

Make in India



LAXMI COTSPIN LIMITED

15TH ANNUAL REPORT



LAXMI COTSPIN LIMITED

FINANCIAL YEAR 2019-20



LAXMI COTSPIN LIMITED
(World Class Premium Quality Cotton)

➤ **Board of Directors:**

- **Mr. Sanjay Rathi**
- **Mr. Bhavesh Patel**
- **Mr. Rajesh Bansal**
- **Mr. Shivratn Mundada**
(Resigned w.e.f. 26/09/2019)
- **Mrs. Prafullata Sanjay Rathi**
(Resigned w.e.f. 07th July, 2020)
- **Mr. Ritesh Mantri**
(Resigned w.e.f. 23rd July, 2020)
- **Mr. Satish Bhakkad**

➤ **Auditors:**

B.P Singh & Company
Chartered Accountants
Aurangabad.

➤ **Chief Financial officer:**

Mr. Anupkumar Gindodiya

➤ **Secretarial Auditors:**

A.R. Joshi
(Practicing Company Secretary)
Aurangabad.

LAXMI COTSPIN LIMITED

FINANCIAL YEAR 2019-2020



LAXMI COTSPIN LIMITED
(World Class Premium Quality Cotton)

➤ **Audit Committee:**

Name	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri <i>(Resigned w.e.f.23/07/2020)</i>	Member
Mr. Bhavesh Patel	Member

➤ **Nomination and Remuneration Committee:**

Name	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri <i>(Resigned w.e.f.23/07/2020)</i>	Member
Mr. Rajesh Bansal	Member

➤ **Stakeholder Relationship Committee:**

Name	Designation
Mr. Ritesh Mantri <i>(Resigned w.e.f.23/07/2020)</i>	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



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LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of director of your company, it is great pleasure for me to extend a very warm welcome to each one of you at the 15th Annual General Meeting of your company.

We take immense pleasure by sharing with you about the performance of your company and present the Annual Report for the financial year 2019-2020.

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 channelled for our business and future expansion, if any. We have dedicated divisions for marketing different types of products and for different geographical locations. The sales division and export division are responsible for marketing of our products and fabrics. All the divisions have well trained and adequate teams to handle daily activities and are supervised regularly.

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

In the financial year 2019-2020, there was recession in textile industries which has affected company's financials. This year was especially bad for Open end division of our company. Raw material used in the same were very high due to huge hike in MSP of cotton whereas prices of finished product i.e. open end yarn also nosedived tremendously. This hit us hard because our maximum production is in Open end yarns.

Prices of Indian cotton were surprisingly high compared to international market. This situation made Indian cotton and yarn extremely unviable in international market.

From December, 2019 company was doing well in performance, but this year even worse COVID-19 pandemic hit the world. The whole economy has been negatively affected by the pandemic. Government of India has taken quick action to stop the spread of the virus by imposing lockdown across India. Manufacturing activities had temporarily shutdown w.e.f. 21st March, 2020 to 12th May, 2020. The Production activity had resumed w.e.f. 13th May, 2020 upon receipt of approval of concerned authorities with all the necessary precautionary hygiene and safety measures, as applicable.



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We also have submitted report on the material impact of COVID-19 on Company to stock exchange.

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



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NOTICE OF THE 15th ANNUAL GENERAL MEETING

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

Notice is hereby given that the **15th ANNUAL GENERAL MEETING** of **LAXMI COTSPIN LIMITED** will be held on Tuesday, 29th September, 2020 at 11.00 a.m at the Registered Office of the Company at Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203. To transact the following ordinary business:-

A) ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31st March, 2020 along with Directors Report and Audited Report of the Company.
2. To ratify the appointment of M/s B.P. Singh and co, Chartered Accountants, Aurangabad, for the current year that was appointed for a period of five years in the last Annual General Meeting up to the F.Y 2022-23. and to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to the resolution passed by the members at the 13th Annual General Meeting of the Company held on 13th August, 2018 pursuant to Section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 and other provisions as may be applicable, if any, the Company hereby ratifies the appointment of M/s. B.P. Singh and co, having Firm's Registration No. 118758W, as the Statutory Auditors of the Company from the conclusion of this 15th Annual General Meeting till conclusion of the 16th Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with them.”

3. Mr. Rajesh Puranmal Bansal who retire by rotation and being eligible for reappointment, offers himself for re-appointment.



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

**Sd/-
Rajesh Bansal
Chairman**

Place : Jalna
Date : 24/08/2020

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 24.09.2020 to 29.09.2020 (both days inclusive).



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

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

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



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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 Sunday between 11.00 a.m. to 1.00 p.m. up to the date of the 15th Annual General Meeting of the Company.

16. Notice, Audited Financial Statements for 2019-2020 together with Board's Report and Auditors' Report are available on the website of the Company www.laxmicotspin.com

17. Electronic copy of Notice of the AGM along with Annual Report 2019-20 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 21st August, 2020 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on 21st August, 2020 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.

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

20. The company has set Wednesday, 23rd September, 2020 as the Cut-off 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:-



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The e-voting period commences on September, 26, 2020 (9:00 am) and ends on September, 28, 2020 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date** of 23rd September, 2020. 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. 23rd September, 2020, 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 vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned 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 :



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Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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



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open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on 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.



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4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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



Laxmi Cotspin Limited

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 the accompanying Notice dated 24/08/2020

Annexure to the Item No.- 3 of the Notice

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015: Name of Director	Mr. Rajesh Puranmal Bansal (Non-executive Director)
Date of Birth	07/02/1960
Nationality	Indian
Date of appointment on the Board	08/05/2006
Qualifications	8 th Grade
Expertise	He is having more than 25 years of Experience in various fields,
No. of Shares held in the company	9,13,125
List of the directorship held in other Company	RTCAMP SOLUTIONS 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	Nil

* 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.

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

**Sd/-
Sanjay K. Rathi**



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Managing Director

Place: Jalna

Date: 24/08/2020

Details of Directors seeking re-appointment in the forthcoming Annual General Meeting. (In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Mr. Rajesh Puranmal Bansal (Non-executive Director)
Director Identification No	00272612
Category	(Non-executive Director)
Date of Birth	07/02/1960
Age	60 Years
Date of First Appointment on the Board	<u>08/05/2006</u>
Relationship with Directors and KMPs	<u>NIL</u>
Qualifications	<u>8 grade</u>
Expertise in specific functional area.	He is having more than 25 years of Experience in various fields,
Remuneration last drawn	NA
No. of Meetings of the Board attended during the year	12
Terms and Conditions of Appointment or re-appointment along with remuneration	Mr. Rajesh Puranmal Bansal Has been appointed as Non Executive Director and He will not be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof
Board Membership of Companies as on 31st March, 2020	2
Chairman/Member of the Committee of the Board of Directors as on 31st March, 2019	1
Number of shares held in the Company as on 31 st March, 2020	9,13,125



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DIRECTOR'S REPORT

The Directors have a pleasure in presenting the **Fifteen Annual Report** and Audited Accounts for the financial year ended 31st March, 2020.

01. Financials Summery (Standalone)

Particulars	Rs. In Lacs	
	2019-20	2018-19
Sales and Other Income	15315.42	17820
Profit Before Tax and Depreciation	277.18	1001.33
Less: Depreciation and amortization	372.18	555.69
Profit/(Loss) Before Taxation (PBT)	(94.87)	445.63
Provision for Taxation		
Less:- Current Tax (MAT)	-	115.00
Less:- Deferred Tax & Shortage/Excess Provision	(8.05)	-38.88
Profit/(Loss) After Tax (PAT)	-86.82	366.13
Add/(Less): Prior Period Adjustment (Income Tax)		
Add/(Less): Exceptional items		
Balance Transfer to the Balance Sheet	-86.82	366.13
Basic Earning Per Equity Share	(0.51)	2.14
Diluted Earnings Per Equity Share	(0.51)	2.14

During the year under review our company has achieved sales Turnover of Rs. 153.15 cores as against Rs. 178.20 cores, achieved in the previous year. The Decrease in Turnover is on account of depression situation caused by disparity between Indian cotton and yarn prices. Traditionally Indian cotton has been one of the cheapest cotton in the world. This used to boost cotton and yarn sales all over the world. But this year a move by GOI of increasing the MSP made our products expensive and hence there was lower demand. All these were the reasons of loss incurred by the company at Rs. 86.82 lakhs as against the Profit earned in the previous year of Rs. 3.66 Crores

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

There has not been any change in the nature of business of the company during financial year 2019-20

03. Share Capital

There is no change in Share Capital of the company during financial year 2019-2020



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04. Transfer to Reserve

In view of the loss incurred by the company no amount is transferred to general reserve.

05. Change of Name

The Company has not changed its name during financial year 2019-2020

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

- ***Director Retiring by Rotation***

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with the Article of Association of the Company, Mr. Rajesh Puranmal Bansal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment.

- ***Resignation of Director***

Mr. Shivratn Mundada, Non -Executive Director of the Company has resigned w.e.f. 26/09/2019 from the Board of Director of the Company further during the reporting year 2020-21 following directors have resigned from the Board following directors have resigned from the Board

- a) Mrs. Prafullata Sanjay Rathi, a Woman Director w.e.f. 07th July, 2020
- b) Mr. Ritesh Mantri a Independent Director w.e.f. 23rd July, 2020.

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

Mr. Sachin Yadav Chandanshiv was appointed as company Secretary and Compliance Officer w.e.f. 19th April, 2019 in place of Ms. Pooja Potdar who resigned on 19th April, 2019 and further Mr. Sachin Yadav Chandanshiv has also resigned w.e.f 24TH June 2019.

Thereafter Mr. Nilesh Ganapatlal Baberwal was appointed as Company Secretary and compliance office w.e.f. 21st August, 2019.

07. Particulate of Employees



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

08. Meetings of Board of Director and Shareholders.

Twelve Board Meetings and One shareholders meeting were held during the Year 2019-20. Four Audit Committee Meetings and Three Nomination and Remuneration Committee Meetings and Three Stakeholders' Relationship Committee Meetings were also held during the year. The intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

09. Board Evaluation

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

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

10. Company Policy on Director's Appointment and remuneration

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

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

The Audit Committee consists of the following members



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Names	Designation
Mr. Satish Bhakkad	Chairman
Mr. Ritesh Mantri	Member <i>(Resigned on 23/07/2020)</i>
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 behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

12. Declaration by an Independent director(s)

The Company has received declarations from 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 enclosed herewith as **Annexure "E"**

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

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

14. Deposits:

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

15. Particulars of Loans, Guarantees and Investments:

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

16. Reply to Adverse Remark Made by Statutory Auditor :



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

17. Internal Control Systems and Their Adequacy:

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

18. Related Party Transactions:

There is no related Party transaction for the Financial Year 2019-20

19. Holding, Subsidiary and Associate Relationship :

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

20. Risk Management Policy

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

21. Statutory Auditors& Auditor Reports

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

22. Secretarial Audit report

In terms of Section 204 of the Companies Act, 2013 and rules made there under M/s A. R Joshi and Associates, Practicing Company Secretary has been appointed for conducting the Secretarial Audit for the FY 2019-20. The reports of secretarial auditor is enclosed as **Annexure“F”** to this report.



Laxmi Cotspin Limited

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23. Appointment of Cost Auditor :

The board has appointed M/s Cheena & Associates, Practicing Cost Accountant for Conducting cost audit for a period 2019-20.

24. Internal Auditor

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







25. Retirement By Rotation:

Mr. Rajesh Bansal, Non- Executive Director of the Company, retires under Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

26. Recognition to company as a Export House:

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

27. Certification



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

28. Membership :



Laxmi Cotspin Limited

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

29. 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.

30. Conservation of Energy

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

31. Foreign Exchange Used and Earnings(IN INR)

Foreign exchange earned : Rs. 47,87,93,633/-
Foreign exchange used : Rs. 10,06,400/-

32. 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

33. Management Discussion and Analysis

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

34. 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.

35. Enhancing shareholders value:



Laxmi Cotspin Limited

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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.

36. 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.

37. Our Vision:

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

38. 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.

39. 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;



Laxmi Cotspin Limited

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- (d) the directors had prepared the annual accounts for financial year ended on March 31, 2019 on a going concern;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

40. 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/-

Sd/-

**Mr. Sanjay K. Rathi
Managing Director
DIN: 00182739**

**Mr. Rajesh Bansal
Director
DIN: 00272612**

**Place: Jalna
Date: 24/08/2020**



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 MSEDCCL.

SPINNING

Particulars	2019-20	2018-19
Total Units	16089732	17434050
Total Cost	72900830	90086760
Rate per Unit	4.53	5.17
Total Production (in kgs)	6351487	7168512
Electricity consumed per unit of production (in units)	11.47	12.57

GINNING

Particulars	2019-20	2018-19
Total Units	387906	495810
Total Cost	3413840	4247450
Rate per Unit	8.80	8.57
Total Production (in kgs)	1897817	2651057
Electricity consumed per unit of production (in units)	1.79	1.60

B. Technology Absorption



Laxmi Cotspin Limited

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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**

**Sd/-
Mr. Rajesh Bansal
Director**

DIN: 00182739

DIN: 00272612

**Place: Jalna
Date: 24/08/2020**



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:

Nature of Transaction	Sanjay Rathi
Remuneration Received	41,30,000

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

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



Laxmi Cotspin Limited

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

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

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

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

**Sd/-
Mr. Rajesh Bansal
Director
DIN: 00272612**

**Place: Jalna
Date: 24/08/2020**



Laxmi Cotspin Limited

Annexure C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & 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	90%
2	other	-	10%
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters								



Laxmi Cotspin Limited

(1) Indian								
a) Individual/ HUF	7447164		43.4296%	7615164		7615164	44.40 %	0.97%
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%	2065930		2065930	12.0479	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)	9513094		55.4775	9681094	-	9681094	56.4572%	0.98%
(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)	9513094		55.4775	9681094	-	9681094	56.4572%	0.98%
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) FIs			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	3213848		18.7422%	3044817		3044817	17.7564	0.98%
ii) Overseas			0.00%				0.00%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2593336		15.1235 %	2420367		2420367	14.114%	1.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1280642		7.4683 %	1520642		1520642	8.867%	1.40%
c) Others (specify)								
Non Resident Indians			0.00%			-	0.00%	0.00%



Laxmi Cotspin Limited

Overseas Corporate Bodies			0.00%			-	0.00%	0.00%
Foreign Nationals			0.00%				0.03%	0.00%
Clearing Members	54000		0.31%	-		-	-%	0.00%
HUF	492750		2.87%	480750		480750	2.8036%	00
Trusts			0.00%			-	0.00%	0.00%
Foreign Bodies - D R			0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	7634576	-	44.5225%	7466576	-	7466576	43.5428%	0.98%
Total Public (B)	7634576	-	44.5225%	7466576	-	7466576	43.5428%	0.98%
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%	252375	1.4718%	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%	252375	1.4718%	0.98%
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%



Laxmi Cotspin Limited

* 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	2251563	13.13%	2251563	13.13%	0.00%
4	PRASAD COTTON INDUSTRIES PRIVATE LIMITED	234000	1.36%	234000	1.36%	1.36%
5	SAPTRUNGI ALLOYS PRIVATE LIMITED	228000	1.33%	228000	1.33%	0.00%
6	TARABEN RAMESH	187500	1.09%	187500	1.09%	0.00%
7	J.K SECURITIES PRIVATE LIMITED	162,000	0.94%	162,000	0.94%	0.00%
8	KUSHAL JAYESH KHANDWALA	162,000	0.94%	162,000	0.94%	0.00%
9	ANKIT JAYANTIBHAI PATEL	60,000	0.34%	192,000	11.19%	0.60%
10	MAHABALESHWAR ALLOYS PRIVATE LIMITED	140,000	0.81%	140,000	0.81%	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:						
SN	Shareholding of each Directors and each Key Managerial Personnel	DESIGNATION	Shareholding at the beginning of the year		Shareholding at the End of the Year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	SANJAY KACHRURAL RATHI	Managing Director	84,375	0.49%	252,375	1.4718%
2	BHAVESHBHAI RAMESHBHAI PATEL	Director	333,188	1.94%	333,188	1.94%
3	RAJESH PURANMAL BANSAL	Chairman & Director	913,125	5.33%	913,125	5.33%
4	PRAFULLATA SANJAY RATHI	Director	23,438	0.14%	23,438	0.14%
5	RITESH MANTRI	Director	0	0	0	0
6	SATISH BHAKKAD	Director	6,000	0.03%	6,000	0.03%
7	ANUPKUMAR GINDODIYA	CFO	12,000	0.06%	12,000	0.06%
8	-	CS	0	0.00%	0	0.00%

V. INDEBTEDNESS



Laxmi Cotspin Limited

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				
i) Principal Amount	1381.69	0	0	1381.69
ii) Interest due but not paid		0	0	-
iii) Interest accrued but not due		0	0	-
Total (i+ii+iii)	1381.69	0	0	1381.69
Change in Indebtedness during the financial year				
* Addition		0	0	-
* Reduction	367.85	0	0	367.85
Net Change	367.85	0	0	367.85
Indebtedness at the end of the financial year				
i) Principal Amount	1013.84			1013.84
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	1013.84	-	-	1013.84

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			41,30,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	-	-	41,30,000



Laxmi Cotspin Limited

	Within Ceiling as per the Act
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B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration				Total Amount (Rs/Lac)
	Name	ANUPKUMAR GINDODIYA	POOJA POTDAR		
	Designation	CFO	CS		
1	Gross salary	660000	480000		1140000
	(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		-
	Commission	NO	NO		-
4	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	660000	480000		1140000

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



Laxmi Cotspin Limited

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For and On behalf of the Board of Directors

LAXMI COTSPIN
LIMITED

Sd/-

Sd/-

Mr. Sanjay K.
Rathi
Managing Director

Mr. Rajesh Bansal
Director

Place: Jalna
Date: 24/08/2020

DIN: 00182739

DIN: 00272612



Laxmi Cotspin Limited

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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	Remunerat ion Received [Rs.]	Qualifica tion	Experien ce in years	Age in year s	Date of commenc ement of employm ent	Last emplo ymen t 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

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

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

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

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

I certify that:

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

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

6. Neither me nor any of my relatives:



Laxmi Cotspin Limited

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- 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: - 24/08/2020



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. Phone No.- 0240-2480415, Mob No: 9325228194

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March 2020

[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 2020, 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 2020 according to the provisions of:



Laxmi Cotspin Limited

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- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

- At present the 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 on 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 2019 and 31st March 2020.
- 2) Quarterly Report on Reconciliation of Share Capital Audit Report for all the four quarter under regulation 55A of SEBI (Depository and Participant) Regulation 1996 dated June 2019, September 2019, December 2019 and March 2019 based on the Report given by Link Intime India Pvt Ltd , Transfer agents of the Company.
- 3) Quarterly Report on Investor Grievance dated 30th June 19, 30th September 2019, 31st December 2019 and 30th March 2020.



Laxmi Cotspin Limited

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- 4) Half yearly certificate under Regulation 7 (3) of SEBI (Listing obligation and disclosure requirement) Regulation 2015 dated 30th September 2019 and 31st March 2020.
 - 5) 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 Issue and Share Transfer Agent. The Share Transfer Agent has maintained all records of Shares and Transfer thereto in Electronic Form as provided under the regulation.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- Not Applicable as the Company has not delisted any of its securities during the year under review.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The company has not undertaken any buy back of shares during the year under review.
- (i) 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.



Laxmi Cotspin Limited

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- 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 28th January 2020.

- c. The Company has obtained consent from Maharashtra Pollution control Board and Certificate is valid upto 31st January 2024.

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

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

: The company needs to improve compliance with Secretarial Standard 1 & 2 issued by ICSI which have become mandatory. Many of the minutes have not been signed by the chairman of the respective meeting. Minutes involving financial information should indicate at least basic figures of turnover and surplus generated while approving six monthly provisional balance sheet.

- (k) 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.

- (l) 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.

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

During the reporting period, existing Company Secretary Ms. Pooja Bagul as well as Mr. Sachin Chandanshiv Yadav has resigned from the post of Company Secretary and Mr. Nilesh Ganapatlal Baberwal has been appointed w.e.f 21st August 2019.

- (n) I, further report that there exists proper systems and processes in the company to



Laxmi Cotspin Limited

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monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

A.R Joshi
Practicing Company Secretary
Proprietor
(ACS No: 5480 CP No: 4247)

Place: Aurangabad
Date: 24/08/2020
UDIN NO: A005480B000608929

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

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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: 24/08/2020



Laxmi Cotspin Limited

REPORT ON CORPORATE GOVERNANCE ON 2019-2020

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that Corporate Governance signifies ethical business behaviour in every sphere and with all constituents. This ethical business behaviour 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, 2020]

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. 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 Twelve Board Meetings during the year on 12/04/2019, 19.04.2019, 24.05.2019, 19.06.2019, 24/06/2019, 28.06.2019, 29.06.2019, 10/08/2019, 21/08/2019, 07/10/2019, 13/11/2019, 27/02/2020

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 29th August, 2019 at 11.00 A.M. was attended by Six Directors.



Laxmi Cotspin Limited

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 Board Meetings attended	Directorships in other Company(s) as on (31/03/2020)	Member/ Chairman of committees of other company(s) (as on 31/3/2020)
Mr. Sanjay Rathi	12	4	NA
Mr. Rajesh Bansal	12	1	NA
Mr. Bhaveshbhai Patel	10	8	NA
Mrs. Prafullata Rathi	12	2	NA
Mr. Ritesh Mantri	12	0	NA
Mr. Satish Bakkad)	12	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, 2020 have been made by the Directors

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.

e) 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 not held on for this Financial Year due to Loackdown and Covid-19 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole.

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:



Laxmi Cotspin Limited

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

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

The Committee meets periodically and reviews

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

As on 31st March 2020, the Audit Committee comprised of the following:

(Audit Committee)

Names	Designation	No of Meeting Attended
Mr. Satish Bhakkad	Chairman	4
Mr. Ritesh Mantri	Member	4
Mr. Bhavesh Patel	Member	4

Details of Audit Committee meeting held during the year under review

Sr No	Date
1	19.04.2019
2	24.05.2019
3	28.06.2019
4	12/11/2019

Note:

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

2. Nomination and Remuneration Committee



Laxmi Cotspin Limited

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

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

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

Committee meeting held during the year under review

Sr No	Date
1	19/04/2019
2	24/06/2016
3	28/06/2019

Directors' Appointment Criteria / Policy

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

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;
7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.



Laxmi Cotspin Limited

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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, 2019 to 31st March, 2020

Name of Director	Salary	Perquisites & Allownces
Sanjay Rathi	41.30 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.

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	3
Mr. Satish Bhakkad	Member	3
Mr. Bhavesh Patel	Member	3

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.



Laxmi Cotspin Limited

Committee meeting held during the year under review

Sr No	Date
1	12.04.2019
2	28.06.2019-
3	15/02/2020

i. Name And Designation Of Compliance Officer

Mr. Nilesh Baberwal was the Compliance Officer of the Company has resigned w.e.f.14/08/2020

ii. Investor Grievance Redressal:

During the Financial Year 2019-20, No any complaints were filed from any shareholders and not any complaint is pending all are nil status.

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.

4. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2016-17	18.07.2017	10.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna – 431203
2017-18	13.08.2018	10.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna – 431203
2018-2019	29.08.2019	11.00 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 2019-20

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

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

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



Laxmi Cotspin Limited

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Financial Year	Special Resolution	Details
2016-17	Yes	1. Regularization of Appointment of Mrs. Prafullata Rathi as a Women Director of the company
2017-18	Yes	1. Increase the Borrowing Powers of the Company 2. Authority for Creation of Charge / Mortgage on Property of the Company 3. Alteration of object clause in the Memorandum of Association of the company
2018-2019	Yes	1. Revision in Remuneration of Mr. Sanjay Rathi, Managing 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 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

GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

AGM : Date, Time & Venue	On 29 th September, 2020 at 11.00 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 01.04.2019 to 31.03.2020
Date of Book closure	24.09.2020 to 29.09.2020
Listing on Stock Exchange	NSE Limited



Laxmi Cotspin 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, Samangaon, Jalna – 431203 2.Email Id - laxmicotspin@gmail.com
Market Price Data: High, Low during each month in last financial year 2019-2020	

Month	High	Low
April 2019	13	11.50
May 2019	13	13
June 2019	14	12.50
July 2019	13.10	11.00
August 2019	14.80	12.00
September 2019	13.55	11.05
October 2019	10.50	9.50
November 2019	11.00	9.35
December 2019	11.00	-
January 2020	11.70	9.20
February 2020	9.00	8.10
March 2020	8.85	5.80

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.



Laxmi Cotspin Limited

b. 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.

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 – 24/08/2020

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



Laxmi Cotspin Limited

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Distribution of Shareholding as at 31st March, 2019

Laxmi Cotspin Limited							
DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
Report Type : All(NSDL+CDSL+PHYSICAL) 31.03.2020							
SR.NO	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
2	10001	to	20000	1	0.23	1563.	0.0091
3	40001	to	50000	1	0.23	4825	0.0281
4	50001	to	100000	298	70.11	1766323	11.6653
5	100001	to	***** *	125	29.41	15374959	88.2975
Total				425	100.0000	17147670	100.0000



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) – 21.93%
2	The percentage increase in median remuneration of employees in the financial year	The percentage increase in remuneration 1. MD – NA 2. Director - NA 3. CFO – NA 4. Company Secretary –NA 5. Manager - NA
3	The percentage increase in median remuneration of employees in the financial year	Nil
4	The Number of Permanent employees on the rolls of the company in the financial year	105
5	Maiden Remuneration of the employees in the financial year	-
6	The explanation on the relationship between average increase in remuneration and company performance	The company has made Loss of Rs 86,82,047 as compared to the last year Profit Rs. 3,66,13, 486, so there is no increase in remuneration of Director
7	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Total remuneration paid to the KMP 60.70% of the net profit of the 2019-20



Laxmi Cotspin Limited

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8	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	MD- 47.56% (of net Loss) CFO – 7.60 % (of net Loss) CS – 5.53 % (of net Loss)
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NA
10	Affirmation that the remuneration is as per the remuneration policy of the company	We Affirm that the remuneration paid to employee and KMP remuneration is as per the remuneration policy of the company

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

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

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

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



Laxmi Cotspin Limited

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
Date – 24/08/2020

Sd/-

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



Laxmi Cotspin Limited

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CEO/CFO CERTIFICATION

To,
The Board of Directors,
Laxmi Cotspin Limited

Sir,

a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2020 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

Date: 24/08/2020

Sd/-

(Anupkumar Gindodiya)
CFO

Place: Jalna



Laxmi Cotspin Limited

Annexure H **Management Discussion Analysis:**

1 Overall Review / Industry Structure and development

Company engaged in the business of cotton processing in textile industry with our production facilities located in cotton growing areas of Marathwada region at Samangaon which is situated in the Jalna district of State of Maharashtra. We are manufacturer of yarn and we have an existing Ring spinning & open end unit to cater to the yarn markets in Maharashtra and Gujarat. Our business is spread among home textiles, weaving sector, Denim Manufactures and hosiery manufacturers through open end yarn and ring spun yarn. we are manufacturing premium quality 100% cotton combed and carded hosiery/ warp conventional, organic and BCI yarn in count range of 10s Ne to 40s Ne for the purpose of exporting to Asian and European countries. Company was established in year 2008 with a capacity of 13200 spindles . Over the years we have expanded upto 16800 spindels with compact, lycra and slub attachment. Addition to this we have set up open end unit with 3000 Rotors. We believe that we have established a strong customer base and good marketing setup.

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

Company's operations are supported by modern testing instruments installed in its quality assurance laboratory, includes UT- 5 (Uster Switzerland), HVI, Single Yarn Tester, Aqura Process Control Management (Premium India). Beside of these basic instruments from Statex, Online Contamination Removal System SIRO facility at Autowinder maintains the contamination free world class premium quality cotton, yarns and garments.

We enjoy accreditations, such as the ISO 9001: 2008 certification for Quality Management System from Moody International, Certificate of Global Organic Textile Standards (GOTS) issued by Control Union Certification (Netherlands). Ginning & Spinning unit is certified by Control Union, for organic processing and Trading. Ginning & Pressing unit, 4 Star rating which is certified by Textiles Committee, BCI (Better Cotton Initiative) certified, by Better Cotton Initiative, Switzerland & star export house status. In this year we also got OEKO-TEX certificate to cater European customers.



Laxmi Cotspin Limited

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Looking at FY 2019-20 results we would like to share are thoughts.

Raw material cost shot up tremendously due to populist measures of GOI. MSP of cotton were up by almost 10% but due to lower demand, yarn prices remained the same or even lower. This year was worst for open end yarn because further cotton (Used in Open end) prices were up by 45% and open end yarn prices were down by 22%. And our major production is in open end yarn we were badly hit. This was the main reason for bad results this year.

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, 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

Competition among spinners as the expansion is going on throughout industry, International trade war, etc 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.



Laxmi Cotspin Limited

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3 SEGMENT REVIEW AND ANALYSIS

The entire operations of the Company relate to viz Textiles includes cotton lint, cotton yarn, 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 too much volatile etc.

5 STRENGTH AND WEAKNESS

1. STRENGTH

I. Established marketing set-up

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

Also we have branch office at Mumbai, with most experience staff is appointed for export marketing, with the help of export marketing team we have achieved 50 crore export target in the FY 2018-19, and 45 crore in the FY2019-20.

II. Locational advantage of our manufacturing unit

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



Laxmi Cotspin Limited

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**

5 OUTLOOK

This year was tough for spinning sector as our major buyer country Pakistan is banned for export, Raw material cost also increased this year as compared to finished goods. In the last quarter of the financial year COVID-19 badly hurt the industry, overall there was nothing positive for spinning industry in the FY 2019-20. We expect some recovery in the second half of the FY 2020-21.



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Independent Auditor's Report

To the Members of M/s. Laxmi Cotspin Limited.

Report on the Standalone Financial Statements¹

We have audited the accompanying standalone financial statements of **M/s. Laxmi Cotspin Limited ("the Company")** which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, for the period ended, and a summary of significant accounting policies and other explanatory information.

Opinion

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

- a. In case of the Balance Sheet, of the "State of Affairs" of the Company as at 31st March, 2020; and
- b. In the case of the Statement of Profit and Loss, of the "**Loss**" for the year ended on that date;
- c. In the case of the Cash Flow Statement, of the "**Cash flows**" for the year ended on that date.

Basis for Opinion

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



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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.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Laxmi Cotspin Limited

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
2. As required by the Companies (Auditor's Report), 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the act, we give in the **Annexure-B** a statement on the matters specified in paragraphs 3 and 4 of the order.
3. As required by section 143 (3) of the Act, we report that: -
 - a) We have sought and except for the matter described in the Emphasis of matter paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



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- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in Emphasis of matter paragraph above.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Notes on accounts 2.2 (i) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



Laxmi Cotspin Limited

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Date: 29th June, 2020
Place: Aurangabad.



Laxmi Cotspin Limited

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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, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding



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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

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.



Laxmi Cotspin Limited

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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

CA Balaji P. Singh
(Proprietor)
M. No. 104836
Date: 29th June, 2020
Place: Aurangabad.



Laxmi Cotspin Limited

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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 any loans or advances 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



Laxmi Cotspin Limited

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respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. In Respect of acceptance of Public Deposits: -

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2020 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, 2020 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.

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

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



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

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

Date: 29th June, 2020
Place: Aurangabad.



Laxmi Cotspin Limited

Laxmi Cotspin Limited

Audited Balance Sheet As at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020 Rs.	As at 31st March, 2020 Rs.
I. EQUITY AND LIABILITIES			
2. Shareholders' Fund			
a) Share Capital	3	17,14,76,700	17,14,76,700
b) Reserves and Surplus	4	29,87,87,324	29,71,50,107
c) Money received against share warrants		-	-
3. Share application money pending allotment		-	-
4. Non-Current Liabilities			
a) Long-term borrowings	5	7,84,44,742	10,36,14,400
b) Deferred tax liabilities (Net)		27,94,341	64,25,218
c) Other long term liabilities		-	-
d) Long term provisions	6	59,82,920	48,82,516
5. Current Liabilities			
a) Short-term borrowings	7	37,66,81,421	31,94,35,876
b) Trade payables	8	5,68,33,675	11,48,98,295
c) Other current liabilities	9	3,70,48,003	5,12,92,180
d) Short-term provisions	10	-	2,18,19,266
Total		1,02,80,49,126	1,09,09,94,557
II. ASSETS			



Laxmi Cotspin Limited

1. Non-current assets			
a) Fixed assets			
i. Tangible assets	11	32,31,62,101	34,74,78,454
ii. Intangible assets		-	-
iii. Capital work-in-progress		1,90,07,206	-
iv. Intangible assets under development		-	-
b) Non - current investments		-	-
c) Deferred tax assets (Net)		-	-
d) Long term loans and advances		-	-
e) other non current assets		-	-
2. Current assets			
a) Current investments		-	-
b) Inventories	12	28,62,96,805	25,78,46,299
c) Trade receivables	13	33,22,32,552	40,58,34,558
d) Cash and cash equivalents	14	1,58,30,496	1,16,90,631
e) Short-term loans and advances	15	1,44,07,770	2,53,19,313
f) Other current assets	16	3,71,12,196	4,28,25,303
Total		1,02,80,49,126	1,09,09,94,557

Overview and Significant Accounting Policies 1&2

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

In terms of our report of even date

For B. P. Singh & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN 118758-W

Sd/-

sd/-

sd/-

CA Balaji P. Singh

Sanjay Rathi

Rajesh Bansal

(Proprietor)

Managing Director

Director

M. No. 104836

DIN 00182739

DIN 00272612

Date : 29th June, 2020



Laxmi Cotspin Limited

Laxmi Cotspin Limited				
Audited Statement of Profit and Loss				
For the period ended 31st March, 2020				
	Particulars	Note No	Year Ended	
			Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
	INCOME			
I	Revenue from operations (Net)	17	1,51,34,42,064.23	1,77,21,13,407.35
II	Other Income	18	1,81,30,276.56	99,21,243.58
III	Total Revenue (I + II)		1,53,15,72,340.79	1,78,20,34,650.93
IV	EXPENSES			
	Cost of materials consumed	19	1,25,87,81,154.49	1,38,23,96,801.71
	Changes in inventories of finished goods, work-in-progress and materials	20	(2,46,39,740.20)	5,12,715.30
	Employee Benefit Expenses	21	7,97,17,949.00	7,90,81,133.00
	Finance Cost	22	3,21,07,422.64	3,22,86,545.63
	Depreciation and amortisation expenses	23	3,72,18,383.52	5,55,69,582.00
	Other expenses	24	15,78,74,413.20	18,76,23,951.51
	Total Expenses		1,54,10,59,582.65	1,73,74,70,729.15
V	Profit Before Extra-ordinary Items and Tax		(94,87,241.86)	4,45,63,921.78
VI	Exceptional Items			
	Profit/(Loss) on sale of Asset		-	(1,25,940.00)
	Total Extra-Ordinary Items		-	(1,25,940.00)
VII	Profit before extraordinary items and tax (V - VI)		-	-
VIII	Extraordinary items		-	-
IX	Profit Before Tax (VII - VIII)		(94,87,241.86)	4,44,37,981.78
X	Tax expense:			
	1)Current Tax		-	1,15,00,000.00
	2)Deferred Tax		(36,30,877.00)	(38,88,204.00)
	3)Short/ Excess Provision		28,25,683.00	2,12,699.78
			(8,05,194.00)	78,24,495.78
XI	Profit (Loss) for the period from continuing operations (VII - VIII)		-	-
XII	Profit /(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit /(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		(86,82,047.86)	3,66,13,486.00
XVI	Earning per equity per share of face value of ` 10 each			
	1)Basic EPS (in `)		(0.51)	2.14
	2)Diluted EPS (in `)		(0.51)	2.14
	3)Cash EPS (in `)		1.66	5.38
	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 director in their respective meeting held on 29th June, 2020			
	2. Figur 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 B.P. Singh & Co. Chartered Accountants FRN : 118758W		For and on behalf of the Board of Directors	
	CA Balaji P Singh (Proprieter) M.No. 104836 Date :- 29th June, 2020 Place : JALNA		Sanjay Rathi (Managing Director) DIN 00182739	Rajesh Bansal Director DIN 00272612



Laxmi Cotspin Limited

Laxmi Cotspin Limited						
Audited Statement of Profit and Loss						
For the period ended 31st March, 2020						
Particulars	6 months ended			Year Ended		
	Period Ended 30th sept 2019 Rs.	Period Ended 31st March 2020 Rs.	Period Ended 31st March 2019 Rs.	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.	
INCOME						
I	Revenue from operations (Net)	69,00,50,289.00	82,33,91,775.00	93,45,15,946.00	1,51,34,42,064.23	1,77,21,13,407.35
II	Other Income	98,45,027.00	82,85,250.00	4,88,507.00	1,81,30,276.56	99,21,243.58
III	Total Revenue (I + II)	69,98,95,316.00	83,16,77,025.00	93,50,04,453.00	1,53,15,72,340.79	1,78,20,34,650.93
IV	EXPENSES					
	Cost of materials consumed	58,96,14,677.00	66,91,66,477.00	71,51,80,662.00	1,25,87,81,154.49	1,38,23,96,801.71
	Changes in inventories of finished goods, work-in-process and stock-in-trade	(5,38,59,865.00)	2,92,20,125.00	3,51,39,090.00	(2,46,39,740.20)	5,12,715.30
	Employee Benefit Expenses	4,31,03,613.00	3,66,14,336.00	4,20,33,352.00	7,97,17,949.00	7,90,81,133.00
	Finance costs	1,48,27,048.00	1,76,80,375.00	94,81,106.00	3,21,07,422.64	3,22,86,545.63
	Depreciation and amortisation expenses	2,41,81,765.00	1,30,36,619.00	1,78,37,165.00	3,72,18,383.52	5,55,69,582.00
	Other expenses	7,70,14,765.00	8,04,59,648.00	9,84,60,153.00	15,78,74,413.20	18,76,23,951.51
	Total Expenses	69,48,82,003.00	84,61,77,580.00	91,81,31,528.00	1,54,10,59,582.65	1,73,74,70,729.15
V	Profit Before Extra-ordinary Items and Tax	50,13,313.00	(1,45,00,555.00)	1,68,72,925.00	(94,87,241.86)	4,45,63,921.78
VI	Exceptional Items					
	Profit/(Loss) on sale of Asset	-	-	-	-	(1,25,940.00)
	Total Extra-Ordinary Items	-	-	-	-	(1,25,940.00)
VII	Profit before extraordinary items and tax (V - VI)	-	-	-	-	-
VIII	Extraordinary items	-	-	-	-	-
IX	Profit Before Tax (VII - VIII)	50,13,313.00	(1,45,00,555.00)	1,68,72,925.00	(94,87,241.86)	4,44,37,981.78
X	Tax expense:					
	1) Current Tax	20,00,000.00	(20,00,000.00)	1,15,00,000.00	-	1,15,00,000.00
	2) Deferred Tax	(2,85,827.00)	(33,45,050.00)	(38,88,204.00)	(36,30,877.00)	(38,88,204.00)
	3) Short/ Excess Provision	-	28,25,683.00	(2,683.00)	28,25,683.00	2,12,699.78
		17,14,173.00	(25,19,367.00)	76,09,113.00	(8,05,194.00)	78,24,495.78
XI	Profit (Loss) for the period from continuing operations (VII - VIII)	-	-	-	-	-
XII	Profit /(loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit /(loss) from discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV	Profit (Loss) for the period (XI + XIV)	32,99,140.00	(1,19,81,188.00)	92,63,812.00	(86,82,047.86)	3,66,13,486.00
XVI	Earning per equity per share of face value of ` 10 each					
	1) Basic EPS (in `)	0.19	(0.70)	0.54	(0.51)	2.14
	2) Diluted EPS (in `)	0.19	(0.70)	0.54	(0.51)	2.14
	3) Cash EPS (in `)	1.60	0.06	1.58	1.66	5.38
Overview and Significant Accounting Policies						
The notes referred to above form an integral part of financial statements						
Notes:						
1 The Above Audited Financial Result have been reviewed by the Audit Committee and approved by the board of directors in their respective meetings held on 29th June 2020						
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 and on behalf of the Board of Directors						
Sanjay Rathi (Managing Director) DIN 00182739 Date :- 29/06/2020						



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Cash Flow Statement		
For the period ended 31st March, 2020		
Particulars	As At 31st March, 2020 Rs.	As At 31st March, 2019 Rs.
A. Cash Inflow/ (Outflow) from Operating Activities		
Net Profit After Tax	(86,82,048)	3,66,13,486
Adjustment For		
Depreciation	3,72,18,384	5,55,69,582
Interest Paid (Net)	3,21,07,423	3,22,86,546
Provision for Income Tax	28,25,683	1,17,12,700
Deferred Tax	(36,30,877)	(38,88,204)
Provision for Gratuity and Leave Encashment	12,46,910	13,31,151
Profit / (Loss) on Sale of Asset	-	(1,25,940)
Duty Drawback, Interest and Subsidy Received	(1,81,30,277)	(99,21,244)
Earlier Provision Written Back	(1,03,19,266)	-
	4,13,17,980	8,69,64,591
Operating Profit before working capital changes	3,26,35,932	12,35,78,077
Adjustment for		
Inventories	(2,84,50,506)	99,49,046
Trade Receivables	7,36,02,005	(2,62,65,170)
Other Current Assets	57,13,107	(70,21,972)
Short-term loans and advances	1,09,11,542	5,36,86,264
Trade Payables	(5,80,64,620)	(1,68,36,724)
Other Current Liabilities	(1,42,44,177)	10,31,769
Long term provisions	11,00,404	(10,48,853)
Income Tax Paid	(31,76,382)	(1,30,16,268)
	(1,26,08,626)	4,78,092
Net Cash Inflow/(Outflow) from Operating Activities	2,00,27,306	12,40,56,169
B. Cash Inflow/(Outflow) From Investment Activities		
Capital Expenditure (Purchase/ Capitalization)	(3,39,86,183)	(1,28,16,836)
Sale Proceeds of Fixed Assets	-	6,25,000
Net Cash Inflow/(Outflow) from Investing Activities	(3,39,86,183)	(1,21,91,836)
C. Cash Inflow/(Outflow) From Financing Activities		
Increase/ Decrease in Long Term Borrowings	(2,51,69,658)	(3,47,37,674)
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	5,72,45,545	(4,53,19,155)
Interest Paid	(3,21,07,423)	(3,22,86,546)
Duty Drawback, Interest and Subsidy Received	1,81,30,277	99,21,244
Dividend and Dividend tax Paid	-	(1,03,19,266)
Net Cash Inflow/(Outflow) from Financing Activities	1,80,98,741	(11,27,41,397)
Net Changes In Cash & Cash Equivalents (A+B+C)	41,39,864	(8,77,064)
Cash & Cash equivalents (Opening Balance)	1,16,90,632	1,25,67,696
Cash & Cash equivalents (Closing Balance)	1,58,30,496	1,16,90,632
In terms of our report of even date		
For B.P. Singh & Co.	For and on behalf of the Board of Directors	
Chartered Accountants		
FRN : 118758W		
CA Balaji P Singh	Sanjay Rathi	Rajesh Bhansal
(Proprieter)	(Managing Director)	(Managing Director)
M.No. 104836	DIN 00182739	DIN 00272612
Date : 29th June, 2020		
Place : JALNA		



Laxmi Cotspin Limited

Laxmi Cotspin Limited				
Notes to the Financial Statements as at 31st March, 2020				
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.	As at 31st March, 2020 Rs.	As at 31st March, 2019 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
	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	17,14,76,700	17,14,76,700
Total Share Capital	17,14,76,700	17,14,76,700	17,14,76,700	17,14,76,700
(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
	31st March, 2020	31st March, 2019		
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				
i) The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.				
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 :				
	31st March, 2020	31st March, 2019		
Name of Shareholder	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 Purnamal Bansal	9,13,125	5.33%	9,13,125	5.33%



Laxmi Cotspin Limited

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Laxmi Cotspin Limited				
Notes to the Financial Statements as at 31st March, 2020				
	Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.	
4	Reserves And Surplus			
	a) Capital Subsidies			
	As per last financial statements	5,02,94,844	5,02,94,844	
	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	19,13,25,763	16,50,31,543	
	Add:			
	Profit/(loss) for the year	(86,82,049)	3,66,13,486	
	Less:			
	Appropriations			
	Adjustments during the year (Reversal of Dividend)	1,03,19,266	-	
	Proposed dividend on equity shares (Amount per share ` 0.50, previous year ` 0.50)*	-	(85,73,835)	
	Corporate tax on proposed dividend	-	(17,45,431)	
	Net surplus in the statement of Profit and Loss	19,29,62,980	19,13,25,763	
	Total Reserve and Surplus	29,87,87,324	29,71,50,107	
	Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.	
5	Long Term Borrowings			
	a) Secured Long Term Borrowings			
	i) Term Loans from Banks			
	HDFC Bank Limited	-	1,10,149	
	SVS Bank	10,03,11,084	13,74,58,561	
	Less: Current maturities of term loans	(2,29,40,780)	(3,57,53,483)	
	Term Loans from Banks	7,73,70,304	10,18,15,227	
	ii) Other Loans from Banks (Vehicle Loan)			
	HDFC Bank Limited	10,74,438	17,99,173	
	Vehicle Loans from Banks	10,74,438	17,99,173	
	Secured Long Term Borrowings "a"	7,84,44,742	10,36,14,400	
	b) Unsecured Long Term Borrowings			
	i) Inter Corporate deposit	-	-	
	Unsecured Long Term Borrowings "b"	-	-	
	Total Long Term Borrowings ("a" + "b")	7,84,44,742	10,36,14,400	
	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 09% to 12%.			



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
6 Long term provisions		
Provision for Employee benefits		
Gratuity	59,82,920	48,82,516
Total Long Term Provisions	59,82,920	48,82,516
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
7 Short Term Borrowings		
a) Secured Short Term Borrowings		
i) Cash Credit from various Bank		
a. HDFC Bank Cash credit Account	22,98,11,949	19,10,11,963
b. SVC Bank Cash credit Account	1,79,00,752	4,43,41,213
c. HDFC Bank (PCFC loan - Export)	4,96,49,942	-
ii) Pledge Loan from HDFC Bank Limited	7,93,18,778	8,40,82,700
Secured Short Term Borrowings	37,66,81,421	31,94,35,876
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 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, 2020 Rs.	As at 31st March, 2019 Rs.
8 Trade Payables		
Trade Payables	5,68,33,675	11,48,98,295
Total Trade Payables	5,68,33,675	11,48,98,295
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		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
9 Other Current Liabilities		
a) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	2,29,40,780	3,57,53,483
b) Statutory Dues*	43,63,877	41,57,794
c) Advance from customer and others	-	-
d) Other Payables		
i) Outstanding liabilities for expenses**	97,08,670	1,13,44,802
ii) HDFC Bank Credit Card	34,676	36,101
Total Other Current Liabilities	3,70,48,003	5,12,92,180
*Statutory dues include Contribution made for Provident Fund, Local Tax, Professional Tax and Leave encashment		
** Outstanding liabilities for expenses include Outstanding liability made for Bonus, Electricity Charges, Audit Fees, other tax, Interest, Salary, Wages unpaid for the current year.		
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
10 Short term provisions		
a) Other Provisions		
Provision for taxation- Income Tax	-	1,15,00,000
Dividend Payable	-	85,73,835
Dividend Distribution Tax	-	17,45,431
Total Short Term Provisions	-	2,18,19,266



Laxmi Cotspin Limited

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2019 Rs.	Additions Rs.	Deletion Rs.	As at 31st March, 2020 Rs.	Up to 1st April, 2019 Rs.	For the Period Rs.	Other Adjustments Rs.	Upto 31st March, 2020 Rs.	As at 31 st March, 2020 Rs.	As at 31 st March, 2019 Rs.
11 Fixed Assets										
Tangible Assets										
Land	27,88,006	5,55,000	-	33,43,006	-	-	-	-	33,43,006	27,88,006
Building	15,56,16,744	39,506	-	15,56,56,250	2,99,64,811	49,61,845	-	3,49,26,655	12,07,29,594	12,56,51,933
Electrical Installations	3,78,61,855	5,21,629	-	3,83,83,484	2,23,46,569	20,14,643	-	2,43,61,212	1,40,22,272	1,55,15,285
Plant & Machineries	65,40,23,195	79,91,816	-	66,20,15,012	46,47,71,655	2,50,54,666	-	48,98,26,321	17,21,88,691	18,92,51,540
Miscellaneous Fixed Assets	3,08,57,669	26,36,320	-	3,34,93,989	2,32,07,465	33,63,324	-	2,65,70,788	69,23,201	76,50,204
Furniture & Fixture	59,79,112	12,270	-	59,91,382	45,51,904	5,69,181	-	51,21,085	8,70,297	14,27,208
Computers Systems	24,22,784	35,169	-	24,57,953	22,10,388	2,19,474	-	24,29,862	28,091	2,12,396
Office Equipment	11,80,031	13,026	-	11,93,057	9,55,742	1,21,933	-	10,77,676	1,15,381	2,24,289
Vehicles & Others	1,03,61,846	10,97,292	-	1,14,59,139	56,04,254	9,13,318	-	65,17,572	49,41,567	47,57,592
Sub Total	90,10,91,242	1,29,02,030	-	91,39,93,271	55,36,12,787	3,72,18,384	-	59,08,31,171	32,31,62,101	34,74,78,454
Capital WIP	-	1,90,07,206	-	1,90,07,206	-	-	-	-	1,90,07,206	-
Sub Total	-	1,90,07,206	-	1,90,07,206	-	-	-	-	1,90,07,206	-
Grand Total	90,10,91,242	3,19,09,235	-	93,30,00,477	55,36,12,787	3,72,18,384	-	59,08,31,171	34,21,69,306	34,74,78,454
Previous Year	89,16,43,897	1,06,14,125	7,50,940	90,10,91,242	49,84,59,045	5,83,14,073	(27,44,491)	55,40,28,627	34,74,78,454	39,31,84,851



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
12 Inventories		
(At cost or Net realisable Value whichever is lower)		
a) Raw Materials	20,15,22,129	19,80,39,849
b) Work-in-Process	2,24,42,353	1,61,49,505
c) Finished Goods	3,79,25,337	1,95,78,444
d) Stores & Spares	2,44,06,986	2,40,78,501
Total Inventories	28,62,96,805	25,78,46,299
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
13 Trade Receivables		
a) Unsecured		
Exceeding Six Months		
Considered Good	85,11,123	1,68,78,165
Others		
Considered Good	32,37,21,430	38,89,56,393
Total Trade Receivable	33,22,32,552	40,58,34,558
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
14 Cash & Cash Equivalents		
a) Cash on hand	15,81,704	2,73,464
b) Balances with Scheduled Banks		
- In Current Account	2,38,692	2,81,148
- In Term Deposits Account	1,39,97,430	1,11,23,349
c) Balances with Non-Scheduled Banks	12,670	12,670
Total Cash & Cash Equivalents	1,58,30,496	1,16,90,631
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
15 Short Term Loans & Advances		
a) Advance to Suppliers and Service Providers	93,94,742	99,14,981
b) Loans & Advances to Others	15,40,253	11,31,671
c) Security Deposit	2,96,393	12,56,393
d) Other Loans and Advances		
- Advance Tax, TDS & TCS	31,76,382	1,30,16,268
Total Short Term Loans & Advances	1,44,07,770	2,53,19,313
Particulars	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
16 Other Current Asset		
a) Prepaid expenses	14,02,225	6,27,898
b) Balance with Government Authorities	1,37,11,648	2,06,15,551
c) Accrued Interest (TDR)	26,29,910	19,13,442
d) Interest Receivable (TUFS)	35,29,256	38,29,256
e) Other Receivables*	1,58,39,157	1,58,39,156
Total Other Current Assets	3,71,12,196	4,28,25,303
* Other receivables includes receivable from IPS subsidy		



Laxmi Cotspin Limited

Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
17 Revenue From Operations		
Sale of Products		
Finished Goods	1,51,33,92,454	1,76,91,29,011
Sale of Services	49,610	29,84,396
	1,51,34,42,064	1,77,21,13,407
Particulars Of Sales		
(A) Export Sales		
i) Sale of Goods (Cottob Bales and Yarn)	44,48,72,667	50,84,14,295
(B) Domestic Sales		
i) Sale of Goods*	1,06,85,19,787	1,26,07,14,716
ii) Sale of Services	49,610	29,84,396
* Domestic sales includes cotton bales, yarn, seeds, cotton waste, wash oil, oil cake, etc.)		
	1,51,34,42,064	1,77,21,13,407
Other operating revenue		
Total Revenue from operations	1,51,34,42,064	1,77,21,13,407
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
18 Other Income		
a) Duty Drawback & Incentives	1,21,40,852	70,44,246
b) Other operating income		
a) Forex Gain & Loss	46,28,589	20,89,008
b) Interest on FDR and RD	13,60,836	7,87,990
	1,81,30,277	99,21,244
Total Other Income	1,81,30,277	99,21,244
Total Revenue	1,53,15,72,341	1,78,20,34,651
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
19 Cost of Material Consumed		
a) Opening Stock of Raw material	19,80,39,849	20,82,17,586
b) Purchases of Raw material	1,24,54,13,727	1,35,72,18,224
c) Add: Freight Expenses	1,68,49,707	1,50,00,841
d) Less: Closing Stock	(20,15,22,129)	(19,80,39,849)
	1,25,87,81,154	1,38,23,96,802
Total Cost of Material Consumed	1,25,87,81,154	1,38,23,96,802
Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
20 Changes in inventories of finished goods, work-in-process and stock-in-trade		
a) Opening Stock		
Finished Goods	1,95,78,444	1,72,08,231
Work in Process	1,61,49,505	1,90,32,434
	3,57,27,950	3,62,40,665
b) Closing Stock		
Finished Goods	3,79,25,337	1,95,78,444
Work in Process	2,24,42,353	1,61,49,505
	6,03,67,690	3,57,27,950
Net (Increase)/Decrease in Stock	(2,46,39,740)	5,12,715
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
21 Employee Benefit Expenses		
a) Salaries and wages	6,81,13,296	6,61,65,170
b) Directors remuneration	41,30,360	42,00,000
c) Contribution to provident & other funds	37,08,410	49,81,038
e) Staff Welfare expenses	37,65,883	37,34,925
	7,97,17,949	7,90,81,133
Total Employee Benefit Expenses	7,97,17,949	7,90,81,133



Laxmi Cotspin Limited

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Laxmi Cotspin Limited		
Notes to the Financial Statements as at 31st March, 2020		
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
22 Finance Cost		
a) Bank Charges	26,94,457	19,69,766
	26,94,457	19,69,766
b) Interest Expenses		
i) Interest on Term Loan	1,24,24,125	1,64,91,220
ii) Interest on Working Capital Loan	2,81,11,648	2,16,41,106
iii) Interest on Pledge Loan	34,55,324	51,10,955
iv) <u>Less:</u> Interest from customers	(1,45,78,132)	(1,29,26,501)
	2,94,12,965	3,03,16,780
Total Finance Cost	3,21,07,423	3,22,86,546
Interest expenses are net of Interest Income		
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
23 Depreciation & Amortization Expenses		
a) Depreciation	3,72,18,384	5,55,69,582
Total Depreciation & Amortization Expenses	3,72,18,384	5,55,69,582
Particulars	Period Ended 31st March, 2020 Rs.	Period Ended 31st March, 2019 Rs.
24 Other Expenses		
a) Consumption of Stores and Spares and Packing Material	1,81,08,400	3,62,71,443
b) Consumption of Power and Fuel	7,89,32,896	9,00,60,682
c) Repair & Maintenance	17,93,887	53,94,057
d) Insurance	20,36,381	11,09,277
e) Office Expenses	19,32,835	17,18,105
f) Audit Fees	1,95,500	1,95,500
g) Legal, Professional and Subscription Charges	40,05,522	31,36,295
h) Rent, Rates & Taxes	29,46,860	10,24,113
i) Communication Expenses	7,64,827	8,81,050
j) Travelling & Conveyance Expenses	14,09,891	13,11,964
k) Clearing and forwarding expenses	2,66,93,074	2,60,36,207
l) Selling Expenses	1,90,54,338	2,04,85,258
Total of other expenses	15,78,74,413	18,76,23,952



Laxmi Cotspin Limited

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Laxmi Cotspin Limited

Notes to the financial statement as at and for the period ended 31st March, 2020

1) Overview:

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

2) Significant Accounting Policies and Notes to Accounts:

Note 2.1 Significant Accounting Policies:

i) Basis of Preparation of Financial Statements:

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

ii) Use of Estimates:

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

iii) Valuation of Inventories:



Laxmi Cotspin Limited

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- a) Raw materials and stores & spares are valued at lower of cost, computed on net realizable value. Cost includes the purchase price as well as incidental expenses. Cotton Waste is valued at estimated realizable value. However, in case of raw materials, stores and spares held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost.
- b) Work-in-process is valued at lower of estimated cost or net realizable value and finished goods are valued at lower of weighted average cost or net realizable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads.
- c) Finished goods are valued at the lower of cost or net realizable value. Cost included cost of materials, conversion cost and related overheads paid or payable on such goods.
- d) The impact of Covid -19 was considered while working for valuation of closing stock.

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

vii) Foreign Currency Transactions:

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) Derivative Instrument and Hedge Accounting:

The company uses Commodity Forward Contract with Commodity Exchanges to hedge its risks on account of price fluctuation in commodity dealt. The company designates these Hedging Instruments as "Instruments Available for Sale" applying the recognition and measurement principles set out in the Accounting Standard 30 "Financials Instruments: Recognition and Measurement" (AS 30).

The use of hedging instrument is governed by the principals set by Companies Board of Directors, and such principals are consistent with the Company's Risk management strategy. Hedging instruments are initially measured at fair value and are premeasured at



Laxmi Cotspin Limited

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subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of “Instruments Available for Sale” and are recognized.

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

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

x) **Employee Benefits:**

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

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

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

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

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

c) **Gratuity:**

It is provided as and when due. During the year, the company has made the appropriate provision has required by the statute.

d) **Leave Encashment:**

It is provided as and when due. During the year, the company has made the appropriate provision has required by the statute.

xi) **Borrowing Cost:**



Laxmi Cotspin Limited

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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.

xii) Segment Accounting:

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

xiii) Taxes on Income:

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

xiv) 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.*

xv) COVID - 19 Impact:



Laxmi Cotspin Limited

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The outbreak of COVID – 19 has caused a significant deterioration in economic condition for company. Estimation of uncertainties relating to the global health pandemic from COVID-19 the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. We have evaluated the impact of COVID-19 resulting from

(i) Onerous contract provisions:

Due to the pandemic situation all over the world the contract for March, 2020 were cancelled amounting to 7,19,522 USD Dollars (approximately Rs. 4.90 crore). No incidental charges would be attracted on such cancellation of contract i.e. damages, penalty, other charges, etc which may impact the financial statement for the year.

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:



Laxmi Cotspin Limited

- In respect of civil suits against the company:

- On account of cancellation of forward contract for Supply of cotton bales, the Cotton Association of India (CAI) has given decision against Company and directed to pay compensation of Rs. 34,27,251/- to the aggrieved party. Against the said order, the company has filed appeal with civil court.
- 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:

	31 st March, 2020	31 st March, 2019
Statutory Audit Fees	1,20,000	1,20,000
Tax Audit	75,500	75,500
Total	1,95,500	1,95,500

v) The Deferred tax liability comprises of following:

Particulars	31/03/2020	31/03/2019
Deferred Tax Liability		
On account of Timing Difference (Depreciation)	75,03,040	68,65,336
Total (a)	75,03,040	68,65,336
Deferred Tax Assets		
On Account of Disallowances	(47,08,699)	(4,40,118)
Total (b)	(47,08,699)	(4,40,118)
Net Deferred Tax Liability	27,94,341	64,25,218
Less: - Provision up to previous year	64,25,218	103,13,422
Deferred Tax (Liability) /Assets (Net) for the year	(36,30,877)	(38,88,204)



Laxmi Cotspin Limited

vi) Earnings per share is worked out as under:

Earnings per Share	31/03/2020	31/03/2019
Profit After Tax (Balance available for Equity Shareholders)	(86,82,048)	3,66,13,485
No. of shares outstanding	1,71,47,670	1,71,47,670
Weighted Average number of equity shares used as denominator for calculating of EPS (No)	1,71,47,670	1,71,47,670
Basic and Diluted Earnings Per Share of face value of Rs 10 each (₹)	(0.51)	2.14
Cash Earnings per share (₹)	1.66	5.38

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. Shivratan Mundada	Key Managerial Person (Director of LCL)
2	Mr. Sanjay Rathi	
3	Vitthal Polypack Private Limited	One of the Director's Company
4	Rtcamp Solutions Private Limited	
5	Icon Fivehundred Ispat Private Limited	

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

Nature of Transaction	Shivratan Mundada	Sanjay Rathi
Services Received	-	41,30,360
Material Purchases	-	-
Material Sales	-	-

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



Laxmi Cotspin Limited

In terms of our report of even date

For & on behalf of the Board of Directors

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

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

Sd/-

Sanjay Rathi
(Managing Director)
DIN 00182739

sd/-

Rajesh Bhansal
(Managing Director)
DIN 00272612

Dated: 29th June, 2020
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)

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

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

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

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 Tuesday,
29th September, 2020 at 11.00 A.M. at the registered office of the Company Gut
No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare
Vridhashram, Samangaon Jalna 431203 and at any adjournment thereof in
respect of such resolutions as are indicated below:

Resolution No.



Laxmi Cotspin Limited

RSI No	Resolutions	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, 2020 along with Directors Report and Audited Report of the Company		
2	To ratify the appointment of M/s B.P. Singh and co, Chartered Accountants, Aurangabad, for the current year that was appointed for a period of five years in the last Annual General Meeting up to the F.Y 2022-23. and to fix their remuneration		
3	Mr. Rajesh Puranmal Bansal who retire by rotation and being eligible for reappointment, offers himself for re-appointment.		

Signed this day of..... 2020

Affix
Revenue
Stamp

Signature of Shareholder Across 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

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LAXMI COTSPIN LIMITED

CIN: L17120MH2005PLC156866

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

Tel. : 9765999633

Email: complianceofficerlaxmicotspin@gmail.com, 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 15th Annual General Meeting of the Company held on Tuesday, 29th September, 2020 at 11:00 A.M. at the registered office of the Company at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon Jalna 431203.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

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



Laxmi Cotspin Limited

ROUTE MAP OF LAXMI COTSPIN LIMITED

Venue of AGM

Gut No. 399, Samangaon-Kajla Road,
In front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203

