

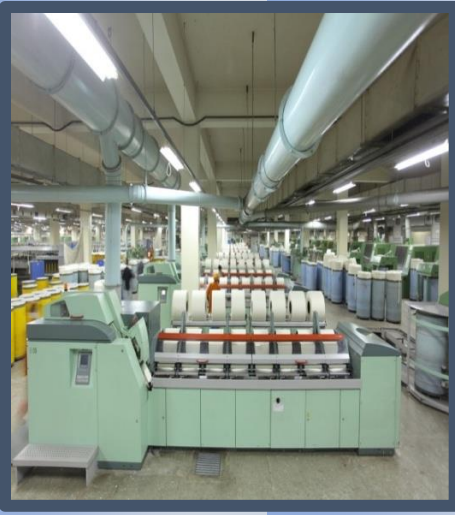
# Make in India



**LAXMI COTSPIN LIMITED**

**14<sup>TH</sup> ANNUAL REPORT**





## LAXMI COTSPIN LIMITED

### FINANCIAL YEAR 2018-19



## LAXMI COTSPIN LIMITED

(World Class Premium Quality Cotton)

Mega Project

### ➤ Board of Directors:

- Mr. Sanjay Rathi
- Mr. Bhavesh Patel
- Mr. Rajesh Bansal
- Mr. Shivratn Mundada
- Mrs. Prafullata Sanjay Rathi
- Mr. Ritesh Mantri
- Mr. Satish Bhakkad

### ➤ Auditors:

CNA & Associates  
Chartered Accountants  
Aurangabad.

### ➤ Chief Financial officer:

Mr. Anupkumar Gindodiya

### ➤ Secretarial Auditors:

A.R. Joshi  
Company Secretary  
Aurangabad.

# LAXMI COTSPIN LIMITED

FINANCIAL YEAR 2018-19



## LAXMI COTSPIN LIMITED

(World Class Premium Quality Cotton)

Mega Project

### ➤ Audit Committee:

Name	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri	Member
Mr. Bhavesh Patel	Member

### ➤ Nomination and Remuneration Committee:

Name	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri	Member
Mr. Rajesh Bansal	Member

### ➤ Stakeholder Relationship Committee:

Name	Designation
Mr. Ritesh Mantri .	Chairman
Mr. Satish Bhakkad	Member
Mr. Bhavesh Patel	Member

### ➤ Registrar and Transfer Agent:

Linkintime India Private Limited  
247, LBS Marg, Surya Nagar, Vikhroli West,  
Mumbai, Maharashtra 400083  
Telephone - 022 -049186000  
Email - [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### ➤ Bankers:

HDFC Bank, Jalna  
SVC Bank, Jalna



**Laxmi Cotspin Limited**

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## **Laxmi Cotspin Limited**

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### **LETTER TO SHAREHOLDERS**

*Dear Shareholders,*

*We take immense pleasure by sharing with you about the performance of your company and present the Annual Report for the financial year 2018-19.*

*We would like to state that your company is progressing to achieve new milestones in its journey towards growth through total excellence. Laxmi Cotspin Limited has pursued business excellence through passion and expansion project successfully thereby improved its cost competitiveness and profitability.*

*Your Company engaged in the processing of textiles since incorporation. Over the years we believe that we have established a strong customer base and good marketing setup. Further, our group has sufficient marketing expertise and wide marketing network, which is and would be channeled for our business and future expansion, if any. We have dedicated divisions for marketing different types of products and for different geographical locations. The sales division and export division are responsible for marketing of our products and fabrics. All the divisions have well trained and adequate teams to handle daily activities and are supervised regularly.*

*We would like to assure that we will continuously seek opportunities and make our best efforts to contribute towards the growth and success of the organization.*

*I thank all valued shareholders of the Company for their confidence and trust and we assure that all efforts shall be put forth for achieving greater heights in future and shareholders can look forward for robust growth of our Company in the years to come.*

*We extend our sincere appreciation to our colleagues on the board for their wise and matured counsel for the smooth functioning of the company. We would like to express our profound gratitude to all our stakeholders, our customers, business associates, employees, bankers, vendors and shareholders who have reposed their trust in us and given us constant support.*

*With warm regards*

*Yours Sincerely*

*Sd/*

**Rajesh Bansal**

**Chairman**



## Laxmi Cotspin Limited

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### **NOTICE OF THE 14<sup>th</sup> ANNUAL GENERAL MEETING**

To,  
The Members of  
**LAXMI COTSPIN LIMITED**  
(CIN: L17120MH2005PLC156866)  
Gut No.399, Samangaon-Kajla Road,  
In Front of Meenatai Thakare Vridhashram,  
Samangaon, Jalna - 431203

Notice is hereby given that the **14<sup>th</sup> ANNUAL GENERAL MEETING** of **LAXMI COTSPIN LIMITED** will be held on Thursday 29<sup>th</sup> August, 2019 at 11.00 a.m at the Registered Office of the Company at Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203. to transact the following ordinary business:-

#### **A) ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31<sup>st</sup> March, 2019 along with Directors Report and Audited Report of the Company.
2. To ratify the appointment of M/s B.P. Singh and co, Chartered Accountants, Aurangabad, for the current year that was appointed for a period of five years in the last Annual General Meeting upto the F.Y 2022-23. and to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** pursuant to the resolution passed by the members at the 13<sup>th</sup> Annual General Meeting of the Company held on 13<sup>th</sup> August, 2018 pursuant to Section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 and other provisions as may be applicable, if any, the Company hereby ratifies the appointment of M/s. B.P. Singh and co, having Firm's Registration No. 118758W, as the Statutory Auditors of the Company from the conclusion of this 14<sup>th</sup> Annual General Meeting till conclusion of the 15<sup>th</sup> Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with them.”

3. Mrs. Prafullata Sanjay Rathi who retire by rotation and being eligible for reappointment, offers herself for re-appointment.

#### **B) SPECIAL BUSINESS**

#### **4. REVISION IN REMUNERATION OF MR SANJAY RATHI, MANAGING DIRECTOR OF THE COMPANY**



**Laxmi Cotspin Limited**

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

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of sections 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the revision in remuneration from Rs. 42.00 Lakhs to Rs. 48.00 Lakhs P.A including all the perquisites of Mr. Sanjay Rathi (DIN: **00182739**) with effect from 1st July 2019.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee and the Board of Directors of the Company be and are hereby authorised to increase the above remuneration.

**RESOLVED FURTHER THAT** any one of the Directors of the Company, be and are hereby severally authorized to sign and file such forms or documents as may be required to be filed with Ministry of Corporate Affairs or Registrar of Companies or such other authority as may be required, to settle any doubt or question arising with regards to the aforesaid appointment and to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

**For and On behalf of the Board of Directors  
Laxmi Cotspin Limited**

**Sd/-  
Rajesh Bansal  
Chairman**

Place: Jalna  
Date: 28/06/2019



## Laxmi Cotspin Limited

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### **Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be received by the company not less than 48 hours before the meeting.

A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.

5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is Annexed hereto and forms part of this Notice

6. Pursuant to the provisions of Section of 91 of The Companies Act, 2013 and listing agreement, The Register of Members and Share Transfer Book will remain closed from 23.08.2019 to 29.08.2019 (both days inclusive).

7. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a Contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Linkintime India Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under the copy of the Annual Report including Financial





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statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com) mentioning your Folio/DP ID & Client ID.

9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts.

10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

11. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.

12. Members are requested to bring with them the attendance slip and hand it over at entry gate.

13. Members are requested to intimate their email id at [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com) in order to meet the requirement of green initiatives.

14. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.

15. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 14<sup>th</sup> Annual General Meeting of the Company.

16. Notice, Audited Financial Statements for 2018-19 together with Board's Report and Auditors' Report are available on the website of the Company [www.laxmicotspin.com](http://www.laxmicotspin.com)

17. Electronic copy of Notice of the AGM along with Annual Report 2018-19 including remote E Voting Instruction, proxy form, attendance slip is being sent by electronic mode to those members who is registered as a member as on 19<sup>th</sup> July, 2019 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on Friday 19<sup>th</sup> July, 2019 and who have not registered their E



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mail Address, Physical copy of notice of the Annual general Meeting along with Annual reports, including Remote E voting instructions, Proxy form, and attendance slip is being sent to them in the permitted mode.

18. Shareholders are also informed that voting shall be by both means i.e Polling paper and E voting, Shareholders who could not vote through remote E voting can exercise their voting right at the AGM. The company will make the arrangement of polling papers in this regards at the meeting Venue. The shareholders attending the meeting who have not cast their vote by Remote E voting shall be able to exercise their right to vote at the meeting

20. The company has set Thursday 22<sup>nd</sup> August, 2019 as the Cutoff date for taking record of the shareholders of the company who will be eligible for casting their vote on the resolution to be passed in the ensuring AGM for both E – Voting and Physical mode through Polling Paper.

21. Board of Director Appointed Mr. Sachin Warat, Practicing Cost and management Accountant, Aurangabad as scrutinizer, for conducting E voting and Poll Papers voting process for the AGM in a fair and transparent manner.

22. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM

23. General Information of E Voting:-

The e-voting period commences on August 26, 2019 (9:00 am) and ends on August 28, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date** of 22<sup>nd</sup> August, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> August, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com)



## Laxmi Cotspin Limited

### **How do I vote electronically using NSDL e-Voting system?**

The way to below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is



## Laxmi Cotspin Limited

	12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on



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[www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

### **Details on Step 2 are given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



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### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sachinwarat@gmail.com](mailto:sachinwarat@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Explanatory Statement**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 3 and 4 the accompanying Notice dated 28.06.2019.

### **Annexure to the Item No.-3 of the Notice**

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015: <b>Name of Director</b>	Mrs. Profullata Rathi
Date of Birth	25 <sup>th</sup> February, 1969
Nationality	Indian
Date of appointment on the Board	01.03.2017
Qualifications	B.Com
Expertise	Mrs. Profullata Rathi has a wide experience in business development



## Laxmi Cotspinn Limited

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	and business relationships management, administration. Having more that 7 Years of Experience.
No. of Shares held in the company	23438
List of the directorship held in other Company	1. Vitthal Polypack Private Limited 2. Mahabaleshwar Alloys Private Limited
Chairman/Member in the committees of the board of other companies in which he/she is director	<b>Chairman</b> - Nil <b>Member</b> - Nil
Relationship, if any, between director's inter se	Wife if Mr. Sanjay Rathi, Managing Director

\* Directorships includes Directorship of other Indian Public Companies and Committee Memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not);  
\* Other required details are stated in Corporate Governance Report.

### **Annexure to the Item No.-4 of the Notice**

The Members of the Company at the Extra Ordinary General Meeting held on 20<sup>th</sup> January, 2016 had approved the appointment of Mr. Sanjay Rathi as the Managing Director of the Company effective from 20<sup>th</sup> December, 2015 for a period of five years and also approved the remuneration payable to Mr. Sanjay Rathi. Further on the recommendation of the Nomination and Remuneration Committee, the Members of the Company at the Annual Ordinary General Meeting held on 30<sup>th</sup> August, 2016 had approved the revised remuneration payable to Mr. Sanjay Rathi effective from 1st July, 2016 from 30 Lacs to 42 Lacs.

Now it is proposed to revise his remuneration from Rs. 42.00 Lakhs to Rs. 48.00 Lakhs p.a including all the perquisites as recommended by Nomination and Remuneration Committee. However this requires approval of shareholders in ensuing Annual General Meeting. Therefore this resolution has been proposed to pass with or without modification, if any.

All other terms & conditions of his appointment remain unchanged. In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with section 196 and 197 of the Companies Act, 2013, shall be



**Laxmi Cotspin Limited**

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payable. Details of Mr. Sanjay Rathi as required to be given pursuant to the Listing Regulations and Secretarial Standards are attached to the Notice. None of the Directors or Key Managerial Personnel or their relatives, except Mrs. Prafullata Rathi are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company.

**For and On behalf of the Board of Directors  
Laxmi Cotspin Limited**

**Sd/-  
Rajesh Bansal  
Chairman**

Place: Jalna  
Date: 28/06/2019





## Laxmi Cotspin Limited

Details of Directors seeking re-appointment/revision in remuneration in the forthcoming Annual General Meeting.

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

<b>Name of the Director</b>	<b>Sanjay Rathi</b>	<b>Prafullata S. Rathi</b>
Director Identification No	<a href="#">00182739</a>	<a href="#">03056379</a>
Category	<b>Managing Director</b>	<b>Director</b>
Date of Birth	<b>10th March 1966</b>	<b>25th February, 1969</b>
Age	<b>53 Years</b>	<b>50 Years</b>
Date of First Appointment on the Board	<b>19.10.2005</b>	<b>01.03.2017</b>
Relationship with Directors and KMPs	<b>Husband of Mrs Prafullata Rathi</b>	<b>Wife of Mr. Sanjay Rathi</b>
Qualifications	<b>B.Com, D.B.M</b>	<b>B.Com</b>
Expertise in specific functional area.	<b>14 year's experience of spinning and ginning industry and 18 years' experience in wholesale cloth trading and having specialized skills in business management.</b>	Mrs. Prafullata Rathi has a wide experience in business development and business relationships management, administration.  Having more that 7 Years of Experience.
Remuneration last drawn	<b>42 Lacks</b>	<b>NA</b>
No. of Meetings of the Board attended during the year	<b>14</b>	<b>14</b>
Terms and Conditions of Appointment or re-appointment along with remuneration	As mentioned in explanatory statement in item no.4	Mrs Prafullata Rathi Has been appointed as Non Executive Director and she will not be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof
Board Membership of Companies as on 31st March, 2019	4	2
Chairman/Member of the Committee of the Board of Directors as on 31st March, 2019	No	No
Number of shares held in the Company as on 31st March, 2019	84375	23438



**Laxmi Cotspin Limited**

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**DIRECTOR'S REPORT**

The Directors have a pleasure in presenting the **Fourteen Annual Report** and Audited Accounts for the financial year ended 31<sup>st</sup> March, 2019.

**01. Financials Summery (Standalone)**

**Rs. In Lacs**

Particulars	2018-19	2017-18
Sales and Other Income	17820	14036.00
<b>Profit Before Tax and Depreciation</b>	<b>1001.33</b>	<b>1161.12</b>
Less: Depreciation and amortization	555.69	743.04
<b>Profit/(Loss) Before Taxation ( PBT )</b>	<b>445.63</b>	<b>418.08</b>
<b>Provision for Taxation</b>		
Less:- Current Tax (MAT)	115.00	120.60
Less:- Deferred Tax & Shortage/Excess Provision	-38.88	37.30
<b>Profit/(Loss) After Tax ( PAT )</b>	<b>258.33</b>	<b>258.33</b>
Add/(Less): Prior Period Adjustment (Income Tax)		
Add/(Less): Exceptional items		
<b>Balance Transfer to the Balance Sheet</b>	<b>366.13</b>	<b>258.33</b>
<b>Basic Earning Per Equity Share</b>	<b>2.14</b>	<b>1.51</b>
<b>Diluted Earning Per Equity Share</b>	<b>2.14</b>	<b>1.51</b>

During the year under review our company has achieved sales Turnover of Rs. 178.20 cores as against Rs. 140.36 cores, achieved in the previous year, the profit after tax earned by the Company is Rs. 3.66 Cores and Profit earned in the previous year of Rs. 2.58 Crores

**02. Change in the nature of Business, If any,**

There has not been any change in the nature of business of the company during financial year 2018-19.



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### **03. Share Capital**

There is no change in Share Capital of the company during financial year 2018-19.

### **04. Transfer to Reserve**

Company has proposed to transfer a sum of Rs 3, 66,13,485/- to Reserve and Surplus for the financial year ended 31<sup>st</sup> March, 2019

### **05. Change of Name**

The company has not changed its name during financial year 2018-19.

### **06. Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:**

- ***Director Retiring by Rotation***

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with the Article of Association of the Company, Mrs. Prafullata Rathi, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends her re-appointment.

- ***Company Secretary & Compliance Officer***

There is no Change during financial year 2018-19.

But during the reporting year 2019-20 i.e On 19<sup>th</sup> April, 2019, Mrs Pooja Potdar has resigned from the post of Whole time Company Secretary and Mr. Sachin Chandanshiv Yadav has been appointed in her place.

On 4<sup>th</sup> July, 2019 Mr. Sachin chandanshiv tenders his resignation from the post of Company Secretary

### **07. Particulate of Employees**

As required, no employee of the company was in receipt of remuneration exceeding the limit prescribe under rule 5 (2) of the companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

### **08. Meetings of Board of Director and Shareholders.**

Fourteen Board Meetings and One shareholders meeting were held during the Year 2018-19 and Eight Audit Committee Meetings and Three Nomination and Remuneration Committee Meetings and Nine Stakeholders' Relationship Committee



## Laxmi Cotspin Limited

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Meetings and the intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

### **09. Board Evaluation**

Pursuant to the provision of the companies Act, 2013, Listing regulation along with other rules and regulation applicable, if any, the company has carried out the annual performance evaluation of its own performance, the director individually as well as the evaluation of the working of its committees, A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspect of the board functioning such as adequacy of the composition of the board and its committees, board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of the individual director including the Chairman of the Board, who were evaluated on parameter such as level of engagement and contribution, independence of judgment, Safeguarding interest of the company and its minority shareholders, etc. The performance evolution of Independent Director was carried out by entire board. The performance evolution of the chairman and non Independent Director was carried out by the Independent Director who also reviewed the performance of the secretarial Department. The Director expresses their satisfaction with the evaluation process.

### **10. Company Policy on Director's Appointment and remuneration**

The policy of the company on Director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Director and other matters provided under Sub – section (3) 178, is explained in the corporate governance report.

### **11. Disclosure Of Composition Of Audit Committee And Providing Vigil Mechanism:**

The Audit Committee consists of the following members

Names	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri	Member
Mr. Bhavesh Patel	Member

The above composition of the Audit Committee consists of independent Directors.



## **Laxmi Cotspin Limited**

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Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

### **12. Declaration by an Independent director(s)**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of interdependence as prescribed both under sub-section 149 of the Companies Act, 2013 and under Clause 52 of the Model SME Listing Agreement with the Stock Exchanges and same is **Annexure "E"** herewith

### **13. Extracts of Annual Return in Form MGT-9 U/s 92 (3) of Companies Act, 2013**

Enclosed herewith Extracts of Annual Return in **Form MGT-9** as per **Annexure "C"**

### **14. Deposits:**

The company has neither accepted any deposit from the public nor from its members.

### **15. Particulars of Loans, Guarantees and Investments:**

The company has not given any loans or provided guarantees or made investments to third parties in which directors are interested as specified in section 185 of the Companies Act, 2013 during the year under review.

### **16. Reply to Adverse Remark Made by Statutory Auditor :**

There are no adverse remarks made by the Auditor of the company

### **17. Internal Control Systems and Their Adequacy:**

The Company has adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.



## **Laxmi Cotspin Limited**

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### **18. Related Party Transactions:**

There is no related Party transaction for the Financial Year 2018-19

### **19. Holding, Subsidiary and Associate Relationship :**

The Company does not have any subsidiary or associate company and Company is not associate or subsidiary of any other Company.

### **20. Risk Management Policy**

The Management deals with timely identification, assessment and proper handling of various risks in the areas of Manufacturing, Marketing in particular And Infrastructure and Govt. Policies in General. The Managements is taking corrective steps from time to time.

### **21. Statutory Auditors& Auditor Reports**

The Shareholders of the Company had appointed M/s. B.P. Singh & Co, Chartered Accountants (Firms Registration No.: 118758W), Aurangabad as Statutory Auditors of the Company for the period of 5 years commencing from the Financial Year 2017-18 to 2021-22 in 13<sup>th</sup> Annual General Meeting held on 13th August, 2018.

### **22. Secretarial Audit report**

In terms of Section 204 of the Companies Act, 2013 and rules made there under M/s A. R Joshi and Associates, Practicing Company Secretary has been appointed for conducting the Secretarial Audit for the FY 2018-19. The reports of secretarial auditor are enclosed as **Annexure“F”** to this report.

### **23. Appointment of Cost Auditor :**

The board has appointed M/s Cheena & Associates, Practicing Cost Accountant for Conducting cost audit for a period 2018-19

### **24. Internal Auditor**

Pursuant to section 138 of the Companies Act, 2013, Every Listed Company is requiring to appoint an Internal Auditor or Firm of the Company for internal auditing of the company. The Board Had appointed Mohini Malpani & Associates Chartered Accountant, as an internal Auditor of the company for FY 2019-20



## Laxmi Cotspin Limited

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### **25. Retirement By Rotation:**

Mrs. Prafullata Rathi, Director of the Company, retires under Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

### **26. Expansion of Plant Capacities:**

Seeing the growing demand of Ringframe counts, company has decided to expand its Ring frame capacity by 12768 Spindles with 7 machineries equipped with latest technology. The Process of manufacturing of cotton yarn by ring frame machineries is same as with old machineries with some technical advantages like energy cost saving, improvement of productivity and lesser manpower required.

Along with ringframe division, company has also decided to set up Knitting Machine for producing Knitted Fabric and Two for One (TFO) Twister machine for manufacturing TFO Yarn.

#### **• Location and Its Advantage:**

- ❖ Factory is located in the middle of cotton growing areas of Marathwada and Vidarbha region at Samangaon, 12 km away from Jalna. About seventy five (75%) of the State of Maharashtra's raw cotton production i.e. 50 lakh bales area production is in this zone out of which Jalna district accounts to approx. 5-6 lakh bales.
- ❖ Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight.
- ❖ Jalna is connected to various railway station and roads throughout India.
- ❖ Also, ICD Maliwada, Aurangabad is the nearest depot through which export containers are loaded and is directly linked to JNPT and Navasheva ports at Mumbai, which are only 400 km from Jalna.
- ❖ The Central government has recently approved the dry port for handling the export containers located near Jalna; this will reduce the cost of logistics for exporting the yarn



## Laxmi Cotspin Limited

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- **Advantage of new project:**

- ❖ This project will enable to get better quality of cotton yarn with reduced manpower and electricity cost.
- ❖ Policies of state government and central government are also favourable to textile units. State government is offering Capital subsidy @35% of total amount invested in plant and machinery to promote the spinning industry.
- ❖ The company is going to install proposed project in the existing premises of the company, hence no additional cost for purchasing of land will be required.
- ❖ The company will not need to incur the additional administrative expenditure; only the relevant expenses like Insurance will have to be separately incurred.

- ❖ **Knitting Machine:**

- ❖ The manufactured hosiery fabric from Cotton Yarn will generate additional product in the existing portfolio of the company.
- ❖ The knitted fabric will bring value addition to company and resultantly more profit per Kilogram.

- ❖ **Two For One twister (TFO) Machine:**

- ❖ The manufactured TFO yarn from Cotton Yarn will generate additional product in the existing portfolio of the company.

The TFO yarn will bring value addition to company and resultantly more profit per Kilogram.

### **27. Recognition to company as a Export House:**

The directors have pleasure to inform you that our company LAXMI COTSPIN LIMITED has been recently recognized as a **STAR EXPORT HOUSE BY MINISTRY OF COMMERCE, GOVERNMENT OF INDIA.**

### **28. Certification**

- ✚ ISO 9001:2008 Certified Company.
- ✚ Ginning & Spinning unit certified by control union, for Organic processing and trading.
- ✚ Ginning & Pressing unit, 4 Star rating certified by Textiles Committee.
- ✚ Organic Cotton Production Certified by NOCA.
- ✚ Recognized as a Star Export House by Ministry of Commerce, Government India





## **Laxmi Cotspin Limited**

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- # Mega Project status by Government of Maharashtra. ( To be renewal )
- # Recognized as BCI Membership (BETTER COTTON INITIATIVE) by BCI Council

### **29. Membership :**

- # Membership of Cotton Association of India
- # Membership of Texprocil of India

### **30. Corporate Social Responsibility**

The board of Directors of the company confirms that the provision of section 135(1) of the company act, 2013 is not applicable to your company during the year under review.

### **31. Conservation of Energy**

- a) The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) A comparative Statement showing consumption of Electricity per kg of yarn manufactured during the current and previous year is appended here with as **Annexure "A"**

### **32. Foreign Exchange Used and Earnings( IN INR)**

Foreign exchange used : Rs. 14,96,751/-  
Foreign exchange earned :  
Rs.40,14,82,202/-

### **33. Disclosure Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **34. Management Discussion and Analysis**

The Management Discussion and Analysis forms part of this Annual report is annexed with **Annexure "H"**



## Laxmi Cotspin Limited

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### **35. Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future**

No significant or material orders were passed by the any Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **36. Enhancing shareholders value:**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building or growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions Positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

### **37. Material Changes:**

There is no material changes affecting the financial position of the company occurred between the end of the Financial Year to which this report relates and the date of the report.

### **38. Our Vision:**

To be a most adorable global partner to all the stake holders in every aspects of textile manufacturing.

### **39. Our Mission:**

By offering quality bales & premium yarns and timely service embedded with value driven culture resulting in finding new avenues to surpass global standards in every activity that needs to nurture the society to the better tomorrow.

### **40. Directors' Responsibility Statement as Per Section 134(5)**

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



## **Laxmi Cotspin Limited**

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(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts for financial year ended on March 31, 2019 on a going concern;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **41. Other Details**

The company has adopted number of codes and policies to comply with the provision of various applicable rules, regulation and acts.

1. Policy on Related Party Transactions.
2. Policy For Determination Of Materiality Of Events An Information
3. Code Of Internal Procedures And Conduct For Regulating, Monitoring And Reporting Of Trading By Insider
4. Policy on Vigil Mechanism
5. Nomination and Remuneration Policy

### **42. Corporate governance certificate**

The Compliance certificate from Auditor or Practicing company secretaries regarding compliance on conditions of corporate governance as stipulated in clause 52 of SME Listing agreement shall be annexed with the report as **Annexure – “G”**

### **43. Acknowledgement**

The Directors would like to express their appreciation for the co-operation from, HDFC Bank Ltd., Shamrao vital Co-operative Bank Aurangabad and your directors also wish to appreciate the co-operation of Director of Industries and the entire staff for extending co-operation. Your directors also wish to place on record their deep sense of appreciation for the committed services by executive, staff and workers of the Company.



**Laxmi Cotspin Limited**

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**For and On behalf of the Board of Directors**

**LAXMI COTSPIN LIMITED**

**Sd/-**

**Mr. Sanjay K. Rathi**  
**Managing Director**

**DIN: 00182739**

**Sd/-**

**Mr. Shivratan S. Mundada**  
**Director**

**DIN: 00349668**

Place: Jalna

Date: 28/06/2019



**Laxmi Cotspin Limited**

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**ANNEXURE – “A” TO DIRECTOR REPORT**

The particulars required relating to energy conservation technology absorption u/s 134(3) (m) of the Companies Act 2013.

**A. Energy Conservation**

The company uses entire electricity consumption required which is provided by the MSEDCL.

**SPINNING**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Total Units	17434050	15154920
Total Cost	90086760	80097973
Rate per Unit	5.17	5.29
Total Production (in kgs)	7168512	5834959
Electricity consumed per unit of production (in units)	12.57	13.72

**GINNING**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Total Units	495810	610218
Total Cost	4247450	4454992
Rate per Unit	8.57	7.30
Total Production (in kgs)	2651057	3731870
Electricity consumed per unit of production (in units)	1.60	1.19



**Laxmi Cotspin Limited**

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**B. Technology Absorption**

The company has undertaken necessary steps to increase the productivity and quality outputs of Yarn and necessary up gradation and modification is evaluated. The Company had installed pollution control equipments to reduce the carbon emission.

**For and On behalf of the Board of Directors  
LAXMI COTSPIN LIMITED**

**Sd/-  
Mr. Sanjay K. Rathi  
Managing Director  
DIN: 00182739**

**Sd/-  
Mr. Shivratan S. Mundada  
Director  
DIN: 00349668**

Place: Jalna

Date: 28/06/2019



**Laxmi Cotspin Limited**

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**ANNEXURE "B"**

**FORM NO. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis**

(a) Name(s) of the related party and nature of relationship: **NA**

(b) Nature of contracts/arrangements/transactions: **NA**

(c) Duration of the contracts / arrangements/transactions: **NA**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**

(e) Justification for entering into such contracts or arrangements or transactions: **NA**

(f) Date of approval by the Board: **NA**

(g) Amount paid as advances, if any: **NA**

(h) Date on which the special resolution was passed in general meeting as required under first proviso: **NA**



**Laxmi Cotspin Limited**

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**2. Details of material contracts or arrangement or transactions at arm's length basis**

**(a) Name(s) of the related party and nature of relationship :**

1. **Name of the related party :-** Not Applicable

<b>Sr. No.</b>	<b>Name of the related Party</b>	<b>Relation/Key Personnel</b>

**(b) Nature of contracts/arrangements/transactions:**

<b>Nature of Transaction</b>	<b>Sanjay Rathi</b>
<b>Remuneration Received</b>	42,00,000

**(c) Duration of the contracts / arrangements/transactions : NA**

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA**

**(e) Date(s) of approval by the Board, if any: NA**

**(f) Amount paid as advances, if any: NA**

**For and On behalf of the Board of Directors**

**LAXMI COTSPIN LIMITED**

**Sd/-  
Mr. Sanjay K. Rathi  
Managing Director**

**DIN: 00182739**

**Sd/-  
Mr. Shivratan S. Mundada  
Director**

**DIN: 00349668**

Place: Jalna

Date: 28/06/2019





## Annexure C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1	CIN	U17120MH2005PLC156866
2	Registration Date	19.10.2005
3	Name of the Company	Laxmi Cotspin Limited
4	Category/Sub-category of the Company	Public Company having Share Capital
5	Address of the Registered office & contact details	No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna – 431203
6	Whether listed company	Listed on NSE at SME Platform
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai, Maharashtra 400083 (022) 25963838 25960320

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Yarn	013111	66%
2	Cotton Bales	1632	17%
3			

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1					
2					
3					

## IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>								
(1) <b>Indian</b>								
a) Individual/ HUF	1,401,885	-	8.18%	1,401,885	-	1,401,885	8.18%	0.00%
b) Central Govt	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	2,065,930	-	12.05%	2,065,930	-	2,065,930	12.05%	0.00%
e) Banks / FI	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other Directors relatives	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>3,467,815</b>	<b>-</b>	<b>20.22%</b>	<b>3,467,815</b>	<b>-</b>	<b>3,467,815</b>	<b>20.22%</b>	<b>0.00%</b>
(2) <b>Foreign</b>								
a) NRI Individuals	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>3,467,815</b>	<b>-</b>	<b>20.22%</b>	<b>3,467,815</b>	<b>-</b>	<b>3,467,815</b>	<b>20.22%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>								
<b>1. INSTITUTIONS</b>								
a) Mutual Funds	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. NON-INSTITUTIONS</b>								
a) Bodies Corp.								
i) Indian	66,06,348		38.52%	66,06,348		66,06,348	38.52%	0.00%
ii) Overseas			0.00%				0.00%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	26,12,051		15.23%	26,12,051		26,12,051	15.23%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	39,14,706		22.82%	39,14,706		39,14,706	22.82%	0.00%
c) Others (specify)								
<b>Non Resident Indians</b>			0.00%				0.00%	0.00%
<b>Overseas Corporate Bodies</b>			0.00%				0.00%	0.00%
<b>Foreign Nationals</b>			0.00%				0.03%	0.00%



Laxmi Cotspin Limited

Clearing Members	54,000		0.31%	54,000		54,000	0.31%	0.00%
HUF	4,92,750		2.87%	4,92,750		4,92,750	2.87%	
Trusts			0.00%			-	0.00%	0.00%
Foreign Bodies - D R			0.00%			-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>13,679,855</b>	<b>-</b>	<b>79.78%</b>	<b>13,679,855</b>	<b>-</b>	<b>13,679,855</b>	<b>79.78%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>13,679,855</b>	<b>-</b>	<b>79.78%</b>	<b>13,679,855</b>	<b>-</b>	<b>13,679,855</b>	<b>79.78%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>17,147,670</b>	<b>-</b>	<b>100.00%</b>	<b>17,147,670</b>	<b>-</b>	<b>17,147,670</b>	<b>100.00%</b>	<b>0.00%</b>

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SANJAY KACHRURAL RATHI	84,375	0.49%	84,375	0.49%	0	0.00%
2	BHAVESH RAMESH PATEL	333,188	1.94%	333,188	1.94%	0	0.00%
3	RAJESH PURANMAL BANSAL	913,125	5.33%	913,125	5.33%	0	0.00%
4	SHIVRATAN SHRIGOPAL MUNDADA	71,197	0.42%	71,197	0.42%	0	0.00%
5	ASHVA MULTI TRADE PRIVATE LIMITED	2,065,930	12.04%	2,065,930	12.04%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Change in %
		No. of shares	% of total shares	No. of shares	% of total shares	
1	SANJAY KACHRURAL RATHI	84,375	0.49%	84,375	0.49%	0%
2	BHAVESH RAMESH PATEL	333,188	1.94%	333,188	1.94%	0%
3	RAJESH PURANMAL BANSAL	913,125	5.33%	913,125	5.33%	0%
4	SHIVRATAN SHRIGOPAL MUNDADA	71,197	0.42%	71,197	0.42%	0%
5	ASHVA MULTI TRADE PRIVATE LIMITED	2,065,930	12.05%	2,065,930	12.05%	0%

\* There is no change in shareholding of Promoter

(iv) Shareholding Pattern of top ten Shareholders

(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the End of the Year		Change in %
		No. of shares	% of total shares	No. of shares	% of total shares	
	Name					
1	ANAND VYAPAR PRIVATE LIMITED	3,392,500	19.78%	3,392,500	19.78%	0.00%
2	SAFFORD MERCANTILE PRIVATE LIMITED	2,285,450	13.33%	2,285,450	13.33%	0.00%
3	RAMESH PATEL	225,1563	13.13%	225,1563	13.13%	0.00%
4	PRASAD COTTON INDUSTRIES PRIVATE LIMITED	234000	1.36%	234000	1.36%	1.36%
5	SAPTSRUNGI ALLOYS PRIVATE LIMITED	228000	1.33%	228000	1.33%	0.00%
6	TARABEN RAMESH	187500	1.09%	187500	1.09%	0.00%
7	J.K SECURITIES PRIVATE LIMITED	162,000	0.94%	162,000	0.94%	0.00%
8	KUSHAL JAYESH KHANDWALA	162,000	0.94%	162,000	0.94%	0.00%
9	ANKIT JAYANTIBHAI PATEL	60,000	0.34%	162,000	0.94%	0.60%
10	MAHABALESHWAR ALLOYS PRIVATE LIMITED	140,000	0.81%	140,000	0.81%	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	DESIGNATION	Shareholding at the beginning of the year		Shareholding at the End of the Year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	SANJAY KACHRURAL RATHI	Managing Director	84,375	0.49%	84,375	0.49%
2	SHIVRATAN SHRIGOPAL MUNDADA	Director	71,197	0.42%	71,197	0.42%
3	BHAVESHBHAI RAMESHBHAI PATEL	Director	333,188	1.94%	333,188	1.94%
4	RAJESH PURANMAL BANSAL	Chairman & Director	913,125	5.33%	913,125	5.33%
5	PRAFULLATA SANJAY RATHI	Director	23,438	0.14%	23,438	0.14%
6	RITESH MANTRI	Director	0	0	0	0
7	SATISH BHAKKAD	Director	6,000	0.03%	6,000	0.03%
8	ANUPKUMAR GINDODIYA	CFO	12,000	0.06%	12,000	0.06%
9	POOJA POTDAR	CS	0	0.00%	0	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1862.09	0	0	1862.09
ii) Interest due but not paid		0	0	-
iii) Interest accrued but not due		0	0	-
<b>Total (i+ii+iii)</b>	<b>1862.09</b>	<b>0</b>	<b>0</b>	<b>1862.09</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		0	0	-
* Reduction	480.40	0	0	480.40
Net Change	480.40	0	0	480.40
<b>Indebtedness at the end of the financial year</b>				



i) Principal Amount	1,381.69			1,381.69
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	1,381.69	-	-	1,381.69

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration			Total Amount (Rs/Lac)
	SANJAY K. RATHI MANAGING DIRECTOR			
1	Gross salary			42,00,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify			-
5	Others, please specify			-
	Total (A)	-	-	42,00,000
	Ceiling as per the Act			60,00,000

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration			Total Amount (Rs/Lac)
1	Independent Directors	NO		-
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (1)	-	-	-
2	Other Non-Executive Directors	NO		-
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration			Total Amount (Rs/Lac)
	Name	ANUPKUMAR GINDODIYA	POOJA POTDAR	
	Designation	CFO	CS	
1	Gross salary	660000	356400	1016400
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option	NO	NO	-
3	Sweat Equity	NO	NO	-
4	Commission - as % of profit - others, specify	NO	NO	-
5	Others, please specify			-
	Total	660000	356400	1016400

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

		No Penalties		

For and On behalf of the Board of Directors  
LAXMI COTSPIN LIMITED

Sd/-  
Mr. Sanjay K. Rathi  
Managing Director

Sd/-  
Mr. Shivratn S. Mundada  
Director

Place: Jalna  
Date: 28/06/2019

DIN: 00182739

DIN: 00349668



Laxmi Cotspin Limited

**ANNEXURE - D**

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

<b>SL. No.</b>	<b>Name</b>	<b>Designation / Nature of Duties</b>	<b>Remuneration Received [Rs.]</b>	<b>Qualification</b>	<b>Experience in years</b>	<b>Age in years</b>	<b>Date of commencement of employment</b>	<b>Last employment held</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>N.A.</b>								

**Notes:**

- All appointments are / were non-contractual
  
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
  
- None of the above employees is related to any Director of the Company employed for part of the financial year.



**Laxmi Cotspin Limited**

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**ANNEXURE E**  
**DECLARATION OF INDEPENDENCE**  
**FROM INDEPENDENT DIRECTOR**

To  
The Board of Directors  
**Laxmi Cotspin Limited**  
At Gut No.399, Samangaon-Kajla Road,  
In Front Of Meenatai Thakare Vridhashram,  
Samangaon Jalna - 431203

**Subject: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, **Mr. Satish Swaroopnarayan Bhakkad**, hereby certify that I am a Non-executive Independent Director of **Laxmi Cotspin Limited**, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50

Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

6. Neither me nor any of my relatives:



## Laxmi Cotspin Limited

- =====
- a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
    - c) holds together with my relatives 2% or more of the total voting power of the company; **or**
    - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

### DECLARATION

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

**Sd/-**

**Satish Bhakkad**

DIN: 07597811

Add - 1-3-1339, Ganpati Ajanta Nagar,  
Devalgaon Road, Jalna 431203

Date: - 12.04.2019



**Laxmi Cotspin Limited**

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**DECLARATION OF INDEPENDENCE**  
**FROM INDEPENDENT DIRECTOR**

To  
The Board of Directors  
Laxmi Cotspin Limited  
At Gut No.399, Samangaon-Kajla Road,  
In Front Of Meenatai Thakare Vridhashram,  
Samangaon Jalna - 431203

**Subject:** Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Mr. Ritesh Mantri**, hereby certify that I am a Non-executive Independent Director of **Laxmi Cotspin Limited**, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover **or** total income **or** Rs. 50 Lacs **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:



## Laxmi Cotspin Limited

- =====
- a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
    - c) holds together with my relatives 2% or more of the total voting power of the company; **or**
    - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
  7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
  8. I am not less than 21 years of age.

### DECLARATION

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,  
Sd/-

**Ritesh Mantri**

DIN: [03576250](#)

Add - R/o Samadhan Opp Nagar  
Parishad Rly station Road, Jalna 431203

Date: - 12.04.2019





Laxmi Cotspin Limited

**ANNEXURE F**

**A. R. JOSHI & ASSOCIATES**  
**Practicing Company Secretary**

**Office: - Bharat Bazar Commercial Complex, "E" wing, 'A' Office, API Corner,  
M.I.D.C Chikalhana, Aurangabad. Ph.- 2480415, 9325228194**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March 2019*

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

**To,**

**The Members,**

**LAXMI COTSPIN LIMITED**

**(CIN: L17120MH2005PLC156866)**

**Gut No.399, Samangaon-Kajla Road,**

**In Front of Meenatai Thakare Vridhashram, Samangaon**

**Jalna - 431203**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LAXMI COTSPIN LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **LAXMI COTSPIN LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Management, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **LAXMI COTSPIN LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;



## Laxmi Cotspin Limited

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(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

**At present company has not accepted any foreign direct investment or External Commercial Borrowing.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015; :

- The Company has not made any substantial acquisition of shares during the year under review and has made mandatory disclosures under Regulation 30 (1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- On Scrutiny it was found that there was no insider trading in the Company during the year under review.

(c) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

- The Company is listed of SME Exchange Board. The company has followed all the required compliances as provided under the above Regulation.

Documents submitted to SME Board is as given below :-

1. Half yearly compliance certificate under Regulation 40(9) of SEBI ( Listing obligation and disclosure requirement) Regulation 2015 dated 30<sup>th</sup> September 2018 and 31<sup>st</sup> March 2019.

2. Quarterly Report on Reconciliation of Share Capital Audit Report for all the four quarter under regulation 55A of SEBI ( Depository and Participant) Regulation 1996 dated June 18, September 18, December 18 and March 2019 based on the Report



## Laxmi Cotspin Limited

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given by Link Intime India Pvt Ltd , Transfer agents of the Company.

3. Quarterly Report on Corporate Governance Report dated 30<sup>th</sup> June 18, 30<sup>th</sup> September 2018, 31<sup>st</sup> December 2018 and 31<sup>st</sup> March 2019.

4. Quarterly Report on Investor Grievance dated 30<sup>th</sup> June 18, 30<sup>th</sup> September 2018, 31<sup>st</sup> December 2018 and 30<sup>th</sup> March 2019.

5. Half yearly certificate under Regulation 7 (3) of SEBI ( Listing obligation and disclosure requirement) Regulation 2015 dated 30<sup>th</sup> September 2018 and 31<sup>st</sup> March 2019.

6. Half yearly certificate under Regulation 40(9) OF SEBI ( Listing obligation and disclosure requirement) Regulation 2015 dated 30<sup>th</sup> September 2018 and 31<sup>st</sup> March 2019

7. Statement of Deviation (s) or Variation(s) as per Regulation 32(1) of SEBI LODR Regulation 2015.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

-The company has not given any ESOP to its Employees and Directors during the year under review.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- The company has not issued or listed any debt securities during the year under review.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

-The company has appointed Linkintime India Pvt. Ltd. as Registrars to an Issue and Share Transfer Agent. The Share Transfer Agent has maintained all records of Shares and Transfer thereto in Electronic Form as provided under the regulation.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- Not Applicable as the Company has not delisted any of its securities during the year under review.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- The company has not undertaken any buy back of shares during the year under review.

(v) Factories Act, and other Labour Laws namely Provident Fund Act, ESI Act 1948



## Laxmi Cotspin Limited

and other applicable labour laws :-

a. The Employees' State Insurance Act, 1948 :-

As reported by the management, the Employees State Insurance Act, 1946 is not applicable to the Company because it is located in a such area where ESIC is not applicable to the Company.

b. Based on the information received from Management and factory people, the company is following regularly the provisions of Factories Act, Provident fund and other labour laws and making payments of Employers and Employees Provident fund regularly. The Factory license has been renewed upto 31<sup>st</sup> December 2019

c. The Company has obtained consent from Maharashtra Pollution control Board and Certificate is valid upto 31<sup>st</sup> January 2020.

### **I have also examined compliance with the applicable clauses of the following:**

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

The company needs to improve compliance of Secretarial Standards issued by ICSI. Minutes should reflect the matter and details of the agenda clearly.

ii) Adequate notices are given to all directors to schedule the Board Meetings along with agenda.

iii) Decisions in the Board Meeting are taken by Majority vote while the views of the dissenting members' are captured and recorded as part of the minutes.

(iv) The Listing Agreements entered into by the Company with Stock Exchange(s),

#### **-- Listing of Equity Shares on NSE (SME) Platform**

The company got listed with National Stock Exchange on the SME Segment/platform on 31.03.2017.

v) Based on the representation/ information given to me from time to time, I report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Women Director, Non-Executive Directors and Independent Directors. There are no changes in the Board of Directors, KMP's and Independent Directors of the Company.

During the reporting period, existing Company Secretary Ms. Pooja Bagul has resigned from the post of Whole time Company Secretary and Mr. Sachin Chandanshiv Yadav has been appointed in her place on 19<sup>th</sup> April 2019



**Laxmi Cotspin Limited**

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vi) I, further report that there exists proper systems and processes in the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**A. R Joshi & Associates**

Sd/-

**A.R Joshi**

**Company Secretary**

**Proprietor**

**(ACS No: 5480 CP No: 4247)**

**Place: Aurangabad**

**Date: 22/05/2019**

This Report is to be read with our letter which is annexed as Annexure A and forms an integral part of this report.



**Laxmi Cotspin Limited**

**Annexure A**

To,  
The Members  
Laxmi Cotspin Limited

Our report is to be read along with this letter.

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

**For: A. R Joshi & Associates**

Company Secretaries

Sd/-

**A. R Joshi**  
**Proprietor**

(ACS No: 5480 CP No: 4247)

**Place:** Aurangabad

**Date:** 22/05/2019



## **REPORT ON CORPORATE GOVERNANCE ON 2018-19**

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company believes that Corporate Governance signifies ethical business behavior in every sphere and with all constituents. This ethical business behavior can be ingrained in the character of the organization through tradition, value, systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance emerges as the cornerstone of the Company's governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

### **2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS:**

#### **a) Composition of the Board**

##### 1. Composition & Category of Directors [as on 31st March, 2019]

The Board comprises of seven directors, of whom 1 is Managing Director, 2 directors are Non - Executive and 1 Executive, 1 is Women Director, and two directors are Non-Executive Independent Director.

Name	Category
Mr. Sanjat Rathi	Managing Director
Mr. Rajesh Bansal	Non – executive, Chairman
Mr. Shivratan Mundada	Non – executive
Mr. Bhaveshbhai Patel	Executive Director
Mrs. Prafullata Rathi	Women Director
Mr. Ritesh Mantri	Non – executive, Independent Director
Mr. Satish Bakkad	Non – executive, Independent Director

The Company does not have a Nominee Director on the Board.

#### **b) Board Meetings, Annual general meeting and Attendance of each Director**

The Company held Fourteen Board Meetings during the year on 12.04.2018, 12.05.2018, 23.05.2018, 14.06.2018, 22.06.2018, 28.06.2018, 21.07.2018,



## Laxmi Cotspin Limited

19.09.2018, 29.09.2018, 21.10.2018, 03.11.2018, 08.12.2018, 01.02.2019, 31.03.2019.

Every board meeting, the matters specified under Section 17 read with Schedule II (Part A) of Listing Regulations were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and others material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis a vis the budget/targets.

The previous Annual General Meeting (AGM) of the Company held on Monday, 13<sup>th</sup> August, 2018 at 10:30 A.M. was attended by Six Directors. The attendance of directors at the Board meeting, their Directorships in other Companies and Membership / Chairmanship in the Committees constituted by other Companies are given below:

<b>Name</b>	<b>Number of Meetings attended</b>	<b>Directorships in other Company(s) as on (31/03/19)</b>	<b>Member/ Chairman of committees of other company(s) (as on 31/3/19)</b>
Mr. Sanjay Rathi	14	4	NA
Mr. Rajesh Bansal	14	1	NA
Mr. Shivratan Mundada	14	2	NA
Mr. Bhaveshbhai Patel	14	8	NA
Mrs. Prafullata Rathi	14	2	NA
Mr. Ritesh Mantri	14	0	NA
Mr. Satish Bakkad)	14	0	NA

c) None of the directors on the Board is a Member of more than 10 board level committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2019 have been made by the Directors

d) None of the Independent Non-Executive Directors have any material pecuniary relationship or transactions with the Company.





## Laxmi Cotspin Limited

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Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.

### **c) Separate Meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on February 01, 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### **3. Committees of Board**

During the year in accordance with the companies Act, 2013, there is no change in constitution of committees of the Board as Follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

#### **1. Audit Committee:**

The constitution, role and the powers of the Audit Committee of the Company are as per the guidelines set out in the Listing Agreement with Stock Exchange read with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The Committee also acts as a link between the Statutory and Internal Auditors and the Board of Directors. It reviews the various reports placed before it by the Management and addresses itself to the larger issues and examines and considers those facts that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements and other management information, adequacy of provisions of liabilities and adequacy

of disclosures and compliance with all relevant statutes. All the members of the committee have requisite financial

The Committee meets periodically and reviews

- Audited and un-audited financial results;
- Internal audit reports and report on internal control systems of the Company;
- Discusses the larger issues that could be of vital concern to the Company;
- Auditors' report on financial statements and their findings and suggestions and seeks clarification thereon;
- All other important matters within the scope and purview of the committee.

**As on 31st March 2019, the Audit Committee comprised of the following:**



## Laxmi Cotspin Limited

### **(Audit Committee)**

Names	Designation	No of Meeting Attended
Mr. Satish Bhakkad	Chairman	6
Mr. Ritesh Mantri	Member	6
Mr. Bhavesh Patel	Member	6

### Details of Audit Committee meeting held during the year under review

Sr No	Date
1	23.05.2018
2	22.06.2018
3	21.07.2018
4	19.09.2018
5	21.10.2018
6	03.11.2018
7	01.02.2018
8	31.03.2018

### **Note:**

The company secretary of the company act as the secretary to the committee.

### **2. Nomination and Remuneration Committee**

Company has formed the Nomination and Remuneration Committee as per Section 178 another applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Nomination and Remuneration Committee includes the following:

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock



## Laxmi Cotspun Limited

options) and revision in the remuneration payable to the Managing Director of our Company from time to time.

2. Compensation and performance targets.

3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

### **As on 31st March, 2019, the Committee Comprises of the following Members:**

Names	Designation	No of Meeting Attended
Mr. Satish Bhakkad	Chairman	3
Mr. Ritesh Mantri	Member	3
Mr. Rajesh Bansal	Member	3

Committee meeting held during the year under review

Sr No	Date
1	20.06.2018
2	19.09.2018
3	31.03.2019

### **Directors' Appointment Criteria / Policy**

The Board of Directors is collectively responsible for selection of a Member on the Board. The Compensation / Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;



## Laxmi Cotspin Limited

- =====
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
  4. Professional qualifications, expertise and experience in specific area of business;
  5. Balance of skills and expertise in view of the objectives and activities of the Company;
  6. Avoidance of any present or potential conflict of interest;
  7. Availability of time and other commitments for proper performance of duties; and
  8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

### Remuneration Policy

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.
2. The appointment and remuneration of the Executive Directors, Key Managerial Personnel and Senior Management are by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance..

The Company does not have any Employee Stock Option Scheme.

#### **a. Details of Remuneration paid to Managing Director for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019**

Name of Director	Salary	Perquisites & Allownces
Sanjay Rathi	42 Lacks	NA

The aforesaid remuneration was paid to the Managing Director in compliance with the Provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

#### **b. Non-Executive Directors' Compensation**

The Non-Executive Directors do not draw any remuneration from the Company.



## Laxmi Cotspin Limited

### **Note:**

The company secretary of the company act as the secretary to the committee

### **3. Stakeholders Relationship Committee**

The Company had constituted Stakeholders Relationship Committee of Directors to look into the Redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports etc. The Stakeholders Relationship Committee comprised of

Names	Designation	No of Meeting Attended
Mr. Ritesh Mantri	Chairman	6
Mr. Satish Bhakkad	Member	6
Mr. Bhavesh Patel	Member	6

Also the same committee will be act for resolving shareholder grievances. If any shareholder have query, compliant on any matter including Annual report, this committee is responsible for the same to resolve this.

Members can lodge their query/ complaint on [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com).

Committee meeting held during the year under review

Sr No	Date
1	09.04.2018
2	14.05.2018
3	12.06.2018
4	22.06.2018
5	21.07.2018
6	27.08.2018
7	19.09.2018
8	21.102018



## Laxmi Cotspin Limited

9	01.02.2019
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**i. Name And Designation Of Compliance Officer**

Mrs Pooja Potdar is the Compliance Officer of the Company.

**ii. Investor Grievance Redressal:**

During the Financial Year 2018-19, company received email communication dated 21.08.2018 regarding complaint filed by Estranged person( Not shareholder of the company) And on 01.09.2018 detail replay submitted on said complaint and email communication dated 10.09.2018 regarding case disposed by SEBI.

**Note:**

1. The company secretary of the company act as the secretary to the committee
2. There was no complaint received from the shareholder during the year under review as per reports provided by Registrar and Transfer Agent, hence there is no pending complaints.

**c. GENERAL BODY MEETINGS:**

**i) Details of the Annual General Meetings held in the last three years are as under:**

Financial Year	Date	Time	Venue
2015-16	30.08.2016	4.00 PM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2016-17	18.07.2017	10.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2017-18	13.08.2018	10.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203

**(ii) Special Resolution, if any, passed through postal ballot with details of voting pattern:**



## Laxmi Cotspin Limited

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2018-19.

### (iii) Special Resolution proposed to be conducted through postal ballot:

None of the business proposed to be transacted in the ensuing Annual General Meeting requires Special Resolution through postal ballot.

### iv) Special Resolution Passed in the previous three Annual general Meeting

Financial Year	Special Resolution	Details
2015-16	Yes	1. Revision In Remuneration Of Sanjay Rathi, Managing Director Of The Company 2. Restriction On Borrowing Including Present Borrowing Other Than Temporary Loans Aailed From Time To Time Upto Rs 100 Crore 3. Regularisation of appointment of Mr. Bhavesh Patel as a director of the company.
2016-17	Yes	1. Regularization of Appointment of Mrs. Prafullata Rathi as a Women Director of the company
2017-18	Yes	1. Increase the Borrowing Powers of the Company 2. Authority for Creation of Charge / Mortgage on Property of the Company 3. Alteration of object clause in the Memorandum of Association of the company

#### **Disclosures:-**

1. Related party Transaction: There is no related party transaction take place in this year.
2. Compliances: There was no instance of non compliance by companies or penalties or strictures imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
3. Whistle Blower policy: The Company has in place an employee concern (Whistle Blower). No personnel have been denied access to the Audit Committee to lodge their grievances.
4. The company has complied with the mandatory requirement of SEBI (LODR) Regulation, 2015

#### **i. MEANS OF COMMUNICATION:**



## Laxmi Cotspin Limited

Shareholding Pattern, Corporate governance report and Financial Results are Electronically transmitted to the National Stock Exchange. And documents which are require to be upload on the website of the company as per SEBI (LODR) Regulation, 2015 and other applicable regulation, are also uploaded on the website [www.laxmicotspin.com](http://www.laxmicotspin.com) of the company

### GENERAL SHAREHOLDER INFORMATION

**i) Annual General Meeting:**

<b>AGM : Date, Time &amp; Venue</b>	On 29 <sup>th</sup> August, 2019 at 11.00 a.m at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
<b>Financial Year</b>	The Financial year under the review covers the following period from 01.04.2018 to 31.03.2019
<b>Date of Book closure</b>	23.08.2019 to 29.08.2019
<b>Listing on Stock Exchange</b>	NSE Limited
<b>Stock Code</b>	NSE - LAXMOCOT ISIN - INE801V01019
<b>Registrar and Transfer Agent</b>	Linkintime India Private Limited
<b>Share Transfer System</b>	All the transfers received are processed by the Registrar and Transfer Agent.
<b>Distribution of shareholding</b>	Annexure "C"
<b>Outstanding GDR/ADR /warrants or any convertible instruments conversion date and likely impact on equity</b>	No Issued
<b>Plant Location</b>	Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram,





### Laxmi Cotspin Limited

	Samangaon, Jalna - 431203, Maharashtra, India
<b>Address for correspondence</b>	1. Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203  2. Email Id - laxmicotspin@gmail.com  3. Tele - 9765999633
<b>Market Price Data: High, Low during each month in last financial year 2018-19</b>	

<b>Month</b>	<b>High</b>	<b>Low</b>
April 2018	15.45	12.55
May 2018	15.00	10.00
June 2018	14.35	10.00
July 2018	14.50	13.00
August 2018	15.00	13.50
September 2018	13.00	13.00
October 2018	14.90	11.00
November 2018	15.00	13.50
December 2018	13.00	13.00
January 2019	13.00	13.00
February 2019	13.75	11.20
March 2019	12.70	12.50



## Laxmi Cotspin Limited

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### **Non mandatory Requirements**

#### **a. Shareholders Right – Re; Half Yearly Result**

A Half Yearly declaration of financial performance including summery of the significant events in last six months is uploaded on the website of the company.

#### **b. Audit Qualification –**

The financial statements of the company are unqualified

#### **c. Evaluation of the board performance**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015, the Board has carried out an annual performance evaluation of its own, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The result of the evaluation done by Independent Directors was reported to the Chairman of the Board.

It was reported that the performance evaluation of the Board & Committee's was satisfactory. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. The Directors expressed their satisfaction with the evaluation process.

For and on Behalf of the Board of Directors

Place - Jalna

Date – 28.06.2019

For Laxmi Cotspin Limited

Sd/-

Mr. Sanjay Rathi  
(Managing Director)  
(DIN [00182739](#))



Laxmi Cotspin Limited

**Distribution of Shareholding as at 31<sup>st</sup> March, 2019**

Laxmi Cotspin Limited							
DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
Report Type : All(NSDL+CDSL+PHYSICAL) 31.03.2019							
SR.NO	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
2	10001	to	20000	1	0.2193	1563.	0.0091
3	40001	to	50000	1	0.2193	4825	0.0281
4	50001	to	100000	333	73.0263	2000323	11.6653
5	100001	to	*****	121	26.5351	15140959	88.2975
<b>Total</b>				<b>456</b>	<b>100.0000</b>	<b>17147670</b>	<b>100.0000</b>



**Laxmi Cotspin Limited**

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**Annexure G**

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Board of Directors,  
**Laxmi Cotspin Limited**  
Gut No.399, Samangaon-Kajla Road,  
In Front Of Meenatai Thakare Vridhashram,  
Samangaon, Jalna – 431203

We have examined the relevant records of Laxmi Cotspin Limited for the purpose of certifying compliance with the conditions of corporate governance for the year ended 31<sup>st</sup> March 2019, as stipulated in Schedule V (E) of the SEBI (LODR) Regulation, 2015 of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For: **A. R Joshi & Associates**  
Company Secretaries

Sd/-  
**A. R Joshi**  
**Proprietor**  
(ACS No: 5480 CP No: 4247)



**Laxmi Cotspin Limited**

**[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

Statement of particulars of employees pursuant to the provision of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

1. Details pursuant to rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl No	Requirement of Rule 5(1)	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Sanjay Rathi – (Managing Director) – 21.93%
2	The percentage increase in median remuneration of employees in the financial year	The percentage increase in remuneration 1. MD – NA 2. Director - NA 3. CFO – 10% 4. Company Secretary – 12% 5. Manager - NA
3	The percentage increase in median remuneration of employees in the financial year	Average 10%
4	The Number of Permanent employees on the rolls of the company in the financial year	105
5	Maiden Remuneration of the employees in the financial year	191472
6	The explanation on the relationship between average increase in remuneration and company performance	The company has made profit of Rs 3,66,13,485 as compared to the last year 25,833,784, so there is no increase in remuneration of Director but average 10% increase in employees Remuneration



### Laxmi Cotspin Limited

7	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Total remuneration paid to the KMP 14.25% of the net profit of the 2018-19
8	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	MD- 11.47% (of net Profit) CFO – 1.80% (of net Profit) CS – 0.98% (of net Profit)
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NA
10	Affirmation that the remuneration is as per the remuneration policy of the company	We Affirm that the remuneration paid to employee and KMP remuneration is as per the remuneration policy of the company

2. The board's report shall include a statement showing the name of every employee of the company, who-

- i. If employed throughout the financial year was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;
- ii. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
- iii. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For and on Behalf of the Board of Directors  
For Laxmi Cotspin Limited

**Sd/-**

Mr. Sanjay Rathi  
(Managing Director)  
(DIN [00182739](#))



**Laxmi Cotspin Limited**

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**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

I, Mr. Sanjay Rathi, Managing Director of Laxmi Cotspin Limited, do hereby declare & confirm that all the Board Members and Senior Managerial Personnel have affirmed to the Board of Directors the compliance of the Code of Conduct as laid down by the Board.

For and on Behalf of the Board of Directors  
For Laxmi Cotspin Limited

Place – Jalna

Sd/-

Date – 28.06.2019

Mr. Sanjay Rathi  
(Managing Director)  
(DIN [00182739](#))



Laxmi Cotspin Limited

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**CEO/CFO CERTIFICATION**

**To,**

**The Board of Directors,  
Laxmi Cotspin Limited**

Sir,

a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2019 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or in violation of the Company's code of conduct.

c) We accept the responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the audit Committee, that there are no deficiencies in the design or operation of such internal controls, if any, of which we are aware.

d) We have indicated to the auditors and Audit Committee

i) That there is no significant change in internal control over financial reporting during the year.

ii) There is no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii) There is no significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Laxmi Cotspin Limited**

**Sd/-**

**(Sanjay Rathi) (Anupkumar Gindodiya)**

**Managing Director**

**Sd/-**

**CFO**

**Place: Jalna**

**Date: 28.06.2019**





## Laxmi Cotspin Limited

### Annexure H

#### **Management Discussion Analysis:**

##### **1 Overall Review / Industry Structure and development**

Company engaged in the business of cotton processing in textile industry with our production facilities located in cotton growing areas of Marathwada region at Samangaon which is situated in the Jalna district of State of Maharashtra. We are manufacturer of yarn and we have an existing Ring spinning & open end unit to cater to the yarn markets in Maharashtra and Gujarat. Our business is spread among home textiles, weaving sector, Denim Manufactures and hosiery manufacturers through open end yarn and ring spun yarn. we are manufacturing premium quality 100% cotton combed and carded hosiery/ warp conventional, organic and BCI yarn in count range of 30s Ne to 40s Ne for the purpose of exporting to Asian and European countries.

Company was established in year 2008 with a capacity of 13200 spindles . Over the years we have expanded upto 16800 spindels with compact, lycra and slub attachment. Addition to this we have set up open end unit with 3000 Rotors. We believe that we have established a strong customer base and good marketing setup.

Our plant is equipped with state-of-art latest machineries of international repute . The plant is equipped with fully automatic, dust and pollution ,modern colour contamination removal and yarn conditioning systems. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Operators are committed and they are trained in European training methods for efficient and quality work.

Company's operations are supported by modern testing instruments installed in its quality assurance laboratory, includes UT- 5 (Uster Switzerland), HVI, Single

Yarn Tester, Aqura Process Control Management (Premium India). Beside of these basic instruments from Statex, Online Contamination Removal System SIRO facility at Autowinder maintains the contamination free world class premium quality cotton, yarns and garments.

We enjoy accreditations, such as the ISO 9001: 2008 certification for Quality Management System from Moody International, Certificate of Global Organic Textile Standards (GOTS) issued by Control Union Certification (Netherlands). Ginning & Spinning unit is certified by Control Union, for organic processing and Trading. Ginning & Pressing unit, 4 Star rating which is certified by Textiles Committee and BCI (Better Cotton Initiative) certified, by Better Cotton Initiative, Switzerland.



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## 2 OPPORTUNITIES AND THREATS

There is good scope for growth for the textile industry as India's share in the global trade textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Chinese exports are slowing down on account of various factors inclusive of increase in domestic demand and rising costs. This is a good opportunity of which our textile industry should make use but smaller countries like Bangladesh, Sri Lanka, Pakistan, Turkey and Vietnam etc. are becoming formidable challengers.

### I. Market access through bilateral negotiation

The trade is growing between regional trade blocs due to bilateral agreements between Participating countries.

### II. Integration of Information technology

'Supply Chain Management' and 'Information Technology' has a crucial role in textile Manufacturing. Availability of EDI (Electronic Data Interchange), makes communication fast, easy, transparent and reduces duplication.

### III. Opportunity in High Value Items

India has the opportunity to increase its UVR's (Unit Value Realization) through moving up the value chain by producing value added products and by producing more and more technologically superior products.

## THREATS

High cost of labor, Competition among spinners as the expansion is going on throughout industry, International trade war, However, we are making all out efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies, and searching PAN India customers and also export market for selling of yarn.

## 3 SEGMENT REVIEW AND ANALYSIS

The entire operations of the Company relate to viz Textiles includes cotton lint, cotton yarn, fabrics and garments Therefore, segment/product-wise details are not applicable.



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#### 4 RISK AND CONCERNS

Although cotton textile is one of the most important industries of India, it suffers from many problems. The fluctuation in the currency especially against the dollar is becoming problematic for long term booking of orders. Cotton prices are increasing regularly as are other input costs including power and logistics.

#### 5 STRENGTH AND WEAKNESS

##### 1. STRENGTH

###### I. Established marketing set-up

We are engaged in the processing of textiles since incorporation. Over the years we believe that we have established a strong customer base and good marketing setup. Further, our group has sufficient marketing expertise and wide marketing network, which is and would be channeled for our business and future expansion, if any. We have dedicated divisions for marketing different types of products and for different geographical locations. The sales division and export division are responsible for marketing of our products and fabrics. All the divisions have well trained and adequate teams to handle daily activities and are supervised regularly.

**Also we have branch office at Mumbai, with most experience staff is appointed for export marketing, with the help of export marketing team we have achieved 50 crore export target in the last financial year.**

###### II. Locational advantage of our manufacturing unit

Our factory is located in the middle of cotton growing areas of Marathwada and Vidarbha region at Samangaon, 12 km away from Jalna. About seventy five (75%) of the State of Maharashtra's raw cotton production i.e. 50 lakh bales area production is in this zone out of which Jalna district accounts to approx. 5-6 lakh bales. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Jalna is connected to various railway station and roads throughout India. Also, ICD Maliwada, Aurangabad is the nearest depot through which export containers are loaded and is directly linked to JNPT and Navasheva ports at Mumbai, which are only 400 km from Jalna. The Central government has recently approved the dry port for handling the export containers located near Jalna, this will reduce the cost of logistics for exporting the yarn.

###### III. Scalable business model

Our business model is order driven, and comprises of optimum utilization of our resources processing facilities, maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We



## Laxmi Cotspin Limited

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believe that this business model has proved successful and scalable for us in the last few financial years. We have been successful in scaling up our business mainly due to the development of new markets, by adopting aggressive marketing of the product, innovation in the product range and by maintaining consistent quality of our products.

### **IV. Management expertise**

Our management has adequate and rich experience in the textile business for more than a decade. Our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, reliance on independent contractors, the global economic crisis related effects and fluctuations in the prices.

### **WEAKNESS**

I) **Fluctuation in prices of cotton.**

II) **Volatility in the currency**

III). **Poor Infrastructure**

High power costs and long export lead times are eroding India's export competitiveness across the textile chain.

IV. **Low Labor Productivity**

Productivity levels for manufacturing various apparel items are far lower in India in comparison with its competitors.

### **6 OUTLOOK**

During the current year there is an improvement in the demand for the Company's products. Company exports their yarn to Pakistan, Bangladesh, China, Korea, Singapore, Colombia, Hongkong. They also sale their yarn to various corporate like Gimatex, Hindustan Spg. Jindal Denim Ltd, Shahi Exports Ltd.



**Laxmi Cotspin Limited**

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**Auditor's Report on Half Yearly Financial Results and Year to Date Results of  
Laxmi Cotspin Limited  
Pursuant to the Regulation 33 of the  
SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To  
The Board of Directors of  
**Laxmi Cotspin Limited,**  
**Jalna.**  
**CIN L17120MH2005PLC156866**

We have audited the financial results Laxmi Cotspin Limited for the half Year and year ended on 31<sup>st</sup> March, 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These half yearly financial results as well as the yearly financial results have been prepared on the basis of the related interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these half yearly financial results as well as the yearly results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



**Laxmi Cotspin Limited**

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(ii) give a true and fair view of the net profit and other financial information for the half year as well as the year ended 31st March, 2019.

**For B. P. Singh & Co**  
Chartered Accountants  
**FRN 118758-W**

**Sd/-**  
**CA Balaji P. Singh**  
(Proprietor)  
**M. No. 104836**  
**Date: 24<sup>th</sup> May, 2019**  
**Place: Aurangabad.**



Laxmi Cotspin Limited

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**INDEPENDENT AUDITOR'S REPORT**

**To,  
The Members,  
Laxmi Cotspin Limited  
Jalna,  
CIN L17120MH2005PLC156866**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **M/s. Laxmi Cotspin Limited ("the Company")** which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss, for the period ended, and a summary of significant accounting policies and other explanatory information.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of the Balance Sheet, of the "State of Affairs" of the Company as at 31<sup>st</sup> March, 2019; and
- b. In the case of the Statement of Profit and Loss, of the "**Profit**" for the year ended on that date;
- c. In the case of the Cash Flow Statement, of the "**Cash flows**" for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

The Company has not considered the effect of ICDS while calculating the amount of income tax provision and Deferred Tax Liability, amount of which cannot be quantified. Our opinion is not qualified in this matter



## Laxmi Cotspin Limited

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### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not





## Laxmi Cotspin Limited

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for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Report on Other Legal and Regulatory Requirements

1. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
2. As required by the Companies (Auditor's Report), 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the act, we give in the **Annexure-B** a statement on the matters specified in paragraphs 3 and 4 of the order.
3. As required by section 143 (3) of the Act, we report that: -
  - a) We have sought and except for the matter described in the Emphasis of matter paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) Except for the possible effects of the matter described in the Emphasis of matter paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) Since, the company does not have any branches, the report on the accounts of the branch offices audited by other auditor u/s 143 (8) of the Act is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e) Except for the possible effects of the matter described in the Emphasis of matter paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards specified



## Laxmi Cotspin Limited

under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- f) The matter described in the Emphasis of matter paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
- g) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in Emphasis of matter paragraph above.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Notes on accounts 2.2 (i) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B. P. Singh & Co**  
Chartered Accountants  
**FRN 118758-W**  
Sd/-

**CA Balaji P. Singh**  
(Proprietor)  
**M. No. 104836**

**Date: 24<sup>th</sup>May, 2019**  
**Place: Aurangabad.**



## Laxmi Cotspin Limited

### **Annexure 'A' To the Independent Auditor's Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **Laxmi Cotspin Limited** ('The Company') as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing ('the Standards') prescribed under section 143(10) of the Act and Guidance Note, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**



## Laxmi Cotspin Limited

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A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control over financial reporting includes those policies and procedures that

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For B. P. Singh & Co**  
Chartered Accountants  
**FRN 118758-W**

**Sd/-**

**CA Balaji P. Singh**  
(Proprietor)

**M. No. 104836**

**Date: 24<sup>th</sup> May, 2019**

**Place: Aurangabad.**



## Laxmi Cotspin Limited

### **Annexure 'B' To the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Report on Companies (Auditor's Report) Order, 2016 ('The Order') issued by the central government in terms of Sub-section 11 of Section 143 of the Companies Act, 2013 ('The Act') of Laxmi Cotspin Limited ('The Company')**

**1. In respect of Company's fixed assets: -**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c) The title deeds of immovable properties are held in the name of the company.

**2. In respect of Inventories: -**

As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

**3. In Respect of Loans to parties covered under section 189: -**

The Company has neither taken nor granted any loans or advances in the nature loans to parties covered in the register maintained under section 189 of the companies Act. Hence, the question of reporting whether the receipt of the principal and Interest are regular whether reasonable steps for recovery/repayment of over dues of such loans are taken does not arise.

**4. In Respect of reporting on compliance with Section 185 and 186: -**

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

**5. In Respect of acceptance of Public Deposits: -**

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2019 and therefore, the provisions of the clause 3 (v) of the order are not applicable to the company.

**6. In respect of maintenance of cost records: -**

On the basis of records produced to us, we are of the opinion that, *prima facie*, the cost records prescribed by the Central Government of India under Section 148(1) of the act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.



## Laxmi Cotspin Limited

### 7. In respect of Payment/ Non-payment of Statutory Dues: -

- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Sales tax, Service Tax, Value added Tax, cess and any other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, except the following:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which it relates	Forum where the dispute is pending	Amount Paid (₹)
MVAT Act, 2002	Assessment Dues	13,47,287	FY 2012-13	Joint Commissioner, Aurangabad	NIL
MVAT Act, 2002	Assessment Dues	12,24,600	FY 2013-14	Joint Commissioner, Aurangabad	NIL
MVAT Act, 2002	Assessment Dues	64,72,834	FY 2014-15	Joint Commissioner, Aurangabad	NIL
Service Tax	Assessment Dues	15,87,854	Aug 12 – Nov 16	CESTAT	NIL

### 8. In respect of Default in repayment to Banks/ Financial Institutions/ Government Debenture holders: -

Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

### 9. In respect of End use of monies raised by way of IPO/FPO/ Term Loans: -

According to the information and explanations received by us, in case of monies raised by way of IPO/FPO/ Term Loans the same were used for the purpose for which the funds were raised. During the year the company has listed on SME stock exchange through Offer for Sale (OFS).

### 10. In respect of Frauds noticed/ reported: -

In our opinion and according to the information and explanations given to us, no fraud on the company by its officers or employees nor any fraud by the company has been noticed or reported during the year, that causes the financial statements to be materially mis-stated.



## Laxmi Cotspin Limited

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**11. In respect of Managerial Remuneration: -**

Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

**12. In respect of Nidhi Companies: -**

In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi company hence, in our opinion; the requirements of clause 3(xii) of the order do not apply to the company.

**13. In respect of Related Party Transactions: -**

In our opinion and according to the information and explanations given to us, the company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by applicable accounting standards.

**14. In respect of Private Placements/ Preferential Allotment of Shares/ Fully or Partly Convertible Debentures: -**

Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

**15. In respect of Non-cash transactions involving Directors or Connected Persons:**

In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or the persons connected to its directors. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence no comment is called there upon.

**16. In respect of registration of NBFC under Section 45-IA of the RBI Act, 1934: -**

In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For B. P. Singh & Co**

Chartered Accountants

**FRN 118758-W**

Sd/-

**CA Balaji P. Singh**

(Proprietor)

**M. No. 104836**

**Date: 24<sup>th</sup> May, 2019**

**Place: Aurangabad.**



## Laxmi Cotspin Limited

### Laxmi Cotspin Limited

#### Balance Sheet

As at 31<sup>st</sup> March, 2019

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019 Rs.	As at 31 <sup>st</sup> March, 2018 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	171,476,700	171,476,700
(b) Reserves and Surplus	4	297,150,106	270,855,887
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	103,614,400	138,352,074
(b) Deferred tax liabilities (Net)		6,425,218	10,313,422
(c) Long term provisions	6	4,882,516	3,850,747
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	319,471,977	364,791,132
(b) Trade payables	8	114,898,295	61,212,031
(c) Other current liabilities	9	51,256,079	67,502,655
(d) Short-term provisions	10	21,819,266	22,379,266
<b>Total</b>		<b>1,090,994,557</b>	<b>1,110,733,915</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	11	347,478,454	393,184,851
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>(2) Current assets</b>			
(a) Inventories	12	257,846,299	267,795,345
(b) Trade receivables	13	405,834,558	379,569,387
(c) Cash and cash equivalents	14	11,690,630	12,567,698
(d) Short-term loans and advances	15	25,319,313	21,813,302
(e) Other current assets	16	42,825,303	35,803,331
<b>Total</b>		<b>1,090,994,557</b>	<b>1,110,733,915</b>
Overview and Significant Accounting Policies	1 & 2		
The notes referred to above form an integral part of financial statements			
In terms of our report of even date			
For B. P. Singh & Co. Chartered Accountants FRN : 118758W		For and on behalf of the Board of Directors	
Sd/- CA Balaji P. Singh (Proprietor) M. No. 104836		Sd/- Sanjay Rathi (Managing Director) DIN 00182739	Sd- Shivratan Mundada (Director) DIN 00349668
Date : 24th May, 2019			
Place : Aurangabad			





## Laxmi Cotspin Limited

<b>Laxmi Cotspin Limited</b> <b>Statement of Profit and Loss</b> For the period ended 31 <sup>st</sup> March, 2019			
Particulars	Note No.	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>INCOME</b>			
Revenue from operations (Net)	17	1,772,113,407	1,397,859,870
Other Income	18	9,921,244	5,784,311
<b>Total Revenue</b>		<b>1,782,034,651</b>	<b>1,403,644,181</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	1,382,396,802	1,070,013,654
Changes in inventories of finished goods, work-in-process and stock-in-trade	20	512,715	(8,606,294)
Employee Benefit Expenses	21	79,081,133	70,964,954
Finance costs	22	32,286,546	16,936,145
Depreciation and amortisation expenses	23	55,569,582	74,304,960
Other expenses	24	187,623,952	138,221,902
<b>Total Expenses</b>		<b>1,737,470,730</b>	<b>1,361,835,321</b>
<b>Profit Before Extra-ordinary Items and Tax</b>		<b>44,563,921</b>	<b>41,808,860</b>
<b>EXTRA-ORDINARY ITEMS</b>			
Profit/(Loss) on sale of Asset		(125,940)	-
<b>Total Extra-Ordinary Items</b>		<b>(125,940)</b>	<b>-</b>
<b>Profit Before Tax</b>		<b>44,437,981</b>	<b>41,808,860</b>
<b>Tax expense:</b>			
1) Current Tax		11,500,000	12,060,000
2) Deferred Tax		(3,888,204)	3,730,259
3) Short/ Excess Provision		212,700	184,817
		<b>7,824,496</b>	<b>15,975,076</b>
<b>Profit for the Year</b>		<b>36,613,485</b>	<b>25,833,784</b>
Earning per equity per share of face value of ` 10 each			
1) Basic EPS (in `)		2.14	1.51
2) Diluted EPS (in `)		2.14	1.51
Overview and Significant Accounting Policies 1 & 2			
The notes referred to above form an integral part of financial statements			
<b>Notes:</b>			
1 The Above Audited Financial Result have been reviewed by the Audit Committee and approved by the board of directors in their respective meetings held on <b>24th May, 2019</b>			
2 Figures are regrouped / rearrange, whenever consider necessary			
3 The Management Identifies "Cotton" as the only business Segment.			
In terms of our report of even date			
<b>For B. P. Singh &amp; Co.</b> Chartered Accountants <b>FRN : 118758W</b>  Sd/- <b>CA Balaji P. Singh</b> (Proprietor) <b>M. No. 104836</b>		<b>For and on behalf of the Board of Directors</b>  Sd/- <b>Sanjay Rathi</b> (Managing Director) <b>DIN 00182739</b>	
		Sd/- <b>Shivratan Mundada</b> (Director) <b>DIN 00349668</b>	
Date : 24th May, 2019			
Place : Aurangabad			



## Laxmi Cotspin Limited

Laxmi Cotspin Limited Statement of Profit and Loss For the period ended 31 <sup>st</sup> March, 2019				
Particulars	6 Months Ended		Year Ended	
	30th Sept, 2018 Rs.	31st March, 2019 Rs.	31st March, 2019 Rs.	31st March, 2018 Rs.
	Unaudited	Audited	Audited	Audited
<b>1. Income</b>				
Income from operations (Net)	837,597,461	934,515,946	1,772,113,407	1,397,020,450
Other Operating Income	-	-	-	-
<b>Total Income from operation</b>	<b>837,597,461</b>	<b>934,515,946</b>	<b>1,772,113,407</b>	<b>1,397,020,450</b>
<b>2. Expenses</b>				
Cost of materials consumed	667,216,140	715,180,662	1,382,396,802	1,070,013,654
Changes in inventories of finished goods, work-in-process and stock-in-trade	(34,626,375)	35,139,090	512,715	(8,606,294)
Employee Benefit Expenses	37,047,781	42,033,352	79,081,133	70,964,954
Depreciation and Amortisation expenses	37,732,417	17,837,165	55,569,582	74,304,960
Other expenses	89,163,799	98,460,153	187,623,952	138,221,902
<b>Total Expenses</b>	<b>796,533,762</b>	<b>908,650,422</b>	<b>1,705,184,184</b>	<b>1,344,899,176</b>
<b>3. Profit/(Loss) from operation before other income, finance Cost and Exponential Items (1-2)</b>	<b>41,063,699</b>	<b>25,865,524</b>	<b>66,929,223</b>	<b>52,121,274</b>
4. Other Income	9,432,737	488,507	9,921,244	23,652,481
<b>5. Profit/(Loss) from ordinary Activities before finance Cost and Exponential Items (3+4)</b>	<b>50,496,436</b>	<b>26,354,031</b>	<b>76,850,467</b>	<b>75,773,755</b>
6. Finance costs	22,805,440	9,481,106	32,286,546	33,964,895
<b>7. Profit/(Loss) from ordinary Activities after finance Cost but before Exponential Items (5-6)</b>	<b>27,690,996</b>	<b>16,872,925</b>	<b>44,563,921</b>	<b>41,808,860</b>
8. Exceptional Items	-	-	-	-
<b>9. Profit/(Loss) from ordinary Activities before tax (7+8)</b>	<b>27,690,996</b>	<b>16,872,925</b>	<b>44,563,921</b>	<b>41,808,860</b>
<b>10. Tax expense:</b>				
1) Current Tax	-	11,500,000	11,500,000	12,060,000
2) Deferred Tax	-	(3,888,204)	(3,888,204)	3,730,259
3) Short/ Excess Provision	215,383	(2,683)	212,700	184,817
	215,383	7,609,113	7,824,496	15,975,076
<b>11. Profit/(Loss) from ordinary Activities after tax (9-10)</b>	<b>27,475,613</b>	<b>9,263,812</b>	<b>36,739,425</b>	<b>25,833,784</b>
<b>12. EXTRA-ORDINARY ITEMS</b>				
Profit/(Loss) on sale of Asset	(125,940)	-	(125,940)	-
<b>Total Extra-Ordinary Items</b>	<b>(125,940)</b>	<b>-</b>	<b>(125,940)</b>	<b>-</b>
<b>13. Net Profit for the Year (11-12)</b>	<b>27,349,673</b>	<b>9,263,812</b>	<b>36,613,485</b>	<b>25,833,784</b>
14. Share of profit/ (loss) of associates*	-	-	-	-
15. Minority Interest*	-	-	-	-
<b>16. Net Profit/ (Loss) after Taxes, minority interest and Share of Profit/ (Loss) of associates (13-14-15)</b>	<b>27,349,673</b>	<b>9,263,812</b>	<b>36,613,485</b>	<b>25,833,784</b>



## Laxmi Cotspun Limited

17	Paid up Equity share capital (Face Value of Rs. 10/- each)	171,476,700	171,476,700	171,476,700	171,476,700
18	Reserves (Excluding revaluation reserve)	311,647,408	297,150,106	297,150,106	270,855,886
19i	<b>Earning per equity per share before (Extra Ordinary Items) of Rs. 10/- each</b>				
	a) Basic EPS (in Rs.)	1.59	0.54	2.14	1.51
	b) Diluted EPS (in Rs.)	1.59	0.54	2.14	1.51
19ii	<b>Earning per equity per share after (Extra Ordinary Items) of Rs. 10/- each</b>				
	a) Basic EPS (in Rs.)	1.59	0.54	2.14	1.51
	b) Diluted EPS (in Rs.)	1.59	0.54	2.14	1.51

### Overview and Significant Accounting Policies

The notes referred to above form an integral part of financial statements

#### Notes:

- 1 The Above Audited Financial Result have been reviewed by the Audit Committee and approved by the board of directors in their respective meetings held on 24th May, 2019
- 2 Figures are regrouped / rearrange, whenever consider necessary
- 3 The figures of the half year ended 31st March, 2019 are the balancing figures between audited figures for the year ended on 31st March, 2019 and published year to date figure upto the half year ended of the current financial year (i.e. on 30th September, 2018)
- 4 The Management Identifies "Cotton" as the only business Segment.

In terms of our report of even date

**For B. P. Singh & Co.**  
Chartered Accountants  
FRN : 118758W

Sd/-  
**CA Balaji P. Singh**  
(Proprietor)  
M. No. 104836

Date : 24th May, 2019  
Place : Aurangabad

**For and on behalf of the Board of Directors**

Sd/-  
**Sanjay Rathi**  
(Director)  
DIN 00182739

Sd/-  
**Shivratan Mundada**  
(Director)  
DIN 00349668



## Laxmi Cotspun Limited

### Laxmi Cotspun Limited Cash Flow Statement For the period ended 31st March, 2019

Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>A. Cash Inflow/ (Outflow) from Operating Activities</b>		
Net Profit After Tax	36,613,485	25,833,784
<b>Adjustment For</b>		
Depreciation	55,569,582	74,304,960
Interest (Net)	32,286,546	16,936,145
Provision for Income Tax	11,712,700	12,244,817
Deferred Tax	(3,888,204)	3,730,259
Provision for Gratuity and Leave Encashment	1,331,151	2,327,083
Profit / (Loss) on Sale of Asset	(125,940)	-
Interest and Subsidy Received	9,921,244	6,623,731
	106,807,078	116,166,995
<b>Operating Profit before working capital changes</b>	<b>143,420,564</b>	<b>142,000,779</b>
<b>Adjustment for</b>		
Inventories	9,949,046	47,817,352
Trade Receivables	(26,265,170)	(134,172,646)
Other Current Assets	(7,021,972)	(3,308,185)
Trade Payables	53,686,264	29,157,549
Other Current Liabilities	(16,836,724)	2,808,953
Long term provisions	1,031,769	1,040,577
Short-term loans and advances	(1,048,853)	(2,137,890)
Income Tax Paid	(13,016,268)	(10,559,111)
	478,091	(69,353,401)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>143,898,654</b>	<b>72,647,378</b>
<b>B. Cash Inflow/(Outflow) From Investment Activities</b>		
Capital Expenditure (Purchase/ Capitalization)	(12,816,836)	(40,941,142)
Sale Proceeds of Fixed Assets	625,000	-
(Increase) / Decrease due to revaluation	-	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(12,191,836)</b>	<b>(40,941,142)</b>
<b>C. Cash Inflow/(Outflow) From Financing Activities</b>		
Increase/ Decrease in Long Term Borrowings	(34,737,674)	(19,868,314)
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	(45,319,155)	24,677,359
Interest Paid	(32,286,546)	(16,936,145)
Interest and Subsidy Received	(9,921,244)	(6,623,731)
Dividend and Dividend tax Paid	(10,319,266)	(10,319,266)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(132,583,884)</b>	<b>(29,070,098)</b>
<b>Net Changes In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(877,066)</b>	<b>2,636,138</b>
<b>Cash &amp; Cash equivalents (Opening Balance)</b>	<b>12,567,696</b>	<b>9,931,558</b>
<b>Cash &amp; Cash equivalents (Closing Balance)</b>	<b>11,690,630</b>	<b>12,567,696</b>

In terms of our report of even date

For B. P. Singh & Co.  
Chartered Accountants  
FRN : 118758W

Sd/-  
CA Balaji P. Singh  
(Proprietor)  
M. No. 104836

Date : 24th May, 2019  
Place : Aurangabad

For and on behalf of the Board of Directors

Sd/-  
Sanjay Rathi  
(Managing Director)  
DIN 00182739

Sd/-  
Shivratan Mundada  
(Director)  
DIN 00349668



## Laxmi Cotspin Limited

### Laxmi Cotspin Limited Notes to the Financial Statements as at 31<sup>st</sup> March, 2019

Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>3 Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ` 10/- each	400,000,000	400,000,000
	<b>400,000,000</b>	<b>400,000,000</b>
<b>Issued, Subscribed and Fully Paid -up</b>		
17,147,670 (Previous Year 17,147,670) Equity shares of ` 10/- each fully paid up	171,476,700	171,476,700
<b>Total Share Capital</b>	<b>171,476,700</b>	<b>171,476,700</b>

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

Particular	31st March, 2019 No. of Shares	31st March, 2018 No. of Shares
Equity Shares outstanding at the beginning of the year	17,147,670	17,147,670
Add : Change during the year	-	-
Equity Shares outstanding at the close of the year	<b>17,147,670</b>	<b>17,147,670</b>

**(b) Terms/rights attached to equity shares**

- i) The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:
  - i) Out of above equity shares, the Company had allotted 94,67,515 equity shares as fully paid up bonus shares by capitalisation of profits transferred from Securities Premium, pursuant to the resolution passed at the Board Meeting held dated on 25<sup>th</sup> March, 2010.

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

Name of Shareholder	31st March, 2019		31 <sup>st</sup> March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of ` 10 each fully paid</b>				
Anand Vyapar Private Limited	3,392,500	19.78%	3,392,500	19.78%
Safford Merchantile Private Limited	2,285,450	13.33%	2,285,450	13.33%
Rameshbhai Chotabhai Patel	2,251,563	13.13%	2,251,563	13.13%
Ashva Multitrade Private Limited	2,065,930	12.05%	2,065,930	12.05%
Rajesh Puranmal Bansal	913,125	5.33%	913,125	5.33%



## Laxmi Cotspin Limited

Laxmi Cotspin Limited Notes to the Financial Statements as at 31st March, 2019		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>4 Reserves And Surplus</b>		
<b>a) Capital Subsidies</b>		
As per last financial statements	50,294,844	50,294,844
<b>Add:</b>		
During the year	-	-
<b>Less:</b>		
During the year	-	-
<b>Closing Balance</b>	<b>50,294,844</b>	<b>50,294,844</b>
<b>b) Securities Premium Reserve</b>		
As per last financial Statements	55,529,500	55,529,500
<b>Add:</b> During the year	-	-
<b>Closing Balance</b>	<b>55,529,500</b>	<b>55,529,500</b>
<b>c) Surplus in Statement of Profit and Loss</b>		
As per last financial statements	165,031,543	149,517,025
<b>Add:</b>		
Profit for the year	36,613,485	25,833,784
<b>Less:</b>		
<b>Appropriations</b>		
Adjustments during the year	-	-
Proposed dividend on equity shares (Amount per share ` 0.50, previous year ` 0.50)	(8,573,835)	(8,573,835)
Corporate tax on proposed dividend	(1,745,431)	(1,745,431)
<b>Net surplus in the statement of Profit and Loss</b>	<b>191,325,762</b>	<b>165,031,543</b>
<b>Total Reserve and Surplus</b>	<b>297,150,106</b>	<b>270,855,887</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>5 Long Term Borrowings</b>		
<b>a) Secured Long Term Borrowings</b>		
<b>i) Term Loans from Banks</b>		
HDFC Bank Limited	110,149	2,403,333
Shyamrao Vitthal Co-operative Bank Limited	101,705,078	134,346,414
<b>Term Loans from Banks</b>	<b>101,815,227</b>	<b>136,749,747</b>
<b>ii) Other Loans from Banks (Vehicle Loan)</b>		
HDFC Bank Limited	1,799,173	1,602,327
<b>Vehicle Loans from Banks</b>	<b>1,799,173</b>	<b>1,602,327</b>
<b>Secured Long Term Borrowings "a"</b>	<b>103,614,400</b>	<b>138,352,074</b>
<b>b) Unsecured Long Term Borrowings</b>		
<b>i) Inter Corporate deposit</b>	-	-
<b>Unsecured Long Term Borrowings "b"</b>	-	-
<b>Total Long Term Borrowings ("a" + "b")</b>	<b>103,614,400</b>	<b>138,352,074</b>
<b>Term Loan and Vehicle from the Bank</b>		
i) Term Loan is secured by way of first charge of land, Factory Shed and Building, Plant and Machineries and other Fixed assets(Present and Future) of the company and guaranteed by Corporate, Directors and Members.		
ii) Vehicle Loan is secured by hypothecation of Vehicle and guaranteed by Directors.		
iii) Average cost of loans to be given to the extend of 11% to 15%.		



## Laxmi Cotspun Limited

<b>Laxmi Cotspun Limited</b>		
Notes to the Financial Statements as at 31st March, 2019		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>6 Long term provisions</b>		
<b>Provision for Employee benefits</b>		
Gratuity	4,882,516	3,850,747
<b>Total Long Term Provisions</b>	<b>4,882,516</b>	<b>3,850,747</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>7 Short Term Borrowings</b>		
<b>a) Secured Short Term Borrowings</b>		
i) Cash Credit from HDFC Bank Limited	235,353,176	245,157,632
ii) Pledge Loan from HDFC Bank Limited	84,082,700	119,633,500
ii1) HDFC Bank Credit Card	36,101	-
<b>Secured Short Term Borrowings</b>	<b>319,471,977</b>	<b>364,791,132</b>
<p><b>Cash Credit From Banks</b> Secured by hypothecation by way of first charge over all current assets namely stock of raw materials, semi finished and finished goods, stores and spares not related to plant and machinery and book debts and also personally guaranteed by the corporate, directors. The cash credit is repayable on demand.</p> <p><b>Other Loan from Banks</b> Pledge Loans are secured by hypothecation by way of First Charge over inventories of raw materials i.e., Cotton Bales.</p>		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>8 Trade Payables</b>		
Trade Payables	114,898,295	61,212,031
<b>Total Trade Payables</b>	<b>114,898,295</b>	<b>61,212,031</b>
<p>The Company has so far not received information from vendors regarding their status under the Micro, Small and Medium Enterprises (Development) Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid / payable under this Act have not been given.</p>		



## Laxmi Cotspin Limited

<b>Laxmi Cotspin Limited</b>		
Notes to the Financial Statements as at 31st March, 2019		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>9 Other Current Liabilities</b>		
a) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	35,753,483	47,857,361
b) Statutory Dues*	4,157,794	6,995,709
c) Advance from customer and others	-	-
d) Other Payables		
i) Outstanding liabilities for expenses**	11,344,802	12,649,585
<b>Total Other Current Liabilities</b>	<b>51,256,079</b>	<b>67,502,655</b>
<p>*Statutory dues include Contribution made for Provident Fund, Local Tax, Professional Tax and Leave encashment</p> <p>** Outstanding liabilities for expenses include Outstanding liability made for Bonus, Electricity Charges, Audit Fees, other tax, Interest, Salary, Wages unpaid for the current year.</p>		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>10 Short term provisions</b>		
a) <b>Other Provisions</b>		
Provision for taxation- Income Tax	11,500,000	12,060,000
Dividend Payable	8,573,835	8,573,835
Dividend Distribution Tax	1,745,431	1,745,431
<b>Total Short Term Provisions</b>	<b>21,819,266</b>	<b>22,379,266</b>





## Laxmi Cotspin Limited

### Laxmi Cotspin Limited Notes to the Financial Statements as at 31st March, 2019

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 <sup>st</sup> April, 2018 Rs.	Additions Rs.	Deletion Rs.	As at 31 <sup>st</sup> March, 2019 Rs.	Up to 1 <sup>st</sup> April, 2018 Rs.	For the Period Rs.	Other Adjustments Rs.	Upto 31 <sup>st</sup> March, 2019 Rs.	As at 31 <sup>st</sup> March, 2019 Rs.	As at 31 <sup>st</sup> March, 2018 Rs.
<b>11 Fixed Assets</b>										
<b>Tangible Assets</b>										
Land	2,788,006	-	-	2,788,006	-	-	-	-	2,788,006	2,788,006
Building	152,326,757	3,289,987	-	155,616,744	25,076,161	4,888,653	-	29,964,814	125,651,930	127,250,596
Electrical Installations	37,804,433	57,421	-	37,861,855	18,751,543	3,595,024	-	22,346,568	15,515,287	19,052,889
Plant & Machineries	650,547,348	3,475,848	-	654,023,195	421,319,021	45,686,595	(2,233,957)	464,771,659	189,251,536	229,228,327
Miscellaneous Fixed Assets	30,568,472	289,197	-	30,857,669	21,445,649	2,259,872	(498,056)	23,207,466	7,650,203	9,122,823
Furniture & Fixture	4,865,753	1,113,359	-	5,979,112	4,075,728	476,175	-	4,551,903	1,427,208	790,025
Computers Systems	2,247,729	175,055	-	2,422,784	2,165,576	54,085	(9,273)	2,210,388	212,396	82,153
Office Equipment	943,031	237,000	-	1,180,031	775,727	183,210	(3,205)	955,732	224,299	167,304
Vehicles & Others	9,552,368	1,976,259	750,940	10,777,686	4,849,640	1,170,458	(0)	6,020,098	4,757,589	4,702,728
<b>Sub Total</b>	<b>891,643,897</b>	<b>10,614,125</b>	<b>750,940</b>	<b>901,507,082</b>	<b>498,459,045</b>	<b>58,314,073</b>	<b>(2,744,491)</b>	<b>554,028,628</b>	<b>347,478,454</b>	<b>393,184,851</b>
<b>Capital WIP</b>	-	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>891,643,897</b>	<b>10,614,125</b>	<b>750,940</b>	<b>901,507,082</b>	<b>498,459,045</b>	<b>58,314,073</b>	<b>(2,744,491)</b>	<b>554,028,628</b>	<b>347,478,454</b>	<b>393,184,851</b>
<b>Previous Year</b>	850,455,859	74,622,712	(33,434,674)	891,643,897	424,154,085	74,304,960	-	498,459,045	393,184,851	426,301,773



## Laxmi Cotspin Limited

Laxmi Cotspin Limited Notes to the Financial Statements as at 31st March, 2019		
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>12 Inventories</b>		
a) Raw Materials	198,039,849	208,217,586
b) Work-in-Process	16,149,505	19,032,434
c) Finished Goods	19,578,444	17,208,231
d) Stores & Spares	24,078,501	23,337,094
<b>Total Inventories</b>	<b>257,846,299</b>	<b>267,795,345</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>13 Trade Receivables</b>		
a) Unsecured		
Exceeding Six Months		
Considered Good	16,878,165	30,699,268
Others		
Considered Good	388,956,393	348,870,119
<b>Total Trade Receivable</b>	<b>405,834,558</b>	<b>379,569,387</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>14 Cash &amp; Cash Equivalents</b>		
a) Cash on hand	273,463	21,151
b) Balances with Scheduled Banks		
- In Current Account	281,148	579,786
- In Term Deposits Account	11,123,349	11,953,855
c) Balances with Non-Scheduled Banks	12,670	12,906
<b>Total Cash &amp; Cash Equivalents</b>	<b>11,690,630</b>	<b>12,567,698</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>15 Short Term Loans &amp; Advances</b>		
a) Advance to Suppliers and Service Providers	9,914,981	5,068,626
b) Loans & Advances to Others	1,131,671	4,929,173
c) Security Deposit	1,256,393	1,256,393
d) Other Loans and Advances		
- Advance Tax, TDS & TCS	13,016,268	10,559,111
<b>Total Short Term Loans &amp; Advances</b>	<b>25,319,313</b>	<b>21,813,302</b>
Particulars	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>16 Other Current Asset</b>		
a) Prepaid expenses	627,898	463,336
b) Balance with Government Authorities	20,615,551	3,788,615
c) Accrued Interest (TDR)	1,913,442	1,215,972
d) Interest Receivable (TUFs)	3,829,256	14,496,251
e) Other Receivables	15,839,156	15,839,157
<b>Total Other Current Assets</b>	<b>42,825,303</b>	<b>35,803,331</b>



## Laxmi Cotspin Limited

<b>Laxmi Cotspin Limited</b>		
Notes to the Financial Statements as at 31st March, 2019		
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>17 Revenue From Operations</b>		
<b>Sale of Products</b>		
Finished Goods	1,769,129,011	1,397,020,450
Sale of Services	2,984,396	839,420
	<b>1,772,113,407</b>	<b>1,397,859,870</b>
<b>Particulars Of Sales</b>		
<b>(A) Export Sales</b>		
i) Sale of Goods	508,414,295	188,229,951
<b>(B) Domestic Sales</b>		
i) Sale of Goods	1,260,714,716	1,208,790,499
ii) Sale of Services	2,984,396	839,420
	<b>1,772,113,407</b>	<b>1,397,859,870</b>
<b>Total Revenue from operations</b>	<b>1,772,113,407</b>	<b>1,397,859,870</b>
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>18 Other Income</b>		
a) Duty Drawback & Incentives	7,044,246	4,356,764
<b>b) Other operating income</b>		
a) Forex Gain & Loss	2,089,008	158,412
b) Profit on commodity trading (Bales)	-	342,304
C) Interest income FDR and RD	787,990	926,831
<b>Total Other Income</b>	<b>9,921,244</b>	<b>5,784,311</b>
<b>Total Revenue</b>	<b>1,782,034,651</b>	<b>1,403,644,181</b>
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>19 Cost of Material Consumed</b>		
a) Opening Stock of Raw material	208,217,586	270,499,262
b) Purchases of Raw material	1,357,218,224	996,961,190
c) Add: Freight Expenses	15,000,841	10,770,787
d) Less: Closing Stock	(198,039,849)	(208,217,586)
<b>Total Cost of Material Consumed</b>	<b>1,382,396,802</b>	<b>1,070,013,654</b>



## Laxmi Cotspin Limited

<b>Laxmi Cotspin Limited</b>		
Notes to the Financial Statements as at 31st March, 2019		
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>20</b>	<b>Changes in inventories of finished goods, work-in-process and stock-in-trade</b>	
<b>a) Opening Stock</b>		
Finished Goods	17,208,231	16,795,154
Work in Process	19,032,434	10,839,217
	<b>36,240,665</b>	<b>27,634,371</b>
<b>b) Closing Stock</b>		
Finished Goods	19,578,444	17,208,231
Work in Process	16,149,505	19,032,434
	<b>35,727,950</b>	<b>36,240,665</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>512,715</b>	<b>(8,606,294)</b>
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>21</b>	<b>Employee Benefit Expenses</b>	
<b>a) Salaries and wages</b>	66,165,170	58,229,319
<b>b) Directors remuneration</b>	4,200,000	4,200,000
<b>c) Contribution to provident &amp; other funds</b>	4,981,038	3,511,492
<b>e) Staff Welfare expenses</b>	3,734,925	5,024,143
	<b>79,081,133</b>	<b>70,964,954</b>
<b>Total Employee Benefit Expenses</b>	<b>79,081,133</b>	<b>70,964,954</b>



## Laxmi Cotspin Limited

<b>Laxmi Cotspin Limited</b>		
Notes to the Financial Statements as at 31st March, 2019		
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>22 Finance Cost</b>		
a) Bank Charges	1,969,766	1,426,015
	<b>1,969,766</b>	<b>1,426,015</b>
b) Interest Expenses		
i) Interest on Term Loan	16,491,220	4,464,906
ii) Interest on Working Capital Loan	21,641,106	18,804,643
iii) Interest on Pledge Loan	5,110,955	9,269,331
iv) <u>Less:</u> Interest	(12,926,501)	(17,028,750)
	<b>30,316,780</b>	<b>15,510,130</b>
<b>Total Finance Cost</b>	<b>32,286,546</b>	<b>16,936,145</b>
<b>Interest expenses are net of Interest Income</b>		
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>23 Depreciation &amp; Amortization Expenses</b>		
a) Depreciation	55,569,582	74,304,960
	<b>55,569,582</b>	<b>74,304,960</b>
<b>Total Depreciation &amp; Amortization Expenses</b>	<b>55,569,582</b>	<b>74,304,960</b>
Particulars	Period Ended 31st March, 2019 Rs.	Period Ended 31st March, 2018 Rs.
<b>24 Other Expenses</b>		
a) Consumption of Stores and Spares and Packing Material	36,271,443	25,048,068
b) Consumption of Power and Fuel	90,060,682	80,536,979
c) Repair & Maintenance	5,394,057	1,771,699
d) Insurance	1,109,277	1,565,634
e) Office Expenses	1,718,105	1,143,464
f) Audit Fees	195,500	195,500
g) Legal, Professional and Subscription Charges	3,136,295	2,236,118
h) Rent, Rates & Taxes	1,024,113	1,617,892
i) Communication Expenses	881,050	545,084
j) Travelling & Conveyance Expenses	1,311,964	894,919
k) Clearing and forwarding expenses	26,036,207	9,341,450
l) Selling Expenses	20,485,258	13,325,094
	<b>187,623,952</b>	<b>138,221,902</b>
<b>Total of other expenses</b>	<b>187,623,952</b>	<b>138,221,902</b>



## Laxmi Cotspin Limited

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### Laxmi Cotspin Limited

#### Notes to the financial statement as at and for the period ended 31<sup>st</sup> March, 2019

1) **Overview:**

- i) Laxmi Cotspin Limited (hereinafter referred as an “LCL”) was originally incorporated under the Companies Act, 1956, as private limited company. In the year 2010, the management decided to go for expansion and the company was converted into a public Limited company and consequently the name of the company was changed to Laxmi Cotspin Limited pursuant to fresh certificate of incorporation issued by Registrar of Companies Mumbai, Maharashtra. LCL has spinning unit of 16,800 spindles and 48 DR Ginning & Pressing unit at Samangaon, Dist. Jalna (Maharashtra).

2) **Significant Accounting Policies and Notes to Accounts:**

**Note 2.1 Significant Accounting Policies:**

i) **Basis of Preparation of Financial Statements:**

The financial statements are prepared under the historical cost convention, on going concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standard) Rules, 2006 in compliance with Section 133 of the Companies Act, 2013 (erstwhile Section 211(3C) of the Companies Act, 1956). The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of income. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Group and are consistent with those used in previous year.

ii) **Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the reporting period and results of operations during the reporting period. Although these estimates are based upon the management’s best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

iii) **Valuation of Inventories:**

- a) Raw materials and stores & spares are valued at lower of cost, computed on net realizable value. Cost includes the purchase price as well as incidental expenses. Cotton Waste is valued at estimated realizable value. However, in case of raw materials, stores and spares held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost.
- b) Work-in-process is valued at lower of estimated cost or net realizable value and finished goods are valued at lower of weighted average cost or net realizable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads.
- c) Finished goods are valued at the lower of cost or net realizable value. Cost included cost of materials, conversion cost and related overheads paid or payable on such goods.



## Laxmi Cotspin Limited

- d) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### iv) **Cash and Cash Equivalents (For purpose of Cash Flow Statement):**

Cash flow statement has been prepared under indirect method as set out in the Accounting standard (AS 3) issued by the ICAI.

### v) **Fixed Assets – Depreciation:**

#### a) **Tangible Assets:**

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

#### b) **Capital work-in-progress:**

Expenditure related to and incurred on implementation of new/ expansion-cum-modernization projects is included under capital work-in-progress and the same is allocated to the respective tangible asset on completion of its construction/erection.

#### c) **Depreciation:**

Depreciation on fixed assets is provided under straight-line method based on the estimated useful life of the Assets as follows and useful life specified in schedule II to the Companies Act, 2013 and depreciation on the assets acquired/ sold during the year is provided on pro-rata basis from/to the month of addition/deduction.

Asset Class	Estimated Useful Life*
Factory Building	30 Years
Building (Other than factory Building) Other than RCC frame structure	30 Years
Plant and Machinery (Continuous process plant for which no special rate has been prescribed)	8 Years
Computer and Data Processing Units	3 Years
Electrical Installations	10 Years
Vehicles - Motor buses, Motor lorries, Motor cars and Motor taxies other than those used in a business of running on them hire	8 Years
Furniture and fittings	10 Years
Office equipments and Misc. Fixed Assets	5 Years

\* Note: The above useful life is as per management estimate.

### vi) **Revenue Recognition:**

- a) Sales are exclusive of indirect taxes and net off trade discount, returns and rate difference. Other income is accounted on accrual basis whereas dividend is accounted as and when right to receive arises.
- b) Interest Income is recognized on time proportion basis.

### vii) **Foreign Currency Transactions:**



## Laxmi Cotspun Limited

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses are recognized in the statement of profit & loss for the year, except to the extent that they relate to new projects till the date of capitalization which are carried to capital work-in progress and those relating to fixed assets which are adjusted to the carrying cost of the respective assets.

viii) **Government Grants, Subsidy and Incentives:**

- a) Interest subsidy received or receivable on Term Loan taken under Technology up Gradation Fund Scheme (TUFS) Subsidy are reduced from the term loan interest being a revenue nature. TUFS subsidy on Interest pertaining to pre-operative period is attributable to the cost of acquisition/installation of fixed assets till the commencement of commercial production is capitalized.
- b) Export duty drawback is accounted on the basis of accrual.

ix) **Employee Benefits:**

Expenses & liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15 - 'Employee Benefits'.

a) **Short term employees' benefits:**

Company has recognized all such benefits like salary, wages on accrual basis i.e. in the period in which the employees renders related services and at actual cost i.e. undiscounted basis.

b) **Post-employment benefits: Defined Contribution Plan:**

State governed provident fund, insurance and labour welfare schemes are defined contribution plan of company. The company recognizes all such benefits on accrual basis i.e. charge to revenue in the period in which the employee's renders related services and at amount of actual fixed contribution.

c) **Gratuity:**

It is provided as and when due. During the year, the company has not provided for gratuity since none of the employees have crossed five years of continuous service with the company.

d) **Leave Encashment:**

The Company has a HR policy that all the employees have to compulsorily avail their leave in the year itself and no carry forward as well encashment is allowed. In view of the above no provision for leave encashment is made in the books.

x) **Borrowing Cost:**

In Accordance with AS 16 'Borrowing Cost', borrowing costs net of Technology up Gradation Finance Scheme (TUFS) related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs net of TUFS incurred during the period are charged to statement of profit and loss.

xi) **Segment Accounting:**

The company is engaged mainly in Cotton products consisting of various types of cotton yarn, Cotton bales, and Cotton seeds, cotton oil and oil cakes. The company operates in one geographical segment viz. India, therefore no geographical segments is reported in accordance with AS 17- 'Segment Reporting'.





## Laxmi Cotspin Limited

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### xii) **Taxes on Income:**

- a) Taxes on income are accounted for in accordance with Accounting Standard (AS) 22 on "Accounting for Taxes on Income". Tax Expenses comprise of Current Tax and Deferred Tax.
- b) Current Tax expense comprises taxes on income from operations in India. The Income Tax is determined at amount expected to pay for recoverable from the authorities in accordance with the provisions of the Income Tax Act, 1961.
- c) Deferred Tax Expense and Benefit is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- d) The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

### xiii) **Earnings Per Share:**

Basic Earnings per share is computed by dividing the Profit/ (Loss) after tax (Including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Basic and Diluted EPS are same because the company has not issued any of the shares having a dilutive effect on the original shareholders. *Refer Notes on accounts 2.2 (VI) to the financial statements.*

### **Note 2.2 Notes on Accounts**

#### i) **Contingent Liability:**

##### a) **Guarantees by banks on behalf of the company:**

- The company has given Bank Guarantee in favor of MSEB against the electricity consumption is Rs. 91.87 Lakhs.
- The company has given Bank Guarantee in favor of Director of Agriculture Produce Marketing Committee State Pune Rs. 3 Lakhs.
- The company has given Bank Guarantee in favour of Dy. Commissioner of Customs against Imported Spare Clearance of Rs. 5.04 Lacs.
- The company has given Bank guarantee in favour of DGFT for export obligation is Rs. 9.66 Lacs.

##### b) **Claims against the company not acknowledged as debt:**

##### - **In respect of Sales Tax matters:**

- Value Added Tax ("VAT") department has realized demand Rs. 13,47,287/- for FY 2012-13 on account of disallowance of the proportionate Input VAT for non-submission of Form 'F'. In regards to the same company has filed appeal with appropriate authorities.
- VAT department has realized demand Rs. 12,24,600/- for FY 2013-14 on account of disallowance the proportionate Input VAT for non-submission of Form 'C'. In regards to the same company has filed appeal with appropriate authorities.



## Laxmi Cotspin Limited

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- VAT department has worked out CST demand Rs. 64,72,834/- for FY 2014-15 by disallowing the proportionate Input VAT on account of non-submission of Form 'C' and purchases made from those dealers i.e., short/non-filers of VAT Returns.
  - **In respect of civil suits against the company:**
    - On account of cancellation of forward contract for Supply of cotton bales, the Cotton Association of India (CAI) has given decision against Company and directed to pay compensation of Rs. 34,27,251/- to the aggrieved party. Against the said order, the company has filed appeal with civil court.
  - **In respect of service tax matter**
    - Service Tax department has worked out Service Tax demand of Rs. 15,87,854/- under proviso to section 73(1) of the Finance Act, 1994 on the service provided by the Director to the company (other than negative list). Against the same company has filed appeal with higher authorities.

**ii)** Sundry creditors, Sundry debtors and advance are subject to confirmation. Further in the opinion of the management the current assets, loans and advances have the value for realization in the ordinary course of business at least equal to the amount at which it's stated in the accounts.

**iii)** The company is in the process of compiling the information about the status of their suppliers or creditors those falls under small-scale industrial undertaking as defined The Micro Small and Medium Enterprises Developments Act 2006 (MSMED Act). Therefore, no information is being provided in current year.

**iv)** Payments to auditors:

	<b>31<sup>st</sup> Match, 2019</b>	<b>31<sup>st</sup> Match, 2018</b>
Statutory Audit Fees	1,20,000	1,20,000
Tax Audit	75,500	75,500
<b>Total</b>	<b>1,95,500</b>	<b>1,95,500</b>

**v)** The Deferred tax liability comprises of following:

<b>Particulars</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Deferred Tax Liability</b>		
On account of Timing Difference (Depreciation)	68,65,336	124,00,414
<b>Total (a)</b>	<b>68,65,336</b>	<b>124,00,414</b>
<b>Deferred Tax Assets</b>		
On Account of Disallowances	(4,40,118)	(20,86,992)
<b>Total (b)</b>	<b>(4,40,118)</b>	<b>(20,86,992)</b>
<b>Net Deferred Tax Liability</b>	<b>64,25,218</b>	<b>103,13,422</b>
Less: - Provision up to previous year	103,13,422	65,83,163
<b>Deferred Tax (Liability) /Assets (Net) for the year</b>	<b>(38,88,204)</b>	<b>37,30,259</b>

**vi)** Earnings per share is worked out as under:

<b>Earnings per Share</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Profit After Tax (Balance available for Equity Shareholders)</b>	<b>3,66,13,485</b>	<b>2,58,33,784</b>



## Laxmi Cotspin Limited

No. of shares outstanding	1,71,47,670	1,71,47,670
Weighted Average number of equity shares used as denominator for calculating of EPS (No)	1,71,47,670	1,71,47,670
<b>Basic and Diluted Earnings Per Share of face value of Rs 10 each (₹)</b>	<b>2.14</b>	<b>1.51</b>

vii) As per accounting standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with related parties as defined in the accounting standard are given below:

Sr. No.	Name of the related Party	Relation/Key Personnel
1	Mr. Shivratana Mundada	Key Managerial Person (Director of LCL)
2	Mr. Sanjay Rathi	
3	Gayatri Ginning and Pressing Private Limited (GGPPL)	One of the Director's Son's Company

a) Disclosure in respect of material transactions with related parties during the year:

Nature of Transaction	Shivratan Mundada	Sanjay Rathi
<b>Services Received</b>	-	21,00,000
<b>Material Purchases</b>	-	-
<b>Material Sales</b>	-	-

viii) Previous Year Figures regrouped/rearranged/reclassified where ever necessary to confirm to current year grouping & classifications.

**In terms of our report of even date**

**For & on behalf of the Board of Directors**

**For M/s. B. P. Singh & Co**  
Chartered Accountants  
**FRN 118758-W**

**Sd/-**  
**CA Balaji P. Singh**  
(Proprietor)  
**M.No. 104836**

**Sanjay Rathi**  
(Managing Director)

**ShivratanMundada**  
(Director)

**Sd/-**  
**DIN 00182739**

**Sd/-**  
**DIN 00349668**

**Dated: 24th May, 2019**  
**Place: Aurangabad.**



## Laxmi Cotspin Limited

### LAXMI COTSPIN LIMITED

CIN: L17120MH2005PLC156866

**Reg. Office:** Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare  
Vridhashram, Samangaon Jalna 431203

**Tel. : 9765999633**

**Email:** [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com), [laxmicotspin@gmail.com](mailto:laxmicotspin@gmail.com),

**Website:** [www.laxmicotspin.com](http://www.laxmicotspin.com)

**Form No. MGT-11 (PROXY FORM)**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

<u>Name of the Member(s)</u>		
<u>Registered Address</u>		
<u>E-mail Id</u>	<u>Folio No /Client ID</u>	<u>DP ID</u>

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby  
appoint

<u>Name :</u>	<u>E-mail Id:</u>
<u>Address:</u>	
<u>Signature , or failing him</u>	

<u>Name :</u>	<u>E-mail Id:</u>
<u>Address:</u>	
<u>Signature , or failing him</u>	

<u>Name :</u>	<u>E-mail Id:</u>
<u>Address:</u>	
<u>Signature , or failing him</u>	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the  
Annual General Meeting of the Company to be held on Thursday, the 29th August,  
2019 at 11.00 A.M. at the registered office of the Company Gut No.399, Samangaon-  
Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon Jalna 431203  
and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

<b>RSI No</b>	<b>Resolution(s)</b>	<b>Vote</b>	
1	To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31 <sup>st</sup> March, 2019 along with Directors Report and Audited Report of the	<b>For</b>	<b>Against</b>



**Laxmi Cotspin Limited**

	Company		
2	To appoint statutory auditors and fix their remuneration		
3	Mrs. Prafullata Sanjay Rathi who retires by rotation and being eligible, offers her for re-appointment.		
4	Revision in remuneration of Mr Sanjay Rathi, Managing Director of the Company		

Signed this ..... day of..... 2019

Signature of Shareholder Across revenue Stamp

Affix Revenue Stamp
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Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s)\_\_\_\_\_

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.



## Laxmi Cotspin Limited

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### LAXMI COTSPIN LIMITED

**CIN:** L17120MH2005PLC156866

**Reg. Office:** Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare  
Vridhashram, Samangaon Jalna 431203

**Tel. :** 9765999633

**Email:** [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com), [laxmicotspin@gmail.com](mailto:laxmicotspin@gmail.com),

**Website:** [www.laxmicotspin.com](http://www.laxmicotspin.com)

#### ATTENDANCE SLIP

(To be presented at the entrance)

Reg. Folio No.	DP id.	Client id.	No. of Shares held

Name of the Reg. Shareholder-----

I, being the registered shareholder/Proxy for the registered shareholder of the company hereby record my presence at the 14<sup>th</sup> Annual General Meeting of the Company held on Thursday, the 29<sup>th</sup> August, 2019 at 11:00 A.M. at the registered office of the Company at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon Jalna 431203.

-----  
Member's/Proxy's name in Block Letters

-----  
Member's/Proxy's Signature

**NOTE:** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members/Proxy Holders are requested to bring their copies of the Annual Report to the meeting.



## Laxmi Cotspin Limited

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### ROUTE MAP OF LAXMI COTSPIN LIMITED

#### **Venue of AGM –**

Gut No.399, Samangaon-Kajla Road,

In Front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203

