



# **LAXMI COTSPIN LIMITED**

(CIN: - L17120MH2005PLC156866)

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## **ANNUAL REPORT 2022-23**

**18<sup>th</sup> ANNUAL GENERAL MEETING**

**On Thursday, the 29<sup>th</sup> day of September 2023 at 12:30P.M.**

Through Video Conferencing ("VC") /  
Other Audio-Visual Means ("OAVM")

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### **Registered Office:**

**GUT NO.399, SAMANGAON-KAJLA ROAD, IN FRONT OF MEENATAI THAKARE VRIDHASHRAM,  
SAMANGAON JALNA MH 431203**

**Contact No: - 09765999633**

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

**E-Mail Id: - [complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com)**



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## COMPANY INFORMATION AS ON 31<sup>ST</sup> MARCH 2023

### BOARD OF DIRECTORS

Chairman & Managing Director	: Mr. Sanjay Kachrual Rathi
Whole Time Director & Women Director	: Mrs. Prafullata Sanjaykumar Rathi
Non-Executive Director	: Mr. Rajesh Purnamal Bansal (Resigned w.e.f 1 <sup>st</sup> April, 2023)
Executive Director	: Mr. Shivratn Shrigopal Mundada
Executive Director	: Mr. Ramesh GopikishanMundada
Independent Director	: Mr. Piyush Agrawal (Resigned W.e.f 1 <sup>st</sup> May, 2023)
Independent Director	: Mr. Gopal Mundada
Independent Director	: Mr. Kailash Biyani
Independent Director	: Mr. Vijaykumar Jainarayan Zanwer
Independent Director	: Mr. Ketan S. Shah

### CHIEF FINANCIAL OFFICER

Mr. AnupkumarAshokraoGindodiya  
E-mail: [cfo@laxmicotspin.com](mailto:cfo@laxmicotspin.com)

### COMPANY SECRETARY & COMPLIANCE OFFICER

CS Sagar Sandeep Pagariya (resigned wef 1<sup>st</sup>April,2023)  
[complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com)  
CS Soni Shailesh Karwa (Appointed w.e.f. 1<sup>st</sup>April, 2023)

### STATUTORY AUDITOR

**M/s DMKH & Co.**  
Chartered Accountants,  
803-804, Ashok Heights, NICCO Circle  
Bhuta school, Old Nagardas Lane, Guhadavali,  
Andheri (East), Mumbai-400069,  
Email: [dmkhco@gmail.com](mailto:dmkhco@gmail.com)

### SECRETARIAL AUDITORS

**A R JOSHI & ASSOCIATES**  
Practicing Company Secretary (PeerReviewed)  
Bharat Bazar Commercial Complex,  
Near E Wing, API Corner, MIDC,  
Chikhalthana, Aurangabad-431001  
Email: [arjoshiassociates@gmail.com](mailto:arjoshiassociates@gmail.com)

### COST AUDITOR

**Cheena & Associates**  
WZ-H-28, Street No.9, New Mahavir Nagar  
Near Janakpuri East Metro Station  
New Delhi - 110018  
Email: [cheenaassociates20@gmail.com](mailto:cheenaassociates20@gmail.com)

### INTERNAL AUDITORS

**Mohini Malpani & Associates**  
Chartered Accountant  
10 A, Shiv Shakti Colony, Jalna Road  
Opp SFS School, Aurangabad - 431005 MH IN  
Email: [malpanimohini1@gmail.com](mailto:malpanimohini1@gmail.com)

### REGISTERED OFFICE

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

### REGISTRAR & SHARE TRANSFER AGENTS

**LINK INTIME INDIA PVT LTD**  
C101,247 Park, LBS Marg,  
Vikhroli (West)Mumbai-40083

### NAME OF THE STOCK EXCHANGE

National Stock Exchange on India Limited

### BANKERS

HDFC Bank Limited, Axis Bank & SVC Co Bank



## BOARD COMMITTEES AS ON 31.03.2023

- **Audit Committee**

Mr. Piyush Agrawal (ID) : Chairman  
Mr. Sanjay Kachrual Rathi : Member  
Mr. Kailash Biyani (ID) : Member

- **Nomination and Remuneration Committee**

Mr. Piyush Agrawal (ID) : Chairman  
Mr. Rajesh Puranmal Bansal : Member  
Mr. Gopal Mundada(ID) : Member

- **Stakeholders Relationship Committee**

Mr. Rajesh Puranmal Bansal : Chairman  
Mr. Sanjay Kachrual Rathi : Member  
Mr. Kailash Biyani (ID) : Member

- **Corporate Social Responsibility Committee**

Mr. Kailash Biyani (ID) : Chairperson  
Mr. Gopal Mundada (ID) : Member  
Mr. Sanjay Rathi : Member







## 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 18<sup>th</sup> 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 2022-2023.

We would like to state that your company is progressing to achieve new milestones in its journey towards growth through total excellence.

Your Company engaged in the manufacturing of cotton yarn, cotton bales, oil cake and oil seeds. 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. 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.

Financial year 2022-23 Was very tough year for textile industry due to various factors, like high prices of raw material resulted to no parity in the export of cotton yarn disturb the whole textile sector.

Indian cotton prices were very high in the FY 2022-23 as compare to US cotton hence there is no parity in the exports of the yarn, resulted many big domestic players dump their yarn in Domestic market hence yarn market becomes very competitive. There was no parity in cotton yarn for whole year.

One more factor that disturbed the spinning industry, that farmers hold their crop in the FY 2022-23, generally they sold out their cotton after diwali but this time till June 2023 they have not bring their cotton to the ginning. Hence prices of raw material were skyrocketed.

For every spinning industry raw material plays vital role, now we are expecting the things cool down from here onwards and we expect normal cotton season in the FY 2023-24.

This year we have enhanced our godown capacity of raw material by constructing 18000 sq feet new godown in the company premises with NABARD support.



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.

I would like to thank our employees for their persistent efforts, Board for their guidance and support and all our stakeholders for their consistent support and encouragement in all our endeavours. We continue to look forward to your guidance and support, motivating us to reach newer heights.

**With warm regards**  
**Yours Sincerely**

Sd/  
**Sanjay Rathi**  
**Chairman**





# LAXMI COTSPIN LIMITED

(CIN: - L17120MH2005PLC156866)

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

**Contact No:** 9765999633 **E-Mail Id:** [complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com) **Website:** [www.laxmicotspin.com](http://www.laxmicotspin.com)

## NOTICE OF THE 18<sup>th</sup> ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the **18<sup>th</sup> Annual General Meeting** of **Laxmi Cotspin Limited** will be held on Thursday, 29<sup>th</sup> September, 2023 at 12.30 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business.

### A) ORDINARY BUSINESS

#### **1. To receive, consider and adopt Standalone and Consolidated Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31st March, 2023 along with Directors Report and Audited Report of the Company.**

a) "RESOLVED THAT the Standalone Audited Financial Statements of the Company for the year 2022-23 together with the Reports of the Board of Directors' and Auditors' thereon of the Company for the year 2022-23 as presented to the meeting, be and hereby, adopted."

b) "RESOLVED THAT the Consolidated Financial Statements of the Company for the year 2022-23 together with the Reports of the Auditors' thereon of the Company for the year 2022-23 as presented to the meeting, be and hereby, approved and adopted."

"RESOLVED FURTHER THAT, any one director of the company be and is here by authorised to sign the Audited Consolidated and Standalone Financial Statements of the company and to do all acts, things deed which are necessary to give effect to the above resolution."

#### **2. To reappoint M/s. DMKH AND CO, Chartered Accountants, Mumbai, as statutory auditor of the company and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an ordinary resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), **M/s DMKH AND CO**, having Firm's Registration No.116886W, Chartered Accountants, as the Statutory Auditors of the Company and to hold office from the conclusion of 17<sup>th</sup> Annual General Meeting held in a Financial Year 2021-22 till the conclusion of Annual General Meeting to be held for



the financial year 2026-2027, on such remuneration & terms of engagement, as may be mutually agreed between the Board/ Audit Committee and the Auditors of the Company from time to time.”

**3. Mr. Shivratn Mundada (DIN- 00349668) who retire by rotation and being eligible for reappointment, offers himself for re-appointment.**

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

**“RESOLVED THAT** Mr. Shivratn Mundada, (DIN- 00349668) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation.

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

**Date: 05/09/2023  
Place: Jalna**

**Sd/-  
CS Soni Shailesh Karwa  
Company Secretary & Compliance Officer**

**NOTES:****A. General Instructions for Accessing and Participating in the AGM through VC/OAVM Facility and Voting through Electronic Means Including Remote E-Voting.**

1. In the Ministry of Corporate Affairs (“MCA”) has vide its General Circulars dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020, 28<sup>th</sup> September 2020, 31<sup>st</sup> December 2020, 13<sup>th</sup> January 2021, 05<sup>th</sup> May 2022 and 28<sup>th</sup> December 2022 issued by the Ministry of Corporate Affairs (“MCA”) in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporate are entitled to appoint authorized representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013

6. Since the physical attendance of Members has been dispensed with in terms of Applicable Circulars, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the Members under Section 105 of the Act is not available for this 18<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars



issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (“Link Intime”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by LLIPL. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by LLIPL.

8. Non-Resident Indian members are requested to inform RTA immediately about:

- A. the change in the residential status on return to India for permanent settlement; and
- B. the particulars of the bank account(s) maintained in India with complete name, branch, and account type, account number and address of the bank, if not furnished earlier.

9. Members are requested to,

- A. Quote their Identification number/ folio number in all correspondence with the Company/ Registrar & Share Transfer Agent (RTA).
- B. Notify immediately and change in their address and their mandate, at the Registered Office of the Company / Registrar & Share Transfer Agent (RTA).

10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23<sup>rd</sup> September, 2023 to Friday, 29<sup>th</sup> September, 2023 (both days inclusive) for the purpose of AGM.

11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.laxmicotspin.com](http://www.laxmicotspin.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of LLIPL (agency for providing the Remote e-Voting facility).

**In line with the Ministry of corporate Affairs (MCA) Circular No.10/2022 dated December 28, 2022**

12. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

13. Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment / re-appointment at the AGM is provided under a separate heading, which forms part of this Notice.



A. The company has set Friday, 1<sup>st</sup> September, 2023 as the Cutoff date for taking record of the shareholders of the company who will be eligible for casting their vote on the resolution to be passed in the ensuing AGM for both E-Voting and Physical mode through Polling Paper.

B. The remote e-voting period will commence on Tuesday, 26<sup>th</sup> September, 2023 at 9:00 A.M. and ends on Thursday, 28<sup>th</sup> September, 2023 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, 22<sup>nd</sup> September, 2023, may cast their vote electronically. The e-voting module shall be disabled by Linkintime for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

C. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, 22<sup>nd</sup> September, 2023.

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

E. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote evoting.

F. The Board of Directors has appointed CS Sandip Sharma, Practicing Company Secretary as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair transparent manner.

G. The Scrutinizer shall, immediately after the conclusion of e-voting at Annual General Meeting, download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within two working days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

H. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of Linkintime and also be immediately forwarded to NSE, Mumbai.

I. All the Statutory Registers and Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Regd. office of the Company on all working days, during business hours up to the date of the Meeting.

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

K. The Ministry of Corporate Affairs (MCA), Government of India has introduced 'Green Initiative in Corporate Governance' by allowing paperless compliance by the Companies for service of



documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed there under.

L. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 124 of the Companies Act, 2013, during the current Financial Year is not applicable.

M. 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 IDs with the Link Intime India Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in de-mat mode are requested to register their e-mail IDs 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.

N. 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 de-mat accounts.

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

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

Q. Electronic copy of Notice of the AGM along with Annual Report 2022-23 including remote E Voting Instruction, is being sent by electronic mode to those members who is registered as a member as on 1<sup>st</sup> September, 2023 on their registered E mail ID. For those shareholders whose name stands registered in the register of member as on Friday 1<sup>st</sup> September, 2023 and who want a physical copy of the same kindly request to the company on [complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com).

R. Shareholders are also informed that voting shall be by E-voting.

#### **General Information of E Voting: -**

The e-voting period commences on Tuesday 26<sup>th</sup> September, 2023 (9:00 am) and ends on Thursday 28<sup>th</sup> September, 2023 (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 Friday, 22<sup>nd</sup> September, 2023. 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. Friday, 22<sup>nd</sup> September, 2023 may obtain the login ID and password by sending a request at <https://instavote.linkintime.co.in> or [complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com).

### **Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

#### **1. Individual Shareholders holding securities in demat mode with NSDL**

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

#### **2. Individual Shareholders holding securities in demat mode with CDSL**

1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further



authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

### **3. Individual Shareholders (holding securities in demat mode) login through their depository participants.**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

#### **A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character





DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

*\*Shareholders holding shares in **NSDL form**, shall provide 'D' above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

#### **Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favor / against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e., Favor / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

#### **Guidelines for Institutional shareholders:**

Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested



specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

### **Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22- 23058542-43.

### **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company



**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

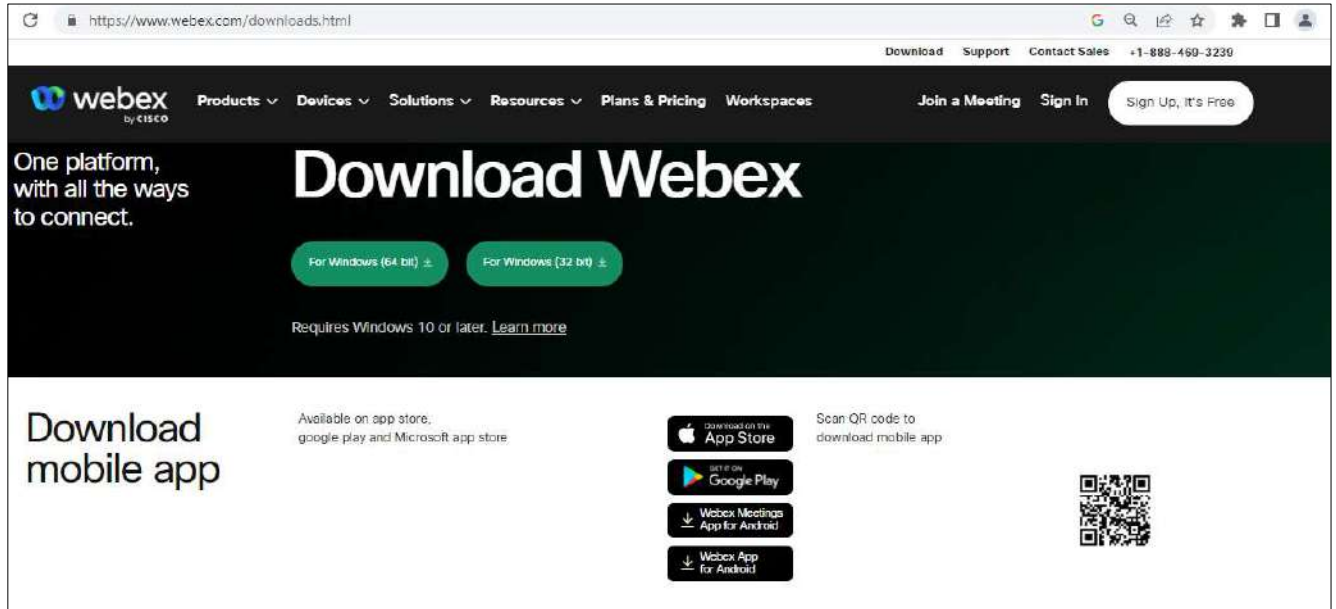
**InstaVote Support Desk  
Link Intime India Private Limited**

**Guidelines to attend the VC Meeting(Webex) of Link Intime India Pvt. Ltd.: InstaMEET  
How do I install the WebEx meetings desktop app?**

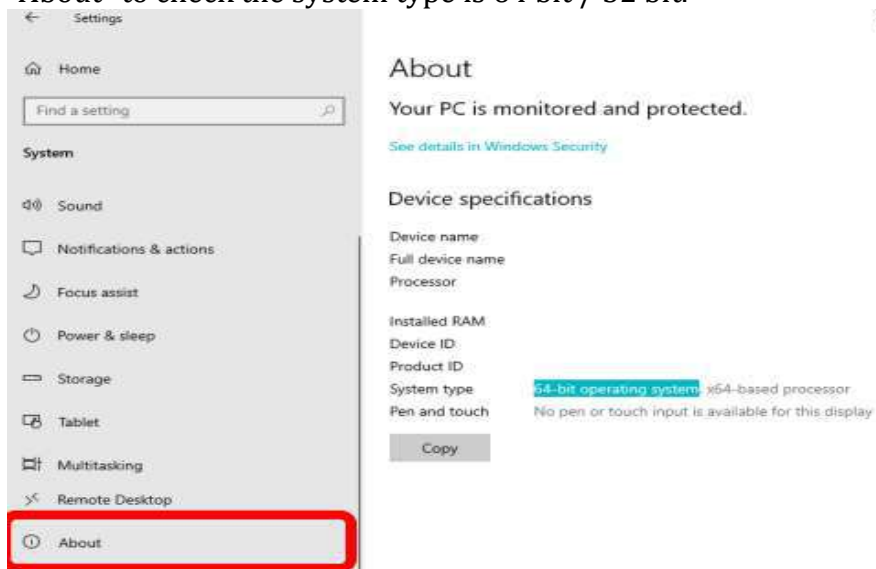
For a smooth experience of viewing the general meeting proceedings of Link Intime India Pvt. Ltd. through webex, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application.

Refer to instructions as under:

Step 1: Download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html>  
Select download option as per device windows configuration i.e. (64 bit or 32 bit).



To check windows configuration i.e. (64 bit or 32 bit)Go to Desktop/PC Device “Setting”, click on “About” to check the system type is 64 bit / 32 bit.



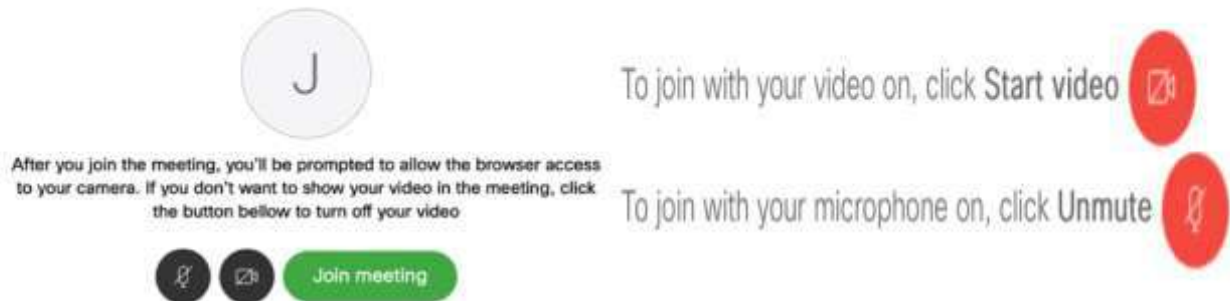
- 🚦 Install the desktop app to get the full-featured Webex Meetings experience.
- 🚦 You can still join from your web browser by clicking Join from your browser, If you can't install apps.



### Checkpoints:

Your **microphone** and **webcam** are usually turned off.

You will need to turn both of those on, by clicking on each icon. You will also select use computer for audio.



### How do I join the WebEx meetings?

Open the internet browser and launch the Meeting URL shared to you.

Or

Open Webex App and further enter Meeting URL.

Enter your name and email address, click "Next" and further click "Join Webinar".

Click Join Meeting.



## Explanatory Statement

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

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 05/09/2023

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)

<b>Name of the Director</b>	Mr. Shivratan Mundada
Director Identification No	00349668
Category	(Executive Director)
Date of Birth	15/01/1964
Age	59 Years
Date of First Appointment on the Board	05/04/2022
Relationship with Directors and KMPs	-
Qualifications	Diploma holder in mechanical engineering
Expertise in specific functional area.	Mr. Shivratan Mundada is a diploma holder in mechanical engineering from reputed college. He has taken up franchise of Hindustan Petroleum Corporation Ltd, Gas Agency at Ambad in 1990. In 2006 he joined LCL as Managing director and is presently the Director of the company. He is the founder secretary of Mahesh Nagri Sahakari Path Santha Ltd. Jalna, an organization which provides financial assistance to poor and needy people for their needs such as startup of business, personal loan, housing loan etc. He is also foundering editor of local Marathi newspaper Anand Nagari.
Remuneration last drawn	-
No. of Meetings of the Board attended during the year	10
Director in other companies	4
Chairman/Member of the Committee of the Board of Directors as on 31 <sup>st</sup> March, 2023	-
Number of shares held in the Company as on 31 <sup>st</sup> March, 2023	4,31,875



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

**Date: 05/09/2023**

**Place: Jalna**

**Sd/-**

**CS Soni Shailesh Karwa**

**Company Secretary & Compliance Officer**



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **18<sup>th</sup> Annual Report** on the business and operation of the Company together with the Audited Financial Accounts for the year ended **31<sup>st</sup> March, 2023**.

### 1. Financial Summary (Consolidated)

Rs. In Lacs

Particulars	Financial Statement	
	2022-23	2021-22
<b>Income from Operations</b>	14328.95	21594.31
<b>Other Income</b>	143.11	135.78
<b>Total revenue</b>	14472.06	21730.09
<b>Operating Costs</b>	14830.40	20628.09
<b>Profit before depreciation</b>	(358.34)	1102.00
<b>Depreciation</b>	326.20	323.28
<b>Profit before exceptional item and Tax</b>	(684.53)	778.72
<b>Extra-Ordinary Item</b>	0.34	30.05
<b>Profit before Tax (PBT)</b>	(684.19)	808.77
<b>Tax expense</b>	(98.30)	263.86
<b>Profit for the year (PAT)</b>	(585.89)	544.91
<b>Compressive income</b>	3.04	(1.57)
<b>Total Profit for the year</b>	(582.84)	543.34
<b>Basic EPS</b>	(3.40)	3.17

During the year under review our company has achieved sales Turnover of Rs.14472.06 lakhs as against Rs. 21730.09 lakhs, achieved in the previous year. In the FY 2022-23, Company has incurred loss of Rs (582.84) lakhs as against the profit in the previous year amounting to Rs. 543.34 lakhs.

### 2. Change in the nature of Business, if any.

There has not been any change in the nature of business of the company during financial year 2022-2023.





### 3. Share Capital

There is no change in Share Capital of the company during financial year 2022-2023.

### 4. Transfer to Reserve

Company has not declared any dividend and transferred loss of Rs. (582.84) lac to general reserve.

### 5. Change of Name

The Company has not changed its name during financial year 2022-2023.

### 6. Capital Structure

The capital structure of the company as on 31.03.2023 is as follows:

The Authorized capital share capital of the company is Rs. 40,00,00,000 (Rupees Forty Crore) divided into 4,00,00,000 (Four Crore) Equity shares of Rs. 10 Each.

The issued, subscribed and paid-up share capital of the company is Rs 17,14,76,700 (Rupees Seventeen Crore Fourteen Lakhs Seventeen Thousand Seven Hundred) divided into 1,71,47,670 (One Crore Seventy-One Lakhs Forty-Seven Thousand Six Hundred Seventy) Equity shares of Rs. 10 Each.

During the year under review the company has not issued and shares. The company has not issued any shares with differential voting rights or sweat equity or granted stock options.

### 7. Dividend

In order to plough back the profits for the activities of the company and strategy of growth in the business through enhancing manufacturing capacity, your directors do not recommend any dividend for the financial year.

### 8. 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. Shivratn Mundada, 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**

During the Financial year 2022-23 no director resigned from Board of Director.

After closing the financial year till the date of AGM following directors were resigned from the Board of Directors.

- i. Mr. Rajesh Puranmal Bansal Director w.e.f. 1<sup>st</sup> April, 2023
- ii. Mr. Piyush Ramesh Agrawal Independent Director w.e.f. 1<sup>st</sup> May, 2023.

#### • **Appointment of Director**

During the Financial year 2022-23 following directors have appointed to the Board as an additional Director and all director were normalised in last Annual General Meeting.

- i. Mr. Shivratn Shrigopal Mundada (DIN - 00349668) as on 5<sup>th</sup> April 2022
- ii. Mr. Ramesh Mundada (DIN -00153255) as on 1<sup>st</sup> July 2022,
- iii. Mr. Vijaykumar Jainarayan Zanwer (DIN- 00893718), on 8<sup>th</sup> August, 2022 independent director,
- iv. Mr. Ketankumar Shankarlal Shah (DIN - 09699742) on 8<sup>th</sup> August, 2022 independent director,

#### • **Company Secretary & Compliance Officer**

During the Financial year 2022-23 there is no change in Company Secretary and compliance officer. After closing of financial year there were changes of Company Secretary & Compliance officer of the company w.e.f 1<sup>st</sup> April, 2023.

- i. Appointment of Mrs. Soni Shailesh Karwa (M.No.: A69381)
- ii. Resignation of Mr. Sagar Pagariya (M.No 62781)

### **9. Material Changes Between the Date of The Board Report and End of Financial Year**

Following material changes occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

- i. Resignation of Mr. Rajesh Puranmal Bansal Non-Executive Director w.e.f. 1<sup>st</sup> April, 2023
- ii. Resignation of Mr. Piyush Ramesh Agrawal from the post of Independent Director w.e.f 1<sup>st</sup> May, 2023.
- iii. Also there were resignation of Mr. Sagar Pagariya from the post of Company Secretary & Compliance Officer of the company and appointment of Mrs. Soni Shailesh Karwa as a Company Secretary & Compliance Officer of the company w.e.f 1<sup>st</sup> April, 2023

### **10. Particulate of Employees-**

As required, no employee of the company was in receipt of remuneration exceeding the limit



prescribe under rule 5 (2) of the companies (Appointment and Remuneration of managerial Personnel) Rules, 2014.

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

Twelve board meetings and Two shareholders meeting, were held during the Year 2022-23. Five Audit Committee Meetings and Four Nomination and Remuneration Committee Meetings and Three Stakeholders' Relationship Committee Meetings and Three Corporate Social Responsibility 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.

### **12. 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.

### **13. 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.

### **14. Details Of Remuneration to Directors: -**

The remuneration paid to the Directors is in accordance with the recommendations of Nomination and Remuneration Committee formulated in accordance with Section 178 of the Companies Act, 2013 and any other re-enactment(s) for the time being in force.

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure.



### **15. Disclosure Of Composition of Audit Committee and Providing Vigil Mechanism:**

The Audit Committee consists of the following members

<b>Names</b>	<b>Designation</b>
Mr. Piyush Agrawal (ID)	Chairman
Mr. Sanjay Kachrual Rathi (MD)	Member
Mr. Kailash Biyani (ID)	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. The details of the Vigil Mechanism Policy have posted on the website of the Company.

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

All the Independent Directors have given their declaration of Independence stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. Further that the Board is of the opinion that all the independent directors fulfil the criteria as laid down under the Companies Act 2013 and the SEBI (LODR) Regulations 2015 during the year 2022-23, same is enclosed herewith as **Annexure**.

### **17. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act 2013 a separate meeting of the Independent Directors of the Company was held on 27<sup>th</sup> December, 2022 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### **18. Board Independence**

Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (LODR) Regulations 2015 and Section 149(6) of the Companies Act 2013. The Company is having following independent directors:



- (i) Piyush Ramesh Agrawal
- (ii) Kailash Shrikisan Biyani
- (iii) Gopal Satyanarayan Mundada
- (iv) Vijaykumar Jainarayan Zanwer
- (v) Ketankumar Shankarlal Shah

As per provisions of the Companies Act 2013 Independent Directors were appointed for a term of 5 (five) consecutive years and shall not be liable to retire by rotation.

### **19. Vigil Mechanism for Directors and Employees:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with 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 Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the Whistle Blower Policy.

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

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return as per Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Format MGT-9 will be made available on the website of the company after conclusion of the AGM.

### **21. Deposits:**

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

### **22. 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.

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

There are no adverse remarks made by the auditor of the company.



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

The Company has a proper and adequate system of internal controls, commensurate with the size scale and complexity of its operations. This ensures that, all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use

or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

The internal Audit department monitors and evaluate the efficiency and adequacy of the 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 functions, process owner undertakes corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

#### **Adequacy of internal financial controls with reference to the financial statements**

The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

#### **25. Related Party Transactions:**

All transactions entered into with the related parties, as defined under the Companies Act, 2013, during the financial year, were in the ordinary course of business and on arm's length pricing basis, as per the management representation certificate provided to auditor of the company and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of form AOC- 2 is required, Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

A policy on the related party transactions was framed & approved by the Board and posted on the Company's website.



## **26. Investors Education and Protection Fund**

During the financial year 2022-23 ended 31st March 2023 under review there were no amount/s which is required to be transferred to the Investor Education and Protection Fund by the Company. As such no specific details are required to be given or provided.

## **27. Prevention Of Insider Trading**

In view of the SEBI (Prohibition of Insider Trading) Regulation 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The details of the Insider Trading Policy have posted on the website of the Company.

The Code requires Trading Plan pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. However, there were no such instances in the Company during the year 2022-23.

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

The Company does have Two wholly Owned subsidiaries.

- 1) Laxmi Spintex Private Limited (CIN: U17299MH2021PTC362557)
- 2) Laxmi Surgical Healthcare Private Limited (CIN: U33100MH2021PTC364930)

## **29. Risk Management Policy**

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board.

The Company has adequate internal control systems and procedures to combat the risk.

The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time-to-time basis.

## **30. Policy On Preservation of The Documents**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.



### **31. Policy On Criteria for Determining Materiality of Events**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

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

The Board of Director of the Company had appointed M/s. DMKH AND CO, Chartered Accountants (Firms Registration No.: 116886w), Mumbai as Statutory Auditors in the 17<sup>th</sup> Annual General Meeting held in year 2022.

Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the shareholders for approval at the 18<sup>th</sup> Annual General Meeting to hold office from Financial Year 2022-23 to 2026-27.

### **33. Secretarial Audit report**

In terms of Section 204 of the Companies Act, 2013 and rules made there under and on the recommendations of the Audit Committee of the Company, The Board of Directors has appointed M/s A. R Joshi and Associates, Practicing Company Secretary, Aurangabad as a Secretarial Auditor for conducting the Secretarial Audit for the FY 2022-23.

The reports of secretarial are enclosed as **Annexure** to this report.

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

As per the requirement of the Central Government and pursuant to section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014 as amended from time to time your directors have appointed M/s Cheena & Associates, Practicing Cost Accountant for Conducting cost audit for a period 2022-23.

### **35. Internal Auditor**

Pursuant to Section 138 of the Companies Act 2013 read with the Companies (Accounts) Rules 2014 (as amended) the Board of Directors on the recommendations of the Audit Committee of the Company has appointed M/s Mohini Malpani & Associates, Chartered Accountants, as an internal Auditor of the company for FY 2022-23.





The Internal Audit Finding/s and Report/s submitted by the said Internal Auditors during the financial year to the Audit Committee and Board of Directors of the Company do not contain any adverse remarks and qualifications hence do not call for any further explanation/s by the Company.

### **36. Recognition to company as an 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.**

### **37. Certification**

- 1) Laxmi Cotspin Ltd has accredited as a training provider under **National Skill Development corporation.**
- 2) Udyam Registration Certificate (MSME).
- 3) Ginning & Spinning unit certified by control union, for Organic processing and trading
- 4) Ginning & Pressing unit, 4 Star rating certified by Textiles Committee.
- 5) Organic Cotton Production Certified by NOCA.
- 6) Recognized as a Star Export House by Ministry of Commerce, Government India
- 7) Recognized as BCI Membership (BETTER COTTON INITIATIVE) by BCI Council

### **38. Membership:**

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

### **39. Corporate Social Responsibility**

As part of its initiatives under “Corporate Social Responsibility (CSR)”, the Company has undertaken projects in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

**A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. (Annexure)**

### **40. Corporate governance:**

The Company being listed on the EMERGE Platform of National Stock Exchange of India Limited therefore pursuant to Regulation 15(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Part C of Schedule V relating to compliance of Corporate Governance shall not applicable to the Company. Further The Company need not require complying with requirements as specified in Part E of Schedule II pursuant to Regulation 27(1) SEBI (Listing



Obligations and Disclosure Requirements) Regulations 2015 and submitting Compliance Report on Corporate Governance on quarterly basis pursuant to Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Hence no Corporate Governance Report is required to be disclosed with Annual Report. It is pertinent to mention that the Company follows majority of the provisions of the corporate governance voluntarily as a part of Good Corporate Governance.

#### **41. Board Diversity**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

#### **42. Employee relations**

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

#### **43. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo: -**

The particulars as prescribed under Sub Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

##### **A. Conservation of Energy:**

The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

A comparative Statement showing consumption of electricity per kg of yarn manufactured during the current and previous year is appended here with as **Annexure**.

The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

##### **B. Technology Absorption (R&D, Adaptation and Innovation):**

###### **1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- i) Continuous research to upgrade existing products and to develop new products and services.



ii)

ii) To enhance its capability and customer service the Company continues to carry out R & D activities in house.

## 2. Benefits derived as a result of the above efforts:

- i) Introduction of new and qualitative products.
- ii) Upgrade of existing products.

## 3. Future plan of action:

Company will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

## C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual Outflows

(Amount In Rs)

Particulars	2022-23	2021-22
Foreign Exchange Earnings	NIL	34,31,398.00
Foreign Exchange Outgo	13,81,166.00	4,33,20,188.00

## **44. 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

## **45. Management Discussion and Analysis**

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

## **46. Registrar and share transfer agent:**

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent. The Corporate Office of Link Intime India Private Limited situated at "C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai MH 400083 IN"

## **47. 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.

#### **48. Enhancing shareholders value:**

Your Company believes that its members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building or growth, enhancing the

productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

#### **49. Dematerialisation of Securities:**

The Company equity shares are admitted in the system of Dematerialisation by both the Depositories namely NSDL and CDSL. As on 31<sup>st</sup> March, 2023, all 1,71,47,670 equity share dematerialized viz. National Securities Depository Limited and Central Depository Services (India) Limited which represents whole 100% of the total issued subscribed and paid-up capital of the company as on that date. The ISIN allotted to your Company is INE801V01019. Status of the securities as on 31<sup>st</sup> March, 2023 hereunder:

	CDSL	NSDL	TOTAL
Share in DEMAT	2554032	14593638	17147670
Physical Shares	NIL	NIL	NIL

#### **50. Compliances of Secretarial Standards:**

The Board of Directors confirm that the Company has duly complied and is in compliance, with the applicable secretarial Standard/s, namely Secretarial Standard-1 (SS-1) on Meeting of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings, during the financial year 2022-2023 ended 31<sup>st</sup> March 2023.

#### **51. Suspension of Trading:**

The equity shares of the company have been listed and actively traded on Main Board of National Stock Exchange of India Limited. There was no occasion wherein the equity shares of the Company have been suspended for trading during the FY 2022-2023.

#### **52. Details of Application made or any proceeding pending under the IBC 2016:**

During the year under review no application was made further no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against of the company.

**53. Our Vision:**

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

**54. 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.

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

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

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

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

(d) The directors had prepared the annual accounts for financial year ended on March 31, 2023 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

**56. Acknowledgement**

The Board of Directors acknowledges with gratitude for the co-operation and assistance received from National Stock Exchange of India Limited (NSE), Securities Exchange Board of India (SEBI), Auditors, advisors & consultants, other Intermediary service provider and other investor for their continuous support for the working of the company.



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

**Date: 05/09/2023  
Place: Jalna**

**Sd/-  
CS Soni Shailesh Karwa  
Company Secretary & Compliance Officer**

**ANNEXURE - "A"****The particulars required relating to energy conservation technology absorption u/s 134(3) (m) of the Companies Act 2013.****A. Energy Conservation**

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

**SPINNING**

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Total Units	1,47,09,386	1,53,67,111
Total Cost	8,37,58,360	7,15,74,590
Rate per Unit	5.69	4.66
Total Production (in kgs)	40,58,626	50,37,769
Electricity consumed per unit of production (in units)	20.63	14.20

**GINNING**

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Total Units	2,37,123	3,94,603
Total Cost	31,41,450	39,30,470
Rate per Unit	13.24	9.96
Total Production (in kgs)	13,31,163	18,48,735
Electricity consumed per unit of production (in units)	2.35	2.12

**B. Technology Absorption**

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

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

Sd/-

**CS Soni Shailesh Karwa**

Company Secretary & Compliance Officer

**Date: 05/09/2023**

**Place: Jalna**



## ANNEXURE - "B"

### Form AOC-1

**(Pursuant to first proviso to sub-section (3) of Section 129  
read with Rule 5 of Companies (Accounts) Rules, 2014)**  
Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint Ventures

#### Subsidiaries

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiaries  
(Information in respect of each subsidiary to be presented with amounts in Rs)

1.

Sr no	Particulars		
1	Name of the subsidiary	Laxmi Spintex Private Limited	Laxmi Surgical Healthcare Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4	Share capital	Rs.10,00,000	Rs.10,00,000
5	Reserves & surplus	NIL	NIL
6	Total assets	Rs 9,36,831.00	Rs 9,59,031.00
7	Total Liabilities	Rs 9,36,831.00	Rs 9,59,031.00
8	Investments	NIL	NIL
9	Turnover	NIL	NIL
10	Profit before taxation	Rs. (66,600.00)	Rs. (44,400.00)
11	Provision for taxation	NIL	NIL
12	Profit after taxation	Rs. (66,600.00)	Rs. (44,400.00)
13	Proposed Dividend	NIL	NIL
14	% of shareholding	100%	100%

In terms of our report attached  
**For DMKH & CO,**  
Chartered Accountants

**FOR LAXMI COTSPIN LIMITED**

**Sd/-**  
**Manish Kankani**  
Partner  
Membership No.158020

**Sd/-**  
**Sanjay Rathi**  
Managing  
Director

**Sd/-**  
**Prafullata Rathi**  
Whole Time and  
Women Director

**Sd/-**  
**Anup Gindodiya**  
Chief Financial  
Officer





*ANNEXURE - "C"*

**A. R. JOSHI & ASSOCIATES**

(Practicing Company Secretary & Insolvency Professional)

✉: [arjoshiassociates@gmail.com](mailto:arjoshiassociates@gmail.com)

☎: 0240-2480415



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

**i. The Companies Act, 2013 (the Act) and the rules made thereunder;**

The Composition of Board of Directors of the Company is duly constituted with proper balance between Executive Directors, Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board of Directors



which took place during the period under review were carried out in compliance with the provisions of the Act;

As per representation made by the management, adequate notices were given to all the Directors of the Board, Committee's Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;

All decisions of Board and Committee meetings were carried unanimously.

Based on the representations given by the management of the Company and the information provided to us regarding the compliance system followed by the Company, I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as stated above.

**However, we further suggest that:**

**A. Secretarial Standard I & II issued by ICSI are being followed by the Management of the company which has become mandatory. However, the same needs some improvement.**

- 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; **Not Applicable, as there are no foreign direct investments during the under review.**
- 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, 2011; **Not Applicable, as there is no substantial acquisition during the year under review.**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **No event of Insider Trading has been observed during the reporting period.**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**



- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(with effect from 13th August, 2021);
- 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(up to 15th August, 2021);
- The company has not issued or listed any debt securities on SME and Main Board during the year under review.**
- f. The Securities and Exchange Board of India(Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered or any change Registrar to Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10<sup>th</sup>June, 2021) - **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -**Not Applicable as there was no reportable event during the financial year under review;**
- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021); **Not Applicable, as company has not any convertible securities during the year under review.**
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- vi. 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 an area where ESIC is not applicable to the Company.

b. Based on the information received from Management and factory people, the company is following regularly the provisions of Factories Act, Provident fund and other labour laws and making payments of Employers and Employees Provident fund regularly.

- The Factory license has been renewed up to 31st December 2023.

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

**FOR: A. R JOSHI & ASSOCIATES  
(Practicing Company Secretary)**

**Sd/-  
CS ARUN R. JOSHI  
PROPRIETOR  
CP NO: 4247  
M. NO. A5480**

**UDIN NO: A005480E000926565  
DATE: 05<sup>th</sup> September,2023  
PLACE: AURANGABAD**

**(Note: This report is to be read with our letter of even date which is annexed as Annexure A & forms an integral part of this report.)**



**Annexure "A" to Secretarial Audit Report**

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

Our report of even date 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 process 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. We believe that the process and practices, followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals, and is not covered under the scope of our secretarial audit.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulate on sand 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**  
**(Practicing Company Secretary)**

**Sd/-**  
**CS ARUN R. JOSHI**  
**PROPRIETOR**  
**CP NO: 4247**  
**M. NO. A5480**

**UDIN NO: A005480E000926565**  
**DATE: 05<sup>th</sup> September,2023**  
**PLACE: AURANGABAD**



## **ANNEXURE - "D"** **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 arm's 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 related party: -Applicable**

	<b>Name of Related party</b>	<b>Relation/Key Personnel</b>
<b>1</b>	Mr. Sanjay Rathi	Key Managerial Person (Director of Laxmi Cotspin Limited)
<b>2</b>	Sanjay Rathi (HUF)	Director is Karta
<b>3</b>	Mr. Anupkumar Gindodiya	Chief Financial Officer
<b>4</b>	Vitthal PolypackPrivate Limited	One of the Director's Company
<b>5</b>	Rtcamp Solutions Private Limited	One of the Director's Company
<b>6</b>	Icon Five Hundred Ispat Private Limited	One of the Director's Company

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

<b>Nature of transaction</b>	<b>Name of Related party</b>	<b>Amount Rs.</b>
Remuneration	Sanjay k Rathi	64,00,000
Remuneration	Anupkumar Gindodiya	7,87,000
Purchase of goods and services	Vitthal Poly Pack Private Limited	19,14,598
Purchase of goods and services	Sanjay Rathi (HUF)	7,07,560



- c) **Duration of the contracts/arrangement/transactions: NA**
- d) **Salient terms of the contract or arrangement or transactions including the value if any: NA**
- e) **Dates of approval of 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**

**Date: 05/09/2023  
Place: Jalna**

**Sd/-  
CS Soni Shailesh Karwa  
Company Secretary & Compliance Officer**



## ANNEXURE - "E"

### REPORT ON CORPORATE GOVERNANCE ON 2022-2023

#### **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, 2023]**

The Board comprises of 10 directors, of whom 1 is Managing Director, 1 director is Non - Executive Director, 1 is Women Director (Non - Executive), 2 are executive director and 5 directors are Non-Executive Independent Director.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1	Sanjay Kachrual Rathi	Managing Director (Executive)
2	Rajesh Puranmal Bansal	Chairperson and Non-Executive Director
3	Prafullata Sanjaykumar Rathi	Woman Director (Non-Executive)
4	Ramesh Gopikishan Mundada	Executive Director
5	Shivratan Shrigopal Mundada	Executive Director
6	Kailash Shrikisan Biyani	Ind. Dir (Non-Ex)
7	Gopal Satyanarayan Mundada	Ind. Dir (Non-Ex)
8	Piyush Agrawal	Ind. Dir (Non-Ex)
9	Ketankumar Shankarlal Shah	Ind. Dir (Non-Ex)
10	Vijaykumar Jainarayan Zanwer	Ind. Dir (Non-Ex)

Mr. Rajesh Bansal resigned from the post of director from 1<sup>st</sup> April, 2023 and after that Mr. Sanjay Rathi appointed as chairperson of the company.

Mr. Piyush Agrawal resigned from the post of independent director from 1<sup>st</sup> May, 2023.

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 the maximum interval between any two meetings did not exceed 120 days. 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 25<sup>th</sup> August, 2022 at 12.30 P.M. There is Extra Ordinary General Meeting held on 5<sup>th</sup> November, 2022 at 1.00 PM

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 and LLP(s) as on (31/03/2023)	Member/ Chairman of committees of other company(s) (as on 31/3/2023)
Mr. Sanjay Rathi	12	11	0
Mr. Rajesh Bansal	10	2	0
Mrs. Prafullata Rathi	8	2	0
Mr. Ramesh Mundada	7	5	0
Mr. Shivratan Mundada	10	4	0
Mr. Vijaykumar Zanwer	4	4	0
Mr. Piyush Agrawal	10	1	0
Mr. Gopal Mundada	10	1	0
Mr. Kailash Biyani	10	2	0
Mr. Ketan Shah	4	0	0

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/ she is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2023 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 held on Tuesday, 27<sup>th</sup> December, 2022 for this Financial Year to review the performance of Non-independent Directors



(including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

### **3. COMMITTEES OF BOARD**

During the year in accordance with the companies Act, 2013, there is no change in constitution of committees of the Board for Financial year 2022-23 as Follows:

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

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

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

The Committee meets periodically and reviews

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

**As on 31<sup>st</sup> March 2023, the Audit Committee comprised of the following:**

#### **(Audit Committee)**

<b>Names</b>	<b>Designation</b>	<b>No of Meeting Attended</b>
Piyush Agrawal	Chairman	5
Sanjay Rathi	Member	5
Kailash Biyani	Member	5

Details of Audit Committee meeting held during the year under review



Sr No	Date
1	13/05/2022
2	30/07/2022
3	12/08/2022
4	10/11/2022
5	06/02/2023

**Note:**

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

During the FY 23-24, there is change in constitution of Audit Committee due to resignation of Mr. Piyush Agrawal.

**2. Nomination and Remuneration Committee**

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

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
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 31<sup>st</sup> March, 2023, the Committee Comprises of the following Members:**

Names	Designation	No. of Meeting Attended
Piyush Agrawal	Chairman	4
Rajesh Puranmal Bansal	Member	4
Gopal Mundada	Member	4

Committee meeting held during the year under review

Sr No	Date
1	19/04/2022
2	01/08/2022
3	27/10/2022
4	13/01/2023

**Note -**

During the FY 23-24, there is change in constitution of Nomination & Remuneration Committee due to resignation of Mr. Rajesh Bansal and Mr. Piyush Agrawal.



### 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.

### Remuneration Policy

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.

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

The Company does not have any Employee Stock Option Scheme.

#### a. Details of Remuneration paid to Managing Director for the period from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Name of Director	Salary	Perquisites & Allowances
Sanjay Rathi	64.00 Lac's	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 Independent Directors Compensation

The Non-Executive Independent 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. Rajesh Bansal	Chairman	3
Mr. Kailash Biyani	Member	3
Mr. Sanjay Rathi	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 [complianceofficer@laxmicotspin.com](mailto:complianceofficer@laxmicotspin.com).

Committee meeting held during the year under review:

Sr. No.	Date
1	13/09/2022
2	15/12/2022
3	13/03/2023

During the FY 23-24, there is change in constitution of Stakeholder Relationship Committee due to resignation of Mr. Rajesh Bansal.

### 4. Corporate Social Responsibility Committee

The Company constituted the Corporate Social Responsibility of Directors to look into the following:

Matters specified in section 135 of the Companies Act 2013 which inter-alia includes:

- Formulate and recommend to the Board, a Corporate social responsibility policy which shall indicate the activities to be undertaken by company as specified in schedule VII;
- recommend the amount of expenditure to be incurred on activities referred to in clause (a)
- Monitor the Corporate Social Responsibility policy of the company from time to time.

**As on 31<sup>st</sup> March, 2023, the Committee Comprises of the following Members:**

S. R.	Name	Designation	No. of meetings Attended
1.	Kailash Biyani	Chairman	3
2.	Gopal Mundada	Member	3
3.	Sanjay Rathi	Member	3



Committee meeting held during the year under review

Sr. No	Date
1	21/05/2022
2	13/09/2022
3	07/01/2023

#### i. Name And Designation of Compliance Officer

Mr. Sagar Pagariya resigned from the post of Company Secretary & Compliance Officer of the Company, w.e.f. 1<sup>st</sup> April, 2023 and Mrs. Soni Shailesh Karwa appointed as Company Secretary & Compliance Officer of the Company, w.e.f. 1<sup>st</sup> April, 2023

#### ii. Investor Grievance Redressal:

During the Financial Year 2022-23, 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
2019-20	29.09.202	11.00AM	Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2020-21	27.09.202	12.00PM	Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2021-22	25.08.202	12.30PM	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 has not passed any special resolution through Postal Ballot during the Financial Year 2022-23.

### **(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.

### **Disclosures:-**

1. Related party Transaction: There is a related party transaction with Vitthal Polypack Private Limited which is done at Arm Length Price.
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 of the company.

### **GENERAL SHAREHOLDER INFORMATION**

#### **i) Annual General Meeting:**

<b>AGM : Date, Time &amp; Venue</b>	On Friday, 29 <sup>th</sup> September, 2023 at 12.30 P.M at Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare, Vridhashram, Samangaon, Jalna - 431203
<b>Financial Year</b>	The Financial year under the review covers the following period from 01.04.2022 to 31.03.2023
<b>Date of Book closure</b>	23/09/2023 to 29/09/2023
<b>Listing on Stock Exchange</b>	NSE Limited main Board
<b>Stock Code</b>	NSE - LAXMOCOT ISIN - INE801V01019
<b>Registrar and Transfer Agent</b>	Linkintime India Private Limited
<b>Share Transfer System</b>	All the transfers received are processed by the Registrar and Transfer Agent.
<b>Outstanding GDR/ADR /warrants or any convertible instruments conversion date and likely impact on equity</b>	No Issued



<b>Plant Location</b>	Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203, Maharashtra, India
<b>Address for correspondence</b>	Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203 Email Id - <a href="mailto:laxmicotspin@gmail.com">laxmicotspin@gmail.com</a>

### Non mandatory Requirements

#### a. Shareholders Right - Re; Quarterly Result

A Quarterly declaration of financial performance including summary of the significant events in last Year is uploaded on the website of the company.

#### 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  
**Laxmi Cotspin Limited**

**Date: 05/09/2023**  
**Place: Jalna**

**Sd/-**  
**CS Soni Shailesh Karwa**  
Company Secretary & Compliance Officer





**ANNEXURE "F"**  
**DECLARATION OF INDEPENDENCE**

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. Vijaykumar Zanwer**, hereby certify that, I am an 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:
  - 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;



- I. firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - II. 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 non-profit 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/-

**Vijaykumar Zanwer**

DIN: 00893718

Add - Mama Chowk, opp. Mondha Gate,

Jalna 431203

Date: - 05/09/2023



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. Kailash Shrikisan Biyani**, hereby certify that I am 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:
  - 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; firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or



- I. 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 non-profit 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/-

**Kailash Shrikisan Biyani**

DIN: 02303810

Dr. R. P. Road, Jalna 431203

Date: - 05/09/2023



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. Gopal Satyanarayan Mundada**, hereby certify that I am a 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:
  - b) 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;
    - I. firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or



- II. 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 non-profit 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/-

**Gopal Satyanarayan Mundada**

DIN: 02303810

Mutha Building Railway Station Road,

Jalna 431203

Date: - 05/09/2023



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. Ketankumar Shah**, hereby certify that, I am an 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:
  - 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;
    - I. firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or



- II. 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 non-profit 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/-

**Ketankumar Shah**

DIN: 09699742

Add - Mastagad Saraswati Jinning, old Jalna,  
Jalna 431203

Date: - 05/09/2023





## **ANNEXURE- "G"**

### **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 1824 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.

#### **1. 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, 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.

## **2. 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.

## **3. 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.

## **4. 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 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.

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

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

## **III. Scalable business model**

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



## **ANNEXURE- "H"**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014].

#### **1. A Brief outline of the Company's CSR policy:**

The Company's CSR objective is to ensure socio-economic development of the community through different participatory and need based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

Laxmi Cotspin Limited is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

In pursuance of our vision that Laxmi Cotspin Limited desires to be a 'Company which society wants to exist', we are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

#### **2. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

In compliance with Section 135 of the Companies Act, 2013, the Company has formed the "Corporate Social Responsibility (CSR) Committee".

##### **COMPOSITION OF CSR COMMITTEE: -**

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Nature of Directorship</b>
01	Mr. Kailash Biyani	Independent Director -Chairman
02	Mr. Gopal Mundada	Independent Director -Member
03	Mr. Sanjay Rathi	Managing Director-Member

#### **3. CSR POLICY:**

As per the United Nations Industrial Development Organization (UNIDO) the Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders.



### **Our Mission:**

Our Mission is to “To achieve product perfection through process integration by wielding end to end quality control over the raw material and manufacturing processes, to make cotton that stand for purity and the highest quality and provide increased value for the customer at lower cost.

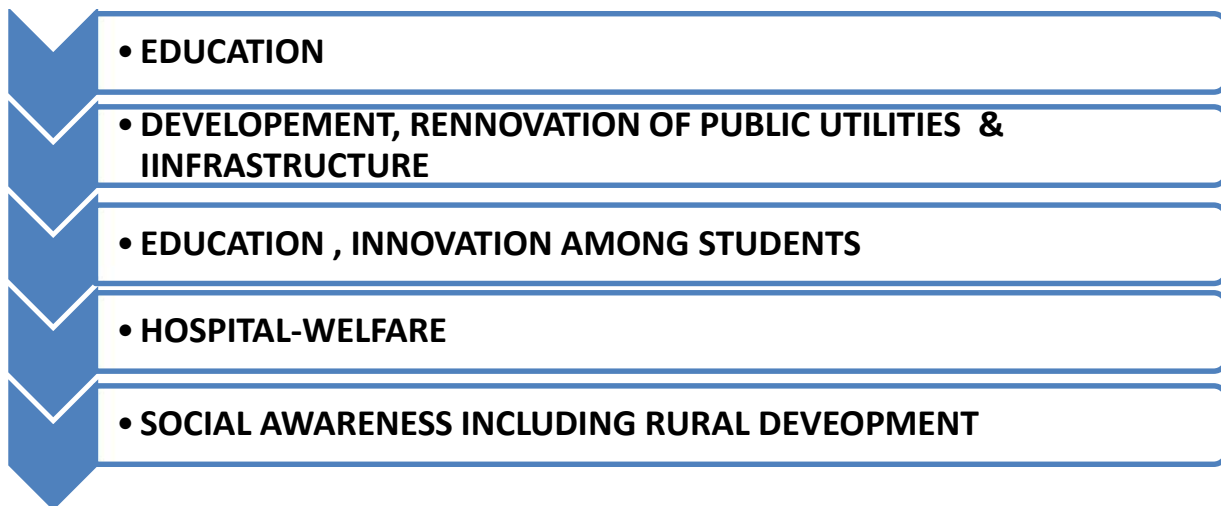
### **Our Values:**

- ✓ We Trust, Respect, Protect, Nurture & Encourage all our relations
- ✓ To continuously learn and innovate
- ✓ To promote efficiency and effectiveness

We the M/S. **LAXMI COTSPIN LIMITED**, Jalna, Maharashtra India has decided to reach to the Farmers & Soldiers, the real builders of the Country and deprived including children, women and other entities of the society through the CSR activities, to make better, happy and prosperous society.

During the process of rolling out the identified projects, there have been extensive stakeholder consultations and learnings. We have planned project based on the need and requirement of the people from the area where the project is going to be implemented.

The major heads of our CSR activities as per the CSR policy are mentioned below:



The CSR initiatives taken up by the company are in the areas of education, agricultural development, skill development, sanitation and hygiene, social awareness and healthcare, etc. Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities and all other stakeholders of your Company.

The CSR initiatives focus on enhancing environmental and natural capital, supporting rural development, promoting education, providing preventive healthcare, providing sanitation and drinking water, creating livelihoods for people, especially those from disadvantaged sections of



society, in rural and urban India, preserving and promoting sports for holistic development of host communities and create social, environmental and economic value to the society at large.

To pursue these objectives, we will continue to:

- Uphold and promote the principles of inclusive growth and equitable development;
- Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes;
- Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index;
- Collaborate with likeminded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals;
- To develop the required capability and self-reliance among the beneficiaries at the grass root levels, especially among women, in the belief that these are prerequisites for social and economic development;
- To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the company's operations to enable close supervision and ensure maximum development impact;
- To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of money towards "Enterprise Social Responsibility (ESR)" activities and to spend such money through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the company operates;
- Interact regularly with stakeholders, review and publicly report our CSR initiatives.

**4. Details of the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board:**

CSR details are available under the link <https://laxmicotspin.com/policies-conduct/>

**5. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.** Not Applicable.

**6. Average Net Profit of the company for last three financial years: Rs. 2,62,91,067/- (2019-2020, 2020-21 and 2021-22)**



Sr No.	Particulars & Financial Year	Amount of Net Profit Before Tax (Rs)
1.	2019-2020	-94,87,242.00
2.	2020-2021	104,88,364.00
3.	2021-2022	7,78,72,080.00
	Total of three years	78,87,32,022.00
	Average profit of last three years	2,62,91,067.00
	2% of Average Profit (Provision for Current Year)	5,25,821.00

7. A. Prescribed CSR expenditure (2% of the amount as in item 6(A) above): Rs. 5,25,821.00/-  
 B. Surplus arising out of the CSR Projects or programme or activities of the previous financial years. - NA  
 C. Amount required to be set-off for the financial year, if any. NA  
 D. Total CSR obligation for the financial year [(b)+(c)-(d)] = 5,25,821.00/-
8. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - NIL  
 (b) Amount spent in Administrative Overheads. NIL  
 (c) Amount spent on Impact Assessment, if applicable. NA  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. NIL  
 (e) Excess amount for set-off, if any: NA
9. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**
10. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.** - There is unspent amount of Rs. 5,25,821.00 using in ongoing projects and company transfer the unspent amount to PPM fund of government.

**For and on Behalf of Board of Director  
LAXMI COTSPIN LIMITED**

**For and on Behalf of CSR Committee  
LAXMI COTSPIN LIMITED**

**SANJAY RATHI  
Managing Director  
DIN:00182739**

**KAILASH BIYANI  
Chairman CSR Committee  
DIN:02303810**

**DATE: 05/09/2023  
PLACE: JALNA**



## ANNEXURE- "I" STATEMENT OF PARTICULARS OF EMPLOYEES

### PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl.	Na	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment 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.

#### 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) 6.96%
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 Number of Permanent employees on	450





	the rolls of the company in the financial year	
4	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

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

**Sd/-**  
**CS Soni Shailesh Karwa**  
Company Secretary & Compliance Officer

**Date: 05/09/2023**

**Place: Jalna**



***ANNEXURE "J"***  
***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  
**Laxmi Cotspin Limited**

**Date: 05/09/2023**  
**Place: Jalna**

**Sd/-**  
**Sanjay Rathi**  
Managing Director  
**DIN - 00182739**



## **CEO/CFO CERTIFICATION**

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

a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31<sup>st</sup> March 2023 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 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 and on behalf of the Board of Directors  
**Laxmi Cotspin Limited**

**Date: 05/09/2023**

**Place: Jalna**

**Sd/-**

**Sanjay Rathi**

Managing Director

**DIN - 00182739**

**Sd/-**

**Anupkumar Gindodiya**

Chief Financial Officer

**PAN - AWAPG3125C**



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**LAXMI COTSPIN LIMITED.**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **LAXMI COTSPIN LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone statement of changes in equity and Standalone statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit and total comprehensive income (including other comprehensive income), changes in equity and its 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matter to be communicated in our report.



Sr No	Key Audit Matter	Auditor's Response
1	<p>Valuation accuracy completeness and disclosures pertaining to inventories with reference to IND AS 2.</p> <p>Inventories constitutes material component of Financial Statement. Correctness, completeness, and valuation are critical for reflecting true and fair financial results of operations.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We assessed the company's process regarding maintenance of records valuation and accounting of transactions relating to inventory as per the Ind AS 2.</li> <li>• We have evaluated the design of internal controls relating to recording and valuation of inventory.</li> <li>• We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to inventory.</li> </ul>
2	<p><b>Expected Credit Loss as per IND AS 109:</b></p> <p>The company has booked an ECL provision amounted to Rs 6.44 lakhs. Recognition and measurement of impairment relating to financial assets involves significant management judgment. With the applicability of Ind AS 109 "Financial Instruments", credit loss assessment is based on ECL model which is forward looking Expected Loss Approach.</p> <p>We have identified measurement of ECL as a key audit matter in view of the significant judgment and assumptions involved.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Examined the policy on ECL for impairment of financial assets and assessed compliance with Ind AS 109.</li> <li>• Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation.</li> <li>• Tested the ECL computation and ensured application of correct underlying factor like Probability of Default, Loss Given Default etc. basis the nature of products and models</li> <li>• Tested the mathematical accuracy of the computation by reperforming the formulas.</li> </ul>



## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the management Discussion and Analysis, Board's Report Including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Managements' Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risk of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in, (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) To evaluate the effect of any identified misstatement in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our



knowledge and belief were necessary for the purposes of our audit.

- b) 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) The standalone Balance Sheet, the standalone Statement of Profit and Loss including other comprehensive income, standalone Statement of changes in equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 in Note no 2.2 on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture company incorporated in India or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.





- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
  - provide any guarantee, security, or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e) as provided under clause (a) and (b) contain any material mis-statement .
- v. No dividend has been declared or paid during the year by the company.
3. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the remuneration paid by the company to its director during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For DMKH & CO.**

**Chartered Accountants**

**FRN: 116886W**

*Manish Kankani*



**CA Manish Kankani**

**Partner**

**MRN: 158020**

**UDIN: 23158020BGUSDJ1236**

**Place: Mumbai**

**Date: May 19, 2023.**

## Annexure "A" To Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of Laxmi Cotspin Limited of even date)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we report that:-

- i. In respect of company's property, plant and equipment:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - b. All property, plant and equipment have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
  - c. All the title deeds (Lease Deed) of immovable properties are held in the name of the company excluding the land situated at Gut no 394.

Description of Property	Gross carrying value	Held in the name of	Whether promoter, director or their relative	Period Held	Reason for not being held in the name of company(also indicate if in dispute)
Land situated at Gut no.394	Rs 282 lakhs	Mauli Ginning & Pressing Proprietor Shivratn Shrigopal Mundada	Director	17 Years	The said land was taken in the name of promoter since it was an agriculture land, and NA was pending. Undertaking in favour of the company regarding the same has been executed.

- d. No, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e. There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of inventories:
    - a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year and discrepancies noticed on physical verification of



inventory as compared to the book records did not exceed 10% or more in the aggregate for any class of inventory.

- b. The Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks/financial institutions are not in agreement with the books of the account of the Company.

Quarter Ended	Particulars	Value as per quarterly standalone financial statements given to Bank	Value as per books (audited figures)	Difference
June-2022	Stock	56,21,96,647	56,21,96,647	0
September-2022	Stock	38,17,56,339	38,07,56,339	10,00,000.00
December-2022	Stock	397074811.53	39,70,74,811.53	0
March-2023	Stock	47,01,94,903.59	47,01,08,069	86,835

- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act except for the advances in the form of Inter-Corporate Deposits and Advances.

a.

Particulars	Advances
Aggregate amount granted / provided during the year-to other parties	5,00,000
Balance outstanding as at balance sheet date in respect of above cases- to other parties	5,00,000
Aggregate amount granted / provided during the year -Associated Concern	-
Balance outstanding as at balance sheet date in respect of above cases - Associated Concern	-



- b. During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, limited liability partnerships or any other parties are not prejudicial to the Company's interest.
- c. The Company has not granted loans during the year to a company where the schedule of repayment of principal and payment of interest is stipulated. Accordingly, clause 3(iii)[c] and [d] is not applicable to the Company.
- e. There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act. Further, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- v. The company has not accepted any deposits or amounts which are deemed to be deposits covered under section 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of the Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. According to the information and explanation given to us, in respect of statutory dues:
- a. The Company has been generally regular during the year, in depositing undisputed statutory dues, including provident fund, income-tax, employees' state insurance, goods and service tax, cess and other statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:



Name of the statute	Nature of Dues	Amount	Assessment year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961.	Income Tax Dues	Rs 22.76 lakhs	2021-22 2019-20	CIT(A)

- viii. In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given by the management:
- In our opinion, the company has not defaulted in repayment of loans or other borrowings or in payment of interest to any lender during the year.
  - The company has not been declared as a wilful defaulter by any bank / financial institution or other lender during the year.
  - The term loans availed by the company during the purpose for which the loans were obtained.
  - The company has not utilized funds raised on short term basis for long term purposes during the year
  - The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
  - The company has not raised loans during the year on pledge of securities held in its subsidiaries, joint venture or associate companies.
- x. In respect of end use of monies raised by way of IPO/ FPO/ Term Loans:
- The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(x) of the order is not applicable to company.
  - The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



- xi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that:
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company has been noticed or reported during the year.
  - There is no reporting u/s 143(12) of the Companies act, 2013 has been filed by us (the auditors) in form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules,2014 with the Central Government.
  - No whistle Blower complaints has been received by the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. In respect of company's Internal Audit:
- The Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of the business.
  - The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given by the management:  
The company is not registered under section 45 –IA of the Reserve bank of India Act 1934 . Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- xviii. There has been no resignation of the but there was retirement of previous statutory auditor due to rotation during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that



company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- xx. a. Provisions of CSR will be applicable in the current year as the net profit had exceeded 5 crore rupees last financial year 21-22. Amount is transferred to Unspent CSR Account which is required to be transferred as specified in Schedule VII of the Companies Act 2013 within a period of six months of the expiry of FY in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- b. There are no ongoing projects for which there are unspent amounts, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said Clause under this report.

**For DMKH & CO.**  
**Chartered Accountants**  
**FRN: 116886W**

*Manish Kankani*



**CA Manish Kankani**

**Partner**

**MRN: 158020**

**UDIN: 23158020BGUSDJ1236**

**Place: Mumbai**

**Date: May 19, 2023.**

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Utkarsh CoreInvest Limited 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 March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Management of the Company 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 issued by the Institute of Chartered Accountants of India (“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 the respective 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 under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





## **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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial 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 issued by the Institute of Chartered Accountants of India.

**For DMKH & CO.**

**Chartered Accountants**

**FRN: 116886W**

*Manish Kankani*



**CA Manish Kankani**

**Partner**

**MRN: 158020**

**UDIN: 23158020BGUSDJ1236**

**Place: Mumbai**

**Date: May 19,2023.**

**Laxmi Cotspin Limited**  
**Balance Sheet as at March 31, 2023**

Particular	Notes	(Rs. In Lakhs)	(Rs. In Lakhs)
		As at March 31, 2023	As at March 31, 2022
<b>A. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	2,376.52	2,675.49
(b) Capital Work-in-Progress	3	312.58	203.12
(c) Financial Assets			
i. Investments	4	20.00	10.00
ii. Other Financial Assets		210.34	187.46
(d) Deferred Tax Assets (net)		36.39	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,955.83</b>	<b>3,076.08</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	5	4,701.95	4,742.00
(b) Financial assets			
i. Trade Receivables	6	623.68	861.05
ii. Cash and Cash Equivalents	7	16.70	5.25
iii. Loans	8	5.00	-
(c) Other Current Assets	9	1,541.36	2,068.48
<b>TOTAL CURRENT ASSETS</b>		<b>6,888.69</b>	<b>7,676.79</b>
<b>TOTAL ASSETS</b>		<b>9,844.52</b>	<b>10,752.86</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	10	1,714.77	1,714.77
(b) Other Equity	11	3,061.22	3,642.95
<b>TOTAL EQUITY</b>		<b>4,775.99</b>	<b>5,357.72</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	12	891.30	1,025.49
(b) Provisions	13	52.63	50.00
(c) Deferred Tax Liabilities (Net)			40.58
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>943.93</b>	<b>1,116.06</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	14	3,336.21	3,438.29
ii. Trade payables	15	548.73	631.72
(b) Provisions			
(c) Current Tax Liabilities (Net)	16	-	41.51
(e) Other Current Liabilities	17	239.66	167.56
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,124.60</b>	<b>4,279.08</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,844.52</b>	<b>10,752.86</b>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

**DMKH & Co.**

Chartered Accountants

FRN : 116886W

*Manish Kankani*



**CA Manish Kankani**

(Partner)

M. No. 158020

Date : 19.05.2023

Place : Mumbai

For and on behalf of Board of Directors of  
Laxmi Cotspin Limited

*Sanjay Rathi*  
**Sanjay Rathi**  
(Managing Director)  
DIN 00182739

*Anup Kumar Gindodiya*  
**Anup Kumar Gindodiya**  
C.F.O

*Ramesh Mundada*  
**Ramesh Mundada**  
(Director)  
DIN 00153255

*Soni Karwa*  
**Soni Karwa**  
Company Secretary  
M no. A69381

**Laxmi Cotspin Limited**  
**Statement of Profit and Loss for the period ended as on 31st March, 2023**

Particular	Notes	(Rs. In Lakhs)	(Rs. In Lakhs)
		For the period ended March 31, 2023	For the period ended March 31, 2022
I. Revenue From Operations	18	14,328.95	21,594.31
II. Other Income	19	143.11	135.78
<b>Total Income (I+II) (III)</b>		<b>14,472.06</b>	<b>21,730.09</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	20	12,312.90	17,724.46
Changes in Inventories of Work-In-Progress and Finished Goods	21	(250.50)	(75.84)
Employee Benefit Expense	22	918.60	827.50
Finance Costs	23	202.70	257.45
Depreciation and Amortisation Expense	24	326.20	323.28
Other Expenses	25	1,645.21	1,894.52
<b>Total Expenses</b>		<b>15,155.10</b>	<b>20,951.37</b>
<b>V. Profit Before Extra-Ordinary Item (III - IV)</b>		<b>(683.03)</b>	<b>778.72</b>
Extra-Ordinary Item		0.34	30.05
<b>V. Profit Before Tax (III - IV)</b>		<b>(682.69)</b>	<b>808.77</b>
<b>VI. Income tax expense</b>			
Current Tax		-	230.00
Short /Excess Provision of Tax		(20.95)	-
Deferred Tax		(76.97)	16.35
MAT Credit Entitlement		-	17.51
<b>Total Tax Expense</b>		<b>(97.91)</b>	<b>263.86</b>
<b>VII. Profit for the Year (V - VI)</b>		<b>(584.78)</b>	<b>544.91</b>
<b>VIII. Other comprehensive income</b>			
Items that may be reclassified to profit or loss		-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Exchange differences on translation of foreign operations		-	-
Remeasurement of defined benefit obligation		3.04	(1.57)
Others (Specify)		-	-
Income tax relating to these items		-	-
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>3.04</b>	<b>(1.57)</b>
<b>IX. Total Comprehensive Income for the Year (VII + VIII)</b>		<b>(581.73)</b>	<b>543.34</b>
<b>X. Earnings Per Equity Share for Profit Attributable to Owners</b>			
Basic		(3.39)	3.17
Diluted		(3.39)	3.17

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

**DMKH & Co.**

Chartered Accountants

FRN : 116886W

*Manish Kankani*



**CA Manish Kankani**

(Partner)

M. No. 158020

Date : 19.05.2023

Place : Mumbai

For and on behalf of Board of Directors of  
Laxmi Cotspin Limited

*Sanjay Rathi*

**Sanjay Rathi**  
(Managing Director)  
DIN 00182739

*Anup Kumar Gindodiya*  
**Anup Kumar Gindodiya**  
C.F.O

*Ramesh Mundada*

**Ramesh Mundada**  
(Director)  
DIN 00153255

*Soni Karwa*  
**Soni Karwa**  
Company Secretary  
M no. A69381

**Laxmi Cotspin Limited**  
**Cash Flow Statement**  
For the period ended 31st March, 2023

Particulars	As At 31st March, 2023 (Rs. in Lakhs)	As At 31st March, 2022 (Rs. in Lakhs)
<b>A. Cash Inflow/ (Outflow) from Operating Activities</b>		
Net Profit After Tax	(584.78)	544.91
<b>Adjustment For</b>		
Depreciation	326.20	323.28
Interest Paid (Net)	202.70	257.45
Provision for Income Tax	-	230.00
Deferred Tax	(76.97)	16.35
Remeasurement of defined benefit obligation	3.04	1.57
Provision for Gratuity and Leave Encashment	11.45	13.06
Profit / Loss on Sale of Asset	(0.34)	30.05
Duty Drawback, Interest and Subsidy Received	(143.11)	(135.78)
Provision for ECL	6.44	
Earlier Provision Written Back	(20.95)	17.51
	<u>308.46</u>	<u>753.49</u>
<b>Operating Profit before working capital changes</b>	<u>(276.32)</u>	<u>1,298.40</u>
<b>Adjustment for</b>		
Inventories	40.05	(1,701.29)
Trade Receivables	237.37	1,101.25
Other Current Assets	527.12	(88.75)
Short-term loans and advances	(5.00)	(932.17)
Trade Payables	(82.99)	116.70
Other Current Liabilities	36.70	(133.66)
Income Tax Paid	-	(230.00)
	<u>753.26</u>	<u>(1,867.92)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<u>476.94</u>	<u>(569.53)</u>
<b>B. Cash Inflow/(Outflow) From Investment Activities</b>		
Capital Expenditure (Purchase/ Capitalization)	(142.05)	(320.54)
Sale Proceeds of Fixed Assets	5.30	15.41
(Increase) / Decrease due to Investment	(32.88)	(55.69)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<u>(169.64)</u>	<u>(360.82)</u>
<b>C. Cash Inflow/(Outflow) From Financing Activities</b>		
Increase/ Decrease in Long Term Borrowings	(134.19)	(326.80)
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	(102.08)	1,373.92
Interest Paid	(202.70)	(257.45)
Duty Drawback, Interest and Subsidy Received	143.11	135.78
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<u>(295.86)</u>	<u>925.46</u>
<b>Net Changes In Cash &amp; Cash Equivalents (A+B+C)</b>	<u>11.44</u>	<u>(4.89)</u>
Cash & Cash equivalents (Opening Balance)	5.25	10.14
Cash & Cash equivalents (Closing Balance)	<u>16.70</u>	<u>5.25</u>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

DMKH & Co.  
Chartered Accountants  
FRN : 116886W

  
CA Manish Kankani  
(Partner)


M. No. 158020

Date : 19.05.2023  
Place : Mumbai

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

  
Sanjay Rathi  
(Managing Director)  
DIN 00182739

  
Anupkumar Gindodiya  
C.F.O

  
Ramesh Mundada  
(Director)  
DIN 00153255

  
Soni Karwa  
Company Secretary  
M no. A69381

**Laxmi Cotspin Limited**  
**Statement of Changes in Equity**

		(Rs. In Lakhs)				
		As at 31st March 2021	Changes During the year	As at 31st March 2022	Changes During the year	As at 31st March 2023
<b>(A) Equity Share Capital</b>						
<b>Particular</b>						
Equity Shares of Rs. 10/- each Issued, Subscribed and Fully Paid up		1,714.77	-	1,714.77	-	1,714.77
<b>(B) Other Equity</b>						

Particular	Reserve and Surplus				Total Other Equity
	Securities Premium	Capital redemption Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2020	555.30	-	1,929.63	502.95	2,987.87
- Profit for the year	-	-	108.60	-	108.60
- Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>2,038.23</b>	<b>502.95</b>	<b>3,096.48</b>
Balance as at March 31, 2021	555.30	-	2,038.23	502.95	3,096.48
- Profit for the year	-	-	544.91	-	544.91
- Other Comprehensive Income	-	-	-	1.57	1.57
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>2,583.14</b>	<b>502.95</b>	<b>3,642.95</b>
Balance as at March 31, 2022	555.30	-	2,583.14	502.95	3,642.95
- Profit for the year	-	-	(584.78)	-	(584.78)
- Other Comprehensive Income	-	-	-	3.04	3.04
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>1,998.37</b>	<b>502.95</b>	<b>3,061.22</b>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

**DMKH & Co.**  
Chartered Accountants  
FRN : 116886W



*Manish Kankani*

**CA Manish Kankani**  
(Partner)  
M. No. 158020

Date : 19.05.2023  
Place : Mumbai

For and on behalf of Board of Directors of Laxmi Cotspin Limited  
Laxmi Cotspin Limited

*Sanjay Rath*

**Sanjay Rath**  
(Managing Director)  
DIN 00182739

*Ramesh Mundada*

**Ramesh Mundada**  
(Director)  
DIN 00153255

*Anup Kumar Gindodiya*

**Anup Kumar Gindodiya**  
C.F.O

*Soni Karwa*

**Soni Karwa**  
Company Secretary  
M no. A69381

## 3. Property, plant and equipment

Particular	Land	Building	Electrical Installation	Plant & Machinery	Miscellaneous Fixed Asset	Furniture & Fixtures	Computers Systems	Office Equipment	Vehicle & Others	Total
As at April 01, 2021	33.43	1,556.56	387.98	6,143.92	346.84	60.84	24.58	11.93	114.59	8,690.68
Additions	-	46.88	11.99	237.92	3.25	-	0.11	-	20.39	320.54
Disposals	-	-	-	230.73	7.35	-	-	-	-	238.08
As at March 31, 2022	33.43	1,603.44	399.97	6,151.10	342.74	60.84	24.69	11.93	134.98	8,763.13
Additions	-	7.40	1.24	14.29	1.06	-	-	-	8.61	32.60
Disposals	-	-	-	-	-	-	-	-	12.82	12.82
As at March 31, 2023	33.43	1,610.84	401.21	6,165.40	343.80	60.84	24.69	11.93	130.76	8,792.90
<b>DEPRECIATION</b>										
As at April 01, 2021	-	398.88	272.25	4,821.70	297.68	56.99	24.58	11.31	74.02	5,957.41
Change for the year	-	50.06	20.01	217.80	23.42	3.08	0.01	0.53	8.39	323.28
Disposals	-	-	-	192.62	-	-	-	-	-	192.62
As at March 31, 2022	-	448.94	292.26	4,846.87	321.10	60.07	24.59	11.84	82.41	6,088.06
Change for the year	-	51.23	24.07	232.10	5.65	0.11	0.11	0.10	12.83	326.20
Disposals	-	-	-	-	-	-	-	-	7.87	7.87
As at March 31, 2023	-	500.16	316.33	5,078.97	326.75	60.17	24.69	11.93	87.37	6,406.39
Net Carrying Value	33.43	1,110.67	84.88	1,086.43	17.05	0.67	0.00	0.00	43.39	2,376.52
As at March 31, 2022	33.43	1,154.51	107.71	1,304.23	21.64	0.78	0.11	0.10	52.57	2,675.07
As at March 31, 2023	33.43	1,110.67	84.88	1,086.43	17.05	0.67	0.00	0.00	43.39	2,376.52

Note 3.1: All the title deeds (Lease Deed) of immovable properties are held in the name of the company excluding the land situated at Cut no 394 which is on the name of one of the director of the company. However, the company have constructed the Factory building on said land, the amount of construction is unascertainable. The said fact came to light after technical verification by Bank and their survey team.

Note : Capital Work in Progress are under developments includes:

1. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Particulars	Account In Capital work In Progress for a period of				Total As on 31.03.23	Total As on 31.03.22
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years		
Project in progress	109.46	6.23	6.81	190.07	313	203
Project in progress in PY	6.23	6.81	190.07	-	203	197



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	(Rs. In Lakhs)		
	As at	As at	
	31st March, 2023	31st March, 2022	
		(Rs. in Lakhs)	(Rs. in Lakhs)
<b>4 Non Current Financial Assets</b>			
<b>i) Investments in equity Instruments</b>			
<b>Fully paid up equity shares in Subsidiary Companies</b>			
		20.00	10.00
<b>Non - Trade Investments</b>			
	Nos. as at	Nos. as at	Face Value
	31st March, 2023	31st March, 2022	
Laxmi Spintex Private Limited (Wholly owned Subsidiary Company of Laxmi Cotspin Limited)	0.10	0.10	10.00
Laxmi Surgicals Healthcare Private Limited (Wholly owned Subsidiary Company of Laxmi Cotspin Limited)	0.10	-	10.00
<b>ii) Other Financial Assets</b>			
<b>In Term Deposits Account</b>			
		210.34	187.46
<b>Total Financial Assets</b>		<b>230.34</b>	<b>197.46</b>

Particulars	(Rs. in Lakhs)		
	As at	As at	
	31st March, 2023	31st March, 2022	
<b>5 Inventories</b>			
(At cost or Net realisable Value whichever is lower)			
<b>a) Raw Materials</b>			
<b>b) Work-in-Process</b>			
<b>c) Finished Goods</b>			
<b>d) Stores &amp; Spares</b>			
		3,775.51	4,129.65
		308.97	213.67
		443.50	288.29
		173.98	110.39
<b>Total Inventories</b>		<b>4,701.95</b>	<b>4,742.00</b>

Particulars	(Rs. in Lakhs)		
	As at	As at	
	31st March, 2023	31st March, 2022	
<b>6 Trade Receivables</b>			
<b>a) Trade Receivables considered good – Secured and unsecured</b>			
		623.68	861.05
<b>Total Trade Receivable for the period ended 31st March, 2023</b>			

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	
i) Undisputed trade receivables - considered good	585.01	14.57	12.10	12.00	-	623.68
ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
iii) Disputed trade receivables - considered good	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	
i) Undisputed trade receivables - considered good	780.34	69.14	11.57	-	-	0.01
i) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
i) Disputed trade receivables - considered good	-	-	-	-	-	-
i) Disputed trade receivables - considered doubtful	-	-	-	-	-	-

20.00	10.00
210.34	187.46
<b>230.34</b>	<b>197.46</b>
3,775.51	4,129.65
308.97	213.67
443.50	288.29
173.98	110.39
<b>4,701.95</b>	<b>4,742.00</b>
623.68	861.05
<b>623.68</b>	<b>861.05</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>7 Cash &amp; Cash Equivalents</b>		
a) Cash on hand		
b) Balances with Scheduled Banks In Current Account	12.46	3.87
c) Balances with Non-Scheduled Banks	4.11	1.26
	0.13	0.13
<b>Total Cash &amp; Cash Equivalents</b>	<b>16.70</b>	<b>5.25</b>
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>8 Short Term Loans</b>		
b) Loans & Advances to Others	5.00	-
<b>Total Short Term Loans &amp; Advances</b>	<b>5.00</b>	<b>-</b>
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>9 Other Current Asset</b>		
a) Prepaid expenses	9.57	12.42
b) Balance with Government Authorities	11.61	18.78
c) Balance with Government Authorities (Income Tax refund)	91.62	66.47
d) Accrued Interest (TDR)	41.98	44.59
e) Interest Receivable (TUFs)	34.39	34.39
f) Other Receivables( Note 9.1)	319.57	279.65
g) Security Deposit	3.35	3.35
h) Advance to Suppliers and Service Providers	1,025.05	1,598.81
i) Advances to Staff	4.23	10.02
<b>Total Other Current Assets</b>	<b>1,541.36</b>	<b>2,068.48</b>
<b>Note 9.1 : Other receivables includes receivable from IPS subsidy</b>		





**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	As at 31st March 2023 (Rs. in Lakhs)	As at 31st March 2022 (Rs. in Lakhs)
<b>10 Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ` 10/- each	4,000.00	4,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed and Fully Paid -up</b>		
17,147,670 (Previous Year 17,147,670) Equity shares of ` 10/- each fully paid up	1,714.77	1,714.77
<b>Total Share Capital</b>	<b>1,714.77</b>	<b>1,714.77</b>

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

Particular	31st March 2023 No. of Shares	31st March 2022 No. of Shares
Equity Shares outstanding at the beginning of the year	171.48	171.48
Add : Change during the year	-	-
Equity Shares outstanding at the close of the year	<b>171.48</b>	<b>171.48</b>

(b) Terms/rights attached to equity shares

- (i) The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity share is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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: 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 25th March, 2010.

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

Name of Shareholder	31st March 2023		31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ` 10 each fully paid				
Anand Vyapar Private Limited	33.93	19.78%	33.93	19.78%
Safford Merchantile Private Limited	22.85	13.33%	22.85	13.33%
Rameshbhai Chotabhai Patel	22.52	13.13%	22.52	13.13%
Ashva Multitrade Private Limited	20.66	12.05%	20.66	12.05%
Rajesh Puranmal Bansal	9.13	5.33%	9.13	5.33%



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>11 Other Equity</b>		
<b>a) Retained eqarnings</b>		
As per last financial statements	502.95	502.95
Closing Balance	502.95	502.95
<b>b) Securities Premium Reserve</b>		
As per last financial Statements	555.30	555.30
Add: During the year	-	-
Closing Balance	555.30	555.30
<b>c) Surplus in Statement of Profit and Loss</b>		
As per last financial statements	(2,048.42)	2,038.23
Add:		
Profit/(loss) for the year	436.00	(4,086.66)
Net surplus in the statement of Profit and Loss	(1,612.43)	(2,048.42)
<b>Total Reserve and Surplus</b>	(554.18)	(990.18)

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>12 Long Term Borrowings</b>		
<b>a) Secured Long Term Borrowings</b>		
<b>i) Term Loans from Banks</b>		
HDFC Bank Limited (ECLGS Loan)	477.07	639.25
SVS Co-operative Bank Ltd	834.93	868.76
Less: Current maturities of term loans	(434.64)	(497.77)
<b>Term Loans from Banks</b>	877.36	1,010.24
<b>ii) Other Loans from Banks (Vehicle Loan)</b>		
SVC Bank	13.93	15.24
<b>Vehicle Loans from Banks</b>	13.93	15.24
<b>Secured Long Term Borrowings "a"</b>	891.30	1,025.49
<b>b) Unsecured Long Term Borrowings</b>		
<b>i) Inter Corporate deposit</b>		
-	-	-
<b>Unsecured Long Term Borrowings "b"</b>	-	-
<b>Total Long Term Borrowings ("a" + "b")</b>	891.30	1,025.49

**Term Loan and Vehicle from the Bank**

- i) The company has received working capital Term Loan under Emergency Credit line Guaranteed Scheme (ECLGS) is secured by extention of second ranking charge over existing primary and collateral securities.
- ii) 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.
- iii) Vehicle Term Loan is Secured by way of first charge of Vehicle purchased from term loan and guaranteed by directors & Members [Term Loan Repayment period - HDFC - 60 Months]
- iv) Current maturities of long-term borrowings include Rs. 4,34,63,736/- (PY Rs. 4,97,77,293) in respect of loan for which the Company have a repayment to the lenders on or before March 2024 and hence these have been classified as current Liabilities.
- iv) Average cost of loans to be given to the extend of 08% to 10%.



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>13 Long term provisions</b>		
Provision for Employee benefits		
Gratuity	52.63	50.00
<b>Total Long Term Provisions</b>	<b>52.63</b>	<b>50.00</b>

Note 13.1 : During the year, the Company has provided for the liability of Rs. 9,74,087/- on account of Gratuity benefits on actuarial basis. Due to the same a amount of Long Term Provision Rs. 1,56,647/- has been debited to the current years P & L account towards provision for Gratuity - (See - Sub note 13.2)

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>14 Short Term Borrowings</b>		
a) Secured Short Term Borrowings		
i) Cash Credit from various Bank		
HDFC Bank Cash credit Account	1,330.78	1,756.55
SVC Bank Cash credit Account	-	691.29
HDFC Bank (PCFC loan - Export)	-	492.68
Axis bank Cash Credit Account	829.74	-
ii) Pledge Loan from HDFC Bank Limited	741.05	-
b) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	434.64	497.77
<b>Secured Short Term Borrowings</b>	<b>3,336.21</b>	<b>3,438.29</b>

**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, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>15 Trade Payables</b>		
a) Total Outstanding dues of micro enterprises and small enterprises	287.19	375.65
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	261.55	256.06

For the period ended 31st March, 2023

Particulars	Outstanding for following periods from due date of payments					Total
	Less 1 year	1-2 years	2-3 Years	More than 3 years		
i) Undisputed trade Payable - considered good	533.87	13.20	0.20	0.34	547.61	
ii) Undisputed trade Payable - considered doubtful	-	-	-	1.12	1.12	
iii) Disputed trade Payable - considered good	-	-	-	-	-	
iv) Disputed trade Payable - considered doubtful	-	-	-	-	-	

For the period ended 31st March, 2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less 1 year	1-2 years	2-3 Years	More than 3 years		
i) Undisputed trade Payable - considered good	621.93	2.84	0.75	4.08	629.60	
ii) Undisputed trade Payable - considered doubtful	-	-	-	2.11	2.11	
iii) Disputed trade Payable - considered good	-	-	-	-	-	
iv) Disputed trade Payable - considered doubtful	-	-	-	-	-	

**Total Trade Payables**

548.73

631.72



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>16 Other Current Liabilities</b>		
a) Statutory Dues (Note 16.1)		
b) Advance from customer and others	24.00	26.28
c) Other Payables	42.94	35.36
i) Outstanding liabilities for expenses (Note 16.2)	-	-
<b>Total Other Current Liabilities</b>	<b>239.66</b>	<b>167.56</b>
Note 16.1 - Statutory dues include Contribution made for Provident Fund, Local Tax, Professional Tax and Leave encashment		
Note 16.2 - Outstanding liabilities for expenses include liability provision made for Bonus, Electricity Charges, Audit Fees, other tax, Interest, Salary, Wages unpaid for the current year.		
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>17 Current tax Liabilities (Net)</b>		
a) Other Provisions		
Provision for taxation- Income Tax		
Less: Advance and TDS	-	230.00
<b>Total Short Term Provisions</b>	<b>-</b>	<b>(188.49)</b>
	<b>-</b>	<b>41.51</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>18 Revenue From Operations</b>		
<b>Sale of Products</b>		
Sale of Finished Goods	14,037.85	18,349.52
Finished Goods - Traded	276.74	3,144.21
<b>Revenue from Services</b>	14.36	100.59
	<b>14,328.95</b>	<b>21,594.31</b>
<b>Particulars Of Sales</b>		
<b>(A) Export Sales</b>		
i) Sale of Goods (Cotton Bales and Yarn)	-	3,472.09
<b>(B) Domestic Sales</b>		
i) Sale of Goods( Note 18.1)	14,037.85	14,877.44
ii) Sale of Goods Traded	276.74	3,144.21
iii) Sale of Services	14.36	100.59
<b>Note 20.1:</b> Domestic sales includes cotton bales, yarn, seeds, cotton waste, wash oil, oil cake, etc.)		
<b>Other operating revenue</b>	14,328.95	21,594.31
	<b>14,328.95</b>	<b>21,594.31</b>
<b>Total Revenue from operations</b>	<b>14,328.95</b>	<b>21,594.31</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>19 Other Income</b>		
a) Duty Drawback and Incentives	92.57	55.50
b) Other operating income	-	-
a) Forex Gain & Loss	2.57	68.02
b) Interest on FDR and RD	9.45	8.79
c) Other Income	38.52	3.47
	<b>143.11</b>	<b>135.78</b>
<b>Total Other Income</b>	<b>143.11</b>	<b>135.78</b>
<b>Total Revenue</b>	<b>14,472.06</b>	<b>21,730.09</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>20 Cost of Material Consumed</b>		
a) Opening Stock of Raw material	4,129.65	2,399.12
b) Purchases of Raw material	11,636.65	16,196.36
c) Add: Freight Expenses	44.91	121.37
d) Less: Closing Stock	(3,775.51)	(4,129.65)
	<b>12,035.70</b>	<b>14,587.20</b>
<b>Total Cost of Material Consumed</b>	<b>12,035.70</b>	<b>14,587.20</b>
a) Purchases of Raw material - Trading Concern	277.20	3,137.26
	<b>277.20</b>	<b>3,137.26</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>21 Changes in inventories of finished goods, work-in-process and stock-in-trade</b>		
<b>a) Opening Stock</b>		
Finished Goods	288.29	197.70
Work in Process	213.67	228.42
	<b>501.96</b>	<b>426.12</b>
<b>b) Closing Stock</b>		
Finished Goods	443.50	288.29
Work in Process	308.97	213.67
	<b>752.47</b>	<b>501.96</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(250.50)</b>	<b>(75.84)</b>

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>22 Employee Benefit Expenses</b>		
a) Salaries and wages	789.88	713.69
b) Directors remuneration	64.00	47.25
c) Contribution to provident & other funds	33.74	31.05
e) Staff Welfare expenses	30.98	35.52
	<b>918.60</b>	<b>827.50</b>
<b>Total Employee Benefit Expenses</b>	<b>918.60</b>	<b>827.50</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>23 Finance Cost</b>		
a) Bank Charges	26.01	29.93
<b>b) Interest Expenses</b>	26.01	29.93
i) Interest on Term Loan	127.83	127.91
ii) Interest on Working Capital Loan	129.06	129.47
iii) Interest on Pledge Loan	16.86	-
iv) Interest on Trading Yarn & Others	13.88	46.62
v) <b>Less:</b> Interest from customers	(110.92)	(76.49)
<b>Total Finance Cost</b>	176.70	227.51
<b>Note 25.1 - Interest expenses are net of Interest Income</b>	202.70	257.45
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>24 Depreciation &amp; Amortization Expenses</b>		
a) Depreciation	326.20	323.28
<b>Total Depreciation &amp; Amortization Expenses</b>	326.20	323.28
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>25 Other Expenses</b>		
a) Consumption of Stores and Spares and Packing Material	173.77	420.19
b) Consumption of Power and Fuel	1,008.06	784.91
c) Repair & Maintenance	27.67	26.79
d) Insurance	29.44	22.17
e) Office Expenses	35.73	25.11
f) Audit Fees	5.40	1.95
g) Legal, Professional and Subscription Charges	44.52	45.25
h) Rent, Rates & Taxes (Refer Note 25.1)	108.77	14.73
i) Communication Expenses	2.58	3.97
j) Travelling & Conveyance Expenses	4.60	3.10
k) Clearing and forwarding expenses	99.03	293.32
l) Selling Expenses	93.48	253.03
m) CSR Expense	5.26	-
n) MSME Interest	0.47	-
o) Provision for ECL	6.44	-
<b>Total of other expenses</b>	1,645.21	1,894.52

Note 25.1 - During the year the company has taken YMA production unit on lease for a short period.



**Laxmi Cotspin Limited**  
**Notes to the Financial Statements as at 31st March, 2023**

Particulars	As at 31st March, 2023	As at 31st March, 2022	
<b>Note "26" Ratios</b>			
1	Current Ratio	1.67	1.79
2	Debt-equity Ratio	0.89	0.83
3	Debt Service Coverage Ratio	-	1.90
4	Return on Equity Ratio	-11.5%	10.7%
5	Inventory turnover Ratio	2.61	4.55
6	Trade Receivable turnover Ratio	19.30	15.30
7	Trade Payable turnover Ratio	20.19	33.72
8	Net Capital turnover Ratio	5.24	6.40
9	Net Profit Ratio	-4.04%	2.51%
10	Return of Capital employed	-8.0%	16.9%
11	Return on Investment	-11.3%	12.8%
12	Interest Service Coverage Ratio	-	3.66







## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
LAXMI COTSPIN LIMITED.**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Laxmi Cotspin Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and total comprehensive income (including other comprehensive income), changes in equity and its 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matter to be communicated in our report.



Sr No	Key Audit Matter	Auditor's Response
1	<p>Valuation accuracy completeness and disclosures pertaining to inventories with reference to IND AS 2.</p> <p>Inventories constitutes material component of Financial Statement. Correctness, completeness, and valuation are critical for reflecting true and fair financial results of operations.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We assessed the company's process regarding maintenance of records valuation and accounting of transactions relating to inventory as per the Ind AS 2.</li> <li>• We have evaluated the design of internal controls relating to recording and valuation of inventory.</li> <li>• We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to inventory.</li> </ul>
2	<p><b>Expected Credit Loss as per IND AS 109:</b></p> <p>The company has booked an ECL provision amounted to Rs 6.44 lakhs. Recognition and measurement of impairment relating to financial assets involves significant management judgment. With the applicability of Ind AS 109 "Financial Instruments", credit loss assessment is based on ECL model which is forward looking Expected Loss Approach.</p> <p>We have identified measurement of ECL as a key audit matter in view of the significant judgment and assumptions involved.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Examined the policy on ECL for impairment of financial assets and assessed compliance with Ind AS 109.</li> <li>• Understood the process of ECL computation and tested design and operating effectiveness of key controls around data extraction and validation.</li> <li>• Tested the ECL computation and ensured application of correct underlying factor like Probability of Default, Loss Given Default etc. basis the nature of products and models.</li> <li>• Tested the mathematical accuracy of the computation by reperforming the formulas.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the management Discussion and Analysis, Board's Report Including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financials statements and our auditor's report thereon.



Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Managements' Responsibilities for the Consolidated Financial Statements**

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

In preparing the consolidated 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional



omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in, (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) To evaluate the effect of any identified misstatement in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) 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) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For DMKH & CO.,**  
**Chartered Accountants**  
**Firm Registration Number: 116886W**

**CA Manish Kankani**  
**Partner**  
**Membership Number: 158020**  
**UDIN: 23158020BGUSBV5825**  
**Place: Mumbai**  
**Date: May 19,2023.**

**Annexure "A" To Independent Auditor's Report**

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of Laxmi Cotspin Limited of even date)

**Report on the Companies (Auditor's Report) Order, 2020, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Laxmi Cotspin Limited ("the Company"):**

xxi. There were no adverse comment on subsidiary financial statements, so said clause is not applicable to company.

**For DMKH & CO.**

**Chartered Accountants**

**FRN: 116886W**

*Manish Kankani*



**CA Manish Kankani**

**Partner**

**MRN: 158020**

**UDIN: 23158020BGUSBV5825**

**Place: Mumbai**

**Date: May 19,2023.**

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Laxmi Cotspin Limited 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 March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Management of the Company 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 issued by the Institute of Chartered Accountants of India (“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 the respective 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 under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



## **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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial 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 issued by the Institute of Chartered Accountants of India.

**For DMKH & CO.**

**Chartered Accountants**

**FRN: 116886W**


**CA Manish Kankani**

**Partner**

**MRN: 158020**

**UDIN: 23158020BGUSBV5825**

**Place: Mumbai**

**Date: May 19,2023.**



**Laxmi Cotspin Limited**  
**Consolidated Balance Sheet as at March 31, 2023**

(Rs. in Lakhs)

(Rs. in Lakhs)

Particular	Notes	As at March 31, 2023	As at March 31, 2022
<b>A. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	2,376.52	2,675.49
(b) Capital Work-in-Progress	3	312.58	203.12
(c) Financial Assets			
i. Investments	4	-	-
ii. Other Financial Assets		210.34	187.46
(d) Deferred Tax Assets (net)		36.78	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,936.22</b>	<b>3,066.08</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	5	4,701.95	4,742.00
(b) Financial assets			
i. Trade Receivables	6	614.83	871.05
ii. Cash and Cash Equivalents	7	35.20	15.25
iii. Loans	8	5.00	-
(c) Other Current Assets	9	1,541.36	2,068.48
<b>TOTAL CURRENT ASSETS</b>		<b>6,898.34</b>	<b>7,696.79</b>
<b>TOTAL ASSETS</b>		<b>9,834.56</b>	<b>10,762.86</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	10	1,714.77	1,714.77
(b) Other Equity	11	3,060.11	3,642.95
<b>TOTAL EQUITY</b>		<b>4,774.88</b>	<b>5,357.72</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	12	891.30	1,025.49
(b) Provisions	13	52.63	50.00
(c) Deferred Tax Liabilities (Net)			40.58
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>943.93</b>	<b>1,116.06</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i. Borrowings	14	3,336.21	3,438.29
ii. Trade payables	15	539.88	641.72
(b) Provisions			
(c) Current Tax Liabilities (Net)	16	-	41.51
(e) Other Current Liabilities	17	239.66	167.56
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,115.75</b>	<b>4,289.08</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,834.56</b>	<b>10,762.86</b>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

**DMKH & Co.**

Chartered Accountants

FRN : 116886W

*Kankani*



**CA Manish Kankani**

(Partner)

M. No. 158020

Date : 19.05.2023

Place : Mumbai

For and on behalf of Board of Directors of  
Laxmi Cotspin Limited

*Sanjay Rathi*

**Sanjay Rathi**  
(Managing Director)  
DIN 00182739

*Anupkumar Gindodiya*  
**Anupkumar Gindodiya**  
C.F.O

*Ramesh Mundada*

**Ramesh Mundada**  
(Director)  
DIN 00153255

*Soni Karwa*  
**Soni Karwa**  
Company Secretary  
M no. A69381

**Laxmi Cotspin Limited**  
**Consolidated Statement of Profit and Loss for the period ended as on 31st March, 2023**

Particular	Notes	(Rs. in Lakhs)	(Rs. in Lakhs)
		For the period ended March 31, 2023	For the period ended March 31, 2022
I. Revenue From Operations	18	14,328.95	21,594.31
II. Other Income	19	143.11	135.78
<b>Total Income (I+II) (III)</b>		<b>14,472.06</b>	<b>21,730.09</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	20	12,312.90	17,724.46
Changes in Inventories of Work-In-Progress and Finished Goods	21	(250.50)	(75.84)
Employee Benefit Expense	22	918.60	827.50
Finance Costs	23	202.70	257.45
Depreciation and Amortisation Expense	24	326.20	323.28
Other Expenses	25	1,646.71	1,894.52
<b>Total Expenses</b>		<b>15,156.60</b>	<b>20,951.37</b>
<b>V. Profit Before Extra-Ordinary Item (III - IV)</b>		<b>(684.53)</b>	<b>778.72</b>
Extra-Ordinary Item		0.34	30.05
<b>V. Profit Before Tax (III - IV)</b>		<b>(684.19)</b>	<b>808.77</b>
<b>VI. Income tax expense</b>			
Current Tax		-	230.00
Short /Excess Provision of Tax		(20.95)	-
Deferred Tax		(77.36)	16.35
MAT Credit Entitlement		-	17.51
<b>Total Tax Expense</b>		<b>(98.30)</b>	<b>263.86</b>
<b>VII. Profit for the Year (V - VI)</b>		<b>(585.89)</b>	<b>544.91</b>
<b>VIII. Other comprehensive income</b>			
Items that may be reclassified to profit or loss		-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Exchange differences on translation of foreign operations		-	-
Remeasurement of defined benefit obligation		3.04	(1.57)
Others (Specify)		-	-
Income tax relating to these items		-	-
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>3.04</b>	<b>(1.57)</b>
<b>IX. Total Comprehensive Income for the Year (VII + VIII)</b>		<b>(582.84)</b>	<b>543.34</b>
<b>X. Earnings Per Equity Share for Profit Attributable to Owners</b>			
Basic		(3.40)	3.17
Diluted		(3.40)	3.17


Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

**DMKH & Co.**

Chartered Accountants

FRN : 116886W

*Kankani*  


**CA Manish Kankani**

(Partner)

M. No. 158020

Date : 19.05.2023

Place : Mumbai

For and on behalf of Board of Directors of  
**Laxmi Cotspin Limited**

*Sanjay Rathi*

**Sanjay Rathi**  
 (Managing Director)  
 DIN 00182739

*Anupkumar Gindodiya*  
**Anupkumar Gindodiya**  
 C.F.O

*Ramesh Mundada*

**Ramesh Mundada**  
 (Director)  
 DIN 00153255

*Soni Karwa*


**Soni Karwa**  
 Company Secretary  
 M no. A69381

**Laxmi Cotspin Limited**  
**Consolidated Cash Flow Statement**  
For the period ended 31st March, 2023

Particulars	As At 31st March, 2023 (Rs. in Lakhs)	As At 31st March, 2022 (Rs. in Lakhs)
<b>A. Cash Inflow/ (Outflow) from Operating Activities</b>		
Net Profit After Tax	(585.89)	544.91
<b>Adjustment For</b>		
Depreciation	326.20	323.28
Interest Paid (Net)	202.70	257.45
Provision for Income Tax	-	230.00
Deferred Tax	(77.36)	16.35
Remeasurement of defined benefit obligation	3.04	1.57
Provision for Gratuity and Leave Encashment	11.45	13.06
Profit / Loss on Sale of Asset	(0.34)	30.05
Duty Drawback, Interest and Subsidy Received	(143.11)	(135.78)
Provision for ECL	6.44	
Earlier Provision Written Back	(20.95)	17.51
	<b>308.07</b>	<b>753.49</b>
<b>Operating Profit before working capital changes</b>	<b>(277.82)</b>	<b>1,298.40</b>
<b>Adjustment for</b>		
Inventories	40.05	(1,701.29)
Trade Receivables	256.22	1,091.25
Other Current Assets	527.12	(88.75)
Short-term loans and advances	(5.00)	(932.17)
Trade Payables	(101.84)	126.70
Other Current Liabilities	36.70	(133.66)
Income Tax Paid	-	(230.00)
	<b>753.26</b>	<b>(1,867.92)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>475.44</b>	<b>(569.53)</b>
<b>B. Cash Inflow/(Outflow) From Investment Activities</b>		
Capital Expenditure (Purchase/ Capitalization)	(142.05)	(320.54)
Sale Proceeds of Fixed Assets	5.30	15.41
(Increase) / Decrease due to Investment	(22.88)	(45.69)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(159.64)</b>	<b>(350.82)</b>
<b>C. Cash Inflow/(Outflow) From Financing Activities</b>		
Increase/ Decrease in Long Term Borrowings	(134.19)	(326.80)
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	(102.08)	1,373.92
Interest Paid	(202.70)	(257.45)
Duty Drawback, Interest and Subsidy Received	143.11	135.78
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(295.86)</b>	<b>925.46</b>
<b>Net Changes In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>19.94</b>	<b>5.11</b>
Cash & Cash equivalents (Opening Balance)	15.25	10.14
Cash & Cash equivalents (Closing Balance)	<b>35.20</b>	<b>15.25</b>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

DMKH & Co.  
Chartered Accountants  
FRN : 116886W

  
CA Manish Kankani  
(Partner)  
M. No. 158020



Date : 19.05.2023  
Place : Mumbai

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

  
Sanjay Rathi  
(Managing Director)  
DIN 00182739

  
Ramesh Mundada  
(Director)  
DIN 00153255

  
Anupkumar Gindodiya  
C.F.O

  
Soni Karwa  
Company Secretary  
M no. A69381

Taxmi Cotspin Limited

Notes to the Consolidated Financial Statements for the period ended as on March 31, 2023

3. Property, plant and equipment

Particular	Land	Building	Electrical Installation	Plant & Machinery	Miscellaneous Fixed Asset	Furniture & Fixtures	Computers Systems	Office Equipment	Vehicle & Others	Total
As at April 01, 2021	33.43	1,556.56	387.98	6,143.92	346.84	60.84	24.58	11.93	114.59	8,680.68
Additions	-	46.88	11.99	237.92	3.25	-	0.11	-	20.39	320.54
Disposals	-	-	-	230.73	7.35	-	-	-	-	238.08
As at March 31, 2022	33.43	1,603.44	399.97	6,151.10	342.74	60.84	24.69	11.93	134.98	8,763.13
Additions	-	7.40	1.24	14.29	1.06	-	-	-	8.61	32.60
Disposals	-	-	-	-	-	-	-	-	12.82	12.82
As at March 31, 2023	33.43	1,610.84	401.21	6,165.40	343.80	60.84	24.69	11.93	130.76	8,782.90
<b>DEPRECIATION</b>										
As at April 01, 2021	-	398.88	272.25	4,821.70	297.68	56.99	24.58	11.31	74.02	5,957.41
Change for the year	-	50.06	20.01	217.80	23.42	3.08	0.01	0.53	8.39	323.28
Disposals	-	-	-	192.62	-	-	-	-	-	192.62
As at March 31, 2022	-	448.94	292.26	4,846.87	321.10	60.07	24.59	11.84	82.41	6,088.06
Change for the year	-	51.23	24.07	232.10	5.65	0.11	0.11	0.10	12.83	326.20
Disposals	-	-	-	-	-	-	-	-	7.87	7.87
As at March 31, 2023	-	500.16	316.33	5,078.97	326.75	60.17	24.69	11.93	87.37	6,406.39
Net Carrying Value	33.43	1,110.67	84.88	1,086.43	17.05	0.67	0.00	0.00	43.39	2,376.52
As at March 31, 2022	33.43	1,154.51	107.71	1,304.23	21.64	0.78	0.11	0.10	52.57	2,675.07
As at March 31, 2023	33.43	1,110.67	84.88	1,086.43	17.05	0.67	0.00	0.00	43.39	2,376.52

Note 3.1: All the title deeds (Lease Deed) of immovable properties are held in the name of the company excluding the land situated at Gut no 394 which is on the name of one of the director of the company. However, the company have constructed the Factory building on said land, the amount of construction is unascertainable. The said fact came to light after technical verification by Bank and their survey team.

Note : Capital Work in Progress are under developments includes.

1. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Particulars	Account in Capital work in Progress for a period of			Total
	Less than 1 year	1-2 years	2-3 Years	
Project in progress	109.46	6.23	6.81	190.07
Project in progress in PY	6.23	6.81	190.07	203.12
				196.89
				312.58
				203.12
				196.89



**Laxmi Cotspin Limited**  
Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)				
<b>4 Non Current Financial Assets</b>						
<b>i) Investments in equity Instruments</b>						
Fully paid up equity shares in Subsidiary Companies						
<b>ii) Other Financial Assets</b>						
In Term Deposits Account	210.34	187.46				
<b>Total Financial Assets</b>	<b>210.34</b>	<b>187.46</b>				
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)				
<b>5 Inventories</b>						
(At cost or Net realisable Value whichever is lower)						
a) Raw Materials	3,775.51	4,129.65				
b) Work-in-Process	308.97	213.67				
c) Finished Goods	443.50	288.29				
d) Stores & Spares	173.98	110.39				
<b>Total Inventories</b>	<b>4,701.95</b>	<b>4,742.00</b>				
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)				
<b>6 Trade Receivables</b>						
a) Trade Receivables considered good – Secured and unsecured	614.83	871.05				
<b>Total Trade Receivable for the period ended 31st March, 2023</b>						
Outstanding for following periods from due date of payments						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
i) Undisputed trade receivables - considered good	585.01	14.57	12.10	12.00	-	623.68
ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
iii) Disputed trade receivables - considered good	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total Trade Receivable for the period ended 31st March, 2021</b>						
Outstanding for following periods from due date of payments						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
i) Undisputed trade receivables - considered good	780.34	69.14	11.57	-	-	861.05
ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
i) Disputed trade receivables - considered good	-	-	-	-	-	-
i) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
	614.83					871.05



**Laxmi Cotspin Limited**  
Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>7 Cash &amp; Cash Equivalents</b>		
a) Cash on hand	12.46	3.87
b) Balances with Scheduled Banks In Current Account	-	-
c) Balances with Non-Scheduled Banks	4.11	1.26
	18.63	10.13
<b>Total Cash &amp; Cash Equivalents</b>	<b>35.20</b>	<b>15.25</b>
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>8 Short Term Loans</b>		
b) Loans & Advances to Others	5.00	-
	-	-
<b>Total Short Term Loans &amp; Advances</b>	<b>5.00</b>	<b>-</b>
Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>9 Other Current Asset</b>		
a) Prepaid expenses	9.57	12.42
b) Balance with Government Authorities	11.61	18.78
c) Balance with Government Authorities (Income Tax refund)	91.62	66.47
d) Accrued Interest (TDR)	41.98	44.59
e) Interest Receivable (TUFS)	34.39	34.39
f) Other Receivables( Note 9.1)	319.57	279.65
g) Security Deposit	3.35	3.35
h) Advance to Suppliers and Service Providers	1,025.05	1,598.81
i) Advances to Staff	4.23	10.02
	-	-
<b>Total Other Current Assets</b>	<b>1,541.36</b>	<b>2,068.48</b>
<b>Note 9.1 : Other receivables includes receivable from IPS subsidy</b>		



**Laxmi Cotspin Limited**  
Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March 2023 (Rs. in Lakhs)	As at 31st March 2022 (Rs. in Lakhs)
<b>10 Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ` 10/- each	4,000.00	4,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed and Fully Paid -up</b>		
17,147,670 (Previous Year 17,147,670) Equity shares of ` 10/- each fully paid up	0.02	0.02
<b>Total Share Capital</b>	<b>0.02</b>	<b>0.02</b>

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

Particular	31st March 2023 No. of Shares	31st March 2022 No. of Shares
Equity Shares outstanding at the beginning of the year	171.48	171.48
Add : Change during the year	-	-
Equity Shares outstanding at the close of the year	<b>171.48</b>	<b>171.48</b>

(b) Terms/rights attached to equity shares

- (i) The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity share is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:** 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 25th March, 2010.

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

Name of Shareholder	31st March 2023		31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of ` 10 each fully paid</b>				
Anand Vyapar Private Limited	33.93	19.78%	33.93	19.78%
Safford Merchantile Private Limited	22.85	13.33%	22.85	13.33%
Rameshbhai Chotabhai Patel	22.52	13.13%	22.52	13.13%
Ashva Multitrade Private Limited	20.66	12.05%	20.66	12.05%
Rajesh Puranmal Bansal	9.13	5.33%	9.13	5.33%

(e) Name of Promoters and Directors

Name of Promoters	As at 31.03.2023		As at 31.03.2022		% change during the period	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% Change
Rameshbhai Chotabhai Patel	22,51,563	22.87%	22,51,563	22.87%	-	-
Rajesh Puranmal Bansal	9,13,125	9.28%	9,13,125	9.28%	-	-
Sanjay Kachrural Rathi	4,31,875	4.39%	4,31,875	4.39%	-	-
Anand Vyapaar Private Limited	33,92,500	34.46%	33,92,500	34.46%	-	-
Ashva Multi Trade Private Limited	20,65,930	20.99%	20,65,930	20.99%	-	-
Other Promoters	7,89,601	8.02%	7,89,601	8.02%	-	-



**Laxmi Cotspin Limited**  
Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>11 Other Equity</b>		
<b>a) Retained eqarnings</b>		
As per last financial statements	502.95	502.95
<b>Closing Balance</b>	<b>502.95</b>	<b>502.95</b>
<b>b) Securities Premium Reserve</b>		
As per last financial Statements	555.30	555.30
<b>Add: During the year</b>	-	-
<b>Closing Balance</b>	<b>555.30</b>	<b>555.30</b>
<b>c) Surplus in Statement of Profit and Loss</b>		
As per last financial statements	(2,048.42)	2,038.23
<b>Add:</b>	-	-
Profit/(loss) for the year	434.89	(4,086.66)
<b>Net surplus in the statement of Profit and Loss</b>	<b>(1,613.54)</b>	<b>(2,048.42)</b>
<b>Total Reserve and Surplus</b>	<b>(555.29)</b>	<b>(990.18)</b>

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>12 Long Term Borrowings</b>		
<b>a) Secured Long Term Borrowings</b>		
<b>i) Term Loans from Banks</b>		
HDFC Bank Limited (ECLGS Loan)	477.07	639.25
SVS Co-operative Bank Ltd	834.93	868.76
Less: Current maturities of term loans	(434.64)	(497.77)
<b>Term Loans from Banks</b>	<b>877.36</b>	<b>1,010.24</b>
<b>ii) Other Loans from Banks (Vehicle Loan)</b>		
SVC Bank	13.93	15.24
<b>Vehicle Loans from Banks</b>	<b>13.93</b>	<b>15.24</b>
<b>Secured Long Term Borrowings "a"</b>	<b>891.30</b>	<b>1,025.49</b>
<b>b) Unsecured Long Term Borrowings</b>		
<b>i) Inter Corporate deposit</b>		
	-	-
<b>Unsecured Long Term Borrowings "b"</b>	<b>-</b>	<b>-</b>
<b>Total Long Term Borrowings ("a" + "b")</b>	<b>891.30</b>	<b>1,025.49</b>

**Term Loan and Vehicle from the Bank**

- i) The company has received working capital Term Loan under Emergency Credit Line Guaranteed Scheme (ECLGS) is secured by extension of second ranking charge over existing primary and collateral securities.
- ii) 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.
- iii) Vehicle Term Loan is Secured by way of first charge of Vehicle purchased from term loan and guaranteed by directors & Members [Term Loan Repayment period - HDFC - 60 Months]
- iv) Current maturities of long-term borrowings include Rs. 4,34,63,736/- (PY Rs. 4,97,77,293) in respect of loan for which the Company have a repayment to the lenders on or before March 2024 and hence these have been classified as current Liabilities.
- iv) Average cost of loans to be given to the extend of 08% to 10%.





**Laxmi Cotspin Limited**

Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>13 Long term provisions</b>		
Provision for Employee benefits		
Gratuity	52.63	50.00
<b>Total Long Term Provisions</b>	<b>52.63</b>	<b>50.00</b>

**Note 13.1 :** During the year, the Company has provided for the liability of Rs. 9,74,087/- on account of Gratuity benefits on actuarial basis. Due to the same a amount of Long Term Provision Rs. 1,56,647/- has been debited to the current years P & L account towards provision for Gratuity - (See - Sub note 13.2)

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>14 Short Term Borrowings</b>		
<b>a) Secured Short Term Borrowings</b>		
i) Cash Credit from various Bank		
HDFC Bank Cash credit Account	1,330.78	1,756.55
SVC Bank Cash credit Account	-	691.29
HDFC Bank (PCFC loan - Export)	-	492.68
Axis bank Cash Credit Account	829.74	-
ii) Pledge Loan from HDFC Bank Limited	741.05	-
b) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	434.64	497.77
<b>Secured Short Term Borrowings</b>	<b>3,336.21</b>	<b>3,438.29</b>

**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, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>15 Trade Payables</b>		
a) Total Outstanding dues of micro enterprises and small enterprises	287.19	375.65
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	252.70	266.06

For the period ended 31st March,2023

Particulars	Outstanding for following periods from due date of payments					Total
	Less 1 year	1-2 years	2-3 Years	More than 3 years		
i) Undisputed trade Payable - considered good	533.87	13.20	0.20	0.34	547.61	
ii) Undisputed trade Payable - considered doubtful	-	-	-	1.12	1.12	
iii) Disputed trade Payable - considered good	-	-	-	-	-	
iv) Disputed trade Payable - considered doubtful	-	-	-	-	-	

For the period ended 31st March,2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less 1 year	1-2 years	2-3 Years	More than 3 years		
i) Undisputed trade Payable - considered good	621.93	2.84	0.75	4.08	629.60	
ii) Undisputed trade Payable - considered doubtful	-	-	-	2.11	2.11	
iii) Disputed trade Payable - considered good	-	-	-	-	-	
iv) Disputed trade Payable - considered doubtful	-	-	-	-	-	

**Total Trade Payables**

539.88

641.72



**Laxmi Cotspin Limited**  
Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>16 Other Current Liabilities</b>		
a) Statutory Dues (Note 16.1)		
b) Advance from customer and others	24.00	26.28
c) Other Payables	42.94	35.36
i) Outstanding liabilities for expenses (Note 16.2)	172.72	105.92
<b>Total Other Current Liabilities</b>	<b>239.66</b>	<b>167.56</b>

Note 16.1 - Statutory dues include Contribution made for Provident Fund, Local Tax, Professional Tax and Leave encashment

Note 16.2 - Outstanding liabilities for expenses include liability provision made for Bonus, Electricity Charges, Audit Fees, other tax, Interest, Salary, Wages unpaid for the current year.

Particulars	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>17 Current tax Liabilities (Net)</b>		
a) Other Provisions		
Provision for taxation- Income Tax		230.00
Less: Advance and TDS	-	(188.49)
<b>Total Short Term Provisions</b>	<b>-</b>	<b>41.51</b>



## Laxmi Cotspin Limited

Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>18 Revenue From Operations</b>		
<b>Sale of Products</b>		
Sale of Finished Goods	14,037.85	18,349.52
Finished Goods - Traded	276.74	3,144.21
<b>Revenue from Services</b>	14.36	100.59
	<b>14,328.95</b>	<b>21,594.31</b>
<b>Particulars Of Sales</b>		
<b>(A) Export Sales</b>		
i) Sale of Goods (Cotton Bales and Yarn)	-	3,472.09
<b>(B) Domestic Sales</b>		
i) Sale of Goods( Note 18.1)	14,037.85	14,877.44
ii) Sale of Goods Traded	276.74	3,144.21
iii) Sale of Services	14.36	100.59
<b>Note 20.1:</b> Domestic sales includes cotton bales, yarn, seeds, cotton waste, wash oil, oil cake, etc.)	-	-
<b>Other operating revenue</b>	14,328.95	21,594.31
<b>Total Revenue from operations</b>	<b>14,328.95</b>	<b>21,594.31</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>19 Other Income</b>		
a) Duty Drawback and Incentives	92.57	55.50
b) Other operating income	-	-
a) Forex Gain & Loss	2.57	68.02
b) Interest on FDR and RD	9.45	8.79
c) Other Income	38.52	3.47
<b>Total Other Income</b>	143.11	135.78
<b>Total Revenue</b>	<b>14,472.06</b>	<b>21,730.09</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>20 Cost of Material Consumed</b>		
a) Opening Stock of Raw material	4,129.65	2,399.12
b) Purchases of Raw material	11,636.65	16,196.36
c) Add: Freight Expenses	44.91	121.37
d) Less: Closing Stock	(3,775.51)	(4,129.65)
<b>Total Cost of Material Consumed</b>	<b>12,035.70</b>	<b>14,587.20</b>
a) Purchases of Raw material - Trading Concern	277.20	3,137.26
	<b>277.20</b>	<b>3,137.26</b>



**Laxmi Cotspin Limited**

Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>21 Changes in inventories of finished goods, work-in-process and stock-in-trade</b>		
<b>a) Opening Stock</b>		
Finished Goods	288.29	197.70
Work in Process	213.67	228.42
	<b>501.96</b>	<b>426.12</b>
<b>b) Closing Stock</b>		
Finished Goods	443.50	288.29
Work in Process	308.97	213.67
	<b>752.47</b>	<b>501.96</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(250.50)</b>	<b>(75.84)</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>22 Employee Benefit Expenses</b>		
<b>a) Salaries and wages</b>	<b>789.88</b>	<b>713.69</b>
<b>b) Directors remuneration</b>	<b>64.00</b>	<b>47.25</b>
<b>c) Contribution to provident &amp; other funds</b>	<b>33.74</b>	<b>31.05</b>
<b>e) Staff Welfare expenses</b>	<b>30.98</b>	<b>35.52</b>
<b>Total Employee Benefit Expenses</b>	<b>918.60</b>	<b>827.50</b>



**Laxmi Cotspin Limited**

Notes to the Consolidated Financial Statements as at 31st March, 2023

Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>23 Finance Cost</b>		
a) Bank Charges	26.01	29.93
	<b>26.01</b>	<b>29.93</b>
b) Interest Expenses		
i) Interest on Term Loan	127.83	127.91
ii) Interest on Working Capital Loan	129.06	129.47
iii) Interest on Pledge Loan	16.86	-
iv) Interest on Trading Yarn & Others	13.88	46.62
v) <u>Less:</u> Interest from customers	(110.92)	(76.49)
	<b>176.70</b>	<b>227.51</b>
<b>Total Finance Cost</b>	<b>202.70</b>	<b>257.45</b>
<b>Note 25.1 - Interest expenses are net of Interest Income</b>		
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>24 Depreciation &amp; Amortization Expenses</b>		
a) Depreciation	326.20	323.28
	<b>326.20</b>	<b>323.28</b>
<b>Total Depreciation &amp; Amortization Expenses</b>	<b>326.20</b>	<b>323.28</b>
Particulars	Period Ended 31st March, 2023 (Rs. in Lakhs)	Period Ended 31st March, 2022 (Rs. in Lakhs)
<b>25 Other Expenses</b>		
a) Consumption of Stores and Spares and Packing Material	173.77	420.19
b) Consumption of Power and Fuel	1,008.06	784.91
c) Repair & Maintenance	27.67	26.79
d) Insurance	29.44	22.17
e) Office Expenses	37.23	25.11
f) Audit Fees	5.40	1.95
g) Legal, Professional and Subscription Charges	44.52	45.25
h) Rent, Rates & Taxes (Refer Note 25.1)	108.77	14.73
i) Communication Expenses	2.58	3.97
j) Travelling & Conveyance Expenses	4.60	3.10
k) Clearing and forwarding expenses	99.03	293.32
l) Selling Expenses	93.48	253.03
m) CSR Expense	5.26	-
n) MSME Interest	0.47	-
o) Provision for ECL	6.44	-
<b>Total of other expenses</b>	<b>1,646.71</b>	<b>1,894.52</b>

Note 25.1 - During the year the company has taken YMA production unit on lease for a short period.



**Laxmi Cotspin Limited**  
**Notes to the Consolidated Financial Statements as at 31st March, 2023**

Particulars	As at 31st March, 2023	As at 31st March, 2022	
<b>Note "26" Ratios</b>			
1	Current Ratio	1.68	1.79
2	Debt-equity Ratio	0.89	0.83
3	Debt Service Coverage Ratio	-	1.90
4	Return on Equity Ratio	-11.6%	10.7%
5	Inventory turnover Ratio	2.61	4.55
6	Trade Receivable turnover Ratio	19.29	15.24
7	Trade Payable turnover Ratio	20.17	33.43
8	Net Capital turnover Ratio	5.20	6.38
9	Net Profit Ratio	-4.05%	2.51%
10	Return of Capital employed	-8.0%	16.9%
11	Return on Investment	-11.4%	12.8%
12	Interest Service Coverage Ratio	-	3.66



**Laxmi Cotspin Limited**  
**Statement of Changes in Equity**

(Rs. in Lakhs)

(A) Equity Share Capital	As at 31st March 2021	Changes During the year	As at 31st March 2022	Changes During the year	As at 31st March 2023
Particular					
Equity Shares of Rs. 10/- each Issued, Subscribed and Fully Paid up	1,714.77	-	1,714.77	-	1,714.77
(B) Other Equity					

Particular	Reserve and Surplus			Retained Earnings	Other items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Capital redemption Reserve	General Reserve			
Balance as at April 1, 2020	555.30	-	1,929.63	502.95	-	2,987.87
- Profit for the year			108.60	-	-	108.60
- Other Comprehensive Income						
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>2,038.23</b>	<b>502.95</b>	<b>-</b>	<b>3,096.48</b>
Balance as at March 31, 2021	555.30	-	2,038.23	502.95	-	3,096.48
- Profit for the year			544.91	-	1.57	544.91
- Other Comprehensive Income					1.57	1.57
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>2,583.14</b>	<b>502.95</b>	<b>1.57</b>	<b>3,642.95</b>
Balance as at March 31, 2022	555.30	-	2,583.14	502.95	1.57	3,642.95
- Profit for the year			(585.89)	-	-	(585.89)
- Other Comprehensive Income					3.04	3.04
<b>Total Comprehensive Income for the year</b>	<b>555.30</b>	<b>-</b>	<b>1,997.26</b>	<b>502.95</b>	<b>4.61</b>	<b>3,060.11</b>

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

In terms of our report attached.

DMKH & Co.

Chartered Accountants

FRN : 116886W



CA Manish Kankani  
(Partner)

M. No. 158020

Date : 19.05.2023

Place : Mumbai

For and on behalf of Board of Directors of Laxmi Cotspin Limited  
Laxmi Cotspin Limited

*Sanjay Rathi*

Sanjay Rathi  
(Managing Director)  
DIN 00182739

*Ramesh Mundaya*

Ramesh Mundaya  
(Director)  
DIN-00153255

*Anupkumar Gindodiya*

Anupkumar Gindodiya  
C.F.O

Soni Karwa  
Company Secretary  
M no. A69381

# Laxmi Cotspin Limited

Notes to the financial statement as at and for the period ended 31<sup>st</sup> March, 2023

## 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) Basis for Preparation:

### a) Statement of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred "Ind AS").

The financial statements up to the year ended March 31, 2023 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

### b) Functional and presentation currency:

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

### c) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

### d) Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;





· It is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. The Company has determined that its operating cycle is 12 months.

**e) Foreign currency translation**

**Functional and presentation currency**

'The items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates (that is, 'functional currency'). The financial statements are presented in INR which is the Company's functional and presentation currency.

**Transactions and balances**

'Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

**f) 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.

**g) Useful lives of Property , Plant and Equipment:**

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.



**h) Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the standalone financial statements

**Note 2.1 Significant Accounting Policies:**

**i) Valuation of Inventories:**

- a) Raw materials and stores and 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 Company has borrowings from banks and financial institutions based on security of current assets. During the year company have submitted quarterly statement with banks are in agreement with the books of accounts subject to non-materialized discrepancies.

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

- a) Cash flow statement has been prepared under indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statement.
- b) The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**iii) 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.
- c) Commodities hedging and F/O transaction gain or loss are recorded on the date of their settlement in respect of the settled contracts and the gain or loss determined on day to day basis.
- d) Duty drawback income against export sale is recorded on receipt basis
- e) Other income is accounted on accrual basis



**iv) Property, Plant & Equipment and Depreciation:**

- a) Fixed assets have stated at cost of acquisition or construction less accumulated depreciation/amortization. Cost represents all cost relating to the acquisition and installation, net-off tax, which is refundable or set-off, allowed. Cost also includes finance cost. Other expenses incurred in connection to the commencement of commercial production have treated as part of the assets and capitalized.
- b) Depreciation on fixed assets is provided under straight-line method based on the estimated useful life of the Assets specified in schedule II to the Companies Act, 2013 and depreciation on the assets acquired during the year is provided on pro-rata basis from/to the month of addition/deduction.

<b>Asset Class</b>	<b>Estimated Useful Life*</b>
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 equipment's and Misc. Fixed Assets	5 Years

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

- c) Capital work in progress: It is stated at cost incurred for acquisition and construction of Plant & Machineries, Electrical Installation, misc. Assets and Factory building. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.
- d) Pre-operative Expenses: It is stated at cost incurred for acquisition of fixed assets including borrowing Cost and administrative expenses.
- e) Leasehold land is accounted at cost including incidental expenses.
- f) **Land:** IND AS 101 allows entity to elect to measure Property, Plant and Equipment on the transition date at its fair value or previous GAAP carrying value (book value) as deemed cost. The company has elected to measure land at previous GAAP carrying value (book value) and will apply fair value prospectively after the date of transition of IND AS.

**v) 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.

**vi) 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 Indian Accounting Standard 109 "Financials Instruments: Recognition and Measurement".

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 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.

**vii) 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 accrual basis.

**viii) Employee Benefits:**

Expenses & liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (IND AS)-19 - '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) Retirement Benefits:**

Retirement benefits in the form of Provident Fund which are defined contribution plans are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

**d) Gratuity:**

Gratuity liabilities is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.



**e) Leave Encashment:**

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

**ix) Borrowing Cost:**

In Accordance with IND AS 23 '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.

**x) 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 IND AS 108 - 'Segment Reporting'.

**xi) Taxes on Income:**

- a) Taxes on income are accounted for in accordance within Indian Accounting Standard 12 on "Income Taxes". 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.

**xii) Earnings Per Share:**

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

**Note 2.2 Notes on Accounts**

**i) Contingent Liability:**

- a) Guarantees by banks on behalf of the company:



- The company has given Bank Guarantee in favor of MSEB against the electricity consumption is Rs. 145.70 Lakhs.
- The company has given Bank Guarantee in favor of Director of Agriculture Produce Marketing Committee State Pune Rs. 3 Lakhs.
- The company has given Bank Guarantee in favour of Dy. Commissioner of Customs against Imported Spare Clearance of Rs. 5.04 Lacs.
- The company has given Bank guarantee in favour of DGFT for export obligation is Rs. 9.66 Lacs.

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

**- In respect of 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 arbitration award in favor of C.A. Galiakotwala & co. pvt Ltd and directed to pay compensation of Rs. 34,27,251/- along with interest @ 15% p.a from the date of award i.e. 21<sup>st</sup> July 2011 to the aggrieved party. Against the said order, the company has filed appeal for stay with Mumbai High court vide file number 10046 of 2023.

**- In respect of Income Tax appeals filed :**

- The Income Tax Department had made an addition of Rs. 22.76 Lacs against which company has disagreed with these demands filed an appeal before Commissioner of Income Tax Appeals, and decision is awaited.

**- In respect of TDS returns filed :**

- There is an outstanding balance of 10.74lacs reflected on the traces website.

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).

**iv) Payments to auditors:**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Statutory Audit Fees	540000	1,20,000
Tax Audit	75,500	75,500
<b>Total</b>	<b>6,15,500</b>	<b>1,95,500</b>

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

Particulars	31/03/2023	31/03/2022
-------------	------------	------------



<b>Deferred Tax Liability/(Asset)</b>		
On account of Timing Difference (Depreciation)	1,42,17,474	56,23,574
<b>Total (a)</b>	<b>1,42,17,474</b>	<b>56,23,574</b>
<b>Deferred Tax Assets</b>		
On Account of Disallowances	(14,15,762)	(15,65,840)
On Account of carried forward losses	(16,47,9796)	-
<b>Total (b)</b>	<b>(1,78,95,557)</b>	<b>(15,65,840)</b>
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(34,71,708)</b>	<b>40,57,734</b>
Less: - Provision up to previous year	40,57,734	24,22,394
<b>Deferred Tax (Liability) /Assets (Net) for the year</b>	<b>(77,35,817)</b>	<b>16,35,340</b>

vi) Earnings per share is worked out as under:

<b>Earnings per Share</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
<b>Profit After Tax (Balance available for Equity Shareholders)</b>	<b>(5,76,96,796)</b>	<b>5,43,34,301</b>
No. of shares outstanding	1,71,47,670	1,71,47,670
Weighted Average number of equity shares used as denominator for calculating of EPS (No)	1,71,47,670	1,71,47,670
<b>Basic and Diluted Earnings Per Share of face value of Rs 10 each (₹)</b>	<b>(0.34)</b>	<b>3.17</b>

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

<b>Sr. No.</b>	<b>Name of the related Party</b>	<b>Relation/Key Personnel</b>
1	Mr. Sanjay Rathi	Key Managerial Person (Director of Laxmi Cotspin)
2	Sanjay Rathi (HUF)	Director is Karta
3	Mr. Anupkumar Gindodiya	Chief Financial Officer
4	Vitthal Polypack Private Limited	One of the Director's Company
5	Rtcamp Solutions Private Limited	
6	Icon Five Hundred Ispat Private Limited	



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

Nature of Transaction	Sanjay Rathi	Anupkumar Gindodiya	Sanjay Rathi (HUF)	Vitthal Polypack Pvt Ltd
Services Received	64,00,000	7,87,000		-
Material Purchases	-		7,07,560	19,14,598
Material Sales	-			-
Interest Received				

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

3) Additional Regulatory Information

a. Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Willful Defaulter:

The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

c. Relationship with struck off companies :

During the year, company has made not made any transaction with struck off companies under section 248 of the Companies act 2013 or section 560 of the Companies act 1956.

d. Compliance with number of layers of companies :

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

e. Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact for the years ended March 31, 2023 and March 31, 2022.

f. Utilization of borrowed funds and share premium :

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or





- ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

- g. Undisclosed income:

There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

- h. Details of crypto currency or virtual currency :

The Company has not traded or invested in crypto currency or virtual currency during the years ended March 31, 2023.

- i. Valuation of PP&E, intangible asset and investment property :

The Company has not revalued its property, plant and equipment or intangible assets or both during the years March 31, 2023.

- j. Registration of charges or satisfaction with Registrar of Companies :

There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

- k. Utilisation of borrowings availed from banks:

During the year, the company has availed borrowing facility from existing banks. (ref note 12 and 14 of the Notes accompanying Financial Statements as at 31st March 2023).

- l. Title deeds of immovable properties not held in name of the company

All the title deeds (Lease Deed) of immovable properties are held in the name of the company excluding the land situated at Gut no 394 which is on the name of one of the director of the company. However, the company has constructed the Factory building on said land, the amount of construction is unascertainable. The said fact came to light after technical verification by Bank and their survey team.



m. 'Corporate Social Responsibility (CSR)

'As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects.

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ` 5.25 Lakhs

The Board is of the opinion that remaining amount shall spent in the coming year on good projects as per the approved policy.

Policy of the Company to spend CSR amount under following activities

- Preventive Health Care and Sanitation under the slogan of "techno Run, Rakt Samarpan"
- Promoting education of Girl Child under the slogan of "Beti Bachao Beti Padhao"
- Promoting education of Children under the slogan of "School Chale Hum"
- Ensuring environmental sustainability
- Protection of national heritage, art and culture
- Rural development projects & Slum area development

n. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and Interest outstanding during the year is given below:

Particulars	Amount Rs.
'Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2,87,18,511
'Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	47,085
'Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
'Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the	-



appointed day during the year	
'Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
'Interest due and payable towards suppliers registered under MSMED Act, for payments already made	47,085

o. Utilisation of borrowings availed from banks

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

p. Critical estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The areas involving critical estimates or judgements are:

'The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 29.

In terms of our report of even date  
For DMKH & Co.

Chartered Accountants  
FRN 116886W

**CA Manish Kankani**  
(Partner)  
M. No. 158020

UDIN: 23158020BGUSBV5825

Date: 19<sup>th</sup> May, 2023

Place: Mumbai

For & on behalf of the Board of Directors



**Sanjay Rathi**  
(Managing Director)  
DIN 00182739



**Ramesh Mundada**  
(Director)  
DIN 00153255

  
Anupkumar Gindodiya  
C.F.O

  
Soni Karwa  
Company Secretary