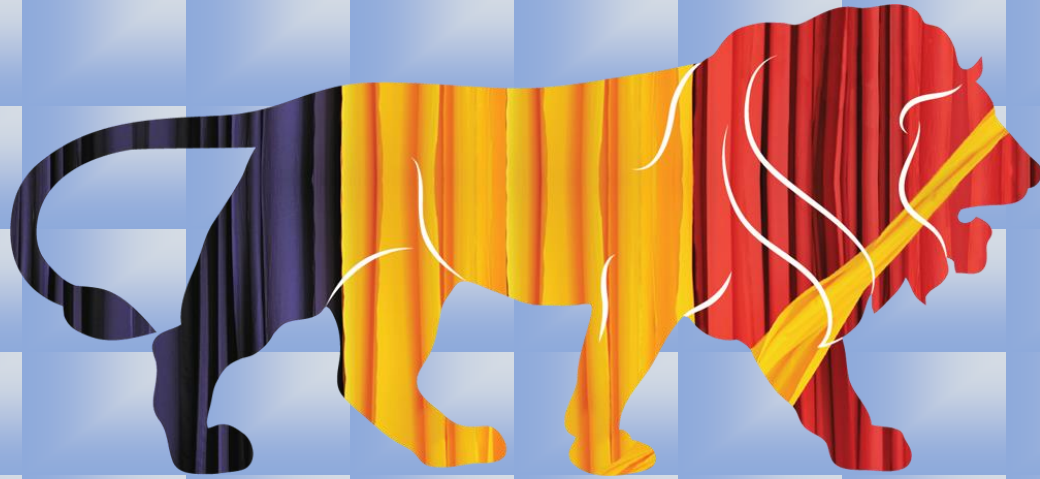
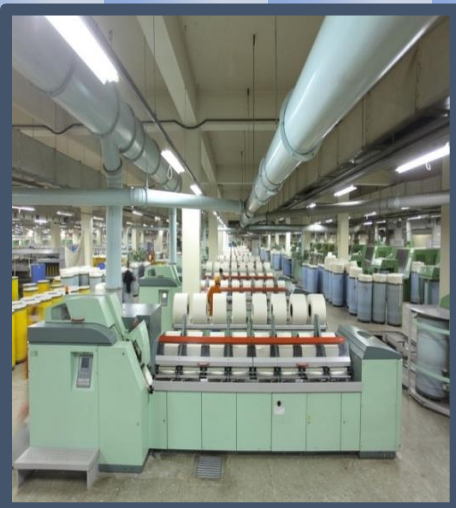


Make in India



LAXMI COTSPIN LIMITED

13TH ANNUAL REPORT





LAXMI COTSPIN LIMITED

(World Class Premium Quality Cotton)

Mega Project

- **Registered office:**
Gut No 399, Samangaon Kajala
Road, In front of Meenatai Thakare
Vridhashram, Samangaon,
Jalna - 431203
- **Branch Office:**
K.K (Navasri Chambers, 3rd Floor,
P.T Marg, Fort, Mumbai 400001
- **Company Website:**
<http://www.laxmicotspin.com/>
- **Contact Details :**
contact@laxmicospin.com
Laxmicotspin@gmail.com
0976-5999-633

LAXMI COTSPIN LIMITED

FINANCIAL YEAR 2017-18



LAXMI COTSPIN LIMITED

(World Class Premium Quality Cotton)

Mega Project

➤ Board of Directors:

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

➤ Auditors:

CNA & Associates
Chartered Accountants
Aurangabad.

➤ Company Secretary:

CS. Pooja Potdar
Company Secretary

➤ Chief Financial officer:

Mr. Anupkumar Gindodiya

➤ Secretarial Auditors:

A.R. Joshi
Company Secretary
Aurangabad.

LAXMI COTSPIN LIMITED

FINANCIAL YEAR 2017-18



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

➤ **Bankers:**

HDFC Bank, Jalna
SVC Bank, Jalna



Laxmi Cotspin Limited

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Laxmi Cotspin Limited

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 2017-18.

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 cotton yarn in various types of textile value chain in different geographical locations, in India & abroad. The sales division and export division are responsible for marketing of our products.

I am glad to inform you that, we are going to take one more expansion in this financial year by adding the 14592 Ring spindles, 454 open end rotors and five TFO machines with 1 assembly winder.

Also we are going for further diversification in our product by adding 3 oil extractions machines in our ginning unit to process our own cotton seed for manufacturing of cotton oil cake and Edible oil.

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

NOTICE OF THE 13th 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 **13th ANNUAL GENERAL MEETING** of **LAXMI COTSPIN LIMITED** will be held on Monday 13th August, 2018 at 10.30 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 31st March, 2018 along with Directors Report and Audited Report of the Company.
2. To declare dividend of Rs 0.50/- per equity share (5%) of the face value of Rs 10/- each for the financial year ended 31st March, 2018
3. To appoint statutory auditors and fix their remuneration

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. B.P. Singh and co, Chartered Accountants (Firm Registration No. 118758W), be appointed as statutory auditors of the Company, in place of retiring auditors M/s CNA & Associates , Chartered Accountants (Firm Registration No. 128929W), to hold office from the conclusion of this 13th Annual General Meeting (AGM) until the conclusion of the 18th AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company”

4. Mr. Shivratn Mundada who retires by rotation and being eligible, offers himself for re-appointment.

B) SPECIAL BUSINESS

5. Increase the Borrowing Powers of the Company:

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



Laxmi Cotspin Limited

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers In the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs. 200 Crores (Rupees Two Hundred Crores Only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company”

6. Authority for Creation of Charge / Mortgage on Property of the Company:

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

“RESOLVED THAT pursuant to the provisions of companies act and other applicable provisions, read with relevant rules made thereon, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as “the Board” which term shall be deemed to include any committee thereof for the time being exercising powers conferred on the Board by this resolution) to create charges, mortgages and hypothecations in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the movable and/or immovable properties both present and future and/or to lease, the whole of the undertaking of the Company, in favor of the lender(s), agent(s), and the trustee(s) including body(ies) corporate or person(s) for securing the borrowing/financial assistance (in foreign currency and/or rupee currency) and/or to give a collateral securities for the borrowing/ guarantee of any group/associate Companies or otherwise, to charge the assets of the Company for money availed/to be availed by way of loan and securities issued/to be issued by the Company from time to time, up to value not exceeding the limit approved by the Shareholders under section 180(1)(c) of the Companies Act, 2013 from time to time together with interest, additional interest, compounded interest in case of default, accumulated interest, damages, commitment charges and other money payable by the Company to the respective lender(s) in terms of any agreement(s)/any other document(s) entered into/to be entered into by the Company.

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized authorised to finalize with Banks/Financial Institutions the



Laxmi Cotspin Limited

documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

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

**Sd/-
Managing Director
DIN: 0018273**

Place: Jalna
Date: 22/06/2018

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 06.08.2018 to 13.08.2018 (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



Laxmi Cotspin Limited

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 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 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 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 13th Annual General Meeting of the Company.



Laxmi Cotspin Limited

16. Notice, Audited Financial Statements for 2017-18 together with Board's Report and Auditors' Report are available on the website of the Company www.laxmicotspin.com

17. If the Final Dividend, as recommended by the board, is approved at the AGM, Payment of such dividend will be made within 30 days from the AGM.

To all Beneficial owner in respect of shares held in dematralised form as per the data as may be made available by the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday 04th August, 2018

18. Electronic copy of Notice of the AGM along with Annual Report 2017-18 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 29th June, 2018 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on Friday 29th June, 2018 and who have not registered their E 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.

19. 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 Monday 6th August, 2018 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 10, 2018 (9:00 am) and ends on August 12, 2018 (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



Laxmi Cotspin Limited

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 6th August, 2018. 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. 6th August, *vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned 2018*, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or complianceofficerlaxmicotspin@gmail.com

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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Laxmi Cotspin Limited

<p>a) For Members who hold shares in demat account with NSDL.</p>	<p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>
<p>b) For Members who hold shares in demat account with CDSL.</p>	<p>16 Digit Beneficiary ID</p> <p>For example if your Beneficiary ID is 12***** then your user ID is 12*****</p>
<p>c) For Members holding shares in Physical Form.</p>	<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.



Laxmi Cotspin Limited

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 www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 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.



Laxmi Cotspin Limited

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.

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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at 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 to 6 the accompanying Notice dated 22.06.2018.

Annexure to the Item No.-3 of the Notice



Laxmi Cotspin Limited

M/s CNA & Associates, Chartered Accountants completed their two terms of five consecutive years and being eligible for retirement at the conclusion of the forthcoming 13th AGM

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s B.P. Singh & Co., Chartered Accountants are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of 13th AGM till the conclusion of the 18th AGM, subject to ratification by members every year, as may be applicable.

M/s. B.P. Singh & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice. The Board recommends the resolution set forth in item No. 3 of the notice for approval of the members.

Name	Balaji Prithviraj Singh
Firms Name	B.P. Singh and co
FRN	118758W
Address	Kalpataru apartment, Flat no. 102, Plot no. 51, 52, Aditya Nagar, Sutgirni chowk, Aurangabad, 431005
Contact No	9371114414
Email Id	bpsinghandco@gmail.com
Qualification	FCA
Membership No	104836
Date of COP	05th August 1998
PAN	ARMPS8125P
Professional Experience	19 Years
Service Provided	Accounting, Auditing, Tax filing & Tax planning, Management consultancy services etc.

Annexure to the Item No.-4 of the Notice

Details of Directors seeking	Mr. Shivratana Mundada
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Laxmi Cotspin Limited

appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015: Name of Director	
Date of Birth	15.01.1964
Nationality	Indian
Date of appointment on the Board	19.10.2005
Qualifications	D.M.E
Expertise	Having more that 15 years of experience in various fields. He is looking after company's policies related to strategies formulation, procurements, production and financings.
No. of Shares held in the company	71197
List of the directorship held in other Company	1. Saptrishi Suppliers Pvt Ltd 2. Rajuri Paints Private Limited
Chairman/Member in the committees of the board of other companies in which he/she is director	Chairman - Nil Member - Nil
Relationship, if any, between director's inter se	No

* 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.-5 of the Notice

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 200 Crores (Rupees Two Hundred Crores only).

OPursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the



Laxmi Cotspin Limited

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Company in a general meeting. Hence, the Board of Directors recommends passing of the Special resolution mentioned at item No. 5 in the notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any. The proposed resolution does not relate to or affect any other Company.

Annexure to the Item No.-6 of the Notice

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of Special Resolution.

In connection with the loan/credit facilities availed or to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favor of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of Special resolution. Hence, the Board of Directors recommends passing of the Special resolution mentioned at item No. 6 in the notice.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

For and On behalf of the Board of Directors

Place: Jalna
Date: 22.06.2018

Laxmi Cotspin Limited
Sd/-
Managing Director
DIN: 00182739



Laxmi Cotspin Limited

ADDENDUM TO THE NOTICE OF 13th ANNUAL GENERAL MEETING

Addendum to the Notice dated 22nd June, 2018 convening **13th ANNUAL GENERAL MEETING** of **LAXMI COTSPIN LIMITED** schedule to be held On Monday, 13th August, 2018 at 10.30 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.

NOTICE IS HEREBY GIVEN THAT THE FOLLOWING ITEM OF BUSINESS IS ADDED IN THE AFORESAID NOTICE AS ITEM 7 AS SPECIAL BUSINESS:-

SPECIAL BUSINESS

7. Alteration of Objects Clause in the Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed there under, as amended from time to time, and subject to the approval of the Registrar of Companies, and/or of any other statutory or regulatory authority, as may be necessary, Main Object Clause i.e Clause III , be and is hereby altered by inserting the following New clause as Clause III A 3:

3. To carry on the business of extraction of oil from cotton seeds arising out cotton ginning and pressing and other oil seeds like soyabean, sunflower, Karadi, Groudnut, etc all of types of Oils (Edible and Non Edible) Oil Cakes, DOC (De Oiled Cake) and to buy, sell, in domestic market, import and export of these products.

“RESOLVED FURTHER Sanjay Rathi, Managing Director be and is hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid Clause 4 of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized authorized to finalize with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”



Laxmi Cotspin Limited

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

**Sd/-
Managing Director
DIN: 0018273**

Place: Jalna
Date: 28/06/2018

Notes:

1. 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

2. All other notes are applicable for this same as mentioned in above.

Explanatory Statement

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013.

Annexure to the Item No.-7 of the Notice

The principle business of the company is cotton ginning & pressing, manufacturers of yarns, cloth, fabric and garments either from cotton or from any other material and to work as buyers, sellers, traders, importers and exporters cotton, yarns, cotton bales, cotton seeds, cloth and garments.

The main raw material of the company is "cotton", and company wants to extraction of oil from cotton seeds arising out cotton ginning and pressing.

To enable the Company to commence the aforesaid business, it is proposed to amend the Main Object clause by adding a new clause i.e Clause III A 3 in the Memorandum of Association subject to the approval of shareholders and Registrar of Companies, Mumbai

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

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

**Sd/-
Managing Director
DIN: 00182739**

Place: Jalna
Date: 28.06.2018



Laxmi Cotspin Limited

DIRECTOR'S REPORT

The Directors have a pleasure in presenting the **Thirteen Annual Report** and Audited Accounts for the financial year ended 31st March, 2018.

1. Financials Summary (Standalone)

Rs. In Lacs

Particulars	2017-18	2016-17
Sales and Other Income	14206.00	11484.61
Profit Before Tax and Depreciation	1161.12	951.40
Less: Depreciation and amortization	743.04	572.33
Profit/(Loss) Before Taxation (PBT)	418.08	379.07
Provision for Taxation		
Less:- Current Tax (MAT)	120.60	97.42
Less:- Deferred Tax & Shortage/Excess Provision	37.30	13.64
Profit/(Loss) After Tax (PAT)	258.33	268.00
Add/(Less): Prior Period Adjustment (Income Tax)		
Add/(Less): Exceptional items		
Balance Transfer to the Balance Sheet	258.33	268.00
Basic Earning Per Equity Share	1.51	1.56
Diluted Earning Per Equity Share	1.51	1.56

During the year under review our company has achieved sales Turnover of Rs. 142.06 cores as against Rs. 114.84 cores, achieved in the previous year, the profit after tax earned by the Company is Rs. 2.58 Cores and Profit earned in the previous year of Rs. 2.68 Crores

2. 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 2017-18.



Laxmi Cotspin Limited

3. Share Capital

There is no change in Share Capital of the company during financial year 2017-18.

4. Dividend

Your directors have pleasure to inform to the members that the Board has decided to recommend dividend @ 5% to equity shareholders of the company subject to approval by shareholders of the company.

5. Transfer to Reserve

Company has proposed to transfer a sum of Rs 258,33,784/- to Reserve and Surplus for the financial year ended 31st March, 2018

6. Change of Name

The company has not changed its name during financial year 2017-18.

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

There is no Change during financial year 2017-18.

9. 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

10. Meetings of Board of Director and Shareholders.

Twenty Board Meetings and One shareholders meeting were held during the Year 2017-18 and Six Audit Committee Meetings and Three Nomination and Remuneration Committee Meetings and Six Stakeholders' Relationship Committee Meetings and the intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

11. 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



Laxmi Cotspin Limited

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.

12. 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.

13. 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. 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.

14. Declaration by an Independent director(s)



Laxmi Cotspin Limited

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

15. 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”**

16. Deposits:

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

17. 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.

18. Reply to Adverse Remark Made by Statutory Auditor :

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

19. 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.

20. Related Party Transactions:

There is no related Party transaction for the Financial Year 2017-18

21. 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.

22. Risk Management Policy



Laxmi Cotspin Limited

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.

23. Statutory Auditors& Auditor Reports

M/s C N A & Associates, Chartered Accountants, Aurangabad, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and M/s B.P. Singh & Co, Chartered Accountant be appoint statutory auditor of the company in place of retiring auditor M/s CNA & Associates Chartered Accountant.

M/s. B.P. Singh & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.. The Board has decided to recommend their appointment subject to approval by shareholders for the year 2017-18. Auditor's report is attached herewith

24. Secretarial Audit report

In terms of Section 204 of the Act and rules made there under A. R Joshi and Associates, Practicing Company Secretary has been appointed secretarial Auditor of the company. The reports of secretarial auditor are enclosed as **Annexure“F”** to this report.

25. Appointment of Cost Auditor :

The board has appointed M/s Cheena& Associates, Practicing Cost Accountant for Conducting cost audit for a period 2017-18

26. 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 SVS & Associates Chartered Accountant, as an internal Auditor of the company.

27. Retirement By Rotation:



Laxmi Cotspin Limited

Mr. Shivratan Mundada, 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.

28 Expansion of Plant Capacities:

The Company wish to expand the exiting plant by installing 14,592 Spindles, 454 Rotors and 10 Two for One Twisters (TFO) and all other sequential machines to utilize

This new capacity effectively and planned capacity details as under:

	Ring Frames spindles	Ring Frame Production tons/ year	Open end rotors	Open End Production tons/ year	TFO Drums	TFO Production tons/ year
Existing	16,800 Spindles (Avg Count 36)	2400	3024	4800	---	---
Proposed	14,592 Spindles (Avg Count 32)	2400	454	700	1200	550
Total	31,392	4800	3480	5500	1200	550

After Expansion Total Production Will be 10300 Tons Per Year.(Ring& Open End Yarn)

The new plant will be well equipped with the state of art technology and will produce the quality Cotton yarn. Increased production capacity will enable the company to cater the increasing demand of cotton yarn. The ultimate effect of the same will impact on overall turnover and profitability of the company.

In past the company have demonstrated the stable performance with good earning module. The new plant is being planned in the existing premises of the company hence additional cost for purchasing the land would not be required. The newly developed technology had enabled the company to lower the manufacturing cost which results into higher recovery of cotton yarn with better quality and also will save cost of production. The same will lead to reduction in cost of goods sold. Company need not to incur additional Costs Such as Salary, Security Cost, Other Miscellaneous office expenses.

Policies of State Government and Central Government are also favorable to textile units. State Government is offering a Capital subsidy to the Company in proportion to 35% of the Net Investment as to promote the spinning industry in Maharashtra State.



Laxmi Cotspin Limited

Other than this Rs. 2 Per unit of power subsidy will be given by the state government, Our monthly consumption of power after expansion will be 35 Lacs units per month. So we will gain Rs. 70 Lac per month extra benefit.

The company had tied-up with Better Cotton Initiative (BCI), a not-for-profit organization stewarding the global standards for better Cotton, and it exists to make global cotton production better for the people who produce it, better for the Environment. BCI helps the company to have a better Production System for Cotton yarn, seed.

Also we are going for further diversification in our product by adding 3 oil extractions machines in our ginning unit to process our own cotton seed for manufacturing of cotton oil cake and Edible oil.

29. 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 **StarExport House by Ministry of Commerce, Government of India.**

30. 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 aStar Export House by Ministry of Commerce, Government India
- ✚ Mega Project status by Government of Maharashtra. (To be renewal)
- ✚ Recognized as BCI Membership (BETTER COTTON INITIATIVE) by BCI Council

31. MEMBERSHIP :

- ✚ Membership of Cotton Association of India
- ✚ Membership of Texprocil of India

32. 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.

33. 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.



Laxmi Cotspin Limited

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”**

34. Foreign Exchange Used and Earnings(IN INR)

: Rs. 11,20,257/-

Foreign exchange used

Foreign exchange earned : Rs.7,02,87,614/-

35. 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

36. Management Discussion and Analysis

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

37. 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.

38. 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.

39. 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.

40. Our Vision:



Laxmi Cotspin Limited

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

41. 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.

42.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;

(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, 2018 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

43. 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



Laxmi Cotspin Limited

44. 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"**

45. 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.

For and On behalf of the Board of Directors

LAXMI COTSPIN LIMITED

Sd/-

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

DIN: 00182739

Sd/-

**Mr. Shivratn S. Mundada
Director**

DIN: 00349668

Place: Jalna

Date: 22/06/2018



Laxmi Cotspin Limited

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

Particulars	2017-18	2016-17
Total Units	15154920	12835215
Total Cost	80097973	64243610
Rate per Unit	5.29	5.01
Total Production (in kgs)	5834959	4422372
Electricity consumed per unit of production (in units)	13.72	14.53

GINNING

Particulars	2017-18	2016-17
Total Units	610218	537696
Total Cost	4454992	4178540
Rate per Unit	7.30	7.77
Total Production (in kgs)	3731870	3589825
Electricity consumed per unit of production (in units)	1.19	1.16



Laxmi Cotspin Limited

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. Shivratn S. Mundada
Director
DIN: 00349668

Place: Jalna

Date: 22/06/2018



Laxmi Cotspin Limited

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**

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

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

(b) Nature of contracts/arrangements/transactions:



Laxmi Cotspin Limited

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Nature of Transaction	Sanjay Rathi
Remuneration Received	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/-

Sd/-

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

**Mr. Shivratn S. Mundada
Director**

DIN: 00182739

DIN: 00349668

Place: Jalna

Date: 22/06/2018



Laxmi Cotspin Limited

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 & Administration) Rules, 2014.

I. REGISTRATION & 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 as on 31.03.2017			No. of Shares held at the end of the year as on 31.03.2018				% Change during the year
	Demat	Physical	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters								
(1) Indian								
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%
Sub Total (A) (1)	3,467,815	-	20.22%	3,467,815	-	3,467,815	20.22%	0.00%
(2) Foreign								
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%
Sub Total (A) (2)	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	3,467,815	-	20.22%	3,467,815	-	3,467,815	20.22%	0.00%
B. Public Shareholding								
1. Institutions								
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%
Sub-total (B)(1)-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	6276348		36.60%	6,618,348		6,618,348	38.59%	0.00%
ii) Overseas			0.00%				0.00%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,356,453		25.41%	1,898,345		1,898,345	11.07%	14.34%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,882,304		10.98%	4,526,046		4,526,046	26.39%	-15.41%



Laxmi Cotspin Limited

c) Others (specify)								
Non Resident Indians			0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			0.00%			-	0.00%	0.00%
Foreign Nationals	6,000		0.00%	6,000		6,000	0.03%	0.00%
Clearing Members	210,000		1.22%	198,366		198,366	1.16%	0.00%
HU	948,750			432,750		432,750	2.52%	
F			5.53%					
Trusts	-		0.00%			-	0.00%	0.00%
Foreign Bodies - D R			0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	13,679,855	-	79.78%	13,679,855	-	13,679,855	79.78%	0.00%
Total Public (B)	13,679,855	-	79.78%	13,679,855	-	13,679,855	79.78%	0.00%
C. Shares held by Custodian for GDRs & ADRs			0.00%				0.00%	0.00%
Grand Total (A+B+C)	17,147,670	-	100.00%	17,147,670	-	17,147,670	100.00%	0.00%

(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 KACHRULAL 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 KACHRULAL 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 VYAPAAR 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	0	0.00%	234,000	1.36%	1.36%
5	SAPTSRUNGI ALLOYS PRIVATE LIMITED	102,000	0.59%	228,000	1.33%	0.74%
6	TARABEN RAMESH	187,500	1.09%	187,500	1.09%	0.00%
7	J.K SECURITIES PRIVATE LIMITED	0	0.00%	162,000	0.94%	0.94%
8	KUSHAL JAYESH	0	0.00%	162,000	0.94%	0.94%
9	MAHABALESHWAR ALLOYS PRIVATE LIMITED	140,000	0.81%	140,000	0.81%	0.00%
10	VIKAS RAJESH BANSAL	81,250	0.47%	81,250	0.47%	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 KACHRULAL 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		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	0	0.00%	6,000	0.03%
8	ANUPKUMAR GINDODIYA	CFO	0	0.00%	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
Indebtedness at the beginning of the financial year				



Laxmi Cotspun Limited

i) Principal Amount	2,063.66				2,063.66
ii) Interest due but not paid					-
iii) Interest accrued but not due					-
Total (i+ii+iii)	2,063.66	-	-	-	2,063.66
Change in Indebtedness during the financial year					
* Addition					-
* Reduction	201.57				201.57
Net Change	201.57	-	-	-	201.57
Indebtedness at the end of the financial year					
i) Principal Amount	1,862.09				1,862.09
ii) Interest due but not paid					-
iii) Interest accrued but not due					-
Total (i+ii+iii)	1,862.09	-	-	-	1,862.09

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				4200000
	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	Name	ANUPKUMAR GINDODIYA	POOJA POTDAR	Total Amount (Rs/Lac)
		Designation	CFO	CS	
1	Gross salary		600000	306000	906000
	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		NO	NO	-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total		600000	306000	906000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
No Penalties					



Laxmi Cotspin Limited

ANNEXURE – D

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

SL. No.	Name	Designation/ Nature of Duties	Remunera tion Received [Rs.]	Qualifica tion	Experien ce in years	Age in year s	Date of commen cement of employ ment	Last empl oyme nt held
1	2	3	4	5	6	7	8	9
N.A.								

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

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: - 12.04.2018



Laxmi Cotspin Limited

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: - 12.04.2018



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 31ST March 2018

*[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 31st March 2018, 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 31st March 2018 according to the provisions of:

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



Laxmi Cotspin Limited

- (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 30th September 2017 and 31st March 2018.

2. Quarterly Report on Reconciliation of Share Capital Audit Report for all the



Laxmi Cotspin Limited

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four quarter under regulation 55A of SEBI (Depository and Participant) Regulation 1996 dated June 17, September 17, December 17 and March 2018 based on the Report given by Link Intime India Pvt Ltd , Transfer agents of the Company.

3. Quarterly Report on Corporate Governance Report dated 30th June 17, 30th September 2017, 31st December 2017 and 31st March 2018.

4. Quarterly Report on Investor Grievance dated 30th June 17, 30th September 2017, 31st December 2017 and 31st March 2018.

5. Half yearly certificate under Regulation 7 (3) of SEBI (Listing obligation and disclosure requirement) Regulation 2015 dated 30th September 2017 and 31st March 2018.

6. Half yearly certificate under Regulation 40(9) OF SEBI (Listing obligation and disclosure requirement) Regulation 2015 dated 30th September 2017 and 31st March 2018

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.



Laxmi Cotspin Limited

(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 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 31st December 2018

c. The Company has obtained consent from Maharashtra Pollution control Board and Certificate is valid upto 31st 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.



Laxmi Cotspin Limited

vi) Shareholders approval for borrowing in excess of limits in pursuance to section 180 of the Companies Act, 2013. : *In the last year of secretarial audit report it was stated that approval of shareholders for borrowing in excess of paid up capital and its free reserves was obtained. However, the resolution was not filed with MCA for reporting this matter. The same was not complied in the year under review.*

Now the Company has moved the resolution for obtaining consent from shareholders in the ensuing Annual General Meeting of the Company.

vii) I, further report that there exist proper systems and processes in the company to monitor and ensure compliance with applicable laws, rules, regulations and guideline
For:

A. R Joshi & Associates

Sd/-

A.R Joshi

Company Secretary

Proprietor

(ACS No: 5480 CP No: 4247)

Place: Aurangabad

Date: 22/06/2018

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

A. R Joshi
Proprietor

(ACS No: 5480 CP No: 4247)

Place: Aurangabad

Date: 22/06/2018



Laxmi Cotspin Limited

REPORT ON CORPORATE GOVERNANCE ON 2017-18

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, 2018]

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 Twenty Board Meetings during the year on 20.04.2017, 20.05.2017, 26.05.2017, 19.06.2017, 06.07.2017, 15.07.2017, 21.07.2017, 11.08.2017, 29.08.2017, 11.09.2017, 22.09.2017, 27.09.2017, 02.10.2017,



Laxmi Cotspin Limited

30.10.2017, 03.11.2017, 13.11.2017, 10.01.2018, 03.03.2018, 13.03.2018, 26.03.2018.

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 Tuesday, 18th July, 2017 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:

Name	Number of Meetings attended	Board	Directorships in other Company(s) as on (31/03/18)	Member/ Chairman of committees of other company(s) (as on 31/3/18)
Mr. Sanjay Rathi	20		3	NA
Mr. Rajesh Bansal	20		1	NA
Mr. Shivratana Mundada	20		2	NA
Mr. Bhaveshbhai Patel	20		8	NA
Mrs. Prafullata Rathi	20		2	NA
Mr. Ritesh Mantri	20		0	NA
Mr. Satish Bakkad)	20		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, 2018 have been made by the Directors



Laxmi Cotspin Limited

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

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 20, 2018 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;



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- All other important matters within the scope and purview of the committee.

**As on 31st March 2018, the Audit Committee comprised of the following:
(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	25.05.2017
2	26.08.2017
3	27.10.2017
4	11.11.2017
5	12.01.2018
6	03.03.2018

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



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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, 2018, 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	05.07.2017
2	06.09.2017
3	22.03.2018

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;
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;



Laxmi Cotspin Limited

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 1st April, 2017 to 31st March, 2018

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.

Note:



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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.

Committee meeting held during the year under review

Sr No	Date
1	25.04.2017
2	09.07.2017
3	07.08.2017
4	07.10.2017
5	03.11.2017
6	08.01.2018

i. Name And Designation Of Compliance Officer

Mrs Pooja Potdar is the Compliance Officer of the Company.

ii. Investor Grievance Redressal:



Laxmi Cotspin Limited

During the Financial Year 2017-18, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2018.

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
2014-15	30.09.2015	11.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna – 431203
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

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

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2017-18.

(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.



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

Financial Year	Special Resolution	Details
2014-15	No	None
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 Availed 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

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:

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 of the company



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GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

AGM : Date, Time & Venue	On Monday, 13 th August, 2018 at 10.30 A.M at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
Financial Year	The Financial year under the review covers the following period from 01.04.2017 to 31.03.2018
Date of Book closure	06.08.2018 to 13.08.2018
Dividend payment Date	Within 30 Days from date of AGM
Listing on Stock Exchange	NSE Limited
Stock Code	NSE - LAXMOCOT ISIN - INE801V01019
Registrar and Transfer Agent	Linkintime India Private Limited
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent.
Distribution of shareholding	Annexure "C"
Outstanding GDR/ADR /warrants or any convertible instruments conversion date and likely impact on equity	No Issued
Plant Location	Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203, Maharashtra, India
Address for correspondence	1. Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram,



Laxmi Cotspin Limited

	<p>Samangaon, Jalna – 431203</p> <p>2.Email Id - laxmicotspin@gmail.com</p> <p>3. Tele – 9765999633</p>
<p>Market Price Data: High, Low during each month in last financial year 2017-18</p>	

Month	High	Low
April 2017	20.30	18.00
May 2017	19.45	17.10
June 2017	17.85	16.00
July 2017	18.00	15.85
August 2017	16.40	14.00
September 2017	16.90	14.00
October 2017	16.70	14.95
November 2017	21.15	16.00
December 2017	17.20	15.00
January 2018	17.00	13.00
February 2018	15.50	13.00
March 2018	16.00	11.25



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Non mandatory Requirements

a. Shareholders Right – Re; Half Yearly Result

A Half Yearly declaration of financial performance including summary 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

For Laxmi Cotspin Limited

Place - Jalna

Date – 22.06.2018

Sd/-

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



Laxmi Cotspin Limited

Distribution of Shareholding as at 31st March, 2018

Laxmi Cotspin Limited							
DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
Report Type : All(NSDL+CDSL+PHYSICAL) 31.03.2018							
SR.NO	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	5000	1	0.2079	3660	0.0021
2	10001	to	20000	1	0.2079	15630.	0.0091
3	40001	to	50000	1	0.2079	48250	0.0281
4	50001	to	100000	359	74.6362	21559570	12.5729
5	100001	to	*****	119	24.7401	149849590	87.3877
Total				481	100.0000	17147670	100.0000



Laxmi Cotspin Limited

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 31st March 2018, 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

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[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) – 18.04%
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 – 25% 4. Company Secretary – 22% 5. Manager - NA
3	The percentage increase in median remuneration of employees in the financial year	Average 12%
4	The Number of Permanent employees on the rolls of the company in the financial year	40
5	Maiden Remuneration of the employees in the financial year	232752
6	The explanation on the relationship between average increase in remuneration and company performance	The company has made profit of Rs 25,833,784 as compared to the last year 26,800,967, so there is no increase in remuneration of Director.



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 19.88% of the net profit of the 2017-18
8	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	MD- 16.25% (of net Profit) CFO – 2.32% (of net Profit) CS – 1.30% (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-
- 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;
 - 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;
 - 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)



Laxmi Cotspin Limited

(DIN [00182739](#))

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 – 22.06.2018

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



Laxmi Cotspin Limited

CEO/CFO CERTIFICATION

To,

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

Sir,

a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2018 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)

Managing Director

Sd/-

(Anupkumar Gindodiya)

CFO

Place: Jalna

Date: 22.06.2018



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 and Vidarbha 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 one open end unit with 1200 Rotors. We believe that we have established a strong customer base and good marketing setup. We have also started our own Better Cotton (BCI) Project" in Jalna District, with 4,750 farmers in 13,200 acre of cultivation land and yield capacity of initially 55,000 quintals Kapas (11,000 BCI certified own ginned cotton bales) further expanded upto 40,000 bales per crop seasons in near future.

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 Company is approved as Mega Project under IPS Scheme 2007 of Maharashtra State Government and is enjoying the same for 8 years. And further for 4 years we will get sanction of Mega project status. 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



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Yarn Tester, Aqura Process Control Management (Premium India). Beside of these basic instruments from Statex, Online Contamination Removal System SIRO facility at Autowinder maintain 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.

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



Laxmi Cotspin Limited

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.

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.

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



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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 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



Laxmi Cotspin Limited

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

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 **Laxmi Cotspin Limited ("the Company")** which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, for the period ended, and a summary of significant accounting policies and other explanatory information.

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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.



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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 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.

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 31st March, 2018; 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.

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

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.



Laxmi Cotspin Limited

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 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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:



Laxmi Cotspin Limited

- 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 C N A & Associates

Chartered Accountants

FRN-128929-W

Sd/-

CA Anand Partani

(Partner)

M.No: 117766

Place: Aurangabad.

Date: 23rd May, 2018



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 31st March, 2018 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.

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

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 31st March, 2018, 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 C N A & Associates

Chartered Accountants

FRN 128929-W

Sd/-

CA Anand Partani

(Partner)

M. No. 117766

Date: 23rd May, 2018

Place: Aurangabad



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: -



Laxmi Cotspin Limited

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2018 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.

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, 2018 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
Service Tax	Assessment Dues	15,87,854	Aug 12 – Nov 16	Appellant tribunal	NIL

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



Laxmi Cotspin Limited

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.

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: -



Laxmi Cotspin Limited

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 C N A & Associates
Chartered Accountants
FRN 128929-W

Sd/-
CA Anand Partani
(Partner)
M. No. 117766

Date: 23rd May, 2018
Place: Aurangabad.



Laxmi Cotspin Limited

Laxmi Cotspin Limited			
Balance Sheet			
As at 31 st March, 2018			
Particulars	Note No.	As at 31 st March, 2018 Rs.	As at 31st March, 2017 Rs.
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	17,14,76,700	17,14,76,700
(b) Reserves and Surplus	4	27,08,55,887	25,53,41,369
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	13,83,52,074	15,82,20,388
(b) Deferred tax liabilities (Net)		1,03,13,422	65,83,163
(c) Long term provisions	6	38,50,747	28,10,170
(3) Current Liabilities			
(a) Short-term borrowings	7	36,47,91,132	34,01,13,773
(b) Trade payables	8	6,12,12,031	3,20,54,483
(c) Other current liabilities	9	6,75,02,655	6,46,93,702
(d) Short-term provisions	10	2,23,79,266	2,00,61,266
Total		1,11,07,33,915	1,05,13,55,013
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	39,31,84,851	41,60,18,395
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	1,02,83,378
(iv) Intangible assets under development		-	-
(2) Current assets			
(a) Inventories	12	26,77,95,345	31,56,12,697
(b) Trade receivables	13	37,95,69,387	24,53,96,741
(c) Cash and cash equivalents	14	1,25,67,698	99,31,559
(d) Short-term loans and advances	15	2,18,13,302	2,16,17,097
(e) Other current assets	16	3,58,03,331	3,24,95,146
Total		1,11,07,33,915	1,05,13,55,013
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 C N A & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
FRN : 128929W			
CA Anand Partani		Sanjay Rathi	Shivratan Mundada
(Partner)		(Managing Director)	(Director)
M. No. 117766		DIN 00182739	DIN 00349668
Date : 23rd May 2018			
Place : Aurangabad			



Laxmi Cotspin Limited

Laxmi Cotspin Limited			
Statement of Profit and Loss			
For the period ended 31st March, 2018			
Particulars	Note No.	Period Ended 31st March, 2018 Rs.	Period Ended 31st March, 2017 Rs.
INCOME			
Revenue from operations (Net)	17	1,39,70,20,450	1,14,51,24,229
Other Income	18	2,36,52,481	33,37,105
Total Revenue		1,42,06,72,931	1,14,84,61,334
EXPENSES			
Cost of materials consumed	19	1,07,00,13,654	86,38,75,868
Changes in inventories of finished goods, work-in-process and stock-in-trade	20	(86,06,294)	(76,95,131)
Employee Benefit Expenses	21	7,09,64,954	5,29,90,277
Finance costs	22	3,39,64,895	1,88,91,460
Depreciation and amortisation expenses	23	7,43,04,960	5,72,33,026
Other expenses	24	13,82,21,902	12,50,04,757
Total Expenses		1,37,88,64,071	1,11,03,00,256
Profit Before Extra-ordinary Items and Tax		4,18,08,860	3,81,61,078
EXTRA-ORDINARY ITEMS			
Profit/(Loss) on sale of Asset		-	(2,53,999)
Total Extra-Ordinary Items		-	(2,53,999)
Profit Before Tax		4,18,08,860	3,79,07,079
Tax expense:			
1) Current Tax		1,20,60,000	97,42,000
2) Deferred Tax		37,30,259	12,91,340
3) Short/ Excess Provision		1,84,817	72,773
		1,59,75,076	1,11,06,113
Profit for the Year		2,58,33,784	2,68,00,966
Earning per equity per share of face value of ` 10 each			
1) Basic EPS (in `)		1.51	1.56
2) Diluted EPS (in `)		1.51	1.56
3) Cash EPS (in `)		5.84	4.90
Overview and Significant Accounting Policies	1 & 2		
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 23rd May, 2018		
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			
For C N A & Associates		For and on behalf of the Board of Directors	
Chartered Accountants			
FRN : 128929-W			
CA Anand Partani		Sanjay Rathi	Shivratan Mundada
(Partner)		(Managing Director)	(Director)
M. No. 117766		DIN 00182739	DIN 00349668
Date : 23rd May 2018			
Place : Aurangabad			



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Cash Flow Statement		
As at 31st March, 2018		
Particulars	Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
A. Cash Inflow/ (Outflow) from Operating Activities		
Net Profit After Tax	2,58,33,784	2,68,00,966
Adjustment For		
Depreciation	7,43,04,960	5,72,33,026
Interest (Net)	3,39,64,895	1,88,91,460
Provision for Income Tax	1,22,44,817	98,14,773
Deferred Tax	37,30,259	12,91,340
Provision for Gratuity and Leave Encashment	23,27,083	6,75,662
Profit / (Loss) on Sale of Asset	-	2,53,999
Interest and Subsidy Received	2,36,52,481	33,37,105
Profit / (Loss) on Sale of Shares	-	-
	15,02,24,495	9,14,97,364
Operating Profit before working capital changes	17,60,58,280	11,82,98,330
Adjustment for		
Inventories	4,78,17,352	(14,84,57,029)
Trade Receivables	(13,41,72,646)	(3,73,52,622)
Other Current Assets	(33,08,185)	5,95,147
Trade Payables	2,91,57,549	80,85,172
Other Current Liabilities	28,08,953	1,00,38,345
Long term provisions	10,40,577	4,25,099
Short-term loans and advances	(21,37,890)	24,17,023
Income Tax Paid	(1,05,59,111)	(82,25,016)
	(6,93,53,401)	(17,24,73,881)
Net Cash Inflow/(Outflow) from Operating Activities	10,67,04,879	(5,41,75,550)
B. Cash Inflow/(Outflow) From Investment Activities		
Capital Expenditure (Purchase/ Capitalization)	(4,09,41,142)	(18,27,10,628)
Sale Proceeds of Fixed Assets	-	1,28,889
(Increase) / Decrease in Investments	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(4,09,41,142)	(18,25,81,739)
C. Cash Inflow/(Outflow) From Financing Activities		
Increase/ Decrease in Long Term Borrowings	(1,98,68,314)	7,80,75,092
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	2,46,77,359	17,61,86,099
Interest Paid	(3,39,64,895)	(1,88,88,177)
Interest and Subsidy Received	(2,36,52,481)	(33,37,105)
Dividend and Dividend tax Paid	(1,03,19,266)	(1,03,19,266)
Net Cash Inflow/(Outflow) from Financing Activities	(6,31,27,598)	22,17,16,644
Net Changes in Cash & Cash Equivalents (A+B+C)	26,36,139	(1,50,40,646)
Cash & Cash equivalents (Opening Balance)	99,31,558	2,49,72,204
Cash & Cash equivalents (Closing Balance)	1,25,67,698	99,31,558
In terms of our report of even date		
For C N A & Associates	For and on behalf of the Board of Directors	
Chartered Accountants		
FRN : 128929W		
CA Anand Partani	Sanjay Rathi	Shivratan Mundada
(Partner)	(Managing Director)	(Director)
M. No. 117766	DIN 00182739	DIN 00349668
Date : 23rd May, 2018		
Place : Aurangabad.		



Laxmi Cotspin Limited

Laxmi Cotspin Limited				
Notes to the Financial Statements as at 31 st March, 2018				
	As at 31st March, 2018		As at 31st March, 2017	
Particulars	Rs.		Rs.	
3 Share Capital				
Authorised				
4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ` 10/- each	40,00,00,000		40,00,00,000	
	40,00,00,000		40,00,00,000	
Issued, Subscribed and Fully Paid -up				
17,14,76,700 (Previous Year 17,14,76,700) Equity shares of ` 10/- each fully paid up	17,14,76,700		17,14,76,700	
Total Share Capital	17,14,76,700		17,14,76,700	
(a) Reconciliation of the				
	31st March, 2018	31st March, 2017		
Particular	No. of Shares	No. of Shares		
Equity Shares outstanding at the beginning of the year	1,71,47,670	1,71,47,670		
Add : Change during the year	-	-		
Equity Shares outstanding at the close of the year	1,71,47,670	1,71,47,670		
(b) Terms/rights attached to equity shares				
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				
i) 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) During the year ended 31 st March, 2018, the amount of per share dividend proposed, subject to approval of shareholders in annual general meeting, for distribution to equity shareholders is ` 0.50 (Previous Year ` 0.50).				
iii) 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 th March, 2010.				
d) Details of shareholders holding more than 5% shares in the Company :				
Name of Shareholder	31st March, 2018		31st March, 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ` 10 each fully paid				
Anand Vyapar Private Limited	33,92,500	19.78%	33,92,500	19.78%
Safford Merchantile Private Limited	22,85,450	13.33%	22,85,450	13.33%
Rameshbhai Chotabhai Patel	22,51,563	13.13%	22,51,563	13.13%
Ashva Multitrade Private Limited	20,65,930	12.05%	20,65,930	12.05%
Rajesh Puranmal Bansal	9,13,125	5.33%	9,13,125	5.33%



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2018		
	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
4 Reserves And Surplus		
a) Capital Subsidies		
As per last financial statements	5,02,94,844	4,94,60,844
Add:		
During the year	-	8,34,000
Less:		
During the year	-	-
Closing Balance	5,02,94,844	5,02,94,844
b) Securities Premium Reserve		
As per last financial Statements	5,55,29,500	5,55,29,500
Add: During the year	-	-
Closing Balance	5,55,29,500	5,55,29,500
c) Surplus in Statement of Profit and Loss		
As per last financial statements	14,95,17,025	13,30,35,325
Add:		
Profit for the year	2,58,33,784	2,68,00,966
Less:		
Appropriations		
Adjustments during the year	-	-
Proposed dividend on equity shares (Amount per share ` 0.50, previous year ` 0.50)	(85,73,835)	(85,73,835)
Corporate tax on proposed dividend	(17,45,431)	(17,45,431)
Net surplus in the statement of Profit and Loss	16,50,31,543	14,95,17,025
Total Reserve and Surplus	27,08,55,887	25,53,41,369
	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
5 Long Term Borrowings		
a) Secured Long Term Borrowings		
i) Term Loans from Banks		
HDFC Bank Limited	24,03,333	1,84,02,188
Shyamrao Vitthal Co-operative Bank Limited	13,43,46,414	13,82,54,082
Term Loans from Banks	13,67,49,747	15,66,56,270
ii) Other Loans from Banks (Vehicle Loan)		
HDFC Bank Limited	16,02,327	15,64,118
Vehicle Loans from Banks (Net)	16,02,327	15,64,118
Secured Long Term Borrowings "a"	13,83,52,074	15,82,20,388
b) Unsecured Long Term Borrowings		
i) Inter Corporate deposit	-	-
Unsecured Long Term Borrowings "b"	-	-
Total Long Term Borrowings ("a" + "b")	13,83,52,074	15,82,20,388
Term Loan and Vehicle from the Bank		
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 Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2018		
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
6 Long term provisions		
Provision for Employee benefits		
Gratuity	38,50,747	28,10,170
Total Long Term Provisions	38,50,747	28,10,170
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
7 Short Term Borrowings		
a) Secured Short Term Borrowings		
i) Cash Credit from HDFC Bank Limited	24,51,57,632	24,01,13,773
ii) Pledge Loan from HDFC Bank Limited	11,96,33,500	10,00,00,000
Secured Short Term Borrowings	36,47,91,132	34,01,13,773
Cash Credit From Banks		
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 also personally guaranteed by the corporate, directors. The cash credit is repayable on demand.		
Other Loan from Banks		
Pledge Loans are secured by hypothecation by way of First Charge over inventories of raw materials i.e., Cotton Bales.		
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
8 Trade Payables		
Trade Payables	6,12,12,031	3,20,54,483
Total Trade Payables	6,12,12,031	3,20,54,483
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.		



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2018		
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
9 Other Current Liabilities		
a) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	4,78,57,361	4,81,46,421
b) Statutory Dues*	69,95,709	36,66,417
c) Advance from customer and others	-	31,36,579
d) Other Payables		
i) Outstanding liabilities for expenses**	1,26,49,585	97,44,285
Total Other Current Liabilities	6,75,02,655	6,46,93,702
*Statutory dues include Contribution made for Provident Fund, Sales Tax (VAT and CST), Local Tax, Service Tax and Professional Tax.		
** Outstanding liabilities for expenses include Outstanding liability made for Bonus, Electricity Charges, Interest, Salary, Wages unpaid for the current year.		
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
10 Short term provisions		
a) Other Provisions		
Provision for taxation- Income Tax	1,20,60,000	97,42,000
Dividend Payable	85,73,835	85,73,835
Dividend Distribution Tax	17,45,431	17,45,431
Total Short Term Provisions	2,23,79,266	2,00,61,266



Laxmi Cotspin Limited

Laxmi Cotspin Limited											
Notes to the Financial Statements as at 31st March, 2018											
Particulars	Gross Block				Depreciation				Net Block		
	As at 1 st April, 2017 Rs.	Additions Rs.	Deletion Rs.	As at 31 st March, 2018 Rs.	Up to 1 st April, 2017 Rs.	For the Period Rs.	Other Adjustments Rs.	Upto 31 st March, 2018 Rs.	As at 31 st March, 2018 Rs.	As at 31 st March, 2017 Rs.	
11 Fixed Assets											
Tangible Assets											
Land	27,88,006	-	-	27,88,006	-	-	-	-	27,88,006	27,88,006	
Building	14,00,41,314	1,22,85,443	-	15,23,26,757	2,04,08,590	46,67,571	-	2,50,76,160	12,72,50,597	11,96,32,724	
Electrical Installations	2,88,90,032	89,14,402	-	3,78,04,434	1,52,95,661	34,55,882	-	1,87,51,544	1,90,52,890	1,35,94,370	
Plant & Machineries	62,23,40,247	2,82,07,100	-	65,05,47,347	36,00,94,938	6,12,24,083	-	42,13,19,021	22,92,28,326	26,22,45,309	
Miscellaneous Fixed Assets	3,03,27,231	2,41,241	-	3,05,68,472	1,81,36,402	33,09,247	-	2,14,45,649	91,22,823	1,21,90,829	
Furniture & Fixture	47,34,977	1,30,776	-	48,65,753	36,21,643	4,54,085	-	40,75,728	7,90,025	11,13,334	
Computers Systems	21,32,540	1,15,189	-	22,47,729	21,32,539	33,037	-	21,65,576	82,153	1	
Office Equipment	6,47,946	2,95,085	-	9,43,031	6,47,945	1,27,782	-	7,75,727	1,67,304	1	
Vehicles & Others	82,70,188	12,82,180	-	95,52,368	38,16,367	10,33,273	-	48,49,640	47,02,728	44,53,821	
Sub Total	84,01,72,481	5,14,71,416	-	89,16,43,897	42,41,54,085	7,43,04,960	-	49,84,59,045	39,31,84,851	41,60,16,595	
Capital WIP	1,02,83,378	2,31,51,296	(3,34,34,674)	-	-	-	-	-	-	1,02,83,378	
Sub Total	1,02,83,378	2,31,51,296	(3,34,34,674)	-	-	-	-	-	-	1,02,83,378	
Grand Total	85,04,55,859	7,46,22,712	(3,34,34,674)	89,16,43,897	42,41,54,085	7,43,04,960	-	49,84,59,045	39,31,84,851	42,63,01,773	
Previous Year	66,86,80,597	50,66,56,289	(32,48,81,028)	85,04,55,858	36,74,63,968	5,72,33,026	(5,42,908)	42,41,54,085	42,63,01,773	30,12,16,629	



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2018		
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
12 Inventories		
a) Raw Materials	208,217,586	270,499,262
b) Work-in-Process	19,032,434	10,839,217
c) Finished Goods	17,208,231	16,795,154
d) Stores & Spares	23,337,094	17,479,064
Total Inventories	267,795,345	315,612,697
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
13 Trade Receivables		
a) Unsecured		
Exceeding Six Months		
Considered Good	30,699,268	14,638,916
Others		
Considered Good	348,870,119	230,757,825
Total Trade Receivable	379,569,387	245,396,741
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
14 Cash & Cash Equivalents		
a) Cash on hand	21,151	815,015
b) Balances with Scheduled Banks		
- In Current Account	579,786	309,227
- In Term Deposits Account	11,953,855	8,793,239
c) Balances with Non-Scheduled Banks	12,906	14,077
Total Cash & Cash Equivalents	12,567,698	9,931,559
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
15 Short Term Loans & Advances		
a) Advance to Suppliers and Service Providers	5,068,626	10,182,533
b) Loans & Advances to Others	4,929,173	1,940,149
c) Security Deposit	1,256,393	1,269,400
d) Other Loans and Advances		
- Advance Tax, TDS & TCS	10,559,111	8,225,016
Total Short Term Loans & Advances	21,813,302	21,617,097
Particulars	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
16 Other Current Asset		
a) Prepaid expenses	463,336	830,097
b) Balance with Government Authorities	3,788,615	646,760
c) Accrued Interest (TDR)	1,215,972	1,574,881
d) Interest Receivable (TUFS)	14,496,251	13,604,251
e) Other Receivables	15,839,157	15,839,157
Total Other Current Assets	35,803,331	32,495,146



Laxmi Cotspin Limited

Laxmi Cotspin Limited			
Notes to the Financial Statements as at 31st March, 2018			
Particulars		Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
17	Revenue From Operations		
	Sale of Products		
	Finished Goods	1,39,70,20,450	1,14,51,24,229
		1,39,70,20,450	1,14,51,24,229
	Particulars Of Sales Of Product		
	(A) Export Sales		
	i) Cotton Yarn	18,82,29,951	5,78,46,355
	(B) Domestic Sales		
	i) Cotton Yarn	86,80,33,113	72,68,40,020
	ii) Cotton Bales	17,20,32,028	21,40,09,215
	iii) Cotton Seeds	12,42,81,417	12,76,36,067
	iv) Cotton Waste	4,44,43,941	1,87,92,572
		1,39,70,20,450	1,14,51,24,229
	Total Revenue from operations	1,39,70,20,450	1,14,51,24,229
Particulars		Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
18	Other Income		
	a) Duty Drawback & Incentives	43,56,764	18,79,009
	b) Other non-operating income		
	a) Interest Income	1,79,55,581	11,57,395
	b) Forex Gain & Loss	1,58,412	3,00,701
	c) Profit on commodity trading (Bales)	3,42,304	-
	d) Certification charges	8,39,420	-
	Total Other Income	2,36,52,481	33,37,105
	Total Revenue	1,42,06,72,931	1,14,84,61,334
Particulars		Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
19	Cost of Material Consumed		
	a) Opening Stock of Raw material	27,04,99,262	13,03,01,110
	b) Purchases of Raw material	99,69,61,190	99,65,16,786
	c) Add: Freight Expenses	1,07,70,787	75,57,234
	d) Less: Closing Stock	(20,82,17,586)	(27,04,99,262)
	Total Cost of Material Consumed	1,07,00,13,654	86,38,75,868



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2018		
Particulars	Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
20	Changes in inventories of finished goods, work-in-process and stock-in-trade	
a)	Opening Stock	
	Finished Goods	1,67,95,154
	Work in Process	1,08,39,217
		2,76,34,371
b)	Closing Stock	
	Finished Goods	1,72,08,231
	Work in Process	1,90,32,434
		3,62,40,665
	Net (Increase)/Decrease in Stock	(86,06,294)
Particulars	Period Ended 31st March, 2018 Rs.	Period Ended 31 st March, 2017 Rs.
21	Employee Benefit Expenses	
a)	Salaries and wages	5,82,29,319
b)	Directors remuneration	42,00,000
c)	Contribution to provident & other funds	35,11,492
e)	Staff Welfare expenses	50,24,143
	Total Employee Benefit Expenses	7,09,64,954
		5,29,90,277



Laxmi Cotspin Limited

Laxmi Cotspin Limited

Notes to the financial statement as at and for the period ended 31st March, 2018

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 48DR 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



Laxmi Cotspin Limited

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.
- 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.



Laxmi Cotspin Limited

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 sales tax 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:

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) State Government incentive under Maharashtra Government Capital Subsidy (TUFS) is accounted on accrual basis and considered as a capital receipt, as subsidy amount is linked to investment made by company. The same has been transferred to Capital reserve of the company.

ix) Employee Benefits:

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



Laxmi Cotspin Limited

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. The company operates in one geographical segment viz. India, therefore no geographical segments is reported in accordance with AS 17- 'Segment Reporting'.

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



Laxmi Cotspin Limited

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:

- Sales tax department has worked out VAT demand Rs. 13,47,287/- by disallowing the proportionate Input VAT on account of non-submission of Form 'F' and purchases made from those dealers i.e., short/non-filers of VAT Returns. Against the same company has filed appeal with higher authorities.
- Sales tax department has worked out CST demand Rs. 12,24,600/- 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



Laxmi Cotspin Limited

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:

	31st March, 2018	31st March, 2017
Statutory Audit Fees	1,20,000	1,20,000
Tax Audit	75,500	74,650
Total	1,95,500	1,94,650

v) The Deferred tax liability comprises of following:

Particulars	31/03/2018	31/03/2017
Deferred Tax Liability		
On account of Timing Difference (Depreciation)	124,00,414	80,97,020
Total (a)	124,00,414	80,97,020
Deferred Tax Assets		
On Account of Disallowances	(20,86,992)	(15,13,857)
Total (b)	(20,86,992)	(15,13,857)
Net Deferred Tax Liability	103,13,422	65,83,163
Less: - Provision up to previous year	65,83,163	52,91,823
Deferred Tax (Liability) /Assets (Net) for the year	37,30,259	12,91,340

vi) Earnings per share is worked out as under:

Earnings per Share	31/03/2018	31/03/2017
Profit After Tax (Balance available for Equity Shareholders)	2,58,33,784	2,68,00,967
No. of shares outstanding	1,71,47,670	1,71,47,670



Laxmi Cotspin Limited

Weighted Average number of equity shares used as denominator for calculating of EPS (No)	1,71,47,670	1,71,47,670
Basic and Diluted Earnings Per Share of face value of Rs 10 each (₹)	1.51	1.56

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
Services Received	-	32,58,105
Material Purchases	-	-
Material Sales	-	-

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. C N A & Associates
Chartered Accountants
FRN 128929-W

CA Anand Partani
(Partner)

Sanjay Rathi
(Managing Director)
DIN 00182739

Shivratan Mundada
(Director)
DIN 00349668

Dated: 23rd May, 2018
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, laxmicotspin@gmail.com,

Website: 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 Monday, the 13th August, 2018 at 10.30 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.

RSI No	Resolution(s)	Vote	
		For	Against
1	To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31 st March, 2018 along with Directors Report and Audited Report of the		



Laxmi Cotspin Limited

=====

	Company		
2	To declare dividend of Rs 0.50/- per equity share (5%) of the face value of Rs 10/- each for the financial year ended 31 st March, 2018		
3	To appoint M/s B. P. Singh & Co. Chartered Accountant as statutory auditors in place of retiring Auditor M/s CNA & Associates.		
4	Mr. Shivratn Mundada who retires by rotation and being eligible, offers himself for re-appointment		
5	Increase the Borrowing power of the company		
6	Authority for Creation of Charge / Mortgage on Property of the Company		
7	Alteration of Objects Clause in the Memorandum of Association of the Company		

Signed this day of..... 2018

Signature of Shareholder Across revenue Stamp

Affix
Revenue
Stamp

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

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, laxmicotspin@gmail.com,

Website: 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 13th Annual General Meeting of the Company held on Monday, the 13th August, 2018 at 10:30 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

ROUTE MAP OF LAXMI COTSPIN LIMITED

Venue of AGM –

Gut No.399, Samangaon-Kajla Road,

In Front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203

