



GAJANAND INTERNATIONAL LIMITED
CIN: U01632GJ2009PLC057251

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
Survey No. 1257/1266, Jasdan-Atkot Roadnr. Bypass Circle, Jasdan, Rajkot, Gujarat- 360050	-	Ms. Vidhi Mehta Company Secretary & Compliance Officer	info@gajanand-int.com +91-99094 46110	www.gajanand-int.com

NAME OF PROMOTER(S) OF THE COMPANY

MR. ASHOK BHAGVANBHAI MONSARA, MRS. TRUPTIBEN ASHOKBHAI MONSARA AND MR. ASHISH DHIRAJLAL MONSARA

DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS

Type	Fresh Issue Size (by amount in Rs. Lakh)	OFS* Size (by amount in Rs. Lakh)	Total Issue Size (by amount in Rs. Lakh)	Eligibility & Share Reservation among NII & RII
Fresh Issue	Upto 57,36,000 Equity Shares aggregating to INR 2064.96	Nil	INR 2064.96	The Issue is being made pursuant to Regulation 229 of SEBI (ICDR) Regulations as the Company's post issue paid-up capital is more than 10 crore rupees and upto 25 crore rupees. For details in relation to share reservation among NIIs and RIIs, see "Issue Structure" on page [●] of the Draft Prospectus.

*OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders (upto maximum of 10 shareholders)

Name	Type	No. of shares offered/ Amount in Rs.	WACA in Rs. Per Equity Shares
Nil			

P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 3.6 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 70 of the draft prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

GENERAL RISK

Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 16 of the Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company offered through the Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



FAST TRACK FINSEC PRIVATE LIMITED
SEBI Registration No. INM000012500
Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba
Road, New Delhi - 110001 IN
Tel No.: +91-11-43029809
Contact Person: Ms. Sakshi / Ms. Meenakshi
Email: mb@ftfinsec.com; investor@ftfinsec.com
Website: www.ftfinsec.com



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
SEBI Registration No.: INR000003241
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-
110020
Tel No: +91-11-40450193-97; Fax No: +91-11-26812683
Contact Person: Mr. Anuj Rana
Email: ipo@skylinerta.com
Website: www.skylinerta.com

OFFER PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



GAJANAND INTERNATIONAL LIMITED

Our Company was originally incorporated as a Private Limited Company with the name “Gajanand Cottex Private Limited” pursuant to a certificate of incorporation dated June 15, 2009 issued by the ROC in accordance with provisions of the Companies Act, 1956. The name of our Company was subsequently changed to ‘Gajanand International Private Limited’ and fresh certificate of incorporation was issued by the ROC dated May 26, 2023, thereafter upon conversion into a public company, pursuant to a shareholders’ resolution dated May 27, 2023, the name of the company finally changed to ‘Gajanand International Limited’ and fresh Certificate of Incorporation was issued by the ROC dated June 01, 2023. As on date of the Draft Prospectus, the Corporate Identification Number of our Company is U01632GJ2009PLC057251. For further details of incorporation please refer to section titled “Our History and Certain Other Corporate Matters” beginning on page no. 133 of the Draft Prospectus.

Registered Office: Survey No. 1257/1266, Jasdan-Atkot Roadnr. Bypass Circle, Jasdan, Rajkot, Gujarat-360050
CIN: U17111GJ2009PLC057251; **Website:** www.gajanand-int.com; **E-Mail:** Info@gajanand-int.com

Company Secretary and Compliance Officer: Ms. Vidhi Mehta; **Telephone No.:** +91-99094 46110

PROMOTERS: MR. ASHOK BHAGVANBHAI MONSARA, MRS. TRUPTIBEN ASHOKBHAI MONSARA AND MR. ASHISH DHIRAJLAL MONSARA

ADDENDUM TO THE DRAFT PROSPECTUS DATED FEBRUARY 29, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM & CORRIGENDUM”)

INITIAL PUBLIC OFFER OF 57,36,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (“EQUITY SHARES”) OF GAJANAND INTERNATIONAL LIMITED (“GAJANAND” OR “ISSUER” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. 36 PER EQUITY SHARE (“ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. 26 PER EQUITY SHARE), AGGREGATING TO RS. 2064.96 LAKHS (“THE ISSUE”), OUT OF WHICH, 2,76,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 36 PER EQUITY SHARE AGGREGATING TO RS. 99.36 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 54,60,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF RS. 36 PER EQUITY SHARE AGGREGATING TO RS. 1965.60 IS HERINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.45% AND 28.99%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 222 OF THE DRAFT PROSPECTUS.

Potential Bidders may note the following

1. The Chapter titled “Risk Factors” beginning on page 16 of the Draft Prospectus has been updated.
2. The Chapter titled “General Information” beginning on page 36 of the Draft Prospectus has been updated.
3. The Chapter titled “Capital Structure” beginning on page 44 of the Draft Prospectus has been updated
4. The Chapter titled “Object of the Issue” beginning on page 65 of the Draft Prospectus has been updated.
5. The chapter titled ‘Our Business’ beginning page 103 of the Draft Prospectus has been updated.
6. The Chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operation” beginning on page 195 of the Draft Prospectus has been updated.
7. The Chapter titled “Financial Information” beginning on page 157 of the Draft Prospectus has been updated.
8. The Chapter titled “Legal and Other information” beginning on page 205 of the Draft Prospectus has been updated.
9. The Chapter titled “Government and Other approvals” beginning on page 209 of the Draft Prospectus has been updated.

LEAD MANAGER



FAST TRACK FINSEC PRIVATE LIMITED
SEBI Registration No. INM000012500
 Office No. V-116,1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 IN
Tel No.: +91-11-43029809
Contact Person: Ms. Sakshi/ Ms. Meenakshi
Email: mb@ftfinsec.com; investor@ftfinsec.com
Website: www.ftfinsec.com

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
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 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
Tel No: +91-11-40450193-97; **Fax No:** +91-11-26812683
Contact Person: Mr. Anuj Rana
Email: ipo@skylinerta.com
Website: www.skylinerta.com

OFFER PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

SECTION I – DEFINITIONS AND ABBREVIATIONS

Issue related terms

Term	Description
Kapas	Unprocessed cotton fiber that is harvested from the cotton plant's seed pods.
Farmer	A person who cultivates land or crops

SECTION-II SUMMARY OF THE OFFER DOCUMENTS

Summary of industry in which the company is operating

Manufacturing of Cotton

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors. Moreover, the cotton industry in India is a cornerstone of both the agricultural and industrial sectors, with substantial contributions to the economy. India ranks among the top producers of cotton globally, with cultivation spread across states like Maharashtra, Gujarat, Telangana, Punjab, and Madhya Pradesh.

Manufacturing exports have registered highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion.

Trading in Agro Commodities

India is the world's 2nd largest producer of food grains, fruits and vegetables and the 2nd largest exporter of sugar. Foodgrain production in India touched 330.5 million metric tonnes (MT) in 2022-23 (3rd Advance Estimate). Further, India's foodgrain production touched a record 345.32 million MT in 2021-22. As per the First Advance Estimates for 2023-24 (Kharif only), total foodgrain production in the country is estimated at 148.5 million tonnes.

India has access to several natural resources, providing a competitive advantage in the agriculture sector and as a result trading in the agro commodities has proven to be advantageous to the company.

SECTION III-RISK FACTORS

5. Omission of Some Objects in the Memorandum of Association of the Company

The Company in its MOA did not include the object relating to trading of Agro commodities. However, the Company is performing the said activity since last three financial years. The same is an omission in interpretation by the company and may result in operational inefficiencies, as the MOA serves as a fundamental document of the Company which outlines the business of the Company. Fortunately, the Company hasn't received any show-cause notices, penalties and ongoing litigations for this non-compliance.

The referred clause of trading in Agro commodities "relevant object clause" was incorporated in the MOA after obtaining approval from shareholders by way of the Special Resolution on October 7, 2023

and filed

GNL-1 vide SRN -F96303748 dated June 20, 2024 for the non-compliance of carrying out activities not covered by the Company's MOA for the past 3 financial year and stub period before the Competent authority. If application for compounding is rejected by the Competent authority, the Company may attract financial liabilities, Increased Scrutiny, Compliance Burden and prosecution by the regulatory consequences.

- 6. Our top 5 customers contributed 86.5%, 85%, 98% and 84.4% of our total revenue from operations for the Stub period ended November 30, 2023, for the year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.**

The Company's heavy reliance on a select few customers, particularly those within its top 10 client base, for a significant portion of its sales. This dependency presents a considerable vulnerability, as the loss of any one of these major clients could substantially impact the Company's revenue streams and overall profitability. Essentially, the Company's financial health is intricately tied to the continued patronage of these key customers. Should any of them discontinue or reduce their business with the Company, whether due to factors such as shifts in market dynamics, changes in their own business strategies, or dissatisfaction with the Company's products or services, the repercussions could be significant. The potential loss of revenue from such a scenario could not only result in immediate financial strain but could also have lasting effects on the Company's growth trajectory, market position, and shareholder confidence. As such, it emphasizes the imperative for the Company to diversify its customer base, implement robust customer retention strategies, and continuously strive to provide exceptional value and service to mitigate the risks associated with this concentration of customers.

- 11. Our results of operations could be adversely affected by a disruption of operations at our manufacturing facilities.**

Our production facilities, situated in Jasdan, Gujarat, heavily rely on the consistent and affordable supply of electrical power. Any disruption in this supply, whether due to outages, fire incidents, or industrial accidents, could severely impede or delay our ability to maintain production and service, ultimately impacting our operational outcomes negatively. Currently, our production setup comprises 24 ginning machines, each capable of ginning 5 metric tons (MT) of seed cotton or raw cotton per day. To ensure smooth operations, it is crucial that we receive a continuous and uninterrupted supply of electrical power.

While we have not faced such issues in the past, the unpredictable nature of external factors means we cannot afford to be complacent about the future.

- 15. The present production capacity installed at our manufacturing unit is not fully utilized.**

The installed capacity at our manufacturing unit is not fully utilized. The underutilization of the available capacity can affect our capacity to fully absorb fixed cost and thus may impact our manufacturing efficiency. As being Ginning Unit, we cannot work at 100% capacity due to seasonality of business nature and unavailability of seed cotton throughout the year, the usual ginning season period is of 8 to 10 months which varies according to the crop size and global demand in market and our unit operates on an average 260 days in a year. The underutilization of installed capacity in future may not directly affect the profitability.

CAPACITY AND CAPACITY UTILIZATION

(In Metric Tonnes -MT)

Particulars	01.04.2023 to 30.11.2023	F Y 2022-23	F Y 2021-22	F Y 2020-21
Installed Capacity (As per Season)	6250	9375	9375	9375
Actual Capacity Utilization of Processing of Raw Cotton (Kapas)	375.3	1380.31	1168.36	1219.8
% of Utilization	6.01%	14.72%	12.46%	13.01%

(In Metric Tonnes -MT)

Particulars	01.04.2023 to 30.11.2023		F Y 2022-23		F Y 2021-22		F Y 2020-21	
Raw Cotton Processing Capacity Utilization	375.3		1380.31		1168.36		1219.8	
Name of Finished Products	F P Cotton Bales	Cotton Seed	F P Cotton Bales	Cotton Seed	F P Cotton Bales	Cotton Seed	F P Cotton Bales	Cotton Seed
Production of Finished Products (In MT)	157.89	218.04	545.36	821.28	412.56	722.94	432.65	774.49
% of Production	42.07%	58.10%	39.51%	59.50%	35.31%	61.88%	35.47%	63.49%

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

We have entered into various transactions with our Directors/ Promoter and Promoter Group members in the Past years. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer to “Annexure-28- Related Party Transactions” under Section titled “Financial Information of the Company” of this Draft Prospectus. Our Company has entered such transactions on arms-length price in compliance with provisions of Companies Act, 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future, the same will be in compliance with the Companies Act 2013 & applicable Laws.

Further, we would like to inform you that all the related party transactions are conducted on the arm’s length basis and is in compliance with the provisions of the Companies Act, 2013 and other applicable law.

24. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

The fund requirement and deployment are based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan and current trade cycle. We cannot assure that the current business plan will be implemented in its entirety. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements may increase. The deployment of the funds as stated under chapter —Objects of the Issue, is at the discretion of our Board of Directors and is subject to monitoring by our Audit Committee. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

Any occurrence of obsolescence, destruction, theft, breakdowns, or failures to repair or maintain our major plants or machineries could disrupt our operations, leading to delays in production, loss of revenue, increased expenses for repairs or replacements, and potentially damage to our reputation. Therefore, it is essential to remain vigilant and implement robust maintenance and risk management strategies to mitigate these risks effectively, we have already taken sufficient insurances. Though no such instances have ever took place till now.

35. Certain of our old corporate records are not available with us

We are unable to trace certain corporate records in relation to allotment of shares, forms for change in directors of our Company. We have also been unable to trace copies of certain transfer deeds for transfer of equity shares. These documents pertain to the period commencing from 2009 to 2013. Despite having conducted an extensive search in the records of our Company, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, such as our share transfer register, register of members, register of directors, board resolutions and minutes, annual returns to verify the details of our equity shares allotted during this period and change in directors of the Company.

Following corporate record is not traceable by the company:

S. No.	Event	Document	Date of Event
1.	Transmission of 35,000 equity shares of Rs. 10 each by Mr. Bachubhai M. Chayani to Mr. Vijaybhai Bachubhai Chayani	Application form and related documents	15.12.2009
2.	Transfer of 10,000 equity shares of Rs. 10 each by Mr. Pravinbhai R. Ajudiya to Mr. Gaurav D. Monsara	Share Transfer Deed	21.01.2011

As no such steps has been taken by the company as of now.

39. Company has file e-form with delayed fees and company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the non-filing and delayed filing.

Company has filed e-form MGT -14 with delayed fees with ROC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

SECTION IV - INTRODUCTION

GENERAL INFORMATION

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Peer Reviewed/ Statutory Auditor
M/s H B Kalaria & Associates
Chartered Accountants
A-601/602, The Imperial Heights 150 ft. Ring Road, Rajkot, Gujarat, India - 360005
Tel No. +91-281-2581501/02/03
Fax No. NA
Email: info@hbkalaria.in
Website: www.hbkalaria.in
Contact Person: Mr. Hardik Kalaria
Firm Registration No.: 104571W
Peer Review No.: 013511

CAPITAL STRUCTURE

NOTES TO THE CAPITAL STRUCTURE

2. History of Equity Share Capital of our Company

S. No.	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
9.	12-10-2023	1,22,80,845	10	Nil	Other than Cash	Bonus Issue in the ratio of 15:1	1,30,99,568	13,09,95,680	12,54,12,786

OBJECTS OF THE ISSUE

Details of Utilization of Issue Proceeds

1. Working Capital Requirements:

Reasoning for Company's working capital requirements in FY 22 and FY 21 remained stagnant while its revenue increased for the same given years consistently but in FY 23 the working capital reduced and its revenue for the same has been increased, and then in stub period it increases substantially.

1. Working Capital Intensity:

- In the Cotton/Textile business, working capital intensity isn't tied to company sales but primarily to the business model and the agricultural commodity season.
- Business model and seasonality dictate the capital needs, not sales volume.

2. Primary Business Activities:

- Units typically engage in two main activities: manufacturing cotton bales and seeds from raw cotton, and trading in these products.
- Management can influence capital intensity by determining inventory holding duration, customer credit terms, and supplier payment negotiation.

3. Determination of Prices though Market forces:

- Demand and supply of raw cotton and cotton bales determines the price of the products.
- Since Cotton is one of the most important fiber crops because of the variety of its application in all fields, thus, change in price shifts the demand curve towards right i.e similar quantity is demanded at higher prices showing less elasticity.

4. Seasonality and Business Model Impact:

- Cotton procurement season in western India usually spans October to January each year.

5. Working Capital Impact:

- During FY 23-24, amidst the cotton procurement season, the company needs to purchase and hold raw cotton for higher profits.
- Working capital gap increased from Rs. 1640.88 lacs as of 31st March 2023 to Rs. 2486.49 lacs as of 30th November 2023 due to these factors.

Reasons for Stagnant working capital requirements in FY-2020-21 and 2021-22 despite increase in revenue.

- Increase in revenue is by Rs. 328.33 lakhs was due to market forces resulting in fluctuation of prices, and normal growth of the company.
- Focused on manufacturing with normal monsoons, resulting in similar working capital gaps despite revenue growth in FY 21-22.

Reasons for reduced working capital requirements in FY-2022-23 despite increase in revenue.

- Irregular rains in FY 22-23 damaged raw cotton, ending procurement season prematurely. The reduced supply leads to increase in price of cottons resulting to high sales.
- Management shifted focus to trading other agricultural commodities like chana, leading to substantial profit increase.
- Trading of chana was increased by 5% (approx..) from FY 2022 to FY 2023, showing higher revenue from sales.
- Due to less procurement of raw cotton, inventory is reduced. Also, introduction of trading in chana increased the trade payables. Thus, working capital is reduced.

Reasons for Substantial increase in working capital requirements in stub period FY Nov, 23.

- As stated in point 4 above, Gajanand is a seasonal business, i.e raw cotton is procured only between October – January. Thus, there is substantial increase in trade payables and inventory and receivables, due to its peak season. As purchases and sales are continuous in this period.

- Business model transitioned from manufacturing-centric to trading-centric to exploit trading opportunities.
- Thus, working capital is increased from Rs. 1640.88 Lakhs to Rs. 2486.49 Lakhs.
- Also, notice should be made on the decrease of working capital from stub period to year end 2024 by Rs. 111.73 lakhs further proving that the high working capital in stub period is due to its seasonality.

Reasons for Substantial increase in working capital requirements in period FY 2023-24.

- Trading from chana was 53% (approx.) of total revenue from sales in said FY compared to previous FY when it was only 7% (approx.).
 - Amidst the cotton procurement season in FY 23-24, the company must buy and hold raw cotton for better pricing and profits.
 - Intends to increase inventory holding and overall purchase and sales velocity to target more profitable customers
- This, along with the business model changes, increased the working capital gap from Rs. 1640.88 lacs as of 31st March 2023 to Rs. 2377.76 lacs as of 31st March 2024.

Reason of Projection of revenue for FY 2024-25

- Gajanand have Sale contract notes of approx. Rs. 10,600 Lakhs and balance will be done in the open market to meet the giant demand of cotton in the global market.

Justification for “Holding Period” levels”

The table below sets forth the details of holding levels (in days) for FY2020-21, FY2021-22, and FY2022-23 as well as projections for FY2023-24 and FY2024-25:

Particulars	Unit	Audited	Audited	Audited	Audited	Estimated*	Estimated*
	Days	FY 2020-21	FY 2021-22	FY 2022-23	30th Nov, 2023	FY 2023-24	FY 2023-24
Trade receivables		21	22	19	52	12	13
Trade Payables		3	3	3	30	2	1
Inventories		67	83	84	82	44	44

Trade Payable Days	Trade receivable days are 21 days in FY 20-21 and projected to reach 12 days in FY 23-24 and 13 days in FY 24-25. The main reason for the decrease in trade receivable days is on account of the fact that due to higher quality of goods sold by the Company, the Company can demand better payment terms from its customers, during November quarter company has a peak crop session of cotton so that company has to hold more balance of receivable
Short term Loans and Advances	Short-term loans and advances are projected to be lower than current levels as the Company will stop procuring raw material by making advance payments to its suppliers. Instead, the Company has decided to change its policy to make prompt payment of goods once the goods are received at the factory premises and inspected by the Company's personnel.
Other current assets	Other current assets are mostly advance payments for IPO related expenses which are then projected to decrease going forward in FY 23-24 and FY 24-25.

Other current Liabilities	Other current liabilities mainly consist of statutory taxes payable such as GST. The other current liabilities are projected to become higher as the Company's turnover increases and is projected to pay more in statutory dues such as GST.
Short term Provisions	Short-term provisions mainly consist of income-tax provision. Short-term provisions are projected to be lower as the Company shall be making advance income-tax payments which it was not doing earlier.
Trade Receivable Days	Trade payable days are 3 days in FY 20-21 and are projected to reach 1 day in FY 24-25 as the Company has decided to make prompt payments to its suppliers in order to get better pricing from their suppliers and preferential supply of higher quality raw materials from their suppliers. Trade payable days are higher in the stub period ended 30 th November 2023 due to the ongoing cotton season where there is a high inflow of raw materials and payment is done only after quality assessment and other parameter testing is done by the Company to ensure that the materials confirm to the standards of the Company
Inventories	The inventory days were between 67-82 days for the period FY 20-21 to 30 th Nov 2023. As stated earlier, the Company has changed its business model where the Company has planned to reduce its inventory holding period going forward and improve the quality of the product so that its cash flows and profitability are higher going forward.

BASIS FOR ISSUE PRICE

QUANTITATIVE FACTORS

7. Comparison of KPI with listed industry peers

(Amount in lakh, except, %)

Key Financial Performance	Gajanand International Limited			Peer 1 (Laxmi Cotspin Limited)			Peer 2 (Spright Agro Limited)		
	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations⁽¹⁾	7336.28	6173.93	5845.60	14,328.95	21,594.31	11,613.63	770.43	1126.62	33.33
Growth in Revenue from Operations⁽²⁾	18.83%	5.32%	-7.78%	-33.64%	85.94%	NA	-31.62%	3280.20%	NA
EBITDA⁽³⁾	274.01	123.82	132.03	-153.79	1389.50	133.73	1.02	1.69	20.58
EBITDA Margin⁽⁴⁾	3.75%	2.00%	2.26%	-1.07%	6.43%	1.15%	0.13%	0.15%	61.75%
PAT⁽⁵⁾	141.06	2.85	0.99	-584.78	544.91	108.60	1.02	1.24	20.57
PAT Margin⁽⁶⁾	1.92 %	0.04%	0.02%	-4.08%	2.52%	0.94%	0.13%	0.11%	61.71%
Net Worth⁽⁷⁾	547.63	406.57	403.72	4775.99	5357.72	4811.24	-72.75	-73.77	-75.05

Notes:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) Revenue CAGR: The three-year compound annual growth rate in Revenue.
 $[(Ending\ Value/Beginning\ Value)^{(1/N)}]-1$
- (3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- (4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (5) EBITDA CAGR: The three-year compound annual growth rate in EBITDA.
 $[(Ending\ Value/Beginning\ Value)^{(1/N)}]-1$
- (6) EBIT is Earnings before Finance Cost and taxes.
- (7) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- (8) Current Ratio: Current Asset over Current Liabilities
- (9) Operating Cash Flow: Net cash inflow from operating activities
- (10) PAT is mentioned as profit after tax for the period.

SECTION V- ABOUT THE COMPANY

OUR BUSINESS

BACKGROUND OF COMPANY

Our Company was originally incorporated as a private limited Company under the Companies Act, 1956 in the name and style of "Gajanand Cottex Private Limited" bearing corporate identification number U17111GJ2009PTC057251, dated June 15, 2009 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Thereafter, the name of our company was changed to "Gajanand International Private Limited" and a fresh certificate of incorporation dated May 26, 2023 was issued by Registrar of Companies, Ahmedabad. Subsequently the name of our company was changed to "Gajanand International Limited" pursuant to a shareholders' resolution passed at an extra-ordinary general meeting held on May 27, 2023 and a fresh certificate of incorporation dated June 01, 2023 was issued by Registrar of Companies, Ahmedabad bearing corporate identification number U17111GJ2009PLC057251. Subsequent to amendment in Object Clause of Memorandum of Association, a fresh certificate of incorporation dated June 18, 2024 was issued by Registrar of Companies, Ahmedabad bearing corporate identification number U01632GJ2009PLC057251.

Our Company is an ISO 9001:2015 certified manufacturer. We basically manufacture the types of cotton i.e. Mech1 Cotton, Shankar6 Cotton etc. We have constructed well-established manufacturing units for Ginning, quality inspection, Storage and packing that is equipped with all the necessary hi-tech machines and tools that are required for a modern manufacturing unit. Machinery that is equipped in our infrastructure is operated by our team.

Our company majorly focuses in delivering quality cotton and maintaining long term association with our clients. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company.

OUR MAJOR PRODUCTS

DCH 32



DCH 32 cotton is sown in the month of July-August and ready to be harvested from December to March. This is grown in the state of Karnataka, Tamil Nadu, and Madhya Pradesh.

- a) Fibre Properties: -> 2.5% Span Length: 34 to 36 mm, 32 to 34mm -> Micronaire: 3.0 to 3.5
- b) Bundle Strength: 1000 lbs./sq.inch:90 to 97 ; 1/8gauge- g/tex : 24 to 29 (ICC), 19 to 21(ICC).
- c) Pedigree: An interspecific hybrid developed by crossing DS 58 (G.hirsutum) X SB 425 YF(G.Barbadense).

KHOL



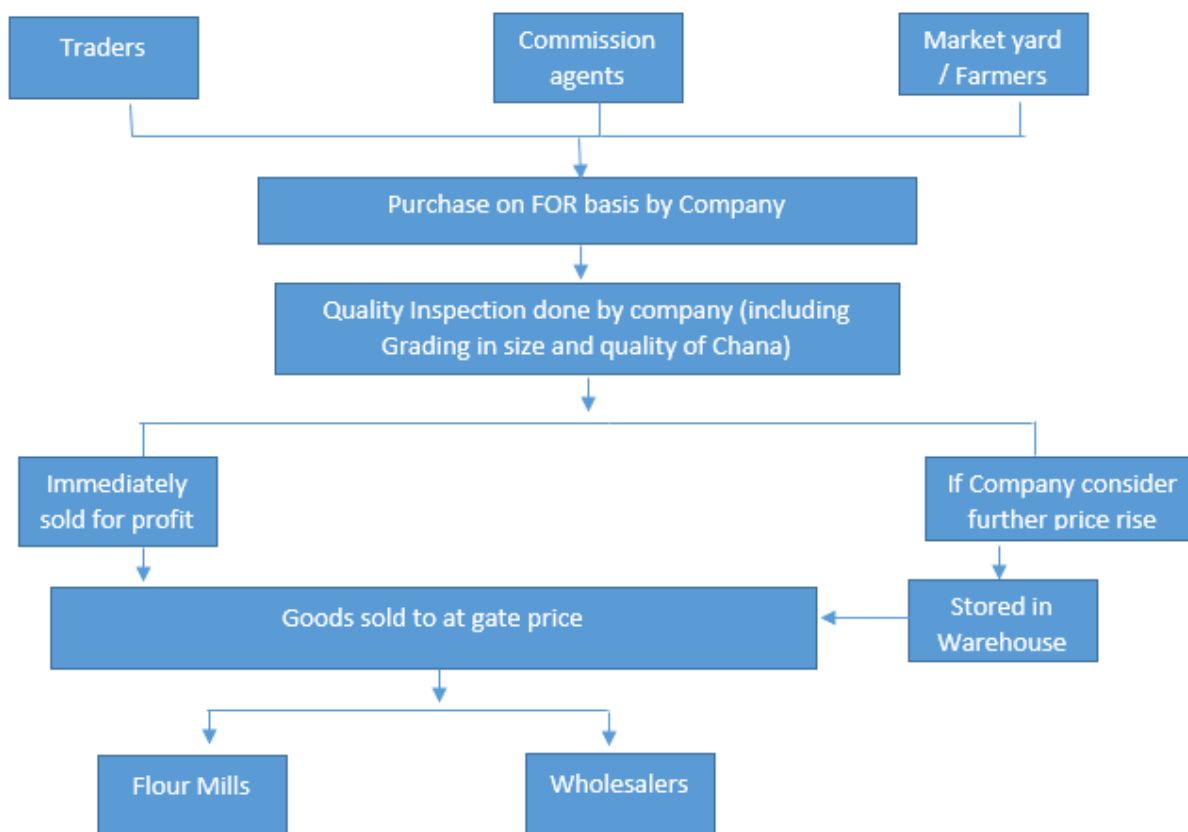
Our khol is made from cottonseed. It has a dried texture The cottonseed is obtained from reliable sources and made by using properly regulated and controlled techniques.

PLACE OF BUSINESS OF THE COMPANY

S.No.	Particulars	Address
1	Registered Office and Factory	Survey No. 1257/1266, Jasdan-Atkot Road, NR, Bypass Circle, Jasdan Rajkot, Gujrat - 360050

TRADING MODEL

Our Company is engaged in two segments i.e. Manufacturing of Cotton and trade in agro commodities such as peanuts, chana, etc. The trading model is as follows:



#Note: 1. FOR stands for Free on Road, i.e., price including transportation charges.

2. Gate Price means is the price of a product at the factory gate, before any additional costs all type of labour expense, shipping, or retail profit. The term is often used for durable goods and vehicles. It's also known as the factory price, factory cost, or producer price.

The detailed process of the trading model is as follows:

I. Initiating Contact:

The Company reaches out to farmers at the market yard, as well as to traders and commission agents. Farmers sometimes also approach the Company directly to sell their produce.

II. Price Determination:

The commodities' prices are set on a FOR (Free on Road) basis, meaning the price includes transportation charges.

III. Quality Inspection:

A Company employee, who is experienced in the field, inspects the quality of the commodities at the supplier's premises.

IV. Decision on Sale or Storage:

Depending on the current market price, the Company decides whether to sell the commodities directly or to store them in a warehouse. At this point, no packaging, branding, or processing is done.

V. Order Acquisition:

The Company receives orders from flour mills and wholesalers. This happens through sale/purchase brokers or through word-of-mouth referrals from existing customers.

Points to Consider:

1. Companies can buy products directly from farmers through Agricultural Produce Market Committee (APMC) facility provided by the government.
2. Company has its own warehouse with in its premises which is situated at Survey No 1257/1266, Jasdán-Atkot Road Near Bypass Circle, Jasdán, Gujarat.
3. Purchase bifurcation of traders, Commission Agents and Farmers are as follows:
 - a. For FY 2021-22: 70.80% from Farmers through APMC Shop and 29.20% from traders.
 - b. For FY 2022-23 and for period ended on 30.11.2023: 100% purchase from traders.

PRODUCT WISE REVENUE

(Amount in Lakhs)

S. No.	Revenue	Period Ended Nov. 30, 2023	Period Ended March 31, 2023	Period Ended March 31, 2022	Period Ended March 31, 2021
MANUFACTURING					
1	Cotton Seeds	132.25	489.42	408.43	211.20
2	Cotton Bales	1750.48	5045.28	4935.33	4499.49
3	Wash Oil	-	10.91	-	-
	Total (A)	1882.73	5545.61	5343.76	4710.69
TRADING					
1	Peanut	19.68	275.67	-	-
2	Cotton Seed	-	-	228.11	48.53
3	Cotton Seed Cake	-	40.02	32.92	300
4	Jeans Kapad	2.05	-	-	-
5	Cattlefeed	270.21	-	-	-
6	Wheat	-	-	-	90.49
7	Chana	2459.09	817.57	125.31	118.14
8	Raw Cotton	26.55	668.62	446.31	585.58
	Total (B)	2777.58	1801.88	832.65	1142.74
	Total (A+B)	4660.31	7347.49	6176.41	5853.43

(Amt in Lakhs)

YEAR	Total Gross Profit	Gross Profit(Trading Chana)	Gross Profit (Manufactured Products)	Total Revenue	Revenue for Chana	% of Total Revenue
FY 2020-21	143.03	85.04	57.99	5845.6	118.14	2.02%
FY 2021-22	149.29	(136.99)	286.28	6173.93	125.31	2.03%
FY 2022-23	298.76	213.49	85.27	7336.28	517.57	7.05%
01.04.2023 to 30.11.2023	307.14	141.76	165.39	4658.66	2459.09	52.79%

LAND AND PROPERTIES

The details of the freehold and leasehold properties in the name of Gajanand is provided herein below:

S. No.	Address	Usage	Possession Type	Validity	T&C
1.	Survey No. 1257/1266, Jasdhan-Atkot Roadnr. Bypass Circle, Jasdhan, Rajkot, Gujarat, India, 360050	Registered Office/ Factory/Warehouse	Owned	NA	NA
2.	Sundry Shop No. 3, Vinchhiya Market Yard, (Resident of Jasdhan)	APMC Shop (Purchase Branch)	License	Perpetual	i. Market Commission Fee Rs.11/- ii. Demand Deposit Rs. 25,000/- iii. Monthly rent Rs. 200/- (To be paid till 15 th of every month)
3.	2- Bhaktinagar Station Plot Road, Rajkot-360002	Corresponding Office	Owned by Promoter Group	NA	<ul style="list-style-type: none"> • Lessor: Mr. Jayantilal B. Monsara (Legal Owner) • Date of Agreement: 07-06-2023 • Municipal Corporation Property No.: 1189/0773/000-07/01574/000/000 • This property is claimed by Mr. Ashokbhai B. Monsara, Managing Director of Gajanand International Limited • Rent: NA

HUMAN RESOURCE

***Note:** The company has not used any contracted personnel for its operations. All Labours are engaged on a day-to-day work basis rather than through formal contractual arrangements, which implies that there are no long-term commitments between the employer and the workers; instead, laborers are hired as needed on a daily basis.

LIST OF MACHINERY

***Note:** all the machinery are owned by the Company

RAW MATERIAL - KAPAS

We procure raw materials directly from local farmers and Agricultural Produce Market Committees (APMCs) in close proximity to our business locations, without relying on international sources.

CAPACITY AND CAPACITY UTILISATION

***Notes:**

The low-capacity utilization over the past 3 financial years and stub period can be attributed to several factors such as

- *the seasonal nature of the business*
- *external market dynamics and government policies*
- *the holding of kapas (raw cotton) by farmers due to government-mandated Minimum Support Prices (MSP) for long periods has disrupted the timely flow of raw materials into production processes.*

This delay directly impacts manufacturing output and efficiency.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

HISTORY OF OUR COMPANY

Business Overview

Our Company was originally incorporated as a private limited Company under the Companies Act, 1956 in the name and style of “Gajanand Cottex Private Limited” bearing corporate identification number U17111GJ2009PTC057251, dated June 15, 2009 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Thereafter, the name of our company was changed to “Gajanand International Private Limited” and a fresh certificate of incorporation dated May 26, 2023 was issued by Registrar of Companies, Ahmedabad. Subsequently the name of our company was changed to “Gajanand International Limited” pursuant to a shareholders’ resolution passed at an extra-ordinary general meeting held on May 27, 2023 and a fresh certificate of incorporation dated June 01, 2023 was issued by Registrar of Companies, Ahmedabad bearing corporate identification number U17111GJ2009PLC057251. Subsequent to amendment in Object Clause of Memorandum of Association, a fresh certificate of incorporation dated June 18, 2024 was issued by Registrar of Companies, Ahmedabad bearing corporate identification number U01632GJ2009PLC057251.

Our Company is an ISO 9001:2015 certified manufacturer. We basically manufacture the types of cotton

i.e. Mech1 Cotton, Shankar6 Cotton etc. We have constructed well-established manufacturing units for Ginning, quality inspection, Storage and packing that is equipped with all the necessary hi-tech machines and tools that are required for a modern manufacturing unit. Machinery that is equipped in our infrastructure is operated by our experienced team. We are also engaged in trading of agro/agri food products including but not limited to pulses, millets, spices, oil seeds, grains and other items derived from agricultural, farming or relevant activities.

Our company majorly focuses in delivering quality cotton and maintaining long term association with our clients. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company.

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities.

The main objects of our Company are:

1. To act as distributors, dealers, exporters, importers, agents and to carry on anywhere in India or abroad any or all the trades and business of ginners, packers, balers, spinners, weavers, processors and manufacturers of all types of yarn, fibers, fabrics, cotton, synthetics, wool, silk, flax, hemp, jute, nylon, polyester whether textile, netted or looped and also fibrous or textile substances.
2. To prepare, process, market, trade, import, export, improve, sell and deal in all kinds of agro/agri food products including but not limited to pulses, millets, spices, oil seeds, grains and other items derived from agricultural, farming or relevant activities.

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Date of Amendment	Particulars of Amendment
18 th June, 2024	Alteration in Memorandum of Association due to addition in Object Clause

OUR MANAGEMENT

KEY MANAGEMENT PERSONNEL

Name	Ms. Vidhi Mehta
Designation	Company Secretary cum Compliance Officer
Qualification	Company Secretary
Date of Appointment	03/01/2024
Term of Office	As per the mutual agreement
Expiration of Term	NA
Service Contract	NA
Previous Employment and Experience	Ms. Vidhi holds an overall experience of 6 years in various reputable companies such as SIMEC Indus Resources Pvt. Ltd., Fortune Cars Private Limited, Mahesh Developers Limited, etc.
Family Relationship with other KMP	NA
Compensation paid for FY 22-23	Ms. Vidhi Mehta was appointed as CS on 03/01/2024, she has

	not received any remuneration for the FY 22-23 in the capacity of CS
Benefits Granted	NA
Status of Employment	Permanent
Shareholding	Nil

Name	Mr. Yash Gunvantbhai Khokhariya
Designation	Chief Financial Officer
Qualification	Graduate with Bachelors in Commerce from Saurashtra University
Date of Appointment	16/08/2023
Term of Office	As per the mutual agreement
Expiration of Term	NA
Service Contract	NA
Previous Employment and Experience	Previously worked as Accountant with 12 years of overall experience in the following organizations: 1. Rahul Pokiya & Associates (Feb'2017 to May' 2023) 2. Gajanand International Limited (Formerly known as Gajanand Cottex Private Limited) (Dec'2015 to Jan'2017)) 3. Madhav Ginning & Pressing Pvt. Ltd. (Dec' 2013 to Nov' 201
Family Relationship with other KMP	NA
Compensation paid for FY 22-23	Mr. Yash Gunvantbhai Khokhariya was appointed as CFO on 16/08/2023, he has not received any remuneration for the FY 22-23 in the capacity of CFO
Benefits Granted	NA
Status of Employment	Permanent
Shareholding	5.81%

Name	Mr. Ashok Bhagvanbhai Monsara
Designation	Managing Director
Qualification	10 th Standard
Date of Appointment	08/10/2009
Term of Office	5 years as Managing Director
Expiration of Term as MD	15/08/2028
Service Contract	NA
Previous Employment and Experience	He has ventured into various business domains over a span of 30+ years. Initially, he contributed to the family business, M/s Arti Manufacturers Co., focusing on diesel engine parts. He later served as Head of Purchase at Patel Proteins Pvt Ltd, specializing in wheat-based products. Transitioning to the family's grocery store in 2002, he transformed it into a leading retail and wholesale outlet, excelling in FMCG distribution. Establishing Gajanand Cottex Pvt Ltd in 2009, he led cotton production, benefiting Gujarat's farmers
Family Relationship with other KMP	NA
Compensation paid for FY 22-23	He received remuneration as on 31.03.2023 INR 3 LPA
Benefits Granted	As per the resolution passed in the Extra-Ordinary General Meeting
Status of Employment	Permanent
Shareholding	23.64%

SENIOR MANAGEMENT PERSONNEL OF OUR COMPANY

Except as disclosed in “– Key Management Personnel” mentioned above, there are no other senior management personnel in terms of the SEBI ICDR Regulations in our Company as on the date of this Draft Prospectus

RELATIONSHIP BETWEEN OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL OR/AND SENIOR MANAGEMENT

None of our directors are related to our Key Managerial Personnel and senior management.

SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and senior management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and senior management have been selected as the Key Managerial Personnel and senior management of our Company.

BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

SHAREHOLDING OF KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel and Senior Management holds any shares of our Company as on the date of this Draft Prospectus except as stated in the below table:

Name	Designation	No. of Equity Shares held	% of pre issue paid up capital
Ashok Bhagvanbhai Monsara	Managing Director	30,96,256	23.64%
Yash Gunvantbhai Khokhariya	CFO	7,61,600	5.81%

LOANS GIVEN/AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT OF OUR COMPANY

For details of unsecured loan taken from or given to our Directors/KMPs/ Senior Management and for details of transaction entered by them in the past please refer to “Restated Financial Statements - Annexure 28 – Related Party Disclosures” on page 181 of this Prospectus.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

There is no contingent or deferred compensation payable to our Directors, Key Managerial Personnel and senior management, which does not form part of their remuneration

EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN

Our Company does not have an employee stock option scheme as on the date of this Prospectus.

PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

CHANGES IN THE KEY MANAGEMENT PERSONNEL

The changes in the key management personnel in the last three years are as follows:


S. No.	Name	Date of Appointment/ Change in designation	Reason
1.	Mr. Yash Gunvantbhai Khokhariya	16/08/2023	Appointment as CFO of the Company
2.	Ms. Vidhi Mehta	03/01/2024	Appointment as Company Secretary and Compliance Officer of the Company
3	Mr. Ashok Bhagvanbhai Monsara	16/08/2023	Re-designated as Managing Director

ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

During the last three years, the attrition of Key Managerial Personnel and senior management is nil in our Company.


OUR PROMOTERS

Brief profile of our Individual Promoters is as under:

	Name	Mr. Ashok Bhagvanbhai Monsara		
	Age	57 Years		
	Qualification	Higher Education (10th)		
	Personal Address	502, Athiti Apartment, Panchvati society Main Road Rajkot Gujarat - 360001		
	Driving License	GJ-03 19890309094		
	Directorship & Other Ventures	NA	PAN	AKOPM7438E

	Professional Experience	He has ventured into various business domains over a span of 30+ years. Initially, he contributed to the family business, M/s Arti Manufacturers Co., focusing on diesel engine parts. He later served as Head of Purchase at Patel Proteins Pvt Ltd, specializing in wheat-based products. Transitioning to the family's grocery store in 2002, he transformed it into a leading retail and wholesale outlet, excelling in FMCG distribution. Establishing Gajanand Cottex Pvt Ltd in 2009, he led cotton production, benefiting Gujarat's farmers
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	Name	Mrs. Truptiben Ashokbhai Monsara		
	Age	47 Years		
	Qualification	Graduate		
	Personal Address	Khokhariya Street, 357-High School Road, Jasdan Gujrat-360040		
	Driving License	NA		
	Directorship & Other Ventures	NA	PAN	BCIPM7503F
	Professional Experience	She has an experience of more than 10 years in the Fashion Industry. She has worked as fashion designer in Shree Ganesh art for the period of more than 3 years (03.02.2014 to 11.11.2017). After that she deliver her services as Designer and Sales Executive in Kalyani Fashion Hub for more than 2 years (01.03.2019 to 30.12.2021). After that she serves her experience in Gajanand as a Marketing Head.		

	Name	Mr. Ashish Dhirajlal Monsara		
	Age	40 Years		
	Qualification	B.H.M.S Institute: Council of Homoeopathic System of Medicine Gujarat State		
	Personal Address	Block No. 95, Rameshwar Park Mahadev Wadi Main Road, Back Bone Shopping Center, Rajkot, Gujarat-360004		
	Driving License	GJ-03 20090124704		
	Directorship & Other Ventures	NA	PAN	AQGPM3480N
	Professional Experience	13 years of experience as Homeopath Consulting Doctor by profession at Shraddha Clinic Radhanagar Chowk. He's promoter of Gajanand since incorporation of the company in 2009		

SECTION VI – FINANCIAL INFORMATION

MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 16 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of Raw material i.e Kapas
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Significant developments in India's economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular Agriculture Sector may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market;
- Performance of the cotton market in India, Change in Regulation in the Indian Agriculture Sector or in the Gujarat Agricultural Produce Markets Act, 1963.
- Changes in political and social conditions in India
- Inflation, deflation, unanticipated turbulence in interest rates,
- Fluctuations in operating costs may results volatility in Company's results of operations and financial performance;
- Our ability to meet our capital expenditure requirements and/or our failure to keep pace with rapid changes in technology;
- Our dependence on our key personnel, including our Directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

DISCUSSION ON RESULT OF OPERATION

Note:

- a) The Company had not complied with AS 15 - Employee Benefits in FY 21-22 and FY 22-23 but the same has been rectified in the restated financial statements of the Company as submitted to NSE. The restated financials now show the effect of provisioning for the employee benefits in accordance with AS 15 - Employee Benefits as per the valuation done by the actuary.
- b) There are no adverse remarks by the auditors of the Company regarding public deposits in FY 21-22 and FY 22-23 as the Company has not taken any public deposits in the said financial years. With respect to the auditor's remarks with regard to the verification of inventories and fixed assets of the

Company, the Company will comply with all the requirements of the auditor in FY 23-24 such that there are no adverse remarks by the auditors with regard to verification of fixed assets and inventories of the Company.

PAT MARGIN

The reasons for the increase of PAT margin of the Company for the last 3 years and Stub Period are provided here as under:

(Rs. in Lakhs)

Particulars	Profit			
	2020-21	2021-22	2022-23	November 30, 2023
PAT	0.99	2.85	141.06	199.29
Incremental PAT	-	1.86	138.21	58.23 (Not annualized)
% in increase	-	187.88%	4848.47%	Not annualized
Reason for Change	<ul style="list-style-type: none"> The Company was able to store Raw Materials at a cheaper price in FY 2020-21, the cost of storing one kilogram of raw material (cotton) in 2020-21 was Rs. 63.50 whereas the same cost Rs. 110.00 in 2021-22, as a result company made a higher profit. 	<ul style="list-style-type: none"> The increase in trading activity is one reason for the increase in profitability during this period. The reason for increase in trading activity in FY 2022-23 is due to the fact that the Company had engaged in trading of new commodities such as chana which was profitable to trade in this financial year. Additionally, due to better prices in the cotton market, company traded a large amount of cotton bales which was very profitable for them. The Company utilized lesser borrowed funds during the respective periods, as trading activity require less investment in inventories and hence, there has been a large decrease in finance costs (Rs. 113.57 lakhs in FY 21-22 vs Rs. 81.74 lakhs in FY 22-23) of the Company. This has resulted in additional increase in profitability of the 	<ul style="list-style-type: none"> During this period, the Company's promoters made a fresh issue of equity shares and brought their capital to the company to repay its borrowing and cut the finance cost to one-third as compared to FY 2022-23. The Company procured ready-made cotton of higher quality externally and sold it to end customers directly as a trading activity resulting in more profits. This also provided an opportunity to obtain better quality of cotton available from other regions of India. 	

		<p>Company's operations.</p> <ul style="list-style-type: none"> • Chana holds the largest share in the Indian pulses market, showing high price sensitivity. Chana dal are widely used across India, including in snacks and savories, making its demand relatively inelastic despite price changes. This inelastic demand generated 141.06 lakhs profit after tax in FY 2022-23 from 2.85 Lakh profit after tax in FY 2021-22 from of trading chana.. • Additionally, from 1st April 2023 to 30th November 2023, trading chana generated 199.29 Lakhs of the profit after tax.. 	
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1.FY 22-23 Challenges:

- Irregular rains caused significant crop damage to raw cotton, which is highly sensitive to rainfall.
- Early end to raw cotton procurement season due to the damage.

2.Business Strategy Shift:

- Company started trading in other agricultural commodities like chana due to slowdown in cotton markets.
- Trading in commodities like chana led to a significant increase in profits from Rs. 2.85 Lakhs in FY 21-22 to Rs. 141.06 Lakhs in FY 22-23.

3.Change in Business Model:

- Shift from being primarily a manufacturer of cotton bales and seeds to a broader commodities trader.
- Objective is to capitalize on trading segment opportunities over manufacturing.

4.Stub period Changes:

- Raised significant capital from existing shareholders and outsiders.
- Planned changes include:
 - Pivot towards trading in other agro products.
 - Holding more inventory and increasing purchase and sales velocity for greater profitability.

Additionally, Reasons for increase in Profit is due to increase in Trading of Chana.

Financial Year	Opening Stock Price/ Kg	Average Purchase Price/ Kg	Average sale Price /Kg	Closing Stock Price/ Kg	Avg. Profit / Kg
2022-23	30.00	44.91	47.01	53.50	12.80
Stub Period	53.5	53.29	54.16	67.00	7.185

Note:

1. Opening Stock Price/ Kg=	<i>Previous Year Closing Stock Price</i>
2. Average Purchase Price/Kg=	<i>Total Purchase Amount / Total Purchase Kg</i>
3. Average Sales Price/Kg=	<i>Total Sales Amount / Total Sales Kg</i>
4. Closing Stock Price/Kg=	<i>As Per Market Price</i>
5. Avg. Profit/Kg=	<i>Gross Profit / Total Sales Kg</i>

The portion of trading was significantly lower in the Financial Year 2020-21 and 2021-22 as compared to the Financial Year 2022-23. However, from the last quarter of the Financial Year 2022-23, the Company has substantially increased its trading in chana.

In the Financial Year 2022-23, the Company generated 71.46% of its total Gross Profit from trading chana. Additionally, from 1st April 2023 to 30th November 2023, trading chana contributed to 46.15% of the total Gross Profit.

The reason for the increased trading activity in FY 2022-2023 is the Company's engagement in trading New Commodities such as chana, which proved to be more profitable compared to the previous year

INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions:

COVID-19 Impact:

- Supply chain disruptions, labor shortages, and fluctuating demand.
- Logistical challenges due to movement restrictions and trade disruptions.
- Price fluctuations and reduced consumer spending affecting profitability.

SECTION VIII – OFFER INFORMATION

ISSUE STRUCTURE

PRESENT ISSUE STRUCTURE

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	54,60,000	2,76,000
Percentage of Issue Size available for allocation	28.99% (50% to Retail Individual Investors and the balance 50% to other Investors)	1.46%
Basis of Allotment	Proportionate subject to minimum allotment of 54,60,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details please refer to the “Basis of Allotment” on page 238 of this Draft Prospectus	Firm Allotment
Mode of Application	All the Applicants must compulsorily apply through the ASBA Process or through UPI for Retail Investors.	Through ASBA Process Only.
Minimum Application Size	For Non Individual Investors: Such Number of Equity Shares in multiples of 3,000 equity shares such that the application value exceeds Rs. 2,00,000. For Retails Individuals: 3,000 Equity Shares	Application size shall be 3,000 equity shares since there is firm allotment.
Maximum Application Size	For Non Individual Investors: Not exceeding the size of the Issue, subject to limits as applicable to the Bidder For Retails Individuals: Such number of Equity Shares in multiples of 3,000 Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000	Application size shall be 2,76,000 equity shares since there is a firm allotment.
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	3000 Equity Shares	3000 Equity Shares, However, the Market Makers may accept odd lots if any in the market as required under

		the SEBI (ICDR) Regulations, 2018.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	The entire Application Amount will be payable at the time of submission of the Application Form.