



Mohini Fibers Limited

Our Company was originally incorporated in Indore as “Mohini Fibers Private Limited” on 24th June, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gwalior. Our Company converted into a limited company “Mohini Fibers Limited” on 27th February, 2015, vide certificate of the same was issued by the Registrar of Companies, Gwalior under the Companies Act, 2013.

Registered Office: 401, Princess Business Sky Park, Scheme No 54, Opp. Orbit Mall, Indore
Tel: +91-731-4010051-57 **Fax:** +91-731-4010053

Website: <http://www.mohinifibers.com>
Contact Person: Mr. Avnish Bansal
E-mail: avnish@mohinifibers.com

Compliance Officer: Mrs. Mukta Agrawal
E-mail: sourabh@mohinifibers.com

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

PROMOTERS: 1. Mr. Sarvapriya Bansal
2. Mr. Avnish Bansal

This Information Document is in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time and the Company proposes to list its Equity Shares on Institution Trading Platform (ITP) of NSE Emerge.

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SECTION I – GENERAL

1.DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:-

Term	Description
“Short name to be inserted” or “the Company” or “our Company” or “we” or “us” or “our”	Mohini Fibers Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at 401, Princess Business Sky Park, Scheme No 54, Opp. Orbit Mall, Indore

General Terms

Term	Description
Articles/Articles of Association	Articles of Association of Mohini Fibers Ltd.
Accounting Standard	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Auditor	The Statutory Auditors of the company is - N.K.Dafria & Co. Chartered Accountants, Indore
Board / Board of Directors	Board of Directors of the company are: 1.Mr Sarvapriya Bansal, 2.Mr Avnish Bansal 3. Mr Amit Drolia, 4. Mr Avneep Bansal, 5. Mr Hiren Soni
Companies Act / Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable.
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of the Company is Rs.25,343,750.00
DP	Depository Participant
Equity Share(s) or Share(s)	Equity Share of our company having a face value of Rs.10/- unless otherwise specified in the context thereof.
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
ITP	Institutional Trading Platform
Listing Agreement	Listing agreement to be entered into by our Company with the Stock Exchange(s)
Memorandum/Memorandum of Association/MOA	Memorandum of Association of Mohini Fibers Ltd.
NSE	National Stock Exchange of India Limited
NSE Emerge	SME Platform of National Stock Exchange of India Limited
Promoter(s)	1.Mr Sarvapriya Bansal 2.Mr Avnish Bansal
R&D	Research & Development
RBI	The Reserve Bank of India
ROC	Registrar of Companies
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto

SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto.
SIA	Secretariat of Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	Shall refer to NSE where the Equity Shares of Mohini Fibers Ltd are proposed to be listed

ABBREVIATIONS

ABBREVIATION	FULL FORM
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B. Tech.	Bachelor of Technology
B. Com.	Bachelor of Commerce
B. Sc.	Bachelor of Science
BSNL	Bharat Sanchar Nigam
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
EPS	Earnings per Share
FY / Fiscal	Financial Year
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
ROC/ Registrar of Companies	The Registrar of Companies, Madhya Pradesh
RONW	Return on Net Worth

2.GENERAL INFORMATION

Mohini Fibers Limited

Our Company was originally incorporated in Indore as “Mohini Fibers Private Limited” on 24th June, 2009 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gwalior. Our Company converted into a limited company “Mohini Fibers Limited” on 27th February, 2015, vide certificate of the same was issued by the Registrar of Companies, Gwalior under the Companies Act, 2013.






REGISTERED & CORPORATE OFFICE : 401, Princess Business Sky Park, Scheme No 54, Opp. Orbit Mall, Indore.
Tel: +91-731-4010051-57
Fax: +91-731-4010053
Contact Person: Mr. Avnish Bansal
E-mail: avnish@mohinifibers.com
Website: <http://www.mohinifibers.com>

CORPORATE IDENTIFICATION NUMBER : U17300MP2009PLC022058

ADDRESS OF REGISTRAR OF COMPANIES: Registrar of Companies , Gwalior
 3rd Floor, A Block, Sanjay Complex
 Jayendra Ganj, Gwalior 474 009 M.P.

Board of Directors:

Our Board of Directors comprise of the following members:

Name	Photograph	Designation	DIN	Address
Sarvapriya Bansal		Director	02540139	201, Rivoli apartment, 135-Baikunthdham, Indore, 452004, Madhya Pradesh, India
Avnish Sarvapriya Bansal		Managing Director	02666814	201, Rivoli apartment, 135-Baikunthdham, Indore, 452004, Madhya Pradesh, India
Amit Drolia		Director	06575177	House No F-2, Mova Ashoka Ratan, RAIPUR, 492001, Chhattisgarh, India
Avneep Bansal		Chairman cum Independent Director	00193320	7th floor, Flat no 701 (Old), A -1 (New), Solitaire Building Tower - 4, Brijwasi Estate,, Opp. Umrigar School, Parle Point, Surat, 395007, Gujarat, India
Hiren Soni		Independent Director	07021326	601, Krishna Harmony , 14/2, New Palasia Indore M.P. 452 001

For further details of Management of our Company, please refer to section titled "Our Management" on page [39] of this Information Memorandum.

Statutory Auditor : **M/s N.K. DAFRIA & CO., Chartered Accountants**
218B, Bansi Trade Centre M.G. Road,
Indore (M.P.) - 452003
Tel: 07314066767, Email Id: nkdafria@rediffmail.com

Compliance Officer : **Mrs. Mukta Agrawal**
E-82 LIG, behind LIG gurudrawa,
Indore (M.P.)
Tel: +919907046358, Email Id: sourabh@mohinifibers.com

Registrar & Transfer Agent : **M/s Ankit Consultancy Pvt. Ltd.**
60, Electronic complex, Pardeshipura,
Indore 452010 (M.P.)
Tel: 0731-2551745, Email Id: ankit_4321@yahoo.com

Absolute Responsibility of Mohini Fibers Limited:

We have made all reasonable inquiries, accept responsibility for, and confirm 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 or intentions misleading in any material respect.

CORPORATE APPROVALS:

Authority for Listing of Equity Shares :

The listing of Equity Shares has been duly authorized by the Board of Directors of the Company in their meeting held on 3rd March, 2015. The Members of the Company in their meeting held on 3rd March, 2015 have also granted their consent to list the Equity Shares.

INCORPORATION DETAILS:

1. Corporate identification no. U17300MP2009PLC022058 . Certificate of incorporation dated 24th June, 2009 issued by Registrar of Companies, Gwalior , Madhya Pradesh .
2. Certificate of conversion from Private Limited Company to Public Limited Company dated 27th February, 2015 issued by Registrar of Companies, Gwalior , Madhya Pradesh .

3.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 the 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 24th June, 2009 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 Axis Bank Ltd, in accordance with Reserve Bank of India Act, 1934 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 by Axis Bank Ltd 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. Avnish Bansal has given his consent to lock-in 506875 equity shares representing 20% of paid up capital of the Company.
10. 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 tripartite agreement with CDSL and NSDL along with Our Registrar and for facilitating trading in dematerialized mode. We further confirm that we shall Have connectivity with at least one depository at all times.
 - (iii) The minimum trading lot on institutional trading platform shall be Rs. 10.00 Lacs

4.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" beginning on page [8] 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.

INTERNAL RISK FACTORS:

- 1. The company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of its financing arrangements.**

The company has not paid dividend in the past. The amount of its future dividend payments, if any, will depend upon the company future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends in the future

- 2. 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 outside India. 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 user base;
- 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 global economy (particularly of India and the other markets we may operate in);
- Our ability to compete effectively with existing and future competitors;
- Changes in our regulatory environment.

- 3. 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 favorable 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.

- 4. Some or all of the unsecured loans availed by us may be recallable 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 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:

- 1. Govt. Policy in regard to environment and pollution in line with World norms.**
- 2. Threats from other Industries of same type.**
- 3. 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.

- 4. 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 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.

- 5. 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 a 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

You should read the following summary together with the risk factors and the more detailed information about us and our financial results beginning on page no. [14] in this Information Memorandum.

Overview of the Cotton Industry:

Cotton is a soft fiber that grows around the seeds of the cotton plant, a shrub native to the tropical and subtropical regions of Europe and America. The fiber is most often spun into thread and used to make a soft, absorbent and breathable textile used for making clothing, sheets and towels. Cotton is a valuable crop because only about 10% of the raw weight is lost in processing. Once traces of wax, protein, etc. are removed, the remainder is a natural polymer of pure cellulose. This cellulose is arranged in a way that gives cotton its unique properties of strength, durability and absorbency. Each fiber is made up of twenty to thirty layers of cellulose coiled in a neat series of natural springs. When the cotton ball (seed case) is opened the fibers dry into flat, twisted, ribbon-like shapes and become kinked together and interlocked. This interlocked form is ideal for spinning it into a fine yarn.

Cotton in India

Cotton is the most famous textile material associated with the Indian Subcontinent. The export of fast dyed cotton cloth to Europe revolutionized the garment and furnishing fashions, agricultural practices and the textile manufacturing industries of the seventeenth and eighteenth centuries. Cotton has been cultivated within the Indian Subcontinent for the manufacture of textiles since 1750 BC, the date ascribed to the Mohenjo-Daro fragments of the Indus Valley Civilization. The perennial form of cotton plant is a slow growing and warmth and water demanding shrub. Its cultivation in the north was therefore limited. By the sixth or seventh century AD the more robust annual variety, *Gossypium herbaceum*, was grown in India. By the thirteenth century, its cultivation spread across the west and south-east Asia.

History of Cotton

For centuries Cotton has been used to make very fine lightweight cloth in areas with tropical climates. Some authorities claim that it was likely that the Egyptians had cotton as early as 12,000 BC and evidence has been found of cotton in Mexican caves (cotton cloth and fragments of fiber interwoven with feathers and fur) which dated back to approximately 7,000 years. There is clear archaeological evidence that people in South America and India domesticated different species of cotton independently thousands of years ago.

The earliest written reference to cotton is in India. Cotton has been grown in India for more than three thousand years and it is referred to in the Rig-Veda, written in 1500 BC. A thousand years later the great Greek historian Herodotus wrote about Indian cotton: "There are trees which grow wild there, the fruit of which is wool exceeding in beauty and goodness that of sheep. The Indians make their clothes of this tree wool." During the late medieval period, cotton became known as an imported fiber in northern Europe, without any knowledge of what it came from other than that it was a plant; people in the region, familiar only with animal fibers (wool from sheep) could only imagine that cotton must be produced by plant-borne sheep. John Mandeville, writing in 1350, stated as fact the now-preposterous belief: "There, in India grew a wonderful tree which bore tiny lambs on the ends of its branches. These branches were so pliable that they bent down to allow the lambs to feed when they are hungry." This aspect is retained in the name for cotton in many European languages, such as German Baumwolle, which translates as "tree wool." By the end of the 16th century AD, cotton was cultivated throughout the warmer regions of Africa, Eurasia and America. The Indian cotton processing industry was eclipsed during the British Industrial Revolution, when the invention of the Spinning Jenny (1764) and Arkwrights' spinning frame (1769) enabled cheap mass-production of cotton cloth in the UK. Production capacity was further improved by the invention of the cotton gin by Eli Whitney in 1793. In the United States, growing the three crops, cotton, indigo and tobacco historically were the leading occupations of slaves. After emancipation, the share cropping system evolved which in many cases differed little from the systems of slavery.

SECTION IV – BUSINESS OVERVIEW

1. OUR BUSINESS AND OPERATIONS

Mohini Fibers Private Limited was founded in 2009 to address the demand for Cotton Fiber. Initially the Company is running an industrial unit of cotton waste recycling at Plot No. 109, Sector-III, Industrial Area, Pithampur, Distt. Dhar (M.P.) with an installed capacity of 4500 MT per annum. The company at its present unit recycles the soft cotton waste with a view to improve the quality of the product further and to enhance the recovery of cotton fibre by removal of micro dust and foreign particles in order to realize better price. The company achieved a turnover of Rs. 4066.03 lacs in the FY 2012-13 and Rs 4841.51 lacs in FY 2013-14.

Now, the directors of the company had started the new unit of manufacturing absorbent cotton. Absorbent Cotton is also known as Surgical Cotton or Cotton Wool and mainly used for medical purposes in hospitals, nursing homes, dispensaries and at home (for first aid) etc. because of its property of high fluid absorbency, it is better known among masses as absorbent cotton. The raw cotton is processed by series of steps which render the cotton hydrophilic in character and free from external impurities needed to be fit for use in surgical dressings and personal hygiene. Apart from medical purposes absorbent cotton is also used for making conventional type of sanitary napkins or pads. Fairly good quality of absorbent cotton is also used for removing make-up and dirt at beauty parlors.

Absorbent cotton is available in different sizes and packing for various surgical needs, such as rolled packed absorbent cotton is useful for cleaning and swabbing wounds and useful for applying cosmetic, hospitals and in dental clinics. Zigzag packing cotton is suitable for orthopaedic uses and sterilized absorbent cotton or SURGICOT is suitable for domestic uses.

Along with surgical cotton there are also many types of cottons being used in surgical needs. Uncared bleached cotton is another type of cotton frequently used in medical services for various uses. These cottons are hydrogen peroxide bleached and are available in 175 grams. These are mainly used in production of absorbent gauze. Absorbent cotton wool is also widely used type of surgical cotton. Available in rolled packing, it is perfect for wound swabbing, cosmetic uses and dental clinics. This is most commonly used surgical cotton due to its economical prices.

Surgical Cotton is mainly used for medical purposes in hospitals, nursing homes, dispensaries, etc. It exists in different variants which are as follows:-

SURGICAL COTTON ROLLS

Surgical Cotton Rolls possess high absorbency quality and are used in various surgical applications in different hospitals and nursing homes

1. 100% cotton bleached to a good white free from naps, leaf shell and seeds. Quick absorbency conforms to International Standards (IP/BP/U.S.P.)
2. It is suitable for cleaning and swabbing wounds, for applying cosmetics. Economical and convenient for Clinic, Dental, Nursing Homes and Hospitals.
3. Single and uniform lap without joints. Interleaved/ without interleaved Both Plastic paper packing available in rolls of 1000g, 500g, 400g, 300g, 200g, 150g, 100g, 50g. Any other packing or size can be made on demand.
4. Bleached Cotton Rolls is demanded by the hospitals and clinics. These medical dressings are easy to unwind and the short fibers present in it make it simple to tear. Suited for providing padding and cleaning the wounds, burns or cuts, these rolls are highly absorbent.

The Finished absorbent cotton products comply with IP and BP standard. The main features are

- Naturally White.
- Absorbency to comply with any standard.
- No chemical or starch used.
- Less naps
- Consistent layer.
- Well cut edges.
- Very soft. (No artificial softeners used).

COTTON BALLS

Cotton Balls are used extensively as wound care products for minor injuries. Moreover, these are also tested on several parameters to ensure their conformance with international quality standards.

Features:

- High absorbency
- Hygienic
- Soft texture

Cotton balls come in handy packs and have applications in the health and cosmetic sector. The cotton balls used for cosmetic purpose are made from fluffy white cotton and are not harmful to skin. They are also of great use as injection prick swabs.

COTTON WOOL ROLLS

The **Cotton Wool Rolls** are processed out of the best raw cotton fabrics. Absorbent Cotton Wool is porous, absorbs water quickly, and also odourless. They are extensively used in various domestic as well as in industrial purposes. Suitable for cleaning & swabbing wounds, our Absorbent Cotton Wools are commonly used in first aid and other medical purposes as well.

Features

- Medicaments to wounds
- Good whiteness and absorbency
- Regular individual packing: paper wrap, or plastic bag
- Less wax substance.

ABSORBENT COTTON ROLLS

Absorbent cotton rolls are porous in nature and absorb quite efficiently. They are extensively used in various domestic as well as industrial applications. Absorbent cotton wools are commonly used in first aid and other medical purposes as well.

Applications:

- Suitable for cleaning and swabbing wounds
- Applications of medications to wounds
- Economical and convenient for Clinic, Dental, Nursing Homes and Hospitals
- For applying cosmetic.

Rolled Packing:

- Single and uniform lap without joints
- Available in weights of 1000g, 500g, 400g, 300g, 200g, 150g, 100g, & 50g.
- Interleaved / without interleaved
- Both plastic & paper packing available
- Any other packing or size can be made on demand.

The demand of Surgical Absorbent Cotton is directly related with the increase in population and expansion of public health services. The demand for Surgical Absorbent Cotton increases with the increase in population and number of hospitals, dispensaries, nursing homes, health care centers, etc. Progressive increase in health amenities offered by Government and coming up of new hospitals and health care centers in private sector even at small towns are contributing to the growth of absorbent cotton industry. Government hospitals and large nursing homes are the largest consumer for surgical cotton. With the development of medical facilities and growing awareness towards personal hygiene, the surgical absorbent cotton industry registered steady growth rate in past and is picking up pace with the spread of education and upward economic growth of towns and villages.

The company targets its clientele in both domestic as well as international markets. The company proposes to market its product in the domestic market through different channels vide retail, wholesale, retail chain marketing, etc. The company will also target hospitals, institutions and government supplies.

In the international market, the company proposes to export to Far East countries including the Republic of China, Indonesia, Philippines, Singapore, South Korea, Malaysia, Vietnam, etc., to Middle East countries including Egypt, Oman, Kuwait, etc. and African countries including Algeria, Mauritius, Zimbabwe, etc.

Looking to the market demand of the product, rich experience & exposure of the directors in cotton industry and their wide contacts in the industry, they entered into this venture. The unit is adjacent to the existing unit at Plot No. 109, Sector-III, Industrial Area, Pithampur, Distt. Dhar (M.P). with an installed capacity of 4500 MT per annum. For this Unit the company has taken the term loan of Rs. 20 Cores from MPFC.

Products & Services

Product/service	Description/ Application
Manufacturing of Absorbent Cotton	Mainly used for medical purposes in hospitals, nursing homes, dispensaries and at home (for first aid) etc
Manufacturing of Cotton Pads	Cotton pads are pads made of cotton which are used for medical or cosmetic purposes. For medical purposes, cotton pads are used to stop or prevent bleeding from minor punctures such as injections or venipuncture.
Manufacturing of Cotton Buds	Consist of a small wad of cotton wrapped around one or both ends of a short rod, usually made of either wood, rolled paper, or plastic. They are commonly used in a variety of applications including first aid, cosmetics application, cleaning, and arts and crafts.
Trading of Cotton Waste , Yarn & Fabric	Yarn is a long continuous length of interlocked fibers, suitable for use in the production of textiles, sewing, crocheting, knitting, weaving, embroidery, and rope making.
Job work of Cotton Waste manufacturing/ processing	Cotton can be recycled from pre-consumer (post-industrial) and post-consumer cotton waste. Pre-consumer waste comes from any excess material produced during the production of yarn, fabrics and textile products, e.g. selvage from weaving and fabric from factory cutting rooms. Post-consumer waste comes from discarded textile products, e.g. used apparel and home textiles.

	Uses: Recycled cotton is often combined with recycled plastic bottles to make clothing and textiles, creating very sustainable, earth-conscious products. Recycled cotton can also be used in industrial settings as polishing and wiper cloths and can even be made into new, high-quality paper.
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Services

Job work of Cotton Waste manufacturing/ processing: We are providing job work services for cotton waste manufacturing. Cotton can be recycled from pre-consumer (post-industrial) and post-consumer cotton waste. Pre-consumer waste comes from any excess material produced during the production of yarn, fabrics and textile products, e.g. selvage from weaving and fabric from factory cutting rooms. Post-consumer waste comes from discarded textile products, e.g. used apparel and home textiles.

Uses: Recycled cotton is often combined with recycled plastic bottles to make clothing and textiles, creating very sustainable, earth-conscious products. Recycled cotton can also be used in industrial settings as polishing and wiper cloths and can even be made into new, high-quality paper.

Intellectual Property:

Presently, we do not own any patent or trademarks patents, licenses and franchises

Working Capital

As on March 31, 2014 our working capital comprised of the following:

Particulars	March 31, 2014	March 31, 2013
A. Current assets		
(a) Current investments		
(b) Inventories	62,285,793.00	8,940,505.00
(c) Trade receivables	34,716,169.00	40,438,819.00
(d) Cash and Bank equivalents	28,291,153.00	5,472,016.00
(e) Short term loans and advances	37,294,479.00	16,003,609.00
(f) Other current assets	2,075,174.00	481,795.00
Total (A)	164,662,768.00	71,336,744.00
B. Current Liabilities		
(a) Short-term borrowings	55,705,222.00	38,238,507.00
(b) Trade payables	14,008,044.00	5,742,412.00
(c) Other current liabilities	12,501,297.00	7,463,479.00
(d) Short-term provisions	1,252,953.00	457,913.00
Total (B)	83,467,516.00	51,902,311.00
Working Capital (A - B)	81,195,252.00	19,434,433.00

Research & Development Activities

The company has a research department.

Sources and availability of raw materials

The basic raw materials used for surgical cotton are raw cotton, cotton waste & combernoil. These all are available in plenty. This can be evidenced from the under mentioned details about the production of cotton. The main raw material required is bleached cotton gauge cloth of suitable quality, conforming to IS-758/1925. The width of cloth ranges from 2.5 to 15 cm and length from 3 to 4 meter. This type of cloth is not being made in the north eastern region and would need to be procured from the Calcutta market. The annual requirement is estimated at 20 lakh meter for 100 per cent capacity utilization (assuming a loss of 10 per cent due to cutting and rejection). The consumables required are brown paper for packing to the extent of about 15,000 meter per year. The brown paper would be available from local market.

Competitive Strengths

1. Promoters are well experienced and have a wide exposure in the cotton industry.
2. Promoters have good contacts in the industry.
3. There are few industries in Madhya Pradesh.
4. Location advantage as in the vicinity of Major Spinning Mills
5. Availability of Raw Material.
6. Availability of skilled manpower

Competition

Mohini Fibers Pvt. Ltd. faces competition from both domestic and international firms. The Company continues to be successful by exploiting its competitive advantages such as the depth of its products and services, superior customer service and labor arbitrage.

Our Strategy

The company has focused on finished good quality material. It has a strong quality management team . The company has an Independent marketing team for export and domestic.

Human Resources:

The company has set production facilities at Pithampur Dhar M.P.. There is no labour or staff problem. The company has already appointed the sufficient staff.

2. FINANCIAL INFORMATION

Complete audited Balance Sheet, Profit & Loss Account, Cash Flow statement, with attendant annexure and notes to accounts for the previous year.

The audited financial information of the Company comprising of the Balance Sheet, Profit & Loss Account, Cash Flow Statement along with the notes to accounts for the fiscal 2013-2014 is provided below:-

A. Balance Sheet as at 31st March, 2014

(Amounts in Rupees)

	Particulars	Note No.	F.Y. 2013-14	F.Y. 2012-13
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	29,843,750.00	23,450,000.00
	(b) Reserves and surplus	2	21,257,871.00	14,117,036.00
	(c) Security Premium		76,356,250.00	6,400,000.00
2	Non-current liabilities			
	(a) Long-term borrowings	3	187,064,610.00	37,837,909.00
	(b) Deferred tax liabilities (net)	4	4,380,434.00	3,398,168.00
3	Current liabilities			
	(a) Short-term borrowings	5	55,705,222.00	38,238,507.00
	(b) Trade payables	6	14,008,044.00	5,742,412.00
	(c) Other current liabilities	7	12,501,297.00	7,463,479.00
	(d) Short-term provisions	8	1,252,953.00	457,913.00
	Total		402,370,431.00	137,105,424.00
B	Assets			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	58,313,956.00	59,791,641.00
	(ii) Intangible assets		-	-
	(iii) Capital work- in –progress		175,677,085.00	-
	(b) Non-current investments	10	1,543,573.00	1,543,573.00
	(c) Other Non Current Assets	11	2,173,049.00	4,433,466.00
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	12	62,285,793.00	8,940,505.00
	(c) Cash and Bank equivalents	13	34,716,169.00	40,438,819.00
	(d) Trade receivables	14	28,291,153.00	5,472,016.00
	(e) Short term loans and advances	15	37,294,479.00	16,003,609.00
	(f) Other current assets	16	2,075,174.00	481,795.00
	Total		402,370,431.00	137,105,424.00

of the Profit and Loss for the period ended 31st March, 2014
(Amounts in Rupees)

Particulars	Note No	F.Y. 2013-14	F.Y.2012-13
Continuing operations			
Income			
Revenue from operations	17	484,150,900.00	406,603,604.00
Other income			
- Job Work		2,574,451.00	7,259,615.00
- Other Income	18	184,727.00	692,555.00
Total revenue		486,910,078.00	414,555,774.00
Expenses			
Cost of Material Consumed	19	205,351,550.00	138,596,210.00
Purchases of Stock in Trade	20	276,777,798.00	236,808,369.00
(Increase)/decrease in inventories of finished goods, Work in Progress and Stock-in-trade	21	(43,777,296.00)	(1,651,288.00)
Employee benefits expense	22	8,190,614.00	7,317,476.00
Manufacturing and Operating Cost	25	7,281,996.00	5,888,593.00
Other expenses	25	11,758,819.00	6,715,303.00
Total		465,583,481.00	393,674,663.00
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		21,326,597.00	20,881,111.00
Finance costs	23	8,540,288.00	5,812,789.00
Depreciation and amortization expense	24	2,630,905.00	2,091,382.00
Exceptional Item		-	4,032,842.00
Extraordinary Item		304.00	-
Profit/(loss) before tax		10,155,100.00	8,944,098.00
Tax expense			
Current tax(MAT)		2,032,000.00	1,704,298.00
(Less) MAT credit (where applicable)		-	-
Current tax expense relating to prior years		-	-
Net current tax expense		-	-
Deferred tax		982,265.00	1,174,032.00
Total Tax expense		3,014,265.00	2,878,330.00
Profit/(loss) for the year		7,140,835.00	6,065,768.00
Minority shareholders interest- loss/(profit)		-	-
Share in loss of associates		-	-
Profit/ (Loss) for the year from continuing operations (A)		7,140,835.00	6,065,768.00
Discontinuing operations		-	-
Profit/(loss) before tax from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) after tax from discontinuing operations (B)		-	-
Profit/(loss) for the year (A+B)		7,140,835.00	6,065,768.00
Earnings per share			
Basic		2.82	5.23
Diluted		2.82	5.23

Cash Flow Statement
(Rs in Lacs)

Particulars		31-Mar-13	31-Mar-14
1.	SOURCES		
	a.Net Profit	60.66	71.41
	b.Depreciation	20.91	24.77
	c.Increase in Capital	0.00	182.44
	d Increase in Term Liabilities.	-	-
	(including Public Deposits)	48.15	1521.69
	e. Decrease in	-	-
	i.Fixed Assets	-	-
	ii.Other non-current Assets	44.48	6.72
	f. Others	130.25	590.88
	g. TOTAL	304.45	2397.91
2.	USES		
	a. Net loss	-	-
	b. Decrease in Term Liabilities	-	-
	(including Public Deposits)		
	c. Increase in		
	i. Fixed Assets	146.66	1775.10
	ii Other non-current Assets	-	-
	d. Dividend Payments	0.00	0.00
	e. Others	-	-
	f. TOTAL	146.66	1775.10
3.	Long Term Surplus (+) / Deficit (-) [1-2]	157.79	622.81
4.	Increase/decrease in current assets		
	* (as per details given below)	232.14	909.04
5.	Increase/decrease in current liabilities		
	other than bank borrowings	-2.39	111.56
6.	Increase/decrease in working capital gap	234.53	797.48
7.	Net Surplus / Deficit (-) [3-6]	-76.74	-174.67
8.	Increase/decrease in bank borrowings	76.74	174.67
9.	Increase/decrease in NET SALES	1110.83	724.78
	* Break up of item-4		
i.	Increase/decrease in Raw Materials	21.90	95.56
ii.	Increase/decrease in Stocks-in-Process	0.00	0.00
iii.	Increase/decrease in Finished Goods	16.77	437.78
iv.	Increase/decrease in Receivables		
	a) Domestic	261.21	-57.23
	b) Export	-196.12	0.00
v.	Increase/decrease in Stores & Spares	1.86	0.12
vi.	Increase/decrease in other current assets	126.52	432.81
	TOTAL	232.14	909.04

C.Notes to the Financial Statements
NOTES ON FINANCIAL STATEMENTS :-

PARTICULARS	AMOUNT(Rs.)	
	2013-14	2012-13
NOTE 1 : SHARE CAPITAL		
Authorised Share Capital: 10000000 Equity Shares of Rs. 10/- each	100,000,000.00	30,000,000.00
Issued,Subscribed and Paid up: 25,34,375 (Previous year 1160000) Equity Shares of Rs.10/- each	25,343,750.00	11,600,000.00
Share Application Money	4,500,000.00	11,850,000.00
T O T A L	29,843,750.00	23,450,000.00
The details of shareholders holding more than 5% shares:-		
<u>Name of the Shareholder</u>	No. of shares %held	No. of shares %held
Shri Avnish Bansal	54.94	73.06
M/s Mobile Telecommunication Ltd	10.16	0.00
Shri Sarvapriya Bansal	9.47	20.69
M/s Megha Associates Pvt Ltd	6.91	0.00
NOTE 2 : RESERVES & SURPLUS:		
Profit & Loss Account		
As per last balance sheet	14,117,036.00	8,051,268.00
Add: Profit for the year	7,140,835.00	6,065,768.00
	21,257,871.00	14,117,036.00
T O T A L	21,257,871.00	14,117,036.00
NOTE 3 : LONG TERM BORROWINGS		
<u>Secured</u>		
i) Loan from MPFC	8,935,490.00	12,926,519.00
ii) Loan from MPFC – Up gradation	8,076,331.00	9,399,074.00
iii) Loan from MPFC - New Surgical Project (Secured by first charge on Fixed Assets of the company and personal guarantee of three directors and second charge on the Current Assets of the company)	107,963,077.00	0.00
iv) Car Loan from ICICI Bank (Secured against Car)	0.00	120,854.00
v) Car Loan from HDFC Bank (Secured Against Car)	0.00	132,921.00
vi) Car Loan from ICICI Bank (Secured against Car)	500,941.00	856,741.00

vii)	Two Wheeler Loan from HDFC Bank (Secured Against Vehicle)	39,423.00	97,097.00
viii)	Commercial Equipment Loan - HDFC Bank (Secured Ag. Vehicle)	727,293.00	1,120,190.00
ix)	Car Loan from Kotak Mahindra Prime Ltd (Secured against Car)	396,198.00	574,349.00
x)	Car Loan from HDFC bank (Innova)	411,494.00	0.00
xi)	HDFC Commercial Property Loan (Princess)	6,564,391.00	0.00
	Sub Total	133,614,638.00	25,227,745.00
	Unsecured		
i)	From Directors	0.00	965,000.00
ii)	From Shareholders	500,000.00	500,000.00
iii)	Inter-corporate loan	51,449,972.00	2,945,164.00
iv)	From Others	1,500,000.00	8,200,000.00
	Sub Total	53,449,972.00	12,610,164.00
	TOTAL	187,064,610.00	37,837,909.00
	<u>NOTE 4 : DEFERRED TAX LIABILITY (NET)</u>		
	Deferred tax liability	4,380,434.00	3,398,168.00
	TOTAL	4,380,434.00	3,398,168.00
	<u>NOTE 5 : SHORT TERM BORROWINGS</u>		
	<u>Secured</u>		
	Working Capital Loan		
i)	Axis Bank - Cash Credit Limit (Secured by First charge on stocks, debtors and other current assets and second charge on the fixed assets of the company and personal guarantee of the directors)	55,705,222.00	26,994,028.00
ii)	Buyer's Credit Limit	0.00	11,244,479.00
	TOTAL	55,705,222.00	38,238,507.00
	<u>NOTE 6: TRADE PAYABLES</u>		
	Creditors for Raw Material	14,008,044.00	5,742,412.00
	TOTAL	14,008,044.00	5,742,412.00
	<u>NOTE 7: OTHER CURRENT LIABILITIES</u>		
	Creditors for Spares	91,038.00	61,136.00
	Creditors for Transportation	338,930.00	501,096.00
	Creditors for Packing Material	0.00	225,689.00
	Creditors for Commission	278,898.00	700,203.00
	Creditors for Contract	0.00	422,494.00
	Creditors for Capital Goods	9,784,067.00	3,158,530.00
	Other Sundry Creditors	599,443.00	688,975.00
	Duties and Taxes	54,346.00	1,157,564.00
	Sundry Debtors having Credit Balances	1,354,575.00	547,792.00

TOTAL		12,501,297.00	7,463,479.00
<u>NOTE 8: SHORT-TERM PROVISIONS</u>			
Provisions		1,252,953.00	457,913.00
TOTAL		1,252,953.00	457,913.00
<u>NOTE 10: NON-CURRENT INVESTMENTS</u>			
Trade Investments			
Apollo DB Infra City		1,543,573.00	1,543,573.00
T O T A L		1,543,573.00	1,543,573.00
<u>NOTE 11: OTHER NON CURRENT ASSETS</u>			
Deposits		2,173,049.00	4,433,466.00
T O T A L		2,173,049.00	4,433,466.00
<u>NOTE 12: INVENTORIES</u>			
Trading Inventories		44,351,989.00	1,143,529.00
Manufacturing			
Finished Goods		3,483,330.00	2,914,494.00
Raw Material		14,251,998.00	4,696,158.00
Packing Material		198,476.00	186,023.00
T O T A L		62285793.00	8,940,204.00
<u>NOTE 13 : TRADE RECEIVABLES</u>			
(Unsecured & considered good)			
Over six months		0.00	0.00
Other		34,716,169.00	40,438,819.37
T O T A L		34,716,169.00	40,438,819.37
<u>NOTE 14 : CASH & CASH EQUIVALENTS</u>			
Cash In Hand		301,688.00	170,464.00
Balances with scheduled banks			
Axis Bank CA A/c		27,845,897.00	116,544.00
HSBC Bank		53,036.00	57,115.00
Indusind Bank Ltd		0.00	5,009,737.00
State Bank of India		90,532.00	118,156.00
T O T A L		28,291,153.00	5,472,016.00
<u>NOTE 15 : SHORT TERM LOANS AND ADVANCES</u>			
(Unsecured & Considered Good)			
Creditors having debit balance		36,084,479.00	15,103,609.00
Shri Avnish Bansal		1,010,000.00	0.00
Shri Sarvapriya Bansal		200,000.00	900,000.00
T O T A L		37,294,479.00	16,003,609.00
<u>NOTE 16 : OTHER CURRENT ASSETS</u>			
Income Tax receivable 2012-13		39,560.00	0.00

TDS recoverable from Kotak Mahindra Prime	5,021.00	0.00
TDS recoverable from Magma	16,946.00	0.00
TDS recoverable from Religare	20,209.00	0.00
TDS recoverable from TATA	19,126.00	0.00
Prepaid Insurance	108,403.00	184,355.00
VAT tax Receivable - MP 2013-14	339,078.00	297,440.00
VAT tax Receivable - GUJARAT 2013-14	1,526,831.00	
TOTAL	2,075,174.00	481,795.00
<u>NOTE 17 :REVENUE FROM OPERATIONS</u>		
Domestic Sales - Madhya Pradesh		
Manufacturing	254,145,169.00	163,474,815.00
Trading	1,098,712.00	239,660,170.00
License sales	283,688.00	0.00
Domestic Sales - Gujarat Branch		
Trading	228,623,331.00	0.00
Sales (Exports)		
Trading	0.00	3,468,619.00
TOTAL	484,150,900.00	406,603,604.00
<u>NOTE 18 :OTHER INCOME</u>		
Interest		
Interest on Agency Deposit	11,500.00	0.00
Interest on FDR with AXIS bank	143,506.00	340,885.00
Interest on MPEB Deposit	29,721.00	30,837.00
Other Non-operating income		
AQSIQ Charges	0.00	150,000.00
Commission Received	0.00	169,273.00
Weigh Bridge Charges received	0.00	1,560.00
TOTAL	184,727.00	692,555.00
<u>NOTE 19 : COST OF MATERIALS CONSUMED</u>		
Raw Material Consumed		
Opening Stock	4,882,181.00	2,395,972.00
Add: Raw Material Purchased (Inc. Direct Exp)	214,919,844.00	141,082,419.00
	219,802,025.00	143,478,391.00
Less : Closing Stock	14,450,475.00	4,882,181.00
TOTAL	205,351,550.00	138,596,210.00

NOTE-26

<u>NOTE 20 : PURCHASE OF STOCK-IN-TRADE</u>			
Purchase		276,777,798.00	236,808,369.00
TOTAL		276,777,798.00	236,808,369.00
<u>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE</u>			
<u>Inventories (at end of the Year)</u>			
Trading Inventory		44,351,989.00	1,143,529.00
Manufacturing			
Finished Goods / Stock-in-Trade		3,483,330.00	2,914,494.00
Packing Material		0.00	0.00
<u>Inventories (at beginning of the Year)</u>			
Trading Inventory		1,143,529.00	399,950.00
Manufacturing			
Finished Goods / Stock-in-Trade		2,914,494.00	2,006,785.00
Packing Material		0.00	0.00
Scrap		0.00	0.00
TOTAL		43,777,296.00	1,651,288.00
<u>NOTE 22 : EMPLOYEE BENEFIT EXPENSE</u>			
Salaries and Wages		4,709,241.00	4,739,583.00
ESIC Exp.		91,714.00	25,070.00
P.F. Exp.		102,613.00	67,341.00
House Rent Allowance		77,060.00	62,295.00
Staff Welfare Expenses		209,986.00	14,137.00
Director Remuneration		3,000,000.00	2,409,050.00
TOTAL		8,190,614.00	7,317,476.00
<u>NOTE 23 : FINANCE COSTS</u>			
Bank Charges		89,596.00	1,022,784.00
Interest on Car Loan		5,997.00	183,555.00
Interest on Loan (Forklift)		114,103.00	-
Interest on Princess PBP		813,443.00	-
ICICI car loan interest		5,218.00	-
ICICI car loan interest Altis		73,860.00	-
Interest on HDFC 2 wheeler loan		14,566.00	-
Interest on car loan Innova		48,926.00	-
Interest on Term Loan		1,430,228.00	2,024,609.00
Interest on Working Capital Loan		4,426,885.00	2,581,841.00
Interest on Unsecured Loan		967,724.00	-
Kotak Mahindra Car Loan Interest		50,209.00	-
Processing Fees (Bank)		499,533.00	0.00

TOTAL	8,540,288.00	5,812,789.00
<u>NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSE</u>		
Depreciation and amortization expense	2,630,905.00	2,091,382
TOTAL	2,630,905.00	2,091,382
<u>NOTE 25 : OTHER EXPENSES</u>		
<u>Manufacturing Expenses</u>		
Electricity Charges- plant	3,071,214.00	2,769,182.00
Plant Expenses	1,486,362.00	953,358.00
Wages	2,724,420.00	2,166,053.00
Sub Total	7,281,996.00	5,888,593.00
<u>Administrative Expenses</u>		
	-	-
Advertisement expenses	17,000.00	0.00
Auditors Remuneration		
- Audit fee	20,000.00	20,000.00
- Income Tax consultancy fee	5,000.00	5,000.00
AQSIQ Charges		103,063.00
Business Promotion Expenses	728,718.00	217,320.00
Commission on Sales	41,159.00	743,921.00
Commision Receivable Reversed	379,591.00	0.00
DGFT License Expense	0.00	20,269.00
Discount Allowed	63,985.00	272,106.00
Donation and Charity	2,000.00	48,000.00
Export Credit Guarantee Corporation(ECGC)	0.00	13,282.00
Foreign Currency gain/loss	1,376,985.00	0.00
Festivals Expenses	59,313.00	30,190.00
Freight & Transportation	2,960,199.00	2,445,751.00
Insurance Expenses	248,292.00	127,629.00
Interest on Income Tax	20,822.00	0.00
Key man Insurance	602,500.00	0.00
Job work Charges	0.00	516,498.00
Lease Rent	154,605.00	154,605.00
Legal & Professional Charges	1,219,277.00	71,815.00
Local conveyance expenses	115,270.00	0.00
Loss on sale of car Manza	259,253.00	0.00
Office Expenses	373,657.00	355,341.00
Postage & Courier Expenses	30,954.00	77,369.00
Printing & Stationery Expenses	100,897.00	50,953.00
Professional Tax	2,500.00	2,500.00
Property Tax	259,244.00	0.00
Rent	192,114.00	322,142.00

Repair & Maintenance Charges (Computer)	34,265.00	0.00
Security Charges - Plant	14,545.00	11,648.00
Service tax on Manpower Services	420,251.00	0.00
Telephone Expenses	372,320.00	284,864.00
Traveling Expenses		
- Directors	959,396.00	234,290.00
-Others	290,310.00	192,950.00
Vehicle Running Expenses	359,901.00	350,354.00
Water Charges	74,496.00	43,443.00
Sub Total	11,758,819.00	6,715,303.00
TOTAL	19,040,815.00	12,603,896.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. MAJOR ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, accounting standards specified by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. METHOD OF ACCOUNTING

- a) The accounts of the Company are prepared under the Historical Cost Convention.
- b) The Company is following Mercantile System of accounting for recognition of income and expenses. Subsidy's of Technology Up gradation Fund scheme (TUF), State Investment Subsidy, State Interest Subsidy and Interest Subvention is accounted on receipt basis
- c) The Rights and Liabilities pertaining to the prior period but arising in the current year, if material shall be shown under "Prior period adjustments "in the Profit & Loss Account.
- d) Accounting Policies not referred to otherwise are consistent with the normally accepted accounting principles as required.

3. REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain/loss on corresponding hedge contracts. Sales of products are recognized when risk and reward of ownership of the products are passed on to customers who are generally on dispatch of goods. Sales are exclusive of taxes.

4. FOREIGN EXCHANGE TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are stated at the closing exchange rate. In the case of monetary items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract and the difference between the year end rate and rate on the date of contract is recognized as exchange difference in the Profit and Loss Account. Export sales are made in USD & sales are recognized on the forward contract rate if any, else on the rate on shipping bill date. In case foreign exchange forward contracts are not executed then difference between Shipping bill rate & CBEC Rate as on the last day of financial year are recognized as profit / (Loss) in foreign exchange fluctuation Gain / (Loss) Account.

5. IMPAIRMENT OF ASSETS

The Company at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction in the carrying amount is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

6. VALUATION OF INVENTORY

- A. Inventory is valued at cost being lower of historical cost and net realizable value.
- B. Cost is determined on the basis of FIFO method.

7. INVESTMENTS

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

8. FIXED ASSETS

- i. Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the asset to their working condition for the intended use.
- ii. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in the Profit & loss Account.
- iii. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from foreign rate variations attributable to the fixed assets are capitalized.

9. DEPRECIATION

- i. Depreciation is provided under Straight Line Method and on the rates prescribed under the Schedule XIV to the Companies Act.
- ii. Where during any financial year, from or after the incorporation of the company, if any addition during the year be made to any asset or where any assets will be sold, demolished, damaged or discarded, the depreciation on such assets shall be calculated on a pro-rata basis from the date of such addition or as the case may be up to the date on which such asset have been sold, demolished, damaged or destroyed.

10. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for tax (tax expense) is made considering both current and deferred taxes. Provision for current tax is made at current income tax rates based on assessable income. Provision for deferred tax is made in accordance with AS 22- Taxes on Income, based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred Tax is measured based on tax rates and Tax laws enacted or substantively enacted at the Balance Sheet date. All Deferred Tax Assets are recognized only if there is virtual certainty supported by convincing evidences that can be realized against future taxable profits.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are neither acknowledged nor recognized

B. NOTES ON ACCOUNTS

1. RELATED PARTY DISCLOSURES :

(A) Key Management Personnel:

Sl.No.	Name	Nature of Relationship
1.	Shri Sarvapriya Bansal	Director
2.	Shri Avnish Bansal	Director

(B) Relatives of Key management Personnel:

Sl.No.	Name of Related Party	Nature of Relationship
2.	Vedant Kotton Pvt. Ltd.	Same Management of Both the Companies.
3	Varnita Textile Pvt Ltd	Directors of both the Companies are relatives.

(C) Details of transactions during the period relating to persons referred in item (A) above Value of Transaction in Rs

Sl.No.	Particulars	2013-14	2012-13
(1)	Remuneration to Directors	30,00,000	24,09,050
(2)	Acceptance of loan	17,00,000	65,90,000
(3)	Repayment of loan	26,65,000	59,25,000

(D) Details of transactions during the period relating to persons referred in item (B) above Value of Transaction in Rs

Sl.No.	Particulars	2013-14	2012-13
(1)	Purchase	1,34,80,579.00	1,35,422.00
(2)	Sale	53,79,995.00	16,53,25,885.00
(3)	Inter-corporate Loan (Loan Accepted & repaid)		15,00,000.00

(E) Closing Balances of parties mentioned in (A) above Value of Transaction in Rs

Particulars		2013-14	2012-13
(1)	Shri Sarvapriya Bansal	2,00,000 Dr	900000Dr.
(2)	Shri Avnish Bansal	10,10,000 Dr	965000Cr.

(F) Closing Balances of parties mentioned in (B) above Value of Transaction in Rs

Particulars	2013-14	2012-13
Vedant Kotton Pvt Ltd	12,09,149 Cr	0

2. SEGMENT REPORTING

As evidenced by internal Management Information System (MIS), there are no reportable segments in the company. Therefore the disclosure requirements of 'Accounting Standard 17" (AS-17) - 'Segment Reporting' are not furnished.

3. SECURED LOANS

All the loans specified under the head Secured Loans are sufficiently secured by the way of mortgage and hypothecation as specified under Schedule III.

4. VALUE OF CURRENT ASSETS, LOANS AND ADVANCES as stated in the Balance Sheet are not less than the value to be realized in the ordinary course of Business.

5. PROVISION OF ALL KNOWN LIABILITIES AND DEPRECIATION

Provision is recognized when an enterprise has a present obligation as result of past event.

6. QUANTITATIVE INFORMATION: (Quantities in MTs and Amount in `)

a) Capacities and Production :

Particulars	Current Year 2013-14 (Qty)	Current Year 2012-13 (Qty)
1) Licensed & Installed Capacity	4500 MT	3000 MT
2) Actual Production		
a) Processed Cotton	3463.28 MT	2248.79 MT
b) Processed Cotton Lattice	0.00	123.43 MT
c) Processed Cotton W408	0.00	21.49 MT
d) Job Work	426.26 MT	1083.16 MT
TOTAL	3889.54 MT	3476.87 MT

b) Turnover of the Goods Produced /Traded

Amount in Rs.

Class of Goods	Current Year 2013-14		Current Year 2012-13	
	Qty.	Amount	Qty.	Amount
a) Processed Cotton	3440.21 MT	223730102.00	2230.57 MT	15159908.00
c) Processed Cotton Fine	8.27 MT	687075.00	10.64 MT	459925.00
d) Trading (Comber Noil)	0.00 MT	0.00	710.77 MT	52445948.00
e) Trading (Raw Cotton)	1937.55 MT	228623331.00	32.08 MT	2976894.00
f) Fabric	-	5,00,000.00	7063.72MTR	183282454.00

c) Closing stock of goods produced

Amount in Rs.

Class of Goods	Current Year 2013-14		Current Year 2012-13	
	Qty.	Amount	Qty.	Amount
a) Processed Cotton	53.45 MT	3207112.00	30.39 MT	1822980.00
b) Processed Cotton Fine	2.58 MT	257900.00	10.85NIL	1085200.00

(d) Consumption of major raw materials

Amount in Rs

Class of Goods	Current Year 2013-14		Current Year 2012-13	
	Qty.	Amount	Qty.	Amount
a) BR Droppings	4106.89 MT	102795789.52	1386.11 MT	32008268.00

b) CR Droppings	1081.84MT	34718336.51	441.19 MT	10632768.00
c) Flat	312.11 MT	16525412.47	462.23MT	15634427.00
d) Hard Waste	0.85MT	15300.00	6.82MT	163680.00
e) Sweeping	465.71MT	11546628.07	0.00	0.00
f) Cotton Waste	403.01 MT	32641453.00	0.00	0.00
Total	6370.41MT	198242919.57	2296.35 MT	58439143.00

7. DIRECTOR'S REMUNERATION: - Director's remuneration has been paid and provided during the year.

8. AUDITOR'S REMUNERATION: - Auditor's remuneration is as follows:

S. No.	Particulars	Amount in Rs	
		2013-14	2012-13
1.	Audit fee	20,000	20,000
2.	Income Tax consultancy fee	5000	5000

9. There is no Micro and Small enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st march 2014. This information as required to be disclosed under the micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the company.

10. DEBIT AND CREDIT BALANCES OF PARTIES are subject to Confirmation, Reconciliation and Adjustments, if any.

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 (Rs.)
A.	Authorised Capital	
	10000000 equity shares of face value of Rs. 10/- per share	100,000,000.00
B.	Issued, Subscribed and Paid-Up Share Capital	25,343,750.00
	25,34,375 equity shares of face value of Rs. 10/- fully paid up	

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

Date	Particulars	Share Premium	Cumulative Share Premium
30.03.2011	200000 Equity Share of Rs. 30.00 Each having paid up value of Rs 10.00 each.	40,00,000.00	40,00,000.00
27.03.2012	60000 Equity Share of Rs. 50 each having paid up value of Rs.10.00 Each.	64,00,000.00	1,04,00,000.00

Notes to Capital Structure:

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

Date of Allotment	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of Allotment (Bonus, swap etc.)	Cumulative no. of equity shares	Cumulative Paid up Capital (Rs.)	Cumulative share premium
30.03.2011	200000	10	30	Cash	Equity Share	200000	2000000	4000000
27.03.2012	60000	10	50	Cash	Equity Share	260000	2600000	6400000

(II) Shareholding of our Promoters:

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

Mr. Sarvapriya Bansal

Date of Allotment / Transfer	Consideration Issue /	No. of Equity Shares	Face value per Share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
24.06.2009	24,00,000.00	240000	10	10	Investment	9.47%

Avnish Bansal

Date of Allotment / Transfer	Consideration Issue /	No. of Equity Shares	Face value per Share (Rs.)	Acquisition / Transfer price (Rs.)	Nature of Transactions	Shareholding %
On Different Dates	1,72,25,000/-	17,22,500	10	10	Investment	67.97 %

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

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a % of total number of shares (VI)	Shares Pledged or otherwise Encumbered	
						Number of Shares (VII)	As a % (VIII)= (VII)/(IV)*100
(A)	Promoter and Promoter Group	-	-	-	-	-	-
(1)	Indian	-	-	-	-	-	-
(a)	Individuals/ Hindu Undivided Family	2	19,62,500	NIL	77.44 %	NIL	NIL
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(1)	2	19,62,500	NIL	77.44 %	NIL	NIL
(2)	Foreign	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and	2	19,62,500	NIL	77.44 %	NIL	NIL

	Promoter Group (A)= (A)(1)+(A)(2)						
(B)	Public shareholding	-	-	-	-	-	-
(1)	Institutions	-	-	-	-	-	-
(a)	Mutual Funds/UTI	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-
(d)	Alternate Investment Funds / Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-
(h)	Any Other – Merchant Banker	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-
(2)	Non- institutions	-	-	-	-	-	-
(a)	Bodies Corporate	7	5,36,250	NIL	21.15 %	NIL	NIL
(b)	Individuals	1	35,625	Nil	1.41 %	-	-
(c)	Qualified Foreign Investors	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	8	5,71,875	NIL	22.56 %	NIL	NIL
	TOTAL (A)+(B)	16	2534375	NIL	100%	NIL	NIL

(IV) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of Shareholder	Details of Shares Held	Shares pledged or otherwise encumbered
1.	Mr Sarvapriya Bansal	2,40,000	NIL
2.	Mr Avnish Bansal	17,22,500	NIL

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

Sr. No.	Name of Shareholder	Number of shares	Shares as a % of total number of shares
1	Mobile Telecommunication Ltd	2,57,500	10.16%
2	Mega Associates Pvt. Ltd.	175,000	6.91%
3	Quantum E Servises Pvt Ltd	31,250	1.23%
4	Navkar Trading Company	35,625	1.41%

(VI) Statement showing details of locked-in shares

Sr. No.	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares
1.	Mr Avnish Bansal	506875	20%

4.PROPERTY

Description of Properties of the Company are set forth below.

Owned Property:

Sr. No.	Location	Title	Name of the Transferor	Property address	Area (in square meters)	Consideration (in lacs)	Encumbrances
01.	401, Princess Business Sky Park, Scheme No54, Opp Orbit Mal, Indore	Ownership	1. Mr. Manoj Manwani 2.Princess Buildtech & Infrastrucure Developers Pvt. Ltd.	401, Princess Business Sky Park, Scheme No. 54, Opp Orbit Mal, Indore	2284.12 Built up area	99.85	Axis bank & IDBI Bank

Leased Property:

Sr. No.	Document Type & Date	Lessor	Lease rent	Lease period		Property address
1. Manufacturing Facility	Lease Deed Dated- 22/09/2009	M.P. Audyogik Kendra VikasNigam , (Indore)Limited	0.89 lacs per annum Lease rent 0.49 lacs Maintenance charges per annum	22.09.2009	Up to March 2085	Plot No. 109, Sector-III, Industrial Area, Pithampur, Dist. Dhar (M.P.)

SECTION V – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND 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 and Address Of Beneficial Owner	Amount and 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 .

SECTION VI - OUR PROMOTERS

The promoters of our Company are:

1. Mr. Sarvapriya Bansal

Mr. Sarva Priya Bansal aged 58 years, has an experience of 35 years in cotton industry. He graduated as Bachelor of Commerce from Patna University in the year 1977, after which he joined the family business of pipe distribution in Patna.

He is having a vast experience in the field of procurement and marketing of products. He is having product innovation skills and has a good vision. He is highly efficient with an optimistic attitude. He has conflict resolution skills and good leadership skills with high aspiration.

After doing pipe distribution business, he has done business of textile Dyes & chemicals in Sutra for a period of 10 years.

He plays a vital role in the management of the company. He takes all the crucial decisions related to business. He is engaged in the research task exploring new opportunities for the company.

Personal addresses : 201, Rivoli apartment, 135-Baikunthdham,
Indore, 452004, Madhya Pradesh, India
Voter Identification Number : WMZ9172915
Passport Number : G0031370
Adhar Card : 357254612724

2. Mr Avnish Bansal:

Mr. Avnish Bansal aged 29 years, graduated as Bachelor of Commerce from South Gujarat University, Surat. He did his Masters in business Administration specializing in Finance from Edinburgh Business School, United Kingdom.

He is a young & dynamic person with enthusiasm and passion for business. He has a positive mind frame and has a very active and energetic personality. He has good communication skills, excellent logical reasoning capability. Also, he has a nice command over Information Technology skills. He has done textile Dyes and chemical business here in India as well as Bangladesh Market. He is desires to take this Company to new heights.

At present he looks after the complete business of the company viz. Operations, Production, Purchase, Sales, Information technology, Public relations, etc.

Personal addresses :201, Rivoli apartment, 135-Baikunthdham
Indore, 452004, Madhya Pradesh, India
Driving License Number :608/04/SRT
Passport Number :F9786640

SECTION VII – OUR MANAGEMENT

Under our Articles of Association, our Company is required to have not less than 3 Directors and not more than 12 Directors, subject to Section 252 of the Companies Act. Currently, our Company has Five (5) Directors out of which two (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	Designation
Sarvapriya Bansal	Director
Avnish Bansal	Director
Amit Drolia	Director
Avneep Bansal	Independent Director
Hiren Soni	Independent Director

Name: Name: DIN No: PAN No: Age:	Date of Appointment	Tenure	Designation	Address	Directorship in other Companies
Sarvapriya Bansal Din:02540139 Pan No. ABIPB6048C Age: 58	24.06.2009	Retire by Rotation	Director	201,Rivoli Apartment,135, Baikunthdham, Indore	1.Vedant Kotton PvtLtd 2.Shikhar Infra Solutions India Pvt Ltd 3.BRCM Holdings Private Limited
Avnish Bansal Din:02666814 Pan No.AHDPB8908J Age: 29	24.06.2009	Retire by Rotation	Managing Director	201,Rivoli Apartment,135, Baikunthdham, Indore	1.VedantKottonPvtLtd 2.Shikhar Infra Solutions India Pvt Ltd
Amit Drolia Din No:06575177 Pan No: AEYPD1934N Age: 32 Years	15.04.2013	Retire by Rotation	Director	House No F-2, Mova Ashoka Ratan, Raipur, Chhattisgarh.	NIL
Avneep Bansal Din No:00193320 PanNo.ACNPB6804G Age:42	15.04.2013	Retire by Rotation	Chairman cum Independent Director	7 th Floor, Flat no 701 (Old), A-1,(New), Solitaire Building Tower-4, Brijwas Estate, Opp. Umrigar School, Parle Point, Surat, Gujrat	1.Spectrum Dyes and Chemical Pvt Ltd 2.Spectrum Auxi-Chem Private Limited
Hiren Soni Din No:07021326 PanNo: BKSPS0265C Age: 32 Years	01.12.2014	Retire by Rotation	Independent Director	601, Krishna Harmony 14/2, New palasia Indore M.P. 452 001	NIL

Brief Profile of the Directors:

Mr. Sarvapriya Bansal

Mr. Sarva Priya Bansal aged 54 years, has an experience of 35 years in cotton industry. He graduated as Bachelor of Commerce from Patna University in the year 1977, after which he joined the family business of pipe distribution in Patna.

He is having a vast experience in the field of procurement and marketing of products. He is having product innovation skills and has a good vision. He is highly efficient with an optimistic attitude. He has conflict resolution skills and good leadership skills with high aspiration.

After doing pipe distribution business, he has done business of textile Dyes & chemicals in Sutra for a period of 10 years.

He plays a vital role in the management of the company. He takes all the crucial decisions related to business. He is engaged in the research task exploring new opportunities for the company.

Mr. Avnish Bansal

Mr. Avnish Bansal aged 26 years, graduated as Bachelor of Commerce from South Gujarat University, Surat. He did his Masters in business Administration specializing in Finance from Edinburgh Business School, United Kingdom.

He is a young & dynamic person with enthusiasm and passion for business. He has a positive mind frame and has a very active and energetic personality. He has good communication skills, excellent logical reasoning capability. Also, he has a nice command over Information Technology skills. He has done textile Dyes and chemical business here in India as well as Bangladesh Market. He is desires to take this Company to new heights.

At present he looks after the complete business of the company viz. Operations, Production, Purchase, Sales, Information technology, Public relations, etc.

Mr. Avneep Bansal

Background

Chemical Engineer having more than 20 years of professional & managerial experience in Environmental Engineering, pollution prevention & control and process optimization & modification related issues.

- Experience in planning and innovation. Able to manage multiple functions simultaneously.
- Skilled communicator able to eliminate cultural barriers and adapt to business protocols within global environment.
- Effectively interfaced with engineers, management and staff across departmental levels and different projects across other companies.

Can build rapport with external interested parties through sincerity and domain knowledge

Professional Experience

Merchandiser of a variety of services, products & projects; namely:

- Textile
- Chemical
- Contract Management
- Project Management
- Water & Waste Treatment plants
- Environmental Engineering Services

The principal association is with Pratibha Group of Industries.

Early Years – From 1994 to 1998

Jay Bharat Bindal Silk Mills

- Worked as Executive Director in Jay Bharat Bindal Silk Mills
- Was in-charge of management of Dye and Print Process House
- Was in-charge of exports of Sarees and Dress Materials

Later Years – From 1998 to Present

Spectrum Dyes and Chemicals Pvt. Ltd.

Manufacturing Disperse Dyes which are used in the dyeing and printing of polyester fibre. Located at Palsana (near Surat) in Gujarat, it is the second largest manufacturer of disperse dyes in India. It is engaged in the manufacture of around 150 different shades of disperse dyes and some dye intermediates.)

- Working as Technical Director in Spectrum Dyes and Chemicals Pvt. Ltd.
- Handling operation and management of various dyes and intermediates production plants.
- Head of QA, QC, TSD and R&D lab operations.
- Prime decision maker in planning, implementation and erection of new projects undertaken.
- Working towards controlling, monitoring and upgrading various aspects of Environment, Health and Safety.
- Responsible for drafting, implementing and modifying various HR policies and incidental works.

OTHER PROFESSIONAL DETAILS

From 2011 to present

Spectrum Auxi-Chem Pvt. Ltd.

(Located at Palsana (near Surat) in Gujarat manufacturing different variants of Tamarind and Guar based Textile Thickeners used as an Auxiliary in Printing and Dyeing Houses)

- Working as Director in Spectrum Auxi-Chem Pvt. Ltd.
- Handling operation and management of production plant.
- Head of QA, QC & TSD lab operations.
- Prime decision maker in planning, implementation and erection of new projects undertaken.
- Working towards controlling, monitoring and upgrading various aspects of Environment, Health and Safety.

From 2011 to Present

New Palsana Industrial Co-operative Society Ltd.

(A society formed by a Palsana based group of industries for the erection and operation of a 45 MLD Common Effluent Treatment Plant – CETP.)

- Enlisted as a Technical Director in the Board of Directors of the society.
- Prime contributor towards designing of the operation technology of the plant
- Decision making relating to selection, finalization and procurement of machinery of the plant.
- Looking after the project implementation of CETP and effluent conveying system consisting of underground pipeline networking from member industries to the plant.
- Advising the concerned persons on routine administrative and financial issues so as to ensure smooth and hassle free functioning.

From 2012 to present

Anubha Industries Pvt. Ltd.

(An upcoming unit proposed to be located at Palsana (near Surat) and carrying on business of manufacturing Denim Fabric)

- Enlisted as a Director in the Board of Directors of the company.
- Contributor towards designing of the operation technology of the plant
- Contributor in decisions of selection, finalization and procurement of machinery of the plant.

From 2003 to 2005

Safety, Health & Environment Association

- Worked as an Internal Auditor of the Association at Bharuch for the financial years 2003-04 and 2004-05.

From 2004 to 2006

Industrial Training Institute

- Served as Chairman of the Industrial Training Institute, Palsana for the financial years 2004-05 and 2005-06.

Proficiency

Over the long span of professional career, have participated in various International and National Seminars, Workshops and Presentations. ACHEMA, ACHEMA AISA and IFAT are to name a few that have been visited over and over.

Having acquired wide range of skills serving a broad spectrum of government and private clients.

Providing comprehensive services in various areas of technology and environment and have developed proficiency in the following areas:

- Skilled in process optimization & modification to achieve cleaner production / pollution prevention and improve Energy Efficiency.
- Conceptualization, Development and administering of customized projects on various environmental requirements
- Concerned about the developments of the textile industry as a whole and always engaged in the finding out the possibilities of technical up gradation of the various process involved in the Textile Processing.

Managerial & Directorial Roles

- “Profit Center approach”, is the key guideline followed in leading a team of professionals in the division. This is to ascertain the profitability and growth of the division.
- Advising the head on routine administrative and financial issues.
- Liaison and problem solving with clients.
- Preparation of project execution plans, project-monitoring activities, control the project execution progress, identification of bottlenecks and de-bottlenecking.
- Sourcing suppliers, techno-commercial negotiations and follow up to achieve the desired goals.
- Addressing the techno-legal matters of the contract agreements.

Mr. Amit Drolia

Mr Amit Drolia aged 32 years is a young and dynamic director. He will look after the local market.

Mr. Hiren Soni

Mr. Hiren Soni has done his B.Com. He is engaged in the marketing of a plastic industry. He has rich experience of marketing. He has travelled various countries

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Mr Sarvapriya Bansal is the father of Mr Avnish Bansal. and Mr Amit Drolia is the Son in Law of Mr Sarvapriya Bansal.

TERMS OF APPOINTMENT OF OUR DIRECTORS

Mr. Sarvapriya Bansal , Mr Avnish Bansal , Mr Amit Drolia are executive 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

Mr Avneep Bansal and Mr. Hiren Soni are Independent directors of the company and are not related to any promoter of the company as per definition prescribed in Companies Act, 2013.

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 Five (5) 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 03.03. 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 is Mr. Avneep Bansal the Chairman of the Audit Committee.

Composition of Audit Committee

Names of the Director	Designation in the Committee	Nature of Directorship
Mr. Avneep Bansal	Chairman	Independent
Mr. Hiren Soni	Member	Independent
Mr. Sarvapriya Bansal	Member	Executive Director

Mrs Mukta Agrawal, Compliance Officer of the Committee.

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

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.
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 03.03. 2015.

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

Names of the Director	Designation in the Committee	Nature of Directorship
Mr. Hiren Soni	Chairman	Independent
Mr Avneep Bansal	Member	Independent
Mr. Avnish Bansal	Member	Executive 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 Avneep Bansal	15/04/2013	-	-
2.	Mr Amit Drolia	15/04/2013	-	-
3.	Mr Hiren Soni	01/12/2014	-	-

Key Managerial Personnel

Name	Designation	Age	Date of Joining	Qualification and Experience	Particulars of last employment and Position held	Shareholding in our Company
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Mr Avnish Bansal	Managing Director	27	24.06.2009	Bachelor of Commerce from South Gujarat University, Surat. And Masters in business Administration specializing in Finance from Edinburgh Business School, United Kingdom.	-	54.94%
Mr Sarvapriya Bansal	Director	54	24.06.2009	Bachelor of Commerce from Patna University	Previously he was Director in Pratibha Sytex Pvt. Ltd.	9.47%

Changes in the Key Managerial Personnel

There are no changes in the key managerial personnel in the last three years.

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:

I. List of Related Parties

S.No	Related Party
	Directors
1	Shri Sarvapriya Bansal
2	Shri Avnish Bansal

II. Related Party transactions
(Amount in Rupees)

S.No	Name of related party	Nature of transaction	31.03.2014	31.03.2013
1	Vedant Kotton Pvt.Ltd. and Varnita Textile Pvt. Ltd.	Purchase	1,34,80,579.00	1,35,422.00
2	Vedant Kotton Pvt.Ltd. and Varnita Textile Pvt. Ltd.	Sale	53,79,995.00	16,53,25,885.00
3	Inter Corporate Loan		-	15,00,000.00

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.

I. 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.

II. 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.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

V. 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 there under or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

DIRECTORS :

**Mr. Sarvapriya Bansal : Sd/-
Director & CFO**

**Mr. Avnish Bansal : Sd/-
Managing Director**

**Mr. Amit Drolia: Sd/-
Director**

**Mr. Avneep Bansal: Sd/-
Chairman cum Independent Director**

**Mr. Hiren Soni: Sd/-
Independent Director**

Date:23.03.2015

Place:Indore