

Information Memorandum



Mahaveer cotts strings Limited



Registered Office: Zirniya Road, Bhikangaon, District Khargone (MP), India

Tel: 07288-223311, Fax: 07288-223311



INFORMATION MEMORANDUM

[In accordance with Chapter XC of the SEBI (ICDR) Regulations on Listing and Issue of Capital by Small and Medium Enterprises on Institutional Trading Platform without Initial Public Offering]

Our Company was incorporated as "Mahaveer Cotts Strings Private Limited" on May 08, 2008 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gwalior. Our Company was subsequently converted into a public company and consequently the name was changed to " Mahaveer Cotts Strings Limited" vide fresh certificate of incorporation dated 30/01/2015 issued by the Registrar of Companies, Gwalior.

Registered Office: Zirniya Road, Bhikangaon, District Khargone (MP), India

Tel: 07288-223311, **Fax:** 07288-223311

Contact Person: Mr. Vaibhav Kumar Jain

E-mail: vaibhavjainmahavir@gmail.com

NO EQUITY SHARES ARE PROPOSED TO BE ISSUED OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

PROMOTERS: MR. VAIBHAV JAIN and MR. KAMAL CHAND JAIN

Information Memorandum in terms of the SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 for the purpose of listing of the Equity Shares of the Company on the Institution Trading Platform (ITP) of NSE Emerge.

Absolute Responsibility of Mahaveer Cotts Strings Limited

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



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SECTION I – GENERAL

1.1 GENERAL INFORMATION

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Registered Office of the Company:

Zirniya Road, Bhikangaon,
District Khargone – 451331 (MP),
India

Tel: 07288-223311, Fax: 07288-223311

Contact Person: Mr. Vaibhav Kumar Jain

E-mail: vaibhavjainmahavir@gmail.com

CORPORATE IDENTIFICATION NUMBER: U17300MP2008PTC020683

Board of Directors:

Our Board of Directors comprise of the following members:

Name	Designation	DIN	Address
Mr. Kamalchand Jain	Director	02156280	Zirnia Road, Bhikhangaon, 451331, Madhya Pradesh, India
Mr. Vaibhav Kumar Jain	Director	02156230	Zirnia Road, Bhikhangaon, 451331, Madhya Pradesh, India
Mr. Rohit Lohade	Independent Director	07012323	Sushant Satha Colony, Station Road, Behind Newaskar Petrol Pump, Ahmednagar (MS) 414001
Mrs. Neeta Jain	Independent Director	07063762	Makan No. 13, Dr. Nemidas Ki Gali, Ward No. 11, Shastri chouk, Burhanpur(M.P.)-450331



MAHAVEER COTTS STRINGS LIMITED

For further details of Management of our Company, please refer to section titled "*Our Management*" of this Information Memorandum

Statutory Auditor

B. Mantri & Co.

208-209, The Horizon

Nath Mandir Road,

11/5, South Tokoganj,

Indore-452001 (M.P.),

INDIA

Tel No.: 0731-4080232

Firm Registration No. - FRN 013559C

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1.2 ELIGIBILITY CRITERIA

We are an unlisted company as on date and we propose to list our Equity Shares on Institution Trading Platform (ITP) of NSE Emerge in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that:

1. The name of our company, our promoters, any of our group companies or directors do not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the company that has been admitted by a competent court;
3. Our company, group companies have not been referred to the Board for Industrial and Financial Reconstruction for a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoters or directors, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. Our Company has been incorporated on May 08, 2008 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rupees One Hundred Crores in any of the previous financial years.
6. The paid up capital of our company has not exceeded Rupees Twenty Five Crores in any of the previous financial years;
7. We have one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
8. The company has received finance from Bank of Baroda for its working capital requirements and a period of three years has elapsed from the date of such financing and the working capital limits so sanctioned have been fully utilized;
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, our promoter i.e. Mr. Vaibhav Kumar Jain has given his consent to lock- in 187992 equity shares representing 20% of paid up capital of the Company.



We further confirm that in terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009:

- (i) All Equity Shares of our Company shall be in dematerialized form upon listing on Institutional Trading Platform.
- (ii) Our Company is in the process of entering into a Tripartite Agreement with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. We further confirm that we shall have connectivity with at least one depository at all times.



1.3 FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Industry Overview" and "Our Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. The risks described herein below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. If any of the events or circumstances described in the risks actually occurs, our business, results of operations or financial conditions could suffer. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

1. Our business is dependent on securing orders from textile industries.

Our business is dependent upon the growth of the textile industry and our future revenue growth is dependent on the expected increase in the size of the market. We rely upon a few customers for the majority of our revenues and the loss of any one of these customers or rescheduling of orders from any of these customers would have material adverse effect on our business, results of operations and financial condition.

2. Our performance could be affected if we are unable to respond to rapid changes in the market, consumer preferences or other competitive factors.

The Company's revenue is mainly from textile industries. These industries normally go through their own internal procurement policies. The private textile industries follow the 'need' based procurement model. The orders are normally huge in terms of value and quantities but are generally not spread uniformly throughout the year and hence the revenues and profitability of the Company could differ significantly from quarter to quarter.

3. The company has not yet registered the trademark

The company does not conduct its business under the registered trademark.

4. The company cannot guarantee the accuracy or completeness of facts and other statistics with respect to the telecommunications sector contained in this Information Memorandum.



Facts and other statistics in this Information Memorandum relating to the industry have been derived from various market data and internet sources that is believed to be reliable. The source of all such data have been given at suitable places. However, the Company cannot guarantee the quality or reliability of such source of materials. While the company directors have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by the company and, therefore, the company make no representation as to the accuracy of such facts and statistics. These facts and other statistics include the facts and statistics included in the section entitled "Industry Overview" of this Information Memorandum.

5. We may not be successful in implementing our growth strategies.

To remain competitive, we plan to grow our business as well as expand into new geographic markets. Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products and services,
- our ability to create brand awareness in the new markets;
- our ability to increase our customers;
- our ability to attract, train and retain employees who have the requisite skills;
- our ability to continue to expand our products and services;
- our ability to build, acquire, maintain and update the required technology and systems;
- the general condition of the economy
- our ability to compete effectively with existing and future competitors;
- changes in our regulatory environment.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. If we are not successful, our business, financial condition and results of operations may be adversely affected. We may need to raise funds to implement our business strategy successfully to increase productivity, developing new technology and developing new and expand current products and services to generate demand. We cannot assure you that we would be able to raise funds in a timely and cost efficient manner, on commercially acceptable terms, or at all. Our inability to raise funds may impair our ability to effectively implement our business strategy. If we cannot obtain such required financing on acceptable terms or at all may impair our business growth and results of operations.



- 6. We have entered into, and will continue to enter into, related party transactions. Further, certain of our related party transactions may not have been undertaken on an arm's length basis.**

We have entered into transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. These transactions may involve conflicts of interests which may be detrimental to our Company. We cannot assure you that such transactions could not have been made on more favourable terms with unrelated parties.

- 7. Some or all of the unsecured loans availed by us may be callable on demand by the lenders at any time which could adversely affect our cash flow position, financial condition and results of operations of our Company.**

Our Company has availed interest free unsecured loans from our promoters and their relatives which may be subject to repayment on demand at any time. Such repayment demands on short notice, if any, could adversely affect our cash flow position, financial condition and results of operations of our Company.

EXTERNAL RISK FACTORS

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

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

- 9. Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the



environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

10. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

11. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders.

12. The price of our Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding



MAHAVEER COTTS STRINGS LIMITED

contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

13. Active trading market for our Equity Shares may not develop.

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Institution Trading Platform (ITP) of NSE Emerge. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot of Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores. Hence, there can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.



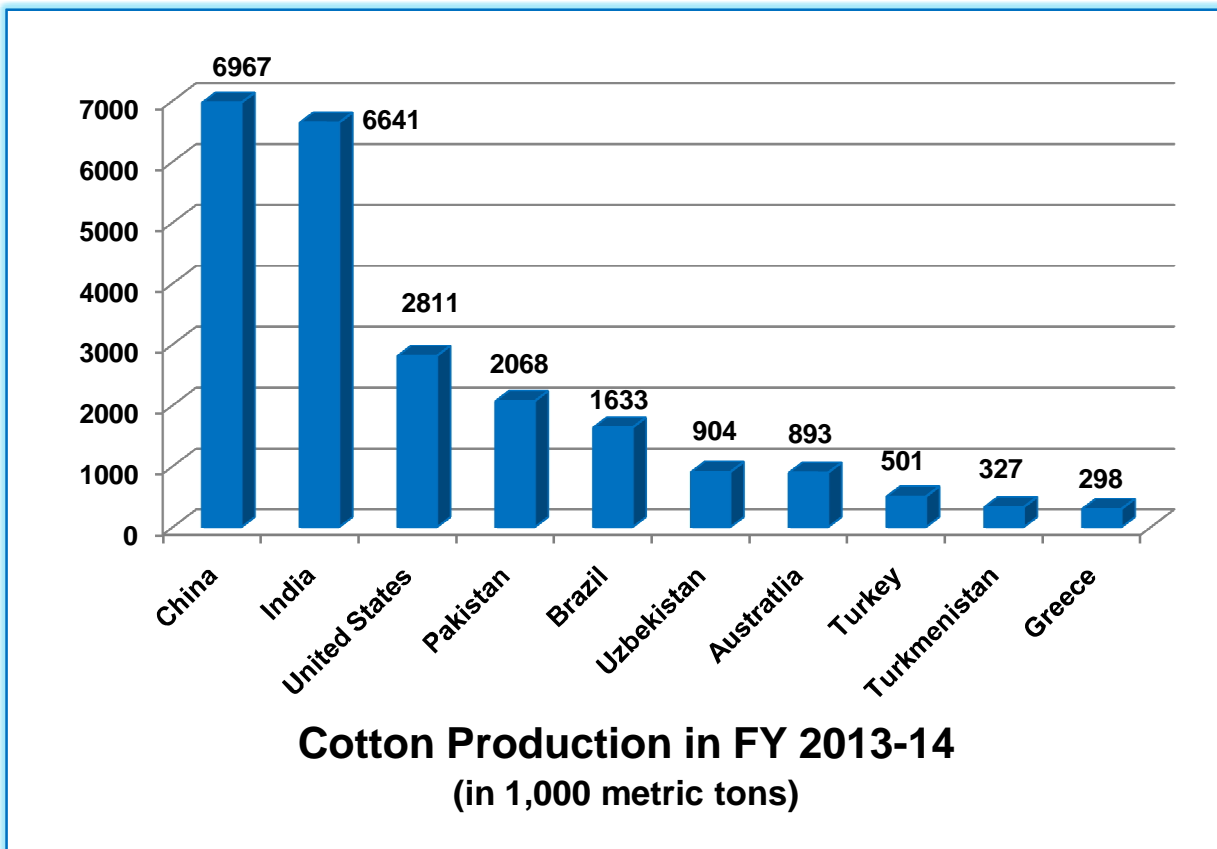
SECTION III – INDUSTRY OVERVIEW

The information in this section is derived from government publications and other industry sources. Neither we, nor any other person connected with this Issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.



3.1 INDIA OVERVIEW

Cotton plays an important role in the Indian economy as the country's textile industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn and the Indian textile industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. **India is the second largest producer of cotton worldwide in FY 2013-14.** During 2013-14 in India, cotton yarn production increased by two per cent and cloth production by mill and power loom sector increased by five per cent and six per cent respectively.

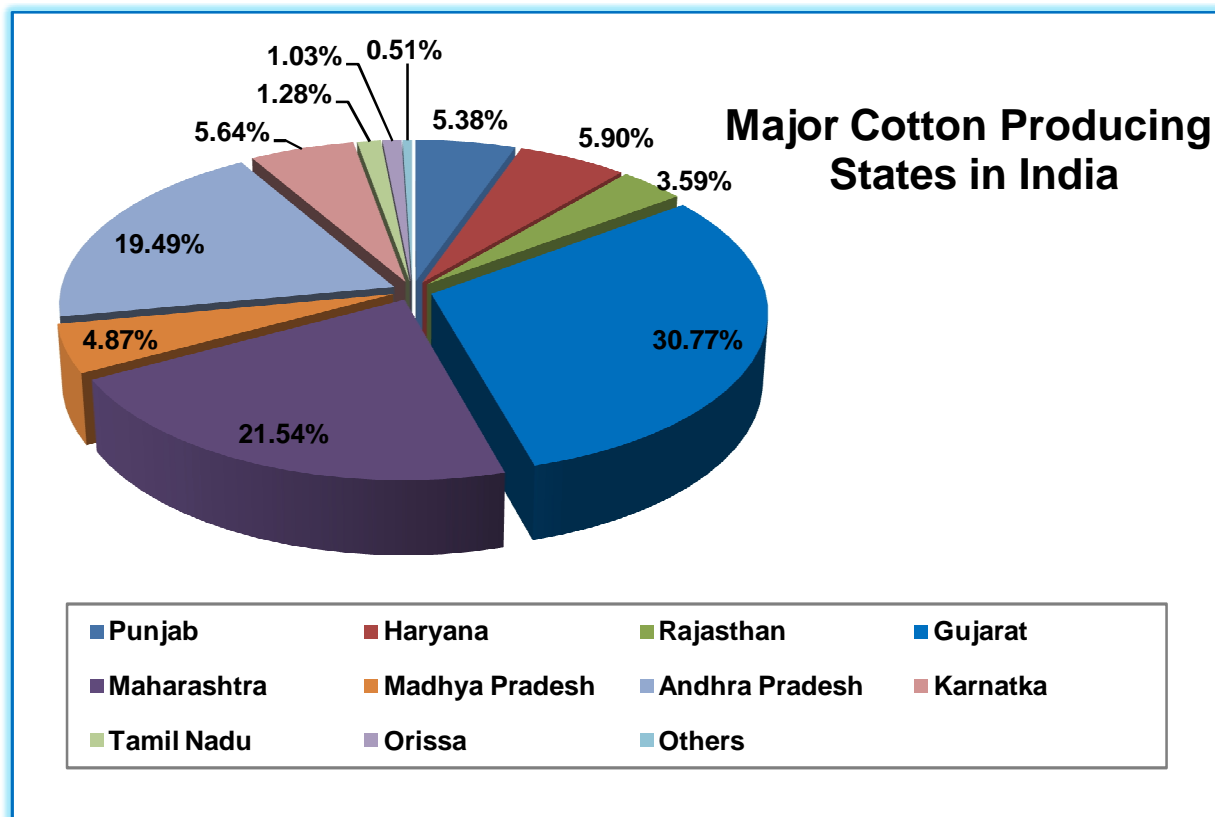


Source: <http://www.statista.com/statistics/263055/cotton-production-worldwide-by-top-countries/>



CURRENT COTTON PRODUCTION IN STATES

Indian cotton production has been concentrated in the western half of the country. It can be divided broadly into three major regions based on climatic differences and regional heterogeneity in the availability of water and other natural resources that influence the mix of crops in various parts of the country. These regions are the northern region (Haryana, Punjab, and Rajasthan); the central region (Maharashtra, Gujarat, and Madhya Pradesh); and the southern region (Karnataka, Tamil Nadu, and Andhra Pradesh). The northern region is the primary producer of short and medium staple cotton while the southern states primarily grow long staples. The central region produces mostly medium and long staples.



Source: <http://cotcorp.gov.in>

The Cotton Advisory Board, in its meeting held on 13th October 2014 has projected cotton production during 2013-14 cotton season, as per State-wise details given below



Area in lakh hectare/Production in lakh bales/Yield kgs per hectare						
State	2013-14*			2012-13		
	Area	Production	Yield	Area	Production	Yield
Punjab	5.05	21.00	706.93	4.80	21.00	743.75
Haryana	5.66	24.00	720.85	6.14	26.00	719.87
Rajasthan	3.03	14.00	785.48	4.50	17.00	642.22
North Total	13.74	59.00	729.99	15.44	64.00	704.66
Gujarat	26.91	124.00	783.35	24.97	93.00	633.16
Maharashtra	38.72	84.00	368.80	41.46	81.00	332.13
Madhya Pradesh	6.21	19.00	520.13	6.08	19.00	531.25
Central Total	71.84	227.00	537.17	72.51	193.00	452.49
Andhra Pradesh	22.69	78.00	584.40	24.00	84.00	595.00
Karnataka	5.94	23.00	658.25	4.85	17.00	595.88
Tamil Nadu	1.39	5.00	611.51	1.28	6.00	796.88
South Total	30.02	106.00	600.27	30.13	107.00	603.72
Orissa	1.34	4.00	507.46	1.19	4.00	571.43
Others	0.33	2.00	1030.30	0.51	2.00	666.67
Grand Total	117.27	398.00	576.96	119.78	370.00	525.13
* Projected						

Source: <http://cotcorp.gov.in>

EMERGING TRENDS

India is set challenge China's numero uno position in world cotton production. Thanks to genetically modified or BT cotton, India's cotton sowing has surged to record high led by sharp increase in cotton acreage in Gujarat, Maharashtra, Karnataka and Andhra Pradesh. As per the latest data available from government departments and industry sources, total cotton sowing in the country stood at 122.5 lakh hectares this year (2014-15).



India's biggest cotton producer, Gujarat's data on September 1 showed cotton sowing in the State has crossed 30 lakh hectares this kharif season against the three years average of 27.17 lakh hectares, showing an increase of 10.5 per cent. With rise in demand from yarn millers and new capacities coming to stream, cotton consumption in India has increased. This attracted more farmers to prefer the fibre crop over others. **This will make India world's largest cotton grower in the world.**

*Area in Lakh hectares
Production in lakh bales of 170 kgs each
Yield in Kilogram / Hectare*

Name of the State	2014-15 (Provisional)*				
	Area	Production			Yield
		Pressed bales	Loose Cotton	Total	
Punjab	4.50	11.50	2.50	14.00	528.89
Haryana	6.39	22.00	3.00	25.00	665.10
Rajasthan	4.16	15.90	1.10	17.00	694.71
NORTHERN ZONE	15.05	49.40	6.60	56.00	632.56
Gujarat	30.06	121.80	3.20	125.00	706.92
Maharashtra	41.92	79.25	5.75	85.00	344.70
Madhya Pradesh	5.79	17.30	0.70	18.00	528.50
CENTRAL ZONE	77.77	218.35	9.65	228.00	498.39
Telangana	16.51	49.40	0.60	50.00	514.84
Andhra Pradesh	7.36	21.10	5.90	27.00	623.64
Karnataka	7.60	26.90	1.10	28.00	626.32
Tamilnadu	0.70	2.80	2.20	5.00	1214.29
SOUTHERN ZONE	32.17	100.20	9.80	110.00	581.29
Orissa	1.25	3.95	0.05	4.00	544.00
Others	0.31	2.00	0.00	2.00	1096.77
TOTAL	126.55	373.90	26.10	400.00	537.34

* - As estimated by CAB in its meeting held on 13.10.2014

Source: <http://cotcorp.gov.in>



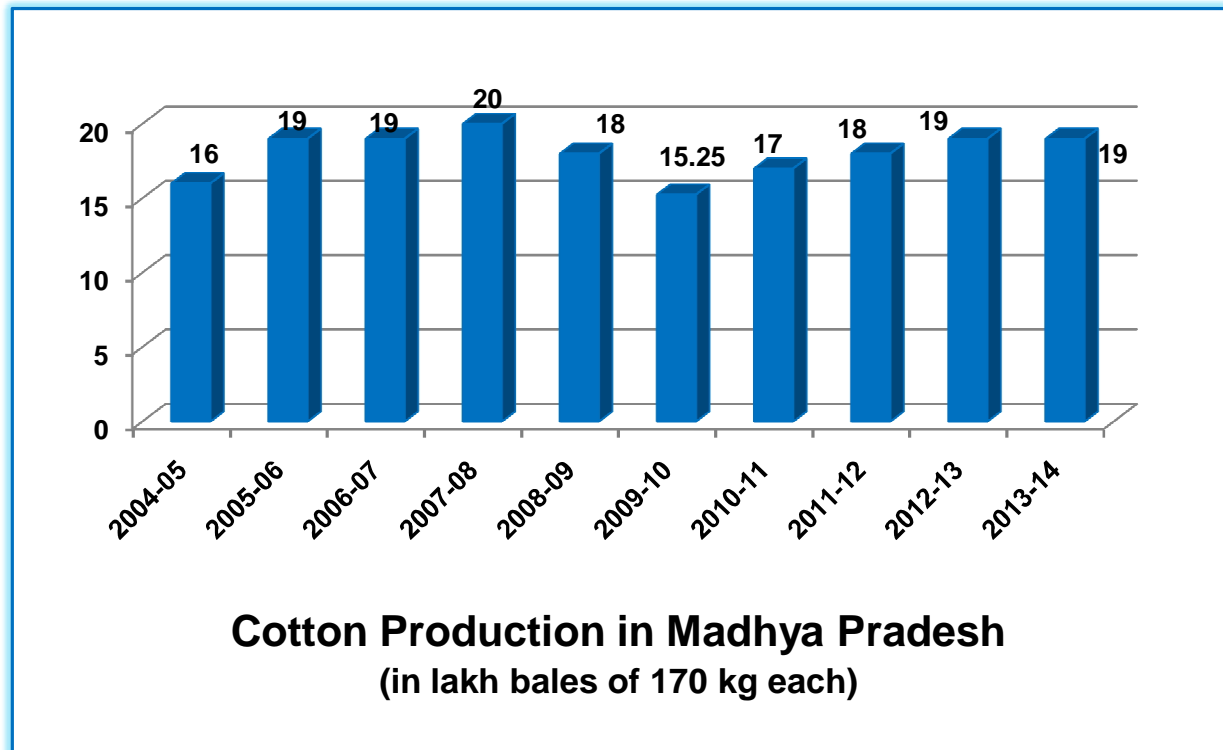
SWOT ANALYSIS

STRENGTHS	WEAKNESS
<ul style="list-style-type: none">➤ Abundant Raw Material Availability.➤ Availability of Low Cost & Skilled Manpower.➤ Strong Entrepreneurship base.➤ India is one of the largest exporters of Yarn in International market.➤ The Apparel Industry is one of the largest contributor to foreign exchange.➤ Growing Economy & Potential Domestic & International Market.➤ Industry has large and diversified segments that provide wide variety of products.	<ul style="list-style-type: none">➤ Lack of Technological Development.➤ Dependency on Crop.➤ Higher Indirect Taxes, Power & Interest rates.➤ Infrastructural Bottlenecks.➤ Transaction Time at Ports and Transportation time,➤ Rigid Govt. Labor Policy.➤ Level of operation is small and thus unable to get Economies of Scale.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">➤ Large, Potential Domestic & International Market.➤ Emerging Retail Industry & Malls provide huge opportunities.➤ Increasing Disposable Income & Purchasing Power of Indian Customer.➤ Research & Product Development.➤ Product Development & Diversification to cater global needs.➤ Market is gradually shifting towards Branded Readymade Garments.➤ Greater Investment & FDI opportunities are available.	<ul style="list-style-type: none">➤ International labor & Environmental Laws.➤ Continuous Quality Improvement is need of the hour.➤ Dumping of foreign goods in Domestic markets.➤ Competition from other developing countries, especially China.➤ Low cost imported fabrics.➤ Rupee Appreciation.➤ Fluctuation in Export Demand.



3.2 MADHYA PRADESH OVERVIEW

Madhya Pradesh was one of the first six states which received a regulatory go-ahead on the cultivation of India's first and only GM crop, Bt cotton in 2002. This year marks a decade of approved Bt cotton cultivation in the state. It is worth noting that this is also a state which holds the distinction of having the largest organic cotton cultivation in the entire country. Ideal temperatures and ample sunshine in Madhya Pradesh during grand growth and maturity periods and the extended moderately cool, rain free dry weather prevailing during October to February are favourable for obtaining higher yields (1000 to 1500 kg lint per ha).



Source: <http://cotcorp.gov.in>

The physiography of cotton growing area of Madhya Pradesh (**Khargone**, Indore, and Khandwa) shows an undulating terrain with soil depth varying from 15 cm to 2 meters. Productivity is very good (25 to 30 q/ha) in the valley portions, while it is very poor (5 to 8 q/ha) in eroded shallow soils. The principal varieties of the cotton are A-51-9, Virnar, Maljhari, Badnawar, Indore2, M.P. Cambodia, M.P. Oomras.



There is tremendous production potential for irrigated cotton in Madhya Pradesh as in other Central Zone States. The monsoon rains coupled with protective irrigations and cultivation of hybrid cotton holds the key for higher sustainable production in Madhya Pradesh that has witnessed 19 lakh bales during 2013-14. Moreover, steps are needed for developing efficient genotypes suitable to shallow soils.

Why Madhya Pradesh??..

- *Central & Strategic Location*
- *Conducive climate and soil*
- *Excellent Road, Rail & Air Connectivity*
- *Abundant Natural Resources*
- *Fast Growing Economy*
- *Business Friendly Policies*
- *Single Window Clearance*
- *Availability of Land*
- *Robust Infrastructure*
- *Uninterrupted Power Supply*
- *Peaceful Labour Environment*
- *Skilled Manpower*
- *11 Agroclimatic Zones*
- *Rich in Bio-diversity*
- *High Quality of Life, Low Cost of Living*

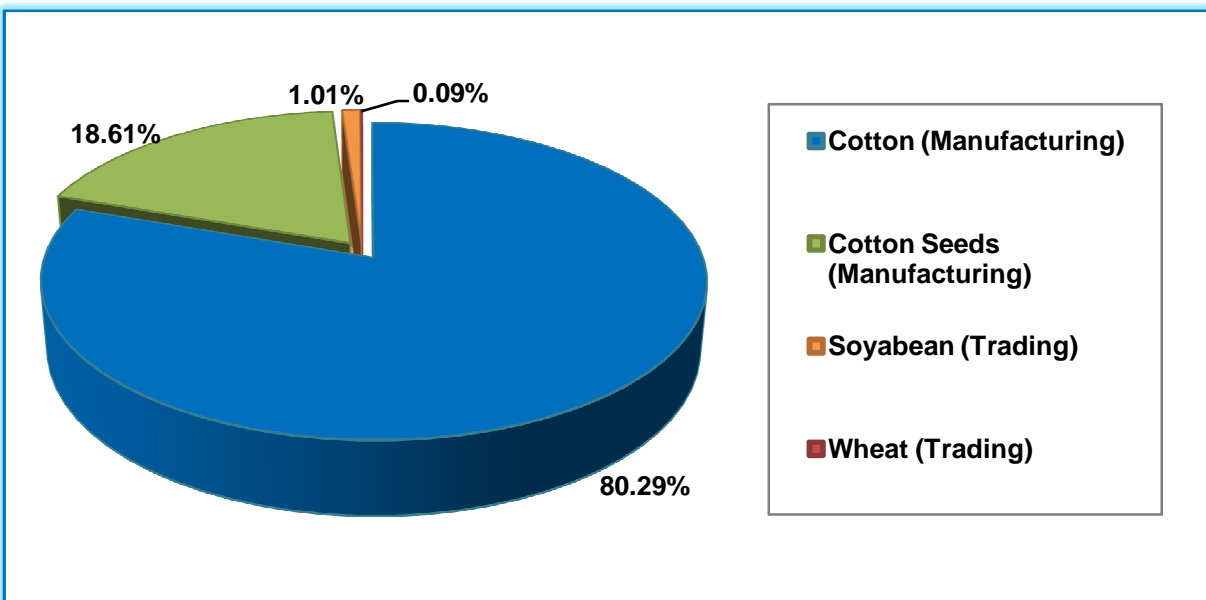


SECTION IV – BUSINESS OVERVIEW

4.1 OUR BUSINESS AND OPERATIONS

The company is currently employed in the business of Ginning and Pressing with atomization installed at diverted land at Survey No. 174/2 Khandwa Khargone Road, Bhikangaon. It has done the fully atomization of the plant i.e. from handling and cleaning of raw material, converting into lint and finally pressing lint into F.P bales up to press house. The requirement of man power has been reduced due to fast processing of raw material. **This is the first fully automated cotton ginning pressing unit at Bhikangaon (M.P.)**

PRODUCT MIX





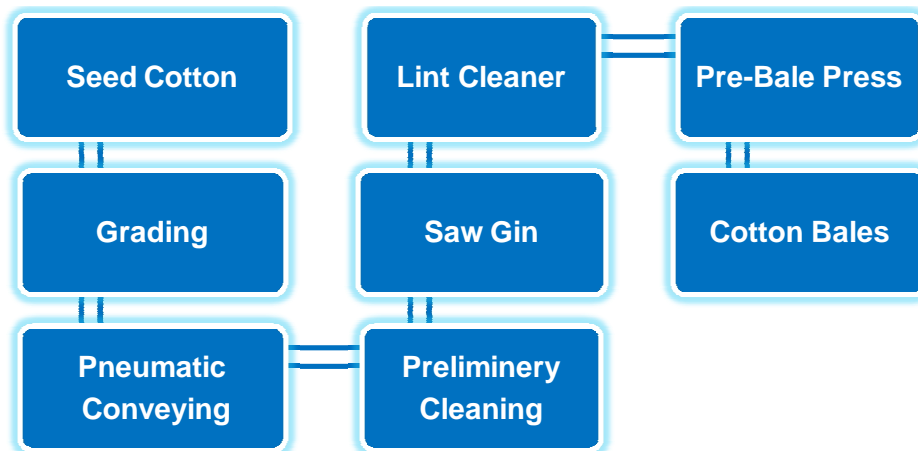
MANUFACTURING PROCESS

A. GINNING:

Ginning is the first mechanical process involved in processing cotton. Ginning mill separates cotton fibers from the seed bolls and dust particles. It is shown in the flow chart given below. Seed cotton is fed to grading system where grading is done followed by pneumatic conveying. From here it is fed to preliminary cleaning process, followed by saw gin, lint cleaner, pre-bale press and cotton bales.

Ginning Process involves two cleaning stages:

- Pre Cleaning
- Post Cleaning



The main operation of separating seed from cotton is done by saw gin. In the gin house after ginning process is completed the cotton lint and cotton seeds are separated and the lint passes out through pneumatic system to the Post-cleaner (Lint Cleaners) in which small impurities, dust particles, small fibers are carried out and cotton becomes free from contamination.



B. PRESSING:

Cleaned Lint is taken to the bale press which compresses the ginned lint into bales. After pressing is completed the bale is tightened and covered fully with cloth, after then the bale is weighed and kept in the hall safely.

AVAILABILITY OF RAW MATERIAL

The raw material considered for the ginning operations is Kapas. The classification of cotton fiber as adopted by the CAB is given in the table below:

S. No.	Group	Classification
1.	Short Staple	20.0 mm & below
2.	Medium Staple	20.5 mm to 24.5 mm
3.	Medium Long Staple	25.0 mm to 27.0 mm
4.	Long Staple	27.5 mm to 32.0 mm
5.	Extra Long Staple	32.5 mm & above

The company procures raw material directly from open market, mostly from Krishi Upaj Mandi on cash payment basis @ ₹ 4,000 – 5,000 per quintal and do not foresee any challenges in procuring the raw material from the open market.

TECHNOLOGY

The company has done the fully automation of the plant i.e. from handling and cleaning of raw material, converting into lint and finally pressing lint into F.P bales up to press house. The requirement of man power has been reduced due to fast processing of raw material. This is the first fully automated cotton ginning pressing unit at Bhikangaon (M.P.)



4.2 FINANCIAL INFORMATION

The audited financial information of the Company comprising of the Balance Sheet and Profit & Loss Account along with the notes to accounts for the FY 2013- 2014 is provided below:-

A. Balance Sheet as at 31st March, 2014 :

		Amount in `		
	Particulars	Note	Balance as at the end of 31st March, 2014	Balance as at the end of 31st March, 2013
A.	<u>EQUITY AND LIABILITIES</u>			
I	<u>Shareholder's Funds:-</u>			
	(a)Share Capital	2	9,399,500	9,399,500
	(b)Reserves and Surplus	3	14,235,375	13,369,787
II	<u>Non-Current Liabilities:-</u>			
	(a)Long-term borrowings	4	21,740,517	19,957,118
	(b) Deferred tax liabilities (Net)	5	2,171,183	1,979,565
III	<u>Current Liabilities:-</u>			
	(a)Short-term borrowings	6	60,442,011	60,135,040
	(b)Trade payables	7	4,478,954	1,052,651
	(c)Other current liabilities	8	452,144	2,788,800
	(d)Short-term provisions	9	2,086,670	1,727,309
	Total (A)		115,006,354	110,409,770
B.	<u>ASSETS</u>			
I	<u>Non-current assets:-</u>			
	(a)Fixed assets			
	Tangible assets	10	15,464,382	16,254,285
	(b)Non-current investments	11	200,000	200,000
	(c)Long term loans and advances	12	467,913	974,774
II	<u>Current assets:-</u>			
	(a)Inventories	13	66,108,510	38,145,209
	(b)Trade receivables	14	30,220,398	49,010,681
	(c)Cash and cash equivalents	15	1,127,976	1,187,134
	(d)Short-term loans and advances	16	-	4,467,774
	(e)Other current assets	17	1,417,175	169,913
	Total (B)		115,006,354	110,409,770



B. Statement of the Profit and Loss for the period ended 31st March, 2014 :

		Amount in `		
	Particulars	Note	Balance as at 31st March, 2014	Balance as at 31st March,2013
I	<u>REVENUE</u>			
	Revenue from operations	18	425,429,140	408,767,813
	Other Income	19	275,751	1,892,811
	Total Revenue (I)		425,704,891	410,660,624
II	<u>EXPENSES</u>			
	Purchase of Stock in Trade	20	424,778,347	388,832,121
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(28,005,050)	(7,258,835)
	Employee benefit expense	22	3,568,164	2,373,250
	Other expenses	23	13,647,831	15,351,136
	Total Expenses (II)		413,989,292	399,297,672
III	Profit Before Interest, Depreciation/Amortization(I)-(II)		11,715,599	11,362,952
	Financial costs	24	9,497,456	9,454,785
	Depreciation and amortization expense		789,903	973,310
IV	Profit before prior period item, exceptional and extraordinary items and tax(A-B)		1,428,240	934,857
	Prior Period item	25	156,261	0
V	Profit before tax		1,271,979	934,857
VI	Tax expense:	26		
	(a) Current tax		214,773	178,137
	(b) Deferred tax		191,618	240,001
VII	Profit for the year		865,588	516,719
VIII	Earning per equity shares			
	(1)Basic		0.92	0.55
	(2)Diluted		0.92	0.55



C. Notes to Financial Statements :

Note 1

➤ **Significant Accounting Policies & Notes of Accounts**

a. Method of Accounting

The accounts have been prepared under the historical cost convention on accrual basis and are materially compiled with the mandatory accounting standards issued by the institute of chartered accountants of India and the relevant provisions of the Companies Act, 1956.

b. Recognition of Income & Expenditure

The Company follows the Mercantile System of Accounting and recognizes Income & Expenditure on Accrual Basis.

c. Fixed Assets and Depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Fixed Assets are capitalized at cost inclusive of freight inward, duties, taxes, installation expenses, preoperative interest exp and all allocable preoperative expenses.

Depreciation on tangible fixed assets has been provided on Straight Line Method (SLM) at the rates prescribed under schedule XIV of the companies act, 1956.

d. Taxation

i) Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. **(As per Annexure 1)**



e. Inventories

Inventories are taken at cost or market price whichever is less as certified by the management.

f. Events occurring after Balance Sheet date

No significant events which could affect the financial position as on 31.3.2013 to a material extent have been reported by the assessee, after the balance sheet date till the signing of report.

g. Prior period and Extraordinary Items

There were Prior period items amounting to ₹1,56,261/- and no extraordinary items that required to be written off as per the requirement of Schedule VI (Revised).

h. Related Party Transactions (AS-18)

As per provisions of Accounting Standard 18 issued by the Chartered Accountants' of India, the details of related party transactions are provided. **(Annexure 2)**

i. Earning Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

j. Borrowing Cost

Borrowing costs are treated as revenue expenditure.

k. Overall Valuation Policy

The account has been prepared on historical cost basis and on going concern.

l. Foreign Exchange Transactions

There are no foreign currency transactions made during the year.

m. Preliminary Expenses

There were no Preliminary expenses that were required to be written off as per the requirement of Schedule VI (Revised).



n. Company has received following subsidy by the government. Following are the details :

S. No.	Name	Amount (`)	Treatment
1)	Nabard Subsidy	30,00,000	Treated As income
2)	M.P. Govt. Subsidy	12,65,784	Received as Vat Challan ,so adjusted against VAT payable.

➤ **Notes Forming part of Accounts**

- a. Sales are recorded exclusive of sales tax if any but after deducting discount, rebate, rate difference and sales return.
- b. Purchase includes purchase of raw material after deducting purchase return, discount, rebate, and incentives.
- c. In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and realizable in the ordinary course of business. The Provision for all known liabilities is adequate.
- d. Sundry Debtors, Sundry Creditors & Loans & Advances balances are subject to confirmation.
- e. Cash Balance has not been physically counted by us. It is taken as certified by the directors.
- f. Confirmation certificates from parties have not been made available for our verification.
- g. Auditor's Remuneration

Particulars	2013-2014
Audit Fees	
- Tax audit	6,618
- Co. audit	
- ROC	6,618
- Tax Consultant	2,500
	3,000
Total	18,736

**MAHAVEER COTTS STRINGS LIMITED**

h. Additional Information Pursuant to the Provision of Part II of the Schedule VI of the Companies Act 1956.

Quantitative Information

i) Installed Capacity : 60,000 Qtl

ii) License Capacity : 60,000 Qtl

iii) Production /Sales of Stocks :

Particulars	Opening Stock (Qtl)	Production/Purchase (Qtl)	Sales (Qtl)	Closing (Qtl)
Rui	1,862.59	29,381	29,815.72	1427.87
Cotton Seeds	13,548.72	49643	44257.29	18934.43
Kapas	--	80190.48	78124.66	2066.42

i. On this basis on information furnished to us the Company does not have any amount due (inclusive of interest) to as Small Scale Industrial Undertaking.



Note 2

SHARE CAPITAL

	Particulars	As at 31st March,2014		As at 31st March,2013	
		Number	Amount (`)	Number	Amount (`)
2.1	Authorised				
	Equity Shares 940,000 of Rs.10/- each	940,000	9,400,000	940,000	9,400,000
2.2	Issued, Subscribed and Paid up				
	Issued				
	Equity Shares 939950 of Rs.10/- each	939,950	9,399,500	939,950	9,399,500
	Subscribed & Paid up				
	Equity Shares 939950 of Rs.10/- each	939,950	9,399,500	939,950	9,399,500
	Subscribed but not fully Paid up				
		-	-	-	-
		939,950	9,399,500	939,950	9,399,500

(i)The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
During the year ended 31st March, 2014, no Dividend was declared by the company

Details of Shareholders holding More than 5% Shares in Company					
	Name of Shareholder	As at 31st March,2014		As at 31st March,2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Mr. Kamalchand Jain	406,070	43%	406,070	43%
	Mr. Vaibhavkumar Jain	289,500	31%	289,500	31%
	M/s Kamalchand Umraomal Jain HUF	140,985	15%	140,985	15%
	Mrs. Manoramadevi Umraomal Jain	56,390	6%	56,390	6%
		892,945	95%	892,945	95%



Note 3

RESERVE AND SURPLUS

	Particulars	As at 31st March ,2014	As at 31st March ,2013
3.1	Surplus		
	Opening balance	1,338,287	821,568
	(+) Net Profit/(Net Loss) For the current year	865,588	516,719
	Closing Balance	2,203,875	1,338,287
3.2	Securities Premium Account		
	Opening Balance	12,031,500	12,031,500
	Add : Securities premium credited on Share issue	-	-
	Closing Balance	12,031,500	12,031,500
		14,235,375	13,369,787

Note 4

LONG TERM LIABILITIES

	Particulars	As at 31st March ,2014		As at 31st March ,2013	
		Secured	Unsecured	Secured	Unsecured
4.1	<u>Term loans</u>				
	Bank of Baroda (Secured By Freehold Building and Plant & Machinery) (Loan is repayable in 51 installments of Rs. 2.15 lacs and last Installment of Rs. 1.55 lacs)	-	-	1,594,110	-
4.2	<u>Car Loan</u>				
	Sundaram Finance (Secured against Swift Dzire car) (Loan is repayable in 34 installments of Rs. 17,400/- each)	-	-	131,505	-
4.3	<u>Loans and advances from related parties</u>				
	From Directors				


MAHAVEER COTTS STRINGS LIMITED

	Kamalchand Umraomal Jain	-	660,197	-	370,247
	Vaibhav Kamalchand Jain	-	780,105	-	192,759
	<u>From Shareholders</u>				
	Smt. Juhi Jain	-	4,990,440	-	2,851,926
	Smt. Manorama Jain	-	6,978,793	-	7,230,581
	Smt. Sumandevi Jain	-	3,331,007	-	2,719,793
4.4	<u>Loans and advances from others</u>				
	Jayant Security & Finance Ltd.	-	2,777,765	-	2,703,434
	Sky Touch Infrastructure Pvt Ltd	-	2,222,210	-	2,162,763
		-	21,740,517	1,725,615	18,231,503

Note 5
DEFERRED TAX LIABILITY

	Particulars	As at 31st March, 2014	As at 31st March, 2013
	Difference in depreciation	620,123	648,523
	Difference in Misc Exp w/off	-	128,180
	Opening Balance	1,979,565	1,739,564
	Deferred Tax Assets/(liabilities)	191,618	240,001
		2,171,183	1,979,565

Note 6
SHORT TERM BORROWINGS

	Particular	As at 31st March ,2014		As at 31st March ,2013	
		Secured	Unsecured	Secured	Unsecured
6.1	<u>Working Capital Loan</u>				
	Cash Credit from Bank of Baroda (Secured By hypothecation of stock & Book- debts)	60,442,011	-	60,135,040	-
		60,442,011	-	60,135,040	-



Note 7

TRADE PAYABLES

	Particulars	As at 31st March ,2014	As at 31st March ,2013
7.1	<u>Creditors for Goods supplied</u>		
	Sagarmal Ratanlal Patni	-	13,609
7.2	<u>Creditors for Expenses</u>		
	<u>Creditors for Brokerage</u>		
	Akheraj Luniya & Co, Indore	342,000	67,500
	Apex Cotton Agency, Indore	57,600	31,500
	Anant Agarwal & Co. Indore	60,018	31,347
	Bhagwandas Garg HUF, Dhamnod	81,900	58,500
	Charbhuj Cenvasra, Khargone	-	800
	Ganesh Broker BKG	5,978	-
	Garg Canvassing Agency, Dhamnod	87,508	35,862
	Laxman Kumar Agrawal Indore	12,134	-
	Nirmal Kumar Sethi Indore	5,400	-
	Om Prakash Agrawal	18,360	-
	Paras Kumar Jain, Bhikangaon	31,500	36,000
	P N Sethi & Co. Indore	100,665	-
	Radhe Radhe Cotton Co., Bhikangaon	6,300	22,770
	Shri Venkatesh Ginning Udhyog	117,000	-
	Surya Prakash Mehta khandwa	3,000	-
	Tarachand Birla	-	4,790
	<u>Creditors for Packing exp</u>		
	Anand Trading Co., Indore	35,086	204,338
	Chandanmal Kasturchand Jain	8,236	-
	K.K. Shah & Bros. Indore	130,080	70,442
	Murarilal Mathuralal Udhyog	199,237	-
	Tirupati Enterprises	3,000	39,690
	Zeal Polmars Pvt. Ltd Dhoraji	187,469	238,854
	<u>Creditors for Other exp</u>		
	Hukum Chand	-	1,800
	Jhanjhriya Cotton Co.	-	37,800
	Kirti Agency, Indore	-	9,000

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	Poonam Chand Agrawal & Co., Indore	-	35,000
	R. S. Cottmark(India) Pvt. Ltd. Indore	-	31,500
	Sethi Cenvasars, Khandwa	-	9,000
	The Nimar Ginning Pressing Factory	11,196	7,344
7.3	<u>Advance Against Supply</u>		
	Anil Kumar Babulal, Bhikangaon	-	65,205
	Arihant Textiles, Burhanpur	94,017	-
	Ganjanand Trading	2,881,270	-
		4,478,954	1,052,651

Note 8**OTHER CURRENT LIABILITIES**

	Particulars	As at 31st March ,2014	As at 31st March ,2013
8.1	<u>Current Liabilities of long-term debt</u>		
	(a)Sundaram Finance		
	Car Loan	164,343	208,800
	(Secured against swift desire car)		
	(b)Bank of Baroda	225,996	2,580,000
	(Secured By Freehold building and plant & machinery)		
8.2	MAT (Net off TDS Claimed and advance tax)	61,805	-
		452,144	2,788,800

Note 9**SHORT TERM PROVISIONS**

	Particulars	As at 31st March ,2014	As at 31st March ,2013
9.1	<u>Provision for employee benefits</u>		
	Contribution to PF	4,123	-
9.2	<u>Others</u>		
	<u>Expenses</u>		
	Consultancy Fees	18,736	18,736
	Director Remuneration	810,000	900,000
	Electricity Exp.	291,570	329,343
	Lease Rent	60,000	60,000

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Telephone Exp	3,525	4,281
<u>Taxes</u>		
Entry Tax	1,900	-
Mandi Tax	411,982	129,860
Nirashrit Shulk	77,502	25,972
Professional Tax	2,500	-
TDS	404,832	259,117
	2,086,670	1,727,309

Note 10**FIXED ASSETS**

Particulars	Rate of Dep	Gross Block		Accumulated Depreciation		Net Block (`)
		Balance as at 1 April 2013	Balance as at 31 March 2014	Depreciation charge for the year	Balance as at 31 March 2014	Balance as at 31 March 2014
Tangible Assets						
Buildings	3.34%	7,036,903	7,036,903	235,033	1,242,989	5,793,914
Plant & Machinery	4.75%	10,209,257	10,209,257	280,937	3,074,255	7,135,002
Office Equipment	6.33%	307,273	307,273	19,450	104,499	202,774
Furniture	6.33%	2,269,389	2,269,389	143,652	753,400	1,515,989
Computer	16.21%	40,000	40,000	6,484	31,673	8,327
Car	9.50%	1,098,386	1,098,386	104,347	290,010	808,376
Grand Total		20,961,208	20,961,208	789,903	5,496,826	15,464,382



Note 11

NON CURRENT INVESTMENT

	Particulars	As at 31st March, 2014	As at 31st March, 2013
11.1	<u>Long term Investment</u>		
	Mutual Fund	200,000	200,000
		200,000	200,000

Note 12

LONG TERM LOANS & ADVANCES

	Particulars	As at 31st March,2014	As at 31st March,2013
12.1	<u>Security Deposits</u> (Secured, considered good)		
	Electric security	390,622	255,377
	FD with EPCG code	-	643,022
	FD with Krishi Upaj Mandi	3,000	3,000
	FD with sales Tax	2,661	2,661
	FD with Vyapari Association	71,630	70,714
		467,913	974,774

Note 13

INVENTORIES

	Particulars	As at 31st March, 2014	As at 31st March, 2013
13.1	<u>Raw Materials</u>		
	Kapas	11,619,818	-
	Sub Total	11,619,818	-
13.2	<u>Finished goods</u>		
	Cotton	16,935,210	17,514,431
	Cotton Seeds	34,076,888	20,045,268
	Soyabean	3,283,033	-
	Wheat	-	350,200
	Sub Total	54,295,131	37,909,899

**MAHAVEER COTTS STRINGS LIMITED**

13.3	<u>Stores and spares</u>		
	Bardan & Sutli	-	-
	Cloth Packing	33,630	46,200
	Patti Pressing	139,400	170,610
	Oil & Grease	20,531	18,500
	Sub Total	193,561	235,310
	Total	66,108,510	38,145,209

Note 14**TRADE RECEIVABLES**

	Particulars	As at 31st March,2014	As at 31st March,2013
14.1	<u>Debtors for Cotton</u>		
	<u>Outstanding for less than six months</u>		
	Anant Spinning Mills, Mandideep	559,319	-
	Bakliwal Ginning Factory, Khategav	-	34,844
	Crisil Ltd., Indore	-	40,450
	Jayman Textiles Ltd	398,715	-
	Jhamb Trading company	1,279,742	-
	Maheshwari Traders	57,446	-
	MP Government (Subsidy)	18,077,735	19,343,519
	Priyanka Industries Bhikangaon	-	18
	Raj Industries, Karhi	-	504,056
	Shri Nakoda Ginning & Pressing Factory	4,097	-
	Shri vardhaman Traders	1,169,248	-
	T D B Spinners Pvt. Ltd.	-	99,000
	Vinayak Textiles Ltd	1,935,183	-
	Vinod Industries, Khandwa	-	18,294,551
	Vippi Spin Pro	337,191	-
	Yashes Overseaj, Khandwa	-	10,009,026
	Sub Total	23,818,676	48,325,464
	<u>Outstanding for more than six months</u>		
	Best Teaxtiles Ltd, Noida	587,540	587,540
	Mahadev Oil Mill, Barwaha	-	87,677
	Sub Total	587,540	675,217

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14.2	<u>Debtors for Cotton Seed</u>		
	<u>Outstanding for less than six months</u>		
	Unsecured, considered good:		
	Hanuman Oil Mill	1,264,568	
	Ravi Ginning Factory	1,780,057	
	Satyanarayan Trading co	1,506,504	
	Shyam Oil Product	1,263,053	
	Sub Total	5,814,182	-
	<u>Outstanding for more than six months</u>		
	Vishwakarma Oil Industries, Bagli	-	10,000
	Sub Total	-	10,000
	Total	30,220,398	49,010,681

Note 15**CASH & BANK BALANCES**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
15.1	<u>Cash and Cash Equivalents</u>		
	Cash on hand	272,830	318,796
15.2	<u>Balances with banks</u>		
	Current accounts with scheduled banks	855,146	868,338
	Total	1,127,976	1,187,134

Note 16**SHORT TERM LOANS AND ADVANCES**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
16.1	<u>Loans and advances to related parties *</u>		
	<u>Unsecured, considered good</u>		
	Mahaveer Ginning Factory	-	4,147,943
	M/s Arihant Textiles, Burhanpur	-	319,831
	Total	-	4,467,774

**Note 17****OTHER CURRENT ASSETS**

	Particulars	As at 31st March,2014	As at 31st March,2013
	CST	25,275	-
	Fire Claim	431,600	-
	Income Tax (A.Y.2013-14, Net off TDS Receivable)	10,763	10,763
	Prepaid Insurance	-	113,445
	Prepaid Mandi Tax	60,857	
	TDS Receivable (A.Y.2010-11)	-	5,099
	TDS Receivable (A.Y.2011-12)	-	5,507
	TDS Receivable (A.Y.2013-14)	1,143	1,143
	VAT	887,537	33,956
	Total	1,417,175	169,913

Note 18**REVENUE FROM OPERATIONS**

	Particulars	As at 31st March,2014	As at 31st March,2013
18.1	<u>Sales of Product:</u>		
	Cotton	339,182,511	306,359,175
	Cotton Seeds	78,605,235	92,869,112
	Soyabean	4,276,387	-
	Wheat	365,007	-
18.2	Subsidy	3,000,000	9,539,526
		425,429,140	408,767,813

**Note 19****OTHER INCOME**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
	Ginning Job Work	-	39,115
	Godown Rent	18,338	27,262
	Interest to Electricity Deposit	29,372	25,047
	Interest on EPCG Code Deposit	31,909	58,135
	Interest on Sales tax Deposit	-	206
	Interest on Vyapari Association Deposit	1,019	6,102
	Interest Subsidy	-	1,513,644
	Plate Kanta Income	195,113	205,250
	Pressing Job Work	-	18,050
		275,751	1,892,811

Note 20**PURCHASE**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
	Kapas	393,310,984	387,916,040
	Cotton Seed	-	565,881
	Cotton	24,097,749	-
	Soyabean	7,369,614	-
	Wheat	-	350,200
		424,778,347	388,832,121

Note 21**INCREASE/(DECREASE) IN FINISHED GOODS AND WIP**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
21.1	Opening Stock		
	Raw Material		


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	Kapas	-	9,682,679
	<u>Finished Goods</u>		
	Cotton	17,514,431	10,197,761
	Cotton Seeds	20,045,268	10,770,624
	Wheat	350,200	-
21.2	<u>Closing Stock</u>		
	<u>Raw Mataerial</u>		
	Kapas	11,619,818	-
	<u>Finished Goods</u>		
	Cotton	16,935,210	17,514,431
	Cotton Seeds	34,076,888	20,045,268
	Soyabean	3,283,033	-
	Wheat	-	350,200
		(28,005,050)	(7,258,835)

Note 22
EMPLOYEE BENEFIT EXPENSES

	Particulars	As at 31st March,2014	As at 31st March,2013
22.1	Salaries	880,000	717,850
		880,000	717,850
22.2	<u>Wages</u>		
	Ginning	1,197,360	740,440
	Pressing	564,972	-
		1,762,332	740,440
22.3	<u>Director's Remuneration</u>		
	Kamalchand Jain	450,000	450,000
	Vaibhav Kumar Jain	450,000	450,000
		900,000	900,000
22.4	<u>Contributions to</u>		
	- Provident Fund	25,832	14,960
		25,832	14,960
		3,568,164	2,373,250



Note 23

OTHER EXPENSES

	Particulars	As at 31st March,2014	As at 31st March,2013
23.1	<u>Manufacturing Expenses</u>		
a)	<u>Store & spare parts consumed</u>		
	Patti Pressing	718,679	768,255
	Machinery tools	761,233	929,302
b)	<u>Other Direct Exp.</u>		
	Freight	98,666	6,348
	Ginning Job Work	201,250	-
	Mandi Tax	1,412,358	2,530,416
	Nirashrit Shulk	230,324	506,082
	Oil Grease	172,571	143,335
	<u>Power & fuel</u>		
	Electricity Exp.	3,029,341	3,009,388
		6,624,422	7,893,126
23.2	<u>Administrative, selling and other expenses</u>		
a)	<u>Administrative Expenses</u>		
	Consultancy Fees	2,500	29,500
	Legal Expenses	71,462	128,788
	Insurance	523,531	559,733
	Loss by Fire	(522,665)	(880,832)
	Roc Exp.	-	76,800
	<u>Rent</u>		
	(a)Lease Rent	60,000	60,000
	(b)Godown rent	-	3,852
	<u>Taxes</u>		
	CST	-	500
	Entry Tax	93,770	26,060
	Professional Tax	2,500	2,500
	Vat Tax	-	-
	Interest on Sales Tax	13,675	10,241
	Interest on TAX	-	36,342
	Interest on TDS	10,267	-


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	Interest on Mandi	1,468	-
b)	<u>Selling Expenses</u>		
	Brokerage	897,061	481,914
	Discount	2,977,736	3,575,328
	Bardan	1,585,178	1,327,033
	Cloth & Khol	243,350	373,642
	Weghing Expenses	942,837	1,554,782
	Hammali	19,853	1,240
c)	<u>Other Expenses</u>		
	Car Expenses	17,860	25,926
	Machinery Repair Exp.	-	3,500
	Shop Exp.	4,040	5,000
	Printing & Stationary Exp.	16,165	2,931
	Telephone Exp.	35,875	28,414
	Travelling Expenses	8,210	6,080
	<u>Payment made to auditor as</u>		
	(a)Company Auditor	6,618	6,618
	(b)Tax audit fees	6,618	6,618
	(c)for ROC return	2,500	2,500
	(d)Tax Consultant	3,000	3,000
		7,023,409	7,458,010
		13,647,831	15,351,136

Note 24
FINANCE COST

	Particulars	As at 31st March,2014	As at 31st March,2013
	Interest on Car Loan	32,838	55,640
	Interest on CCL	6,883,718	6,249,440
	Interest on Unsecured	2,234,128	-
	Interest to others	-	2,129,598
	Interest on Term Loan	163,398	841,295
	Bank Charges	183,374	178,812
		9,497,456	9,454,785



Note 25

PRIOR PERIOD ITEM

	Particulars	As at 31st March,2014	As at 31st March,2013
25.1	<u>A.Y. 10-11</u>		
	Entry Tax	2,000	-
	TDS	5,109	-
	VAT	7,116	-
	Sub-total	14,225	-
25.2	<u>A.Y. 11-12</u>		
	CST	6,730	-
	Entry Tax	1,000	-
	Vat	112,490	-
	TDS	5,507	-
	Sub-total	125,727	-
25.3	<u>A.Y. 12-13</u>		
	CST	16,309	-
	Sub-total	16,309	-
		156,261	-

Note 26

TAX EXPENSE

	Particulars	As at 31st March,2014	As at 31st March,2013
	<u>Current Tax</u>		
	Deferred Tax	191,618	240,001
	MAT	-	178,137
		191,618	418,138



Annexure 1

DEFERRED TAX LIABILITY

<u>Total Depreciation for the year 2013-14</u>	
a) As per Income Tax	1,410,026
b) As per Companies Act	789,903
<u>Miscellaneous Expenses</u>	
a) As per Income Tax	-
b) As per Companies Act	-
Timing Difference due to Depreciation and Misc Exp.	620,123
Deferred Tax Liability @ 30.9%	191,618

Annexure 2

a) RELATED PARTIES

Name	Relation	Account Head
Arihant Textiles	Director Mr. Vaibhav Jain is the Proprietor	Loan
Kamalchand Jain	Director	Loan
Juhidevi Jain	Director Mr. Vaibhav Jains Wife	Loan
Manoramadevi Jain	Director Mr. Kamalchand Jains Mother	Loan
Mahaveer Ginning Factory	Directors Mr. Kamalchand Jain and Mr. Vaibhav Jain are Partners	Loan
Mahaveer Textiles	Director Mr. Kamalchand Jain is a Proprietor	Loan
Sumandevi Jain	Director Mr. Kamalchand Jains Wife	Loan
The Nimar Ginning Factory	Director Mr. Kamalchand Jain is a Partner	Rent
Vaibhav Jain	Director	Loan

**B) RELATED PARTIES TRANSACTIONS DURING THE YEAR**

Name	Opening		Debits during the Year	Credits during the year	Closing	
	Bal (Dr.)	Bal (Cr.)			Bal (Dr.)	Bal (Cr.)
Arihant Textiles	319,831	-	6,613,333	7,027,181	-	94,017
Kamalchand Jain	-	820,247	250,050	90,000	-	660,197
Juhidevi Jain	-	2,851,926	597,946	2,736,460	-	4,990,440
Manoramadevi Jain	-	7,230,581	1,116,468	864,680	-	6,978,793
Mahaveer Ginning Factory	4,147,943	-	5,443,800	9,591,743	-	-
Mahaveer Textiles	-	-	13,523,889	13,523,889	-	-
Sumandevi Jain	-	2,719,793	5,706,246	6,317,460	-	3,331,007
The Nimar Ginning Factory	-	7,344	-	3,852	-	11,196
Vaibhav Jain	-	642,759	1,362,654	1,500,000	-	780,105
TOTAL	4,467,774	14,272,650	34,614,386	41,655,265	-	16,845,755



4.3 CAPITAL STRUCTURE

The share capital of the Company and the related information as at the date of this Information Memorandum is set forth below.

S. No.	Particulars	Amount ()
A.	Authorised Capital Equity Shares 940,000 of Rs.10/- each	9,400,000
B.	Issued, Subscribed and Paid-Up Share Capital Equity Shares 9,39,960 of Rs.10/- each	9,399,600

The securities premium account of the Company is set forth as under:

Particulars	Share Premium
As on date	12031650

Notes to Capital Structure

(a) Details of Capital Structure of the Company since inception are as follows:

Date of Allotment	No. of Shares	Face Value	Issue Price	Consideration	Nature of Allotment	Cumulative No. of Shares	Cumulative Paid up Capital	Cumulative Share Premium
05/05/2008	10000	10	10.00	Bank	Bank	10000	100000	-
18/09/2008	240000	10	41.25	Bank	Bank	250000	2500000	7500000
23/12/2011	37500	10	40.00	Bank	Bank	287500	2875000	8625000
30/01/2012	113550	10	10.00	Bank	Bank	401050	4010500	12031500
23/02/2013	538900	10	40.00	Bank	Bank	939950	9399500	12031500
17/01/2015	10	10	25.00	Bank	Bank	939960	9399600	12031650

**(b) Shareholding of our Promoters:**

Set forth below are the details of the build-up of shareholding of our Promoters

a. Vaibhav Kumar Jain

Date of Allotment/ Transfer	Consideration/ Issue	No. of Shares	Face Value	Acquisition/ Transfer Price	Nature of Transaction	Shareholding (%)
05/05/2008	Bank	5000	10	10.00	Allotment	50.00%
18/09/2008	Bank	+72000	10	41.25	Allotment	30.80%
23/12/2011	Bank	+11550	10	40.00	Allotment	30.80%
30/01/2012	Bank	+34970	10	10.00	Allotment	30.80%
23/02/2013	Bank	+16598	10	40.00	Allotment	30.80%

b. Kamal Chand Jain

Date of Allotment/ Transfer	Consideration/ Issue	No. of Shares	Face Value	Acquisition/ Transfer Price	Nature of Transaction	Shareholding (%)
05/05/2008	Bank	5000	10	10.00	Allotment	50%
18/09/2008	Bank	+103000	10	41.25	Allotment	43.20%
23/12/2011	Bank	+16200	10	40.00	Allotment	43.20%
30/01/2012	Bank	+49060	10	10.00	Allotment	43.20%
23/02/2013	Bank	+232810	10	40.00	Allotment	43.20%



(c) Statement showing Share Holding Pattern as per clause 34 of Listing on Institutional Trading Platform

Category Code	Category of Shareholder	No of shareholders	number of shares	No of shares held in dematerialized form	Total shareholding as a % of total no of shares	Shares pledged or otherwise encumbered	
						No. of Shares	As a percentage of
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individual /HUF	7	939960	939960	100	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-
	Sub-Total A(1) :	7	939960	939960	100	-	-
(2)	Foreign					-	-
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-
	Total A=A(1)+A(2)	7	939960	939960	100	-	-

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(B)	Public Shareholding					-	-
(1)	Institutions					-	-
(a)	Mutual Funds /UTI	-	-	-	-	-	-
(b)	Financial Institutions /Banks	-	-	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-
	Sub-Total B(1) :	-	-	-	-	-	-
(2)	Non-Institutions					-	-
(a)	Bodies Corporate	-	-	-	-	-	-
(b)	Individuals					-	-
	(i) Individuals holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-
	ii) Individuals holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-
(c)	Others					-	-
	Fractional Trustee	-	-	-	-	-	-
	Foreign	-	-	-	-	-	-

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	Nationals						
	Non Resident Indians	-	-	-	-	-	-
	Overseas Corporate Bodies	-	-	-	-	-	-
	Directors and their relatives	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-
	Trusts	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
	Sub-Total B(2) :	-	-	-	-	-	-
	Total B=B(1)+B(2) :	-	-	-	-	-	-
	Total (A+B) :	7	939960	939960	100	-	-
(C)	Shares held by custodians, against which Depository Receipts have been issued					-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-
						-	-
	GRAND TOTAL (A+B+C) :	7	939960	939960	100	-	-

**(d) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"**

S. No.	Name of Shareholder	Details of Shares Held	Shares pledged or otherwise encumbered
1.	Mr. Vaibhavkumar Jain	289500	-
2.	Mr. Kamalchand Jain	406070	-
3.	Mr. Kamalchand Umaraomal Jain (HUF)	140985	-
4.	Mrs. Manoramadevi Umaraomal Jain	56390	-
5.	Mrs. Suman Devi Kamalchand Jain	37590	-
6.	Mrs. Juhi Devi Vaibhavkumar Jain	9415	-
7.	Mrs. Ekta Jain	10	-

(e) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1 % of the total number of shares

S. No.	Name of Shareholder	Details of Shares Held	Shares pledged or otherwise encumbered
Nil			

(f) Statement showing details of locked-in shares

S. No.	Name of Shareholder	No. of % of total	Locked in Shares as a No of Shares
Our promoter i.e. Mr. Vaibhav Kumar Jain has given his consent to lock- in 187992 equity shares representing 20% of paid up capital of the Company.			



4.4 PROPERTY

The description of properties of the Company are set forth below:

A. Owned Property:

Location	Title	Area
	Nil	

B. Leased Properties:

Factory Land is taken on lease by the company from the land holder Shri Kamalchand Jain (Director of the company) for period of 25 years as from 1st Nov. 2011 from lease deed dated 8.12.2011.

C. Intellectual Property:

Presently, we do not own any patent or trademarks.



SECTION V – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS & MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of our shares of by each person known by us to be the beneficial owner (In case different from registered owner) of the issued and subscribed capital.

Class/ Type of Securities	Name & Address of Beneficial Shareholder	Amount & Nature of Beneficial Ownership	Percent
Equity Shares	Nil	N.A.	N.A.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of this Information Memorandum.



SECTION VI – OUR PROMOTERS

The promoters of our Company are:

A. Mr. Vaibhav Kumar Jain

a.	PAN	ACWPJ8746Q
b.	DIN	02156230
c.	Date of Birth	26 th December, 1977
d.	Father's name	Kamalchand Jain
e.	Present Nationality	Indian
f.	No of shares held in the Company	289500 shares
g.	Present address with Cell No. Email ID	Zirnia Road, Bhikhangaon, 451331, Madhya Pradesh, India 94250-88911 vaibhavjainmahavir@gmail.com
h.	Educational Qualification	B.Com
i.	Brief Profile	He has been a Director of our Company since inception. He is a graduate by qualification and has more than 7 years of experience. He has extensive experience in the Textile industry, before setting up Mahaveer Cottons Strings Limited; he has gained experience working in business of cotton & textile industry named Mahaveer Ginning Factory and Arihant Textiles in the top management roles.

B. Mr. Kamal Chand Jain

a.	PAN	ABEPJ8518R
b.	DIN	01426926
c.	Date of Birth	20 th December, 1951

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d.	Father's name	Umraomal Jain
e.	Present Nationality	Indian
f.	No of shares held in the Company	406070 shares
g.	Present address with Cell No. Email ID	Zirnia Road, Bhikhangaon, 451331, Madhya Pradesh, India 94250-88911 vaibhavjainmahavir@gmail.com
h.	Educational Qualification	BSC
i.	Brief Profile	He has been a Director of our Company since inception. He holds a degree of Bachelor in science and he was a University Topper at that time. He has more than 40 years of experience in Cotton industry. Before setting up Mahaveer Cotts Strings Limited, he has worked in Mahaveer Ginning Factory which was set up by him in 1971.



SECTION VII – OUR MANAGEMENT

Under our Articles of Association, our Company is required to have not less than 3 Directors and not more than 14 Directors, subject to Section 252 of the Companies Act. Currently, our Company has 4 Directors out of whom 2 are Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the Listing Agreements entered into by our Company with the Stock Exchange and the norms of the code of corporate governance as applicable to listed companies in India.

Board of Directors

As on the date of this Information Memorandum, our Board comprises of:

Name	Date of assuming office in the Company	Tenure	Designation	Address	Directorship in Other Companies
Mr. Vaibhav Kumar Jain	08/05/2008	Retirement by Rotation	Whole-time Director	Zirnia Road, Bhikangaon, Madhya Pradesh-451331,	No
Mr. Kamal Chand Jain	08/05/2008	Retirement by Rotation	Whole-time Director	Zirnia Road, Bhikangaon, Madhya Pradesh-451331, INDIA	No
Mr. Rohit Lohade	11/01/2015	5 Years	Independent Director	Sushant Satha Colony, Station Road, Behind Newaskar Petrol Pump, Ahmednagar (MS) 414001	<ul style="list-style-type: none"> • Domino's Pizza Pvt. Ltd., • AsiaPay (India) Private Ltd, • Stratus Technologies Pvt. Ltd, • MPA Media Pvt. Ltd., The Children's Place India Pvt. Ltd



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Mrs. Neeta Jain	11/01/2015	5 Years	Independent Director	Makan No. 13, Dr. Nemidas Ki Gali, Ward No. 11, Shastri chouk, Burhanpur(M.P.)- 450331	No
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Brief Profile of the Directors:

1. Mr. Vaibhav Kumar Jain

A brief profile is provided under the section titled 'Our Promoters' of this Information Memorandum.

2. Mr. Kamal Chand Jain

A brief profile is provided under the section titled 'Our Promoters' of this Information Memorandum.

3. Mr. Rohit Lohade

He is an independent director of our Company. He is a qualified Chartered Accountant. He has more than 5 years of experience in auditing, internal control systems, accounts, finance, direct and indirect taxation, costing, general management and consultancy

4. Mrs. Neeta Jain

She is an independent director of our Company. She holds a master degree in English.

Nature of Family Relationship Among Directors

Mr. Kamal Chand Jain is the father of Mr. Vaibhav Kumar Jain.

Terms of Appointment of Our Directors

Mr. Kamal Chand Jain and Mr. Vaibhav Kumar Jain are whole time directors in our Company and they will retire by rotation, being eligible for re-appointment at the forthcoming Annual General Meeting. There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.



Non - Executive Directors

The Company will be paying sitting fee to the Independent Directors within the limit as prescribed by the Companies Act.

Corporate Governance:

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We are required to comply with the applicable regulations, the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board of Directors and Committees thereof. The corporate governance framework is based on an effective independent Board of Directors, separation of the Board of Directors' supervisory role from the executive management team and constitution of the Committees of the Board of Directors, as required under law. We have a Board of Directors constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board of Directors will be functioning either as a full Board of Directors or through various committees constituted to oversee specific operational areas. Our executive management provides the Board of Directors detailed reports on its performance periodically.

Currently our Board of Directors has Four (4) Directors

Audit Committee

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 30/01/2015.

The terms of reference of Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Rohit Lohade is the Chairman of the Audit Committee.



Composition of Audit Committee

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rohit Lohade	Chairman	Non-Executive Independent director
Mrs. Neeta Jain	Member	Non-Executive Independent director
Mr. Vaibhav Kumar Jain	Member	Whole-time Director

Role of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise if it considers necessary
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
6. . Recommending to the Board of Directors, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
8. Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Director's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments arising out of audit.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions. g) Qualifications in the draft audit report
9. Reviewing, with the management, the half-yearly financial statements before submission to the Board of Directors for approval.



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10. Reviewing, with the management, the statement of uses / application of funds raised through an issue.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
13. Discussion with internal auditors any significant findings and follow up there on
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee

In addition to the above, carry out such other functions/powers as may be delegated by the Board of Directors to the Committee from time to time.



Shareholders/Investors Grievance Committee

Our Company has constituted a Shareholders/Investors Grievance committee ("Shareholders/Investors Grievance Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 30/01/2015.

The terms of reference of Shareholders/Investors Grievance Committee complies with requirements of Clause 42 of the Listing Agreement, proposed to be entered into with Stock Exchange in due course. Mr. Rohit Lohade is the Chairman of Shareholders/Investors Grievance Committee. The committee presently comprises of following directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Rohit Lohade	Chairman	Non-Executive Independent director
Mrs. Neeta Jain	Member	Non-Executive Independent director
Mr. Vaibhav Kumar Jain	Member	Whole-time Director

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses payable to them under our Articles of Association. Some of our Directors also hold Equity Shares in our Company and are interested to the extent of any dividend payable to them in respect of the same.

Changes in our Board during the last three years

S. No.	Name of the Director	Date of Appointment	Date of Cessation	Reasons, if any
1.	Mr. Rohit Lohade	11/01/2015	-	-
2.	Mrs. Neeta Jain	11/01/2015	-	-



SECTION VIII – RELATED PARTY TRANSACTIONS

Transaction with related party as identified by the management in accordance with Accounting Standard 18 "Related party disclosures" issued by The Institute of Chartered Accountants of India, are as follows:

A. List of Related Parties:

S. No.	Name	Relation	Account Head
1.	Arihant Textiles	Director Mr. Vaibhav Jain is the Proprietor	Loan
2.	Kamalchand Jain	Director	Loan
3.	Kamalchand Jain HUF	Director Mr. Kamalchand Jain is Karta	Loan
4.	Juhidevi Jain	Director Mr. Vaibhav Jain's Wife	Loan
5.	Manoramadevi Jain	Director Mr. Kamalchand Jain's Mother	Loan
6.	Mahaveer Ginning Factory	Directors Mr. Kamalchand Jain and Mr. Vaibhav Jain are Partners	Loan
7.	Mahaveer Textiles	Director Mr. Kamalchand Jain is a Proprietor	Loan
8.	Sumandevi Jain	Director Mr. Kamalchand Jain's Wife	Loan
9.	The Nimar Ginning Factory	Director Mr. Kamalchand Jain is a Partner	Rent
10.	Vaibhav Jain	Director	Loan

B. Related Party Transactions:

S. No.	Name	As on March 31 st , 2014		As on March 31 st , 2013	
		Dr.	Cr.	Dr.	Cr.
1.	Arihant Textiles	-	94,017	319,831	-
2.	Kamalchand Jain	-	660,197	-	820,247
3.	Kamalchand Jain HUF	-		-	-

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			-		
4.	Juhidevi Jain	-	4,990,440	-	2,851,926
5.	Manoramadevi Jain	-	6,978,793	-	7,230,581
6.	Mahaveer Ginning Factory	-	-	4,147,943	-
7.	Mahaveer Textiles	-	-	-	-
8.	Sumandevi Jain	-	3,331,007	-	2,719,793
9.	The Nimar Ginning Factory	-	11,196	-	7,344
10.	Vaibhav Jain	-	780,105	-	642,759



SECTION IX – LEGAL PROCEEDINGS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.

A. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

B. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

C. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

D. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) By the promoters



MAHAVEER COTTS STRINGS LIMITED

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

E. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal Nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL



SECTION X – DECLARATION

All relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

Signed by all the Directors

Sd/-

(VAIBHAV KUMAR JAIN)

Sd/-

(KAMAL CHAND JAIN)

Sd/-

(ROHIT LOHADE)

Sd/-

(NEETA JAIN)

Date:

Place: Indore