has been taken to be 12 months. Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities, as the case may be.

1.04 Use of Estimates

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The principal accounting estimates have been described under the relevant income /expense and / or assets / liability item in the Financial Statements. The Management believes that the estimates used in the preparation of these Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

1.05 Recent Accounting Developments

Application of newly amended Standards

The Company has adopted, with effect from 01 April 2022, the following revised standards. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 103, Business Combinations -

(i) making reference to “Conceptual Framework for Financial Reporting under Ind ASs” issued by the ICAI instead of its predecessor “Framework for the Preparation and Presentation of Financial

Statements in accordance with Ind ASs”

(ii) requiring that, for identifying liabilities and contingent liabilities assumed in a business combination, an acquirer applies Ind AS 37 or Appendix C, Levies, of Ind AS 37, &

(iii) specifically clarifying that an acquirer shall not recognize contingent assets acquired in a business combination at the acquisition date.

2. Amendments to Ind AS 109, Financial Instruments w.r.t derecognition of financial liabilities, clarifying that while performing the ‘10 percent’ test, in determining the fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

3. Amendments to Ind AS 16, Property, Plant and Equipment clarifying that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

4. Amendments to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets w.r.t onerous contracts by adding what ‘costs of fulfilling a contract’ comprises.

B. Standards notified but not yet effective.

On March 31, 2023, the Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 by making amendments to Ind AS 101 - First-time Adoption of Indian Accounting Standards, Ind AS 102 - Share-based Payment, Ind AS 103 - Business Combinations, Ind AS 107 - Financial Instruments: Disclosures, Ind AS 109 - Financial Instruments, Ind AS 115 - Revenue from Contracts with Customers, Ind AS 1 - Presentation of Financial Statements, Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 12 - Income Taxes and Ind AS 34 - Interim Financial Reporting; effective from 1 April 2023. Key amendments are as follows:-

1. Amendments to Ind AS 1 - Presentation of Financial Statements: The amendments replace 'significant accounting policies' by 'material accounting policy information' in the

notes to the financial statements. Consequently, along with Balance Sheet, PL Statement, SOCIE, Statement of Cash Flows, etc.; companies will now be required to include notes comprising material accounting policy information and other explanatory information, as part of the financial statements. The main objective of this change is to -

- identify and disclose all accounting policies that provide material information to primary users of financial statements and
- identify immaterial accounting policies and eliminate them from their financial statements.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have a material impact on its financial statements.

2. Amendments to Ind AS 12 - Income Taxes: These amendments clarify that in cases of transactions where equal amounts of assets and liabilities are recognized on initial recognition, the initial recognition exemption does not apply. A company must, therefore, recognize deferred tax assets and deferred tax liability in all such cases. Thus, if a company has not yet recognized deferred tax asset and deferred tax liability on right-of-use assets, lease liabilities, decommissioning or restoration liabilities, or has recognized deferred tax asset or deferred tax liability on net basis, that company shall have to recognize deferred tax assets and deferred tax liabilities on gross basis based on the carrying amounts existing at the beginning of 1 April 2022. The Company is evaluating the impact, if any, on its financial statements.

3. Amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: The definition of 'change in accounting estimate' has been replaced with the definition of 'accounting estimates. Prior to this amendment, Ind AS 8 had not defined the term 'accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Paragraphs 32 and 32A explicate the development of accounting estimates, along with examples. The amendments will help entities to distinguish between accounting policies and accounting estimates. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The

The company does not expect this amendment to have any significant impact on its financial statements.

4. Amendments to Ind AS 107 - Financial Instruments: Disclosures and Ind AS 34 - Interim Financial Reporting: These amendments are consequent to the amendments in Ind AS 1 related to change from 'significant accounting policies' to 'material accounting policy information'. The Company does not expect this amendment to have any significant impact on its financial statements.

The Company has not early adopted any amendments that have been notified but are not yet effective.

1.06 Property, Plant and Equipment

- The Company has elected to continue with carrying value of all its property, plant, and equipment as recognized in the Financial Statements as at date of transition to Ind AS and use the same as its deemed cost as at the date of transition.
- Property, plant, and equipment are stated at their cost of acquisition less accumulated depreciation and impairment (if any). The cost comprises the purchase price, borrowing cost and attributable cost of bringing the asset to its working condition for its intended use.
- The land used for the office buildings is stated at cost.
- Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the statement of Profit and Loss.
- The residual values, useful lives, and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Property, plant, and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress.”

1.07 Depreciation and Useful Life

- Depreciation on Property, Plant and Equipment is provided on Written Down Value and computed on the basis of the useful life prescribed in Schedule II to the Companies Act, 2013 (Act) from the date the asset is ready to put to use.
- Depreciation on office building and investment properties is provided on Written Down value Method and computed on the basis of the useful life prescribed in Schedule II to the Act from the date the asset is ready to put to use.
- The residual value of 5% of Original Cost is considered for the Purpose of Calculating Depreciation rates. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.
- Depreciation is provided on pro-rata basis in the year in which the assets are put to use.
- The Company has used rates to provide depreciation which coincide with the rates indicated in schedule II of the Companies Act 2013 on its fixed assets.

1.08 Capital Work in Progress and Intangible Assets under Development

- Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital Work-in-Progress.”

- Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.09 Intangible Assets

- Intangible assets (Software) are stated at their cost of acquisition less amortization. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. These are amortized on Straight Line Method (SLM) over the useful life not exceeding 5 years from the date; the assets are available for use.

1.10 Impairment of Tangible and Intangible Assets

- The carrying amount of assets is reviewed at each balance sheet date and impairment loss is recognized whenever there is any indication of impairment based on internal/ external indicators. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount of the assets exceeds the recoverable amount of the cash generating units.
- Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.
- An impairment loss is recognized immediately in profit or loss. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.
- A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

1.11 Investment Properties

- Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition less accumulated depreciation and impairment, if any. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will

flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

- An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognized in the statement of Profit and Loss in the same period.
- Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the Written Down Value method, computed on the basis of useful lives prescribed in Schedule II to the Act: The residual value, useful life and method of depreciation are reviewed at the end of the financial year.

1.12 Inventories

- Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:
- In case of raw materials at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of stores and spares at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods at raw material cost plus conversion costs, packing cost, non-recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.
- In case of by-products at estimated realizable value Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.13 Revenue Recognition

- Revenue is recognized based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. The Company applies revenue recognition criteria to each nature of revenue transaction as set out below:

a) Revenue from Contracts with Customers:

Pursuant to the application of Ind AS 115 - 'Revenue from Contracts with Customers' effective from 1 April 2018, the Company has applied following accounting policy for revenue recognition:

Revenue is measured at the fair value of the consideration received /receivable, taking into account contractually defined terms of payment, and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognize revenue in the Financial Statements. The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company perform: or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced: or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payments for performance completed to date.

Revenue is recognized either at point of time or over a period of time based on various conditions included in the contracts with customers.

b) Sale of goods:

Revenue from sales of goods is recognized as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

c) Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

d) Dividend and interest income

- Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Other Income

Other income is accounted for in accordance with IND AS 115 as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

1.14 Government Grants

- Capital Grants

- In case of depreciable assets, the cost of the assets is shown at gross value and grant / contribution thereon is treated as Capital Grants.
- Government grants shall be recognized in Profit or Loss on a systematic basis over the periods of the useful life of the related asset.

- Revenue Grants

- Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognized in profit or loss on a systematic basis over the periods in which the entire recognizes as expenses the related costs for which the grants are intended to compensate.

1.15 Employee Benefits

- Employee benefits include salaries, wages, provident fund, gratuity. Short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- Employees benefit under defined Contribution Plan comprises Employee Provident Fund under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952, for which the Company contributes to the plan under the provisions of the said Act.

- Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service costs on the Company's defined benefit plan are included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

1.16 Borrowing Cost

- Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is necessary to complete and prepare the assets for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

1.17 Earnings Per Share

- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.18 Accounting for Taxes on Income

- Tax expense for the year comprises of current tax, earlier year tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income.
- Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

- Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.
- Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Transactions or events which are recognized outside profit or loss, either in other comprehensive income or in equity, are recorded along with the tax as applicable.

1.19 Provisions, Contingent Liabilities and Contingent Assets

- Provisions are recognized only when:
 - the Company has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.
 - Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.
- Contingent liability is disclosed in case of:
 - a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and a present obligation arising from past events, when no reliable estimate is possible.
- Contingent Assets:
 - Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

1.20 Operating Lease

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

- Company as a lessee

Lease rentals are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

- Company as a lessor

Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

1.21 Finance Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the Company is classified as a finance lease. Title may or may not eventually be transferred.

Finance leases are capitalized at the commencement of the lease at the inception date of the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

- Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.22 Offsetting of Assets and Liabilities

- The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

1.23 Cash and Cash Equivalents

- Cash and cash equivalents comprise of cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

1.24 Cash Flow Statement

- Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing, and financing activities.

1.25 Financial Instruments

- A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These statements are prepared under historical cost convention on accrual basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.26 Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortized cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
- A financial asset that meets the following two conditions is measured at amortized cost unless the asset is designated at fair value through profit or loss under the fair value option:
 - Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
 - Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:
 - Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
 - Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are measured at fair value through profit or loss.

1.27 Foreign Currency Transactions

- The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded off to the nearest Lacs.
- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

1A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES

The Financial Statements have been prepared using the significant accounting policies and measurement basis summarized above. These were used throughout all periods presented in the Financial Statements.

Note 2: Property, Plant and Equipment and Capital Work in Progress

For the year ended 31st March, 2022										(₹ In Lacs)
	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01 st April, 2021	Additions made during the year	Disposals/ adjustments during the year	As at 31 st March, 2022	As at 01 st April 2021	Depreciation charge for the year	Disposal/ adjustments during the year	As at 31 st March, 2022	As at 31 st March, 2022	As at 01 st April 2021
<i>Owned</i>										
Land	160.58	74.56	-	235.14	-	-	-	-	235.14	160.58
Buildings	469.03	-	-	469.03	82.57	37.42	-	119.99	349.04	386.46
Plant & Equipment	2,224.98	2.74	-	2,227.72	426.47	239.26	-	665.72	1562.00	1798.52
Furniture & Fixtures	2.99	-	-	2.99	1.26	0.39	-	1.65	1.34	1.73
Vehicles	173.01	34.24	3.54	203.72	39.84	48.48	1.70	86.61	117.11	133.18
Office Equipment	3.87	-	-	3.87	1.34	0.69	-	2.03	1.84	2.53
Computers	2.16	4.02	-	6.18	0.60	1.64	-	2.25	3.93	1.55
	3,036.62	115.56	3.54	3,148.64	552.07	327.88	1.70	878.25	2,270.39	2,484.55

Note: On conversion to Ind AS, the Company has elected to continue with all its property, plant and equipment and other intangible assets recognized as at 1st April 2019 measured as per the previous Indian GAAP and use the carrying value as the deemed cost of the property, plant and equipment and other intangible assets.

For the year ended 31st March, 2023										(₹ In Lacs)
	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01 st April, 2022	Additions made during the year	Disposals/ adjustments during the year	As at 31 st March, 2023	As at 01 st April 2022	Depreciation charge for the year	Disposal/ adjustments during the year	As at 31 st March, 2023	As at 31 st March, 2023	As at 01 st April 2022
<i>Owned</i>										
Land	235.14	2.02	-	237.16	-	-	-	-	237.16	235.14
Buildings	469.03	804.29	-	1,273.32	119.99	54.40	-	174.40	1,098.93	349.04

Plant & Equipment	2,227.72	4,783.73	-	7,011.45	665.72	349.22	-	1,014.94	5,996.51	1,562.00
Furniture & Fixtures	2.99	0.36	-	3.35	1.65	0.27	-	1.91	1.44	1.34
Vehicles	203.72	125.44	-	329.16	86.61	68.53	-	155.15	174.01	117.11
Office Equipment	3.87	239.81	-	243.67	2.03	17.65	-	19.68	223.99	1.84
Computers	6.18	0.31	-	6.49	2.25	2.36	-	4.60	1.89	3.93
	3,148.64	5,955.96	-	9,104.61	878.25	492.43	-	1,370.68	7,733.92	2,270.39

Detail of Immovable Properties of which Title Deeds are not held in the name of Company.

Relevant line item in the Balance Sheet	Description of the property	Gross carrying value as at 31 March 2023	Gross carrying value as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter * / director or employee of promoter / director	Property held since which date	Reason for not being in the name of the company **
PPE	Land	-	-	N.A.	N.A.	N.A.	N.A.
	Building	-	-	N.A.	N.A.	N.A.	N.A.
Investment Property	Land	-	-	N.A.	N.A.	N.A.	N.A.
	Building	-	-	N.A.	N.A.	N.A.	N.A.
PPE reitred from active used and held for disposal	Land	-	-	N.A.	N.A.	N.A.	N.A.
	Building	-	-	N.A.	N.A.	N.A.	N.A.
Others		-	-	N.A.	N.A.	N.A.	N.A.

Relative here means relative as defined in the Companies Act, 2013

* Promoter here means promoter as defined in the Companies Act, 2013

Notes to the financial Statement

Note 2A: Capital Work in Progress:

Particulars	Amount (Rs. in Lacs)
Cost or Deemed Cost	
Balance as at 01st April, 2021	-
Add:- Additions made during the year	1,894.29
Less:- Disposals/adjustments during the year	-
Balance as at 31st March, 2022	1,894.29
Balance as at 01st April, 2022	1,894.29
Add:- Additions made during the year	3,933.89
Less:- Disposals/adjustments during the year	-5,828.19
Balance as at 31st March, 2023	-
Carrying Value (Net)	
As at 31st March, 2023	-
As at 31st March, 2022	1,894.29

Capital work in progress ageing schedule

As at 31st March, 2023

CWIP	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022

CWIP	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,894.29	-	-	-	1,894.29
Projects temporarily suspended	-	-	-	-	-

(b) for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March, 2023

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Nil	-	-	-	-

As at 31st March, 2022

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Nil	-	-	-	-

Note 2B: Other Intangible Assets

Particulars	Amount (Rs. in Lacs)
Gross Block	
As at 01st April 2021	-
Add:- Additions made during the year	-
Less:- Disposals/adjustments during the year	-
As at 31st March, 2022	-
As at 01st April 2022	-
Add:- Additions made during the year	-
Less:- Disposals/adjustments during the year	-
As at 31st March, 2023	-
Depreciation and impairment	
As at 01st April 2021	
Add: Depreciation charge for the year	-
Less: Disposal/adjustments during the year	-
As at 31st March, 2022	-
As at 01st April 2022	
Add: Depreciation charge for the year	-
Less: Disposal/adjustments during the year	-
As at 31st March, 2023	-
Net Book Value	
As at 31st March, 2023	-
As at 31st March, 2022	-

Intangible assets under development ageing schedule

As at 31st March, 2023

Intangible assets under development	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022

Intangible assets under development	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(b) for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan development completion schedule shall be given **

As at 31st March, 2023

Intangible assets under development	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Nil	-	-	-	-

As at 31st March, 2022

Intangible assets under development	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Nil	-	-	-	-

Note: 3 Deferred Tax Assets/ (Liability)

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Relating to Allowances under Income Tax Act, 1961 (In relation to Depreciation, Gratuity, Investments and MAT Credit - Refer note no. 28A)	-233.27	-118.89
Total	-233.27	-118.89

Note: 4 Investments (Non-current)

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Financial assets measured at fair value through OCI in Statement of Profit and loss		
(i) Investment in mutual funds (Quoted)		
Religare Securities Ltd-Edelweiss Recently Listed IPO Fund CY 7797 Units (PY 7797 Units)	1.21	1.43
(ii) Investment in Equity Shares (Quoted)		
M.K. Proteins Limited CY 60000 Shares (PY Nil Shares)	438.00	-
Total	439.21	1.43

Note: 5 Other Financial Assets

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Financial assets at amortized cost (Unsecured and considered good), unless otherwise stated		
Security Deposits	123.76	102.22
Total	123.76	102.22

Note: 6 Other Non-Current Assets

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Non-Financial Assets at amortized cost		
Unsecured and considered good, unless otherwise stated		
Capital Advances	1.74	159.64
Balance with government authorities	-	-

Prepaid Expense	9.68	2.66
Earmarked Balance with Banks*	1.65	1.04
* The Deposits are earmarked against EPCG License obtained by the company from DGFT		
Total	13.07	163.34

Note: 7 Inventories

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
(At Cost or Net Realisable Value, whichever is lower)		
Raw Material	2,900.90	1,030.88
Stock In Progress	92.14	83.53
Finished Goods	1,348.65	717.60
Stores and Spares	14.36	9.53
Total	4,356.05	1,841.54

Note: Inventory is pledged and hypothecated to Banks against Pledge Limit and Working Capital Limit.

Note: 8 Trade Receivables

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
(Unsecured and considered good), unless otherwise stated		
Outstanding receivables for payment	1,346.11	804.00
Total Receivable	1,346.11	804.00
Less: Allowance for expected Credit Loss	-	-
Total	1,346.11	804.00

Note: Trade Receivables are hypothecated to Banks against Working Capital Limit.

Note: 8A Trade Receivables Ageing Schedules

(₹ In Lacs)

31st March, 2023

	Particulars	Unbilled Receivables	Not Due	Outstanding for the following periods from the due date of payment					Total
				Period < 6 Months	Periods Due > 6 Months upto 1 year	1-2 Years	2-3 Years	Period Due > 3 years	
a)	Considered good								
	Disputed Dues			-					
	Undisputed Dues			1,346.11					
	Sub Total(a)			1,346.11					
b)	Considered Doubtful								
	Disputed Dues			-					

Undisputed Dues			-					
Less: Allowance for Expected Credit Loss			-					
Total (a+b)			1,346.11					

(₹ In Lacs)

31st March, 2022

Particulars	Unbilled Receivables	Not Due	Outstanding for the following periods from the due date of payment					Total
			Period < 6 Months	Periods Due > 6M upto 1 year	1-2 Years	2-3 Years	Period Due > 3 years	
a) Considered good								
Disputed Dues			-					
Undisputed Dues			804.00					
Sub Total(a)			804.00					
b) Considered Doubtful								
Disputed Dues			-					
Undisputed Dues			-					
Less: Allowance for Expected Credit Loss			-					
Total (a+b)			804.00					

Note: 9 Cash and Cash Equivalents

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Cash In Hand	6.59	3.27
Balances with banks	-	-
Balance with Bank in Current Accounts	0.13	6.88
In deposit accounts with maturity upto three months	-	-
Cheques on hand	3.59	55.79
Total	10.30	65.94

*Cash and Cash Equivalents include deposits maintained by the Company with Bank, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

Note: 9A Bank Balances Other than Cash and Cash Equivalents

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Balance with Bank in Term Deposit Accounts:- Earmarked Balances with Banks*	58.40	752.97
Total	58.40	752.97

* The Deposits are earmarked against OD Limit, LC obtained from Banks and Bank Guarantee given to PPCB.

Note: 10 Loans

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
Financial assets at amortized cost (Unsecured and considered good), unless otherwise stated		
Loans to Related Parties	-	-
Loan to Other Parties	-	-
Total	-	-

Note: 11 Other Current Assets

(₹ In Lacs)

Particulars	31 st March, 2023	31 st March, 2022
(Unsecured and considered good), unless otherwise stated		
Balance with Government Authorities		
Income Tax	55.95	3.70
Excise and Customs	2.05	2.05
GST	745.67	303.36
	803.67	309.12
Advance recoverable in cash or in kind	18.45	20.40
Prepaid Expenses	33.89	29.82
Interest Accrued	-	-
Other recoverable	0.48	13.77
Security Deposit	6.36	11.12
Total	862.86	384.22

Note: 12 Equity Share Capital

a) Equity Share Capital

Particulars	31st March 2023		31st March 2022	
	No. of Shares	(₹ In Lacs)	No. of Shares	(₹ In Lacs)
Authorised Share Capital				
Equity Share of ₹ 10/- each	1,10,00,000	1,100.00	1,10,00,000	1,100.00
Preference Share of ₹ 10/- each	4,00,000	40.00	4,00,000	40.00
Total	1,14,00,000	1,140.00	1,14,00,000	1,140.00
Issued Share Capital				
Equity Shares of ₹ 10/- each	1,06,84,200	1,048.82	1,06,84,200	1,048.82
Total	1,06,84,200	1,048.82	1,06,84,200	1,048.82

Subscribed and Paid Share Capital				
Equity Shares of ₹ 10/- each fully paid	1,02,92,200	1,029.22	1,02,92,200	1,029.22
Add: Shares forfeited Not yet Issued	3,92,000	19.60	3,92,000	19.60
(392000 Equity Shares of Rs 10/-, Rs 5/- Paid up)				
Total	1,06,84,200	1,048.82	1,06,84,200	1,048.82

b) Reconciliation of share outstanding at the beginning and at the end of the period

Fully paid Equity Share	31st March 2023		31st March 2022	
	No. of Shares	(₹ In Lacs)	No. of Shares	(₹ In Lacs)
Outstanding at the beginning of the year	1,02,92,200	1,029.22	24,69,400	246.94
Add: IPO Issue during the year	-	-	28,84,000	288.40
Add: Bonus Share during the year	-	-	49,38,800	493.88
At the end of the year	1,02,92,200	1,029.22	1,02,92,200	1,029.22

c) Terms and rights attached to the equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to voting rights proportionate to their share holding at the meetings of shareholders. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General meeting.

d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	31st March 2023		31st March 2022		
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Fully paid Equity Share of ₹ 10 each held by:					
1	Deepak Garg	30,77,100	29.90%	30,77,100	29.90%
2	Aakriti Garg	-	0.00%	17,59,860	17.10%
3	Suvarna Jindal	23,40,000	22.74%	8,40,000	8.16%
4	Abhey Jindal	6,90,000	6.70%	6,90,000	6.70%
5	Sanya Jindal	7,84,860	7.63%	5,25,000	5.10%

e) Details of shares held by the Promoters

As at 31st March, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Deepak Garg	30,77,100.00	-	30,77,100	29.90	-
Manohar Lal Garg	21,240.00	-	21,240	0.21	-
Pooja Garg	3,45,000.00	-	3,45,000	3.35	-
Seema Garg	1,50,000.00	-	1,50,000	1.46	-

As at 31st March, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Deepak Garg	10,25,700.00	20,51,400.00	30,77,100.00	29.90	200.00
Manohar Lal Garg	7,080.00	14,160.00	21,240.00	0.21	200.00
Pooja Garg	1,15,000.00	2,30,000.00	3,45,000.00	3.35	200.00
Seema Garg	50,000.00	1,00,000.00	1,50,000.00	1.46	200.00

f) Details for Bonus Shares, Shares Bought Back and Shares allotted as fully paid up pursuant to contract without payment being received in cash

Particulars	31st March 2023		31st March 2022	
	No. of shares	(₹ In Lacs)	No. of shares	(₹ In Lacs)
Bonus Shares				
Shares Bought Back	-	-	49,38,800.00	493.88
Shares allotted as fully paid up pursuant to contract without payment being received in cash	-	-	-	-

g) Details of shares held by the holding Company

There is no Holding / Ultimate Company of the Company.

Note: 14 Borrowings (Non-Current)

Particulars	31 st March, 2023	31 st March, 2022
(a) Secured Loans from Banks		
Term Loans		
HDFC Bank Term Loan	199.58	332.69
(Secured against Plant & Machinery, Inventory and Book Debts and Repayable in 48 monthly installments commencing from 07/08/2020 @ MCLR+0.25% (Floating) p.a. interest.)	-	-
	-	-
HDFC Bank Term Loan	307.33	370.78
(Secured against Plant & Machinery and Repayable in 72 monthly installments commencing from 07/02/2021 @ MCLR+0.25% (Floating) p.a. interest.)	-	-
	-	-
HDFC Bank BBG-WC Term Loan	3,605.68	336.86
(Secured against Plant & Machinery, Inventory and Book Debts and Repayable in 120 monthly installments commencing from 07/11/2022 @7.00% (Floating) p.a. interest.)	-	-
	-	-
HDFC Bank Term Loan	590.69	-
(Secured against Plant & Machinery and Repayable in 72 monthly installments commencing from 07/02/2021 @ MCLR+0.25% (Floating) p.a. interest.)	-	-
	-	-
Vehicle Loans		
HDFC Bank Auto Loan	5.54	9.83
(Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 07/06/2019 @ 9.10% (floating) p.a. interest.)	-	-
	-	-
HDFC Bank Auto Premium Loan	105.49	-
(Secured by way of Hypothecation of Vehicle and Repayable in 84 monthly installments commencing from 05/07/2022 @ 7.30% (floating) p.a. interest.)	-	-
	-	-
HDFC Vehicle Loan	81.80	96.26
(Secured by way of Hypothecation of Car and Repayable in 84 monthly installments commencing from 07/11/2020 @ 7.40% (floating) p.a. interest.)	-	-
	-	-
HDFC Bank Auto Loan	-	2.97
(Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 05/10/2017 @ 8.00% (floating) p.a. interest.)	-	-
	-	-
HDFC Bank Auto Loan	14.19	17.90
(Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 07/07/2021 @ 7.60% (floating) p.a. interest.)	-	-
	-	-

HDFC Bank Ultra-Light Commercial Vehicle Loan	6.42	7.90
(Secured by way of Hypothecation of Vehicle and Repayable in 60 monthly installments commencing from 10/12/2021 @ 7.00% (floating) p.a. interest.)	-	-
Sub-Total	4,916.72	1,175.18
Less:- Current Maturities of Long Term Borrowings	675.61	293.91
	4,241.11	881.28
(b) Un-Secured Loans		
Due to Banks:	208.81	208.33
HDFC Bank WC Term Loan-GECL EXTN	-	-
Due to Directors	30.99	31.98
Inter Corporate Deposits	813.85	1,133.73
Due to Others	-	-
Sub-Total	1,053.65	1,374.05
Total	5,294.76	2,255.32

Note: Interest on Unsecured Loans is being charged at the rate 6-12 %. These Loans are repayable on demand and have been raised in order to suffice the stipulations laid down by the Banker.

14(A) Details of discrepancy in utilisation of borrowings

Nature of the fund raised	Name of the Lender	31st March 2023				31st March 2022			
		Amount diverted (INR)	Purpose for which amount was sanctioned	Purpose for which amount was utilised	Remarks	Amount diverted (INR)	Purpose for which amount was sanctioned	Purpose for which amount was utilised	Remarks
NIL	NA	NA	NA	NA	NA	NA	NA	NA	NA

14(B) Details of borrowings obtained on the basis of security of current assets

Quarter	Name of bank	Particulars of Securities provided	Drawing Power as per Books of Accounts	Credit Limit Utilised	Overdrawn	Reason for material discrepancies*	Remarks
FY 2022-23:-							
Apr-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	1,938.22	63.13	NO	NA	NIL
May-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	1,801.02	443.35	NO	NA	NIL
Jun-22	HDFC BANK &	STOCK & BOOK DEBTS	2,100.55	495.64	NO	NA	NIL

	YES BANK						
Jul-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,102.80	852.22	NO	NA	NIL
Aug-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,114.53	743.26	NO	NA	NIL
Sep-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	1,504.19	389.46	NO	NA	NIL
Oct-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,024.22	403.00	NO	NA	NIL
Nov-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,192.33	1,160.26	NO	NA	NIL
Dec-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,277.20	1,479.20	NO	NA	NIL
Jan-23	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	3,093.12	2,043.50	NO	NA	NIL
Feb-23	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	4,380.05	3,716.85	NO	NA	NIL
Mar-23	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	4,864.12	3,838.72	NO	NA	NIL
FY 2021- 22:-							
Jun-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	2,810.58	2,451.11	NO	NA	NIL
Sep-22	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	1,526.44	605.25	NO	NA	NIL
Dec-22	HDFC BANK &	STOCK & BOOK DEBTS	1,972.18	489.20	NO	NA	NIL

	YES BANK						
Mar-23	HDFC BANK & YES BANK	STOCK & BOOK DEBTS	1,689.95	506.15	NO	NA	NIL

*The discrepancies are not material; hence no reasons have been mentioned.

14(C) The Company has not received any Fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- directly or indirectly lend or investment in other persons or entities identified in any manner whatsoever by or behalf of the funding party (Ultimate Beneficiaries) or,
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

14(D) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year, or after the end of the reporting period but before the date when financial statements are approved.

Note: 15 Borrowings (Current)

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Secured: - Working Capital Loan from Banks		
HDFC Bank (CC Limit Secured against Hypothecation of stock and Book Debts)	2,515.58	506.15
(Limit sanctioned at Rs. 2100.00 Lacs @ MCLR + 0.25%)	-	-
HDFC Bank (Warehousing limit Secured against Hypothecation of stock and Book Debts)	390.77	-
(Limit sanctioned at Rs. 700.00 Lacs @ MCLR + 0.25%)	-	-
Yes Bank (Pledge limit Secured against Pledge of Agri Commodities)	932.36	-
(Limit sanctioned at Rs. 800.00 Lacs @ YBLEBLR + 0.50%)	-	-
HDFC Bank (Credit balance in Current Account)	0.24	-
Current Maturities of Long-Term Borrowings	675.61	293.91
Total	4,514.56	800.06

Note: Terms and conditions as modified and agreed with the Banker basis the last available agreement/sanction have been disclosed.

Note: 16 Trade Payables

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Total outstanding dues of micro enterprises and small enterprises	-	229.46
Total outstanding dues of other than micro enterprises and small enterprises	142.63	2.01
Total	142.63	231.47

Trade Payables Ageing Schedules

As at 31 March 2023

	Particulars	Unbilled Payables	Not Due	Outstanding for the following periods from the due date of payment				Total
				Period Due < 1yr	1-2 Years	2-3 Years	Period Due > 3years	
a)	Dues to Micro and Small Enterprises							
	Disputed Dues							
	Undisputed Dues			-				
	Sub Total(a)			-				
b)	Due to others							
	Disputed Dues							
	Undisputed Dues			142.63				
	Sub Total(b)			142.63				
	Total (a+b)			142.63				

*Unbilled dues shall be disclosed separately

As at 31 March 2022

	Particulars	Unbilled Payables	Not Due	Outstanding for the following periods from the due date of payment				Total
				Period Due < 1yr	1-2 Years	2-3 Years	Period Due > 3years	
a)	Dues to Micro and Small Enterprises							
	Disputed Dues							
	Undisputed Dues			229.46				
	Sub Total(a)			229.46				
b)	Due to others							
	Disputed Dues							
	Undisputed Dues			2.01				
	Sub Total(b)			2.01				
	Total (a+b)			231.47				

Note: 17 Other Financial Liabilities

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Interest accrued but not due	30.12	4.09
Lease Liabilities	-	-
Total	30.12	4.09

Note: 18 Other Current Liabilities

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Payable to Staff	69.54	111.04
Statutory Dues Payable	16.09	17.18
Other Liabilities*	364.64	805.06
Total	450.26	933.29

***Other Liabilities includes**

As on 31st March 2023- Credit Card Dues - Rs. 81,56,912/-, Cheque Issued but not presented - Rs.20,00,966/- Electricity Bill Payable - Rs.1,21,41,629/-, Advances from customers - Rs. 42,400/-, Capital Creditors-Rs. 68,29,534/- and Other Expenses Payable- Rs. 72,92,306/-

As on 31st March 2022- Credit Card Dues - Rs. 45,55,593/-, Cheque Issued but not presented - Rs.12,70,669/- Electricity Bill Payable - Rs. 92,12,160/-, Advances from customers - Rs. 650/-, Capital Creditors Rs.6,45,19,500/- and Other Expenses Payable- Rs. 6,54,67,120/-

Note: 19 Provisions

(₹ In Lacs)

Particulars	Non-Current				Current			
	31st 2023	March	31st 2022	March	31st 2023	March	31st 2022	March
Provision for Income Tax (Net of Advance Tax & TDS)	-	-	-	-	-	-	-	24.08
Provision for Gratuity	19.98	19.98	30.03	30.03	0.27	0.27	0.66	0.66
Total	19.98	19.98	30.03	30.03	0.27	0.27	24.74	24.74

Note: 20 Revenue from Operations

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Sale of Products	16,811.25	13,986.36
Goods Traded	-	1,012.88
Goods Manufactured	16,811.25	12,973.48
Sale of Services	-	-
Other Operating Revenue	98.76	82.51
Rebate & Discounts	93.30	32.33
Job Work Receipt	4.42	49.13
Duty Drawback	-	-
Weigh Bridge Charges	1.04	1.05
Total	16,910.01	14,068.87

a) Details in respect of Sale of Products		
Cotton Seed Cake	325.81	619.14
Cotton Seed Oil	87.44	252.99
Cotton Seed	991.11	146.10
Cotton Waste	1,731.20	522.47
Cotton Yarn	12,843.54	10,424.38
Cotton	201.90	625.39
Oil Gad	0.37	1.30
Cloth	187.19	594.89
Mustard Seed Cake	111.59	174.09
Mustard Seed Oil	333.09	571.32
Mustard Seed	-	54.27
Total	16,813.25	13,986.36

Note: 21 Other Income

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Rental Income (Miscellaneous)	-	-
Interest Income	10.76	12.18
Other Gain	-	-
Net Gain on Disposal of Property, Plant & Equipment	-	4.16
Net Gain on Disposal of Investments	-	-
Insurance Claim Received	28.14	6.56
Misc Income	16.85	-
Profit on Sale of Cryptocurrencies	-	-
Total	55.75	22.90

Note: 22 Cost of Material Consumed

Particulars	31st March 2023	31st March 2022
Opening Stock	1,030.88	2,375.48
Purchases during the year	16,051.41	8,340.69
Freight and Other Direct Expenses Paid	182.67	123.83
	17,264.96	10,839.99
Closing Stock	2,901	1,031
Cost of Material Consumed	14,364.06	9,809.11

Note: 23 Changes in Inventories of finished goods, work in progress and stock in trade

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Inventories at the beginning of the Year		
Finished Goods	717.60	379.27
Work in Progress	83.53	59.84
	801.13	439.12
Inventories at the end of the Year		
Finished Goods	92.14	83.53
Work in Progress	1,440.79	801.13
Net Changes in Inventory	-639.66	-362.01

Note: 24 Employees Benefit Expenses

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Salary, Wages and Allowances	695.53	601.91
Bonus	-	60.00
Staff Welfare Expenses	1.12	18.49
Contribution to Provident Fund	12.82	5.61
Total	43.86	701.94

Note: 25 Finance Costs

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Interest Expense - Bank	288.66	151.13
Interest Expense - Others	54.91	28.40
Listing Expenses	-	32.84
Other Borrowing Cost	6.37	3.81
Total	349.94	216.18

Note- The aforesaid Finance cost excludes installation period interest & Other Borrowing Cost charged on specific borrowings from bank, capitalized during the year amounting to CY - Rs.1,52,16,738/-, PY- Rs. 12,04,526/-

Note: 26 Depreciation and Amortisation

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Depreciation and Amortisation Expenses (Refer Note-2)	492.43	327.88
Total	492.43	327.88

Note: 27 Other Expenses

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Manufacturing Expenses		
Freight	10.05	34.28
Godown Rent	20.05	5.75
Repair & Maintenance to Machinery	144.43	201.48
Repair & Maintenance to Building	13.65	36.27
Power & Fuel	860.13	767.57
Packing Expenses	150.64	138.17
Sub- Total	1,198.94	1,183.52
Selling and Distribution Expenses		
Commission to Agents	17.91	89.16
Conveyance Expenses	86.21	69.30
Sub- Total	104.12	158.46
Establishment Expenses		
Insurance Expenses	47.65	34.54
Professional Fees	6.75	6.17
Telephone Expenses	2.17	2.53
Payment to Auditors	1.80	1.80
Travelling Expenses	5.18	4.30
Advertisement Expenses	-	0.30
Rates and Taxes	5.44	6.24

Loss on Disposal of Property, Plant & Equipment	-	-
Others Misc Expenses	5.18	31.37
	84.18	87.24
Total	1,387.24	1,429.23

a) Details in respect of payment to auditors:		
As Auditor:		
Audit fee	1.50	1.50
Tax audit fee	0.30	0.30
In other capacity:	-	-
Taxation Matters	-	-
Company law matters	-	-
Certification fees	-	-
Re-imburement of expenses	-	-
Total	1.80	1.80

Note: 27A Corporate Social Responsibility Expense

The company has spent Rs. 10,60,000/- of Corporate Social Responsibility (CSR) funds towards Ancient Indian Sciences These are eligible CSR activities Schedule VII of the Companies Act, 2013. The details are:

I. Gross amount required to be spent by the Company during the year: Rs.10,57,0000/-

II. Amount spent during the year on:

Particulars	31st March 2023		31st March 2022	
	Paid	Yet to be Paid	Paid	Yet to be Paid
For the purpose Specified in schedule VII of Companies Act 2013	10.60	-	5.69	-
Total	10.60	-	5.69	-

- Above includes a contribution of Rs. 10,60,000/-Dr. Narayan Dutt Shrimali foundation which is a Section 8 registered Company under Companies Act, 2013, with the main objectives of working in the areas of Ancient Indian sciences.
- The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.
- There are no shortfalls as at the current year or previous years. Moreover, the Company does not wish to carry forward any excess amount spent during the year.
- The Company does not have any ongoing projects as at 31st March, 2023.

Note: 28 Income Tax Expenses

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
Current Tax	5.63	487.06
Current year tax on Profit	7.14	-
Current Tax of prior periods	-	-
Deferred Tax	-	-
Decrease/Increase in Deferred Tax Assets or Liability	123.55	-14.65
Total	29.18	472.41

Note: 28 A Calculation of Deferred Tax Assets/(Liability)

Particulars	As per Companies Act	As per Income Tax Act	Difference	Deferred Tax
Depreciation for the year ended 31st March 2022	2,035.25	1,539.96	-495.30	-124.67
Investments for the year ended 31st March 2022	1.43	1.00	-0.43	-0.11
Share issue expenses for the year ended 31st March 2022	-	29.15	29.15	7.34
Provision for Gratuity for the year ended 31st March 2022	30.68	-	30.68	7.72
Net Deferred Tax Asset/(Liab) as on 31st March 2022				-109.72
Depreciation for the year ended 31st March 2022	7,496.76	6,754.66	-742.10	-186.79
Investments for the year ended 31st March 2022	439.21	212.66	-226.55	-57.02
Provision for Gratuity for the year ended 31st March 2023	20.25	-	20.25	5.10
Share issue expenses for the year ended 31st March 2023	-	21.62	21.62	5.44
MAT Credit Entitlement as on 31st March 2023				-
Net Deferred Tax Asset/(Liab) as on 31st March 2023				-233.27

Note: 28 B Reconciliation of effective tax rate

Particulars	31st March 2023	31st March 2023	31st March 2022	31st March 2022
Accounting Profit before tax	257.29		908.41	
Tax @ Statutory Rate of Tax	64.76	25.17%	228.65	25.17%
Tax effect of the amounts not deductible for computing taxable income				
Depreciation difference	-63.63	-24.73%	0.72	0.08%
Disallowances	6.39	2.48%	4.01	0.44%
Deductions/Exemption/Non-Taxable items	-	0.00%	-	0.00%
Adjustment on account of share issue expenses	-1.89	-0.74%	6.37	0.70%
Adjustment on account of loss on sale of depreciable assets	-	0.00%	-	0.00%
Chargeable under the head Capital Gains	-	0.00%	-	0.00%
Deferred Tax including MAT credit entilelement	51.22	19.91%	-14.65	-1.61%
Other tax impact*	7.14	2.78%	-	0.00%
Total Tax @ Effective Rate of Tax	63.99	24.87%	225.09	24.78%

*Other tax impact includes prior period adjustments, tax demands/ refunds, interest on late payment of tax, tax on exceptional items etc.

Note: 29 Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and Diluted Earnings per Share	31st 2023	March	31st 2022	March
Without Bonus				
Basic and diluted earnings per share in rupees (face value ₹ 10 per share)		1.88		21.86
With Bonus				
Restated Basic and diluted earnings per share in rupees (face value ₹ 10 per share)		1.88		8.47
Total basic and diluted EPS attributable to the equity holders of the company		1.88		8.47
Profit attributable to equity shareholders	Rupees (₹) (In Lacs)		Rupees (₹) (In Lacs)	
Profit after tax as per Statement of Profit and Loss		193.30		683.32
From operations excluding regulatory deferral account balances		193.30		683.32
Weighted average number of equity shares		Nos.		Nos.
Opening balance of issued equity shares		1,02,92,200		24,69,400
Effect of 28,84,000 shares issued during the year		-		6,55,814
Effect of bonus shares issued during the Financial Year 2021-22		-		49,38,800
Weighted average number of equity shares for Basic and Diluted EPS		1,02,92,200		80,64,014

Note:

1. Earnings per share calculations are done in accordance with IND AS 33 "Earnings per share". Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year and subsequent to the Balance sheet date but before approval of accounts in the Board is multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. The earnings per share figure for the year ended 31st March 2022 and 31st March 2021 have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33. Bonus issue in the ratio 2:1 has been declared on 26th April 2021.

Note: 30 CORPORATE INFORMATION

AB COTSPIN INDIA LIMITED is one of the leading names in textile industry in north india. The company is well accepted as a quality manufacturer in cotton yarns & fabrics circle. The company lays its emphasis on manufacturing quality yarns & fabrics with competence. The Company has matured over a period of time from ginning, cotton trading and then integrating to a cotton spinning mill and further adding knitting facility at the same premises.

AB COTSPIN INDIA LIMITED is a spinning mill located at BathindaRoad, Jaitu distt. Faridkot (Punjab), the company has 18000 spindles of world class technology with automation of various processes and knitting machines from Mayer & Cie. (Germany). The company is engaged in manufacturing world class 100% cotton yarns & fabrics both combed and karded, catering to requirements of niche customers who in turn are engaged in making garments for their international buyers. The company has world class state of art R & D

facility with both online and offline quality monitoring system round the clock. The company has added manufacturing slub yarns, BCI yarns, Double yarns into its product basket. The company is certified producer of BCI yarns from well acclaimed certifying agency and is planning to convert entire unit of spinning & knitting on to BCI yarns & fabrics production in near future. The company maintains complete traceability of BCI Products right from farmers to ginning, spinning yarns & fabrics.

Note: 31 Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures

a) List of Related parties:

i) Entities having joint control over the company:
Nil

ii) Associates of Entities.
Nil

iii) Key Managerial Personnel (KMP) of the company.

(i) Deepak Garg	Managing Director
(ii) Manohar Lal	Whole Time Director
(iii) Ramesh Kumar	Director
(iv) Puneet Bhandari	Independent Director
(v) Preet Bhatia	Independent Director
(vi) Kannu Sharma	Company Secretary
(vii) Niti Rajan Bansal	CFO Up to 04/06/2022
(viii) Rajinder Prashad Garg	CFO w.e.f. 24/08/2022

iv) Relatives of Directors

- 1) Shimla Devi
- 2) Pooja Garg
- 3) Deepak Garg & sons HUF
- 4) Muskan Garg
- 5) Dia Garg
- 6) Seema Garg

v) Group Companies

- 1) AB Cotton Textiles Pvt Ltd
- 2) DRML Buildwell Pvt Ltd

b) Transaction with related parties as follows:

(₹ In Lacs)

Particulars	Relation	Nature of transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
i) Equity Contributions received				
Nil	N.A.	Nil		
ii) Interest debited during the period				
AB Cotton Textiles Pvt Ltd	Group Company	Interest	-	10.38
Deepak Garg	Managing Director	Interest	0.81	0.99
Seema Garg	Director's Relative	Interest	-	0.53
Shimla Devi	Director's Relative	Interest	-	0.70
Manohar Lal	Whole-time Director	Interest	1.44	0.38
Pooja Garg	Director's Relative	Interest	-	0.99
Dia Garg	Director's Relative	Interest	-	0.13
iii) Interest credited during the period				
DRML Buildwell Pvt Ltd	Group Company	Interest	3.99	-
iv) Remuneration paid to Key Managerial Personnel				
Deepak Garg	Managing Director	Remuneration	12.00	14.97
Manohar Lal	Whole Time Director	Remuneration	9.00	10.00
Ramesh Kumar	Director	Remuneration	4.77	4.63
Preet Bhatia	Independent Director	Sitting Fees	50,000	-
Niti Rajan Bansal	CFO Upto 04/06/2022	Remuneration	-	8.80
Rajinder Prashad Garg	CFO w.e.f. 24/08/2022	Remuneration	1.40	-
Kannu Sharma	Company Secretary	Remuneration	4.21	2.96
v) Salary				
Pooja Garg	Director's Relative	Salary	6.75	6.00
vi) Rent				
Pooja Garg	Director's Relative	Rent	18.80	14.40
Shimla Devi	Director's Relative	Rent	0.90	-
vii) Unsecured Loan Taken				
AB Cotton Textiles Pvt Ltd	Group Company	Unsecured Loan Taken	451.40	546.40
DRML Buildwell Pvt Ltd	Group Company	Unsecured Loan Taken	74.10	490.85
Deepak Garg	Managing Director	Unsecured Loan Taken	24.00	18.00

Seema Garg	Director's Relative	Unsecured Loan Taken	-	48.00
Shimla Devi	Director's Relative	Unsecured Loan Taken	-	36.50
Manohar Lal	Whole Time Director	Unsecured Loan Taken	12.66	19.00
Pooja Garg	Director's Relative	Unsecured Loan Taken	-	76.50
Ramesh Kumar	Director	Unsecured Loan Taken	8.00	4.50
Dia Garg	Director's Relative	Unsecured Loan Taken	-	15.00
viii) Unsecured Loan Principal Repaid-				
AB Cotton Textiles Pvt Ltd	Group Company	Unsecured Loan Repaid	451.40	626.15
DRML Buildwell Pvt Ltd	Group Company	Unsecured Loan Repaid	74.10	490.85
Deepak Garg	Managing Director	Unsecured Loan Repaid	29.28	6.25
Seema Garg	Director's Relative	Unsecured Loan Repaid	-	48.00
Shimla Devi	Director's Relative	Unsecured Loan Repaid	-	36.50
Manohar Lal	Whole Time Director	Unsecured Loan Repaid	9.16	-
Pooja Garg	Director's Relative	Unsecured Loan Repaid	-	76.50
Ramesh Kumar	Director	Unsecured Loan Repaid	8.00	4.50
Dia Garg	Director's Relative	Unsecured Loan Repaid	-	15.00
ix) Unsecured Loan Interest Repaid-				
AB Cotton Textiles Pvt Ltd	Group Company	Interest Repaid	-	10.81
Deepak Garg	Managing Director	Interest Repaid	0.89	0.10
Seema Garg	Director's Relative	Interest Repaid	-	0.53
Shimla Devi	Director's Relative	Interest Repaid	-	0.70
Manohar Lal	Whole Time Director	Interest Repaid	0.34	0.04
Pooja Garg	Director's Relative	Interest Repaid	-	0.99
Dia Garg	Director's Relative	Interest Repaid	-	0.13
x) Unsecured Loan Given				
AB Cotton Textiles Pvt Ltd*	Group Company	Unsecured Loan Given	956.93	-
DRML Buildwell Pvt Ltd	Group Company	Unsecured Loan Given	311.80	-

*The Companies have not finalised the rate at which Interest will be recovered. The same will be provided in the books of accounts as and when the rates are finalised.

xi) Unsecured Loan Received Back				
AB Cotton Textiles Pvt Ltd	Group Company	Unsecured Loan Received Back	956.93	-
DRML Buildwell Pvt Ltd	Group Company	Unsecured Loan Received Back	311.80	-
xii) Unsecured Loan Interest Received-				
DRML Buildwell Pvt Ltd	Group Company	Interest Received	3.99	-
xiii) Sales to Related Parties-				
Deepak Garg & Sons HUF	Director's Relative	Sales	26.29	
AB Cotton Textiles Pvt Ltd	Group Company	Sales	117.41	-

c) Balances due to and from related parties are as follows:

Particulars	Relation	Nature of transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
i) Unsecured Loan (Principal)				
Deepak Garg	Managing Director	Principal Outstanding	6.47	11.75
Manohar Lal	Whole Time Director	Principal Outstanding	22.50	19.00
ii) Unsecured Loan (Interest Payable)				
Deepak Garg	Managing Director	Interest Payable	0.73	0.89
Manohar Lal	Whole Time Director	Interest Payable	1.29	0.34
iii) Salary Payable				
Pooja Garg	Director's Relative	Remuneration Payable	0.44	0.48
Deepak Garg	Managing Director	Remuneration Payable	0.72	0.60
Ramesh Kumar	Director	Remuneration Payable	0.36	0.33
Kannu Sharma	Company Secretary	Remuneration Payable	0.32	0.27
Manohar Lal	Whole Time Director	Remuneration Payable	0.59	0.28

- d) Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under companies Act, 2013) either severally or jointly with any other person that are:

- (a) repayable on demand or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NA
Directors	NIL	NA
KMPs	NIL	NA
Related Parties	NIL	NA

- e) Where the company has any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, the company shall disclose the following details:

Name of the struck off company	Nature of transaction with struck off company	Balance Outstanding	Relationship with struck off company, if any, to be disclosed
NIL	Investment in securities	NIL	NIL
NIL	Receivables	NIL	NIL
NIL	Payables	NIL	NIL
NIL	Shares held by struck off company	NIL	NIL
NIL	Other outstanding balances (to be specified)	NIL	NIL

- f) **Terms and conditions of transactions with the related parties**

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

Note: 32 Provision and Contingency in compliance to the Ind AS 37

I. Contingent Liabilities not provided for

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2023
(a) Claim against Company not acknowledged as debts	-	-
(b) Guarantees		
(i) Foreign Trade Ministry of Commerce	1.04	1.04
(ii) Punjab Pollution Board	0.50	0.50
(c) Letter of Credit	225.40	2,689.50

Note: In case quantum of liability is immaterial, the same has been ignored.

II. Commitments not provided for

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2023
		Proforma
Contracts remaining to be executed on Capital accounts (Net of Advances)	3.90	1,199.32
Others	NIL	NIL

Note: 33 Earnings and Expenditure in Foreign Currency

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2023
I. Earnings in Foreign Currency	NIL	NIL
II. Expenditure in Foreign Currency	Rs. 9.30/- Lacs (Euros 11,31,937/-)	Rs. 2.06 Lacs (Euros 2350/-)

Note: 34 Capital Management

The capital includes issued equity capital and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Capital Structure of the Company consists both debt and equity.

GEARING RATIO	For the year ended 31st March 2023	For the year ended 31st March 2022
		Proforma
Gross Debt (Long term and short-term borrowings including current maturities)	9,809.32	3,055.38
Less: Cash and bank balances	10.30	65.94
Net Debt (A)	9,799.02	2,989.45
Total Equity (B)	4,257.84	3,882.45
Net Debt to equity Ratio (A/B)	2.30	0.77

Note: 35 Previous Years Figure

Previous year's figure has been regrouped/ rearranged /recast, wherever necessary, to make them comparable with the current year's figures.

Note: 36 Segment Reporting

The Company is primarily in the business of manufacturing, purchase and sale of yarns and other allied products. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

a) Entity Wise Disclosure

Particulars	(In Lacs)	
	31st March 2023	31st March 2022
Domestic	16,910.01	14,068.87
Overseas	-	-
Segment Assets		
- Within India	14,504.49	8,278.90
- Outside India	-	-
Segment Liabilities		
- Within India	10,685.86	4,397.89
- Outside India	-	-

Domestic information includes sales and services to customers located in India.

Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets and other non-current assets.

b) Customers contributing more than 10% of Company's revenues

Particulars	31st March 2023	31st March 2022
		Proforma
No, of customer contributing 10% or more to the company's revenue for the above-mentioned financial periods.	2	4
Percentage of Total Sales	43.98% collectively	68.83% collectively

Note: 37 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	31st March 2023	31st March 2022
--	-----------------	-----------------

Particulars	Fair Values measured through Profit and loss	Amortised cost	Fair values through other comprehensive income	Fair Values measured through Profit and loss	Amortised cost	Fair values through other comprehensive income
Financial Assets						
Investments	-	-	123.76	-	-	102.22
Trade Receivables	-	10.30	-	-	65.94	-
Cash and cash equivalents	-	58.40	-	-	752.97	-
Bank Balances other than above	-	-	-	-	-	-
Other Financial assets	-	875.93	-	-	547.46	-
Total		944.63	123.76	-	1,366.46	102.22

Note: 38 Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall Company's responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

a) Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes abandonment cost, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows.

c) Market Risk

The Company does not have international transactions and is not exposed to foreign exchange risk arising from foreign currency transactions.

Note: 39 The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in books of accounts.

Note: 40 The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceeding has been initiated or is pending against the Company for holding any benami property.

Note: 41 The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.

Note: 42 No scheme of arrangement for the Company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note: 43 The Company has earned a profit of Nil (FY 2022-23: Nil) on sale of cryptocurrencies during the year. The Company does not hold any cryptocurrency or virtual currency as at 31st March 2023 and 31st March 2022. The Company has also not received any deposits or advances for the purpose of investing in cryptocurrencies or virtual currencies.

Note: 44 RELATIONSHIPS WITH STRUCK OFF COMPANIES

The Company has had the following relationships with struck off companies as at the Balance Sheet date: -

Name of the Struck off Company	Nature of transactions with struck off company	31st March 2023		31st March 2022	
		Balance Outstanding	Relationship with struck off company, if any	Balance Outstanding	Relationship with struck off company, if any
Nil	Nil	Nil	Nil	Nil	Nil

Note:46 Employee Benefit Plans**46.1 Defined Contribution Plans**

The Corporation operates defined contribution retirement benefit plans for all its qualifying employees.

Gratuity Fund

The table below shows a summary of the key results of the report including past results as applicable.

(₹ In Lacs)		
Assets/Liability	31 st March, 2023	31 st March, 2022
a. Present value of obligation	20.25	30.68
b. Fair value of plan assets	-	-
c. Net assets/(liability) recognized in balance sheet as provision	(20.25)	(30.68)

a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate has been determined with reference to expected market yields on CG-Secs of currency and term consistent with those of benefit obligations. Salary increases rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions selected by the Corporation are as follows:

Assets/Liability	31 st March, 2023	31 st March, 2022
i) Discounting Rate	7.45%	30.68 7.25%
ii) Future Salary Increase	5.00%	5.00%
iii) Expected Rate of Return on Plan Assets	NA	NA

b) Demographic Assumption

i) Retirement Age (Years)	60/60	60/60
ii) Mortality rates inclusive of provision for disability	100% of IALM 2012-14	
iii) Ages	Withdrawal Rate (%)	
Upto 50 Years	2	2
Above 50 Years	1	1

Actuarial Method

a) Projected Unit Credit (PUC) Actuarial Method has been used to assess the plan's liabilities of exiting employees for retirement, death-in-service and withdrawals (Resignations / Terminations).

b) Under the PUC method, a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as at the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Planned Liability

The actuarial value of gratuity liability calculated on the above assumptions works out as under:

Year Ending	31st March 2023	31st March 2022
Present value of obligation	20.25	30.68

Service Cost

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Current Service Cost	12.17	12.46
b. Past Service Cost including curtailment Gains/Losses	-	-
c. Gains or Losses on Non routine settlements	-	-
Total	12.17	12.46

Net Interest Cost

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Interest Cost on Defined Benefit Obligation	2.22	3.46
b. Interest Income on Plan Assets	-	-
c. Net Interest Cost (Income)	0.00	3.46

Change in Present Benefit Obligation

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Present value of obligation at the beginning of year	30.68	50.95
b. Interest Cost	2.22	3.46
c. Service Cost	12.17	12.46
d. Benefits Paid	-	-
e. Total Actuarial (Gain)/Loss on Obligation	(24.82)	(36.19)
f. Present value of obligation at the end of year	20.25	30.68

Actuarial (Gain)/Loss on Obligation

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Actuarial (Gain)/Loss arising from Change in Demographic Assumption	-	-
b. Actuarial (Gain)/Loss arising from Change in Financial Assumption	(0.59)	(2.05)
c. Actuarial (Gain)/Loss arising from Experience Adjustment	(24.23)	(34.14)

Actuarial (Gain)/Loss on Plan Asset

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Expected Interest Income	-	-
b. Actual Income on Plan Asset	-	-
c. Actuarial Gain / (Loss) for the year on Asset	-	-

Balance Sheet and Related Analyses

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Present Value of the obligation at the end of year	20.25	30.68
b. Fair value of plan assets	-	-
c. Unfunded liability recognized in Balance Sheet	(20.25)	(30.68)

Amounts recognized in the Statement of Profit and Loss:

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Service Cost	12.17	12.46
b. Net Interest Cost	2.22	3.46
c. Expense recognized in the Statement of Profit & Loss	14.39	15.92

Other Comprehensive Income (OCI)

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Net cumulative unrecognized actuarial gain/(loss)- opening	-	-
b. Actuarial gain / (loss) for the year on PBO	(24.82)	(36.19)
c. Return on plan assets other than amounts included in net interest cost	-	-
d. Net (Income)/ Expense for the period recognized in other Comprehensive Income	(24.82)	(36.19)

Change in Plan Assets

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Fair value of plan assets at the beginning of year	-	-
b. Actual return on plan assets	-	-
c. Employer contribution	-	-
d. Benefits paid	-	-
e. Fair value of plan assets at the end of year	-	-

Change in Net Defined Benefit Obligation

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a. Net defined benefit liability at the beginning of year	30.68	50.95
b. Expenses as recognized in Statement of Profit & Loss	14.39	15.92
c. Re-measurements	(24.82)	(36.19)
d. Contribution / Benefits paid	-	-
e. Net defined benefit liability at the end of the period	20.25	30.68

Bifurcation of liability recognized in Balance Sheet as provision at the end of year as Current and Non-Current.

Particulars	31st March 2023	31st March 2022
a. Current liability (Amount due within one year)	0.27	0.66
b. Non- Current liability (Amount due over one year)	19.98	30.03
Net Liability recognized in Balance Sheet as provision	20.25	30.68

Sensitivity Analysis of the defined benefit obligation.

(₹ In Lacs)

Particulars	31st March 2023	31st March 2022
a) Impact of the change in discount rate		
Present Value of Obligation at the end of year	20.25	30.68
a. Impact due to increase of 1 %	17.60	267.73
b. Impact due to decrease of 1 %	23.46	35.49

Particulars	31st March 2023	31st March 2022
b) Impact of the change in salary increase		
Present Value of Obligation at the end of year	20.25	30.68
a. Impact due to increase of 1 %	23.51	35.55
b. Impact due to decrease of 1 %	17.52	26.61

Sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

As per our report of even date attached.
For P L Mittal & Co.
Chartered Accountants
FRN:002697N

Sourabh Goyal
Partner
Membership No.: 529363
UDIN: 23529363BGYDPT9253

Place: Bathinda
Date: 30/05/2023

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

Deepak Garg
(Managing Director)
(DIN 00843929)

Manohar Lal
(Whole Time Director)
(DIN 02406686)

Rajinder Prashad Garg
(Chief Financial Officer)
(PAN: ABXPG1267D)

Kannu Sharma
(Company Secretary)
(M. No. A64063)

Note: 45 Accounting Ratios

Particulars	Formula	31st March 2023			31st March 2022			% Variance	Reason for Variance
		Numerator (Amount)	Denominator (Amount)	Ratio	Numerator (Amount)	Denominator (Amount)	Ratio		
Current Ratio	Current assets/ Current liabilities	6,633.73	5,137.85	1.29	3,848.66	1,993.65	1.93	-33.12	Positive Variance
Debt-equity ratio	Total debt/ Shareholder's Equity	10,685.86	4,257.84	2.51	4,397.89	9,882.45	1.13	121.55	Positive Variance
Debt service coverage ratio	Earnings available for debt service/ Debt service	607.23	311.21	1.95	1,124.59	525.57	2.14	-8.81	NA
Return on equity ratio	Net profit after taxes/ Average shareholder's equity	193.30	4,257.84	0.05	683.32	3,882.45	0.18	-74.21	NA
Inventory turnover ratio	Cost of goods sold or sales/ Average inventory	16,811.25	3,086.85	5.45	13,986.36	2,323.30	6.02	-9.53	NA
Trade receivables turnover ratio	Net credit sales/ Average accounts receivables	16,811.25	1,075.06	15.64	13,986.36	764.04	18.31	14.58	Positive Variance
Trade payables turnover ratio	Net credit purchase/ Average trade payables	16,051.41	72.32	221.95	8,340.69	32.01	260.60	-14.83	Positive Variance
Net capital turnover ratio	Net sales/ Working capital	16,811.25	1,495.88	11.24	13,986.36	1855.01	7.54	49.05	Covid Impacted Business
Net profit ratio	Net profit/ Net sales	193.30	16,811.25	0.01	683.32	13,986.36	0.05	76.46	Positive Variance
Return on capital employed	Earnings before interest and taxes/ Capital employed	607.23	14,067.16	0.04	1,124.59	6,937.83	0.16	-73.37	Positive Variance
Return on investments	Return on Investment/ Initial Investment	226.55	212.66	1.07	0.43	1.00	0.43	145.98	Positive Variance