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**LAXMI COTSPIN LIMITED**

A Govt. Recognised Export House



Regd. Off.: Gul No. 399, Samangoan – Kajala Phata, Jalna-Ambad Road,  
Opp. Meenatai Thakare Vridhashram, JALNA - 431 203. (M.S.) India.  
Off. 9765999633 E-mail: laxmicotspin@gmail.com • Web Site: www.laxmicotspin.com  
CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Mr. Sanjay Rathi – Managing Director  
Mr. Rajesh Bansal – Chairman, Non – Executive Director  
Mr. Bhaveshbhai Patel – Executive Director  
Mr. Shivratan Mundada – Non – Executive Director  
Mrs. Prafullata Rathi – Additional Director  
Mr. Ritesh Mantri – Independent Director  
Mr. Satish Bhakkad – Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Anupkumar Gindodiya

### **COMPANY SECRETARY**

Mrs. Pooja Potdar

### **BANKERS**

HDFC Bank Limited  
Shamrao Vitthal Co – Operative Bank

### **AUDITORS**

M/s C N A & Associates  
Chartered Accountant  
Auranagabad

### **REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Pvt Ltd  
C 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai – 400083

### **REGISTERED OFFICE**

Gut No.399, Samangaon- Kajala Phata,  
Opp.Meenatai Thakare Vridhashram,  
JALNA - 431 203

**Email Id** – laxmicotspin@gmail.com

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

**Tel No** - 9765999633



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**LETTER TO SHAREHOLDERS**

Dear Shareholders,

We take immense pleasure by sharing with you about the performance of your company and present the Annual Report for the financial year 2016-17.

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

Your Company engaged in the manufacturing of cotton yarn, cotton Bales, Cotton seed since incorporation. Over the years we believe that we have established a strong customer base and good marketing setup. Further, our group has sufficient marketing expertise and wide marketing network, which is and would be channeled for our business and future expansion, if any. We have dedicated divisions for marketing different types of products and for different geographical locations. The sales division and export division are responsible for marketing of our products. 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.

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

With warm regards

Yours Sincerely

Sanjay Rathi  
Managing Director  
Laxmi Cotspin Limited



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CIN NO-U17120MH2005PLC156866

Ref. No.

Date: 26/05/2017

**NOTICE OF THE 12th ANNUAL GENERAL MEETING**

To,  
The Members of  
**LAXMI COTSPIN LIMITED**  
(CIN: U17120MH2005PLC156866)  
Gut No.399, Samangaon-Kajla Road,  
In Front of Meenatai Thakare Vridhashram, Samangaon  
Jalna - 431203

Notice is hereby given that the **12th ANNUAL GENERAL MEETING** of **LAXMI COTSPIN LIMITED** will be held On 18<sup>th</sup> July, 2017 at 10.30 a.m at the Registered Office of the Company at Gut No.399, Samangaon-Kajla Road, In Front of Meenatai Thakare Vridhashram, Samangaon Jalna - 431203. To transact the following ordinary business:-

**A) ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Financial statements including Profit and Loss Account Balance Sheet, for the year ended on 31<sup>st</sup> March, 2017 along with Directors Report and Audited Report of the Company.
- 2) To declare dividend @ 5% to the Equity Shareholders of the company as per the Register of members as on the date of the AGM.
- 3) To re-appoint M/s. C N A & Associates, Chartered Accountants, Aurangabad as Statutory Auditor of the company in pursuance of section 139, 142 and Audit and Auditors Rules, 2014, (the rules) , ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. C N A & Associates, Chartered Accountants, Aurangabad who have offered themselves for re appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors in consultation with the Auditors from time to time.
- 4) Mr. Rajesh Bansal who retires by rotation and being eligible, offers himself for re-appointment.

**B) SPECIAL BUSINESS**

Mumbai Branch Office - 14 Rayhera, Near Hotel Sai Palace, Mahakali Caves Junction, Anderi Kurla Road,  
Anderi (East) Mumbai India Tel : 0091-22-61274769



5. Regularization of Appointment of Mrs. Prafullata Rathi as a Women Director of the company

**"RESOLVED THAT, "RESOLVED THAT** pursuant to Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs Prafullata S. Rathi, (DIN - 03056379) who was appointed as additional Director of the Company with effect from 01<sup>st</sup> March, 2017 by the board of Directors and who hold office upto the date of this Annual General Meeting be and is hereby appointed as a Women Director of the Company."

The explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the above resolution is appended herewith.

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



*Sanjay Rathi*

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

*S. S. Mundada*

**Mr. Shivratan Mundada  
Director  
DIN: 00349668**

Place: Jalna  
Date: 26/05/2017

**Notes:**

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

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

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

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

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

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

Annexed hereto and forms part of this Notice

6. Pursuant to the provisions of Section of 91 of The Companies Act, 2013 and listing agreement, The Register of Members and Share Transfer Book will remain closed from 12.07.2017 to 18.07.2017 (both days inclusive).

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

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

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [complianceofficerlaxmicotspin@gmail.com](mailto:complianceofficerlaxmicotspin@gmail.com) mentioning your Folio/DP ID & Client ID.

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

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

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

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

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

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

15. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all



working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 12<sup>th</sup> Annual General Meeting of the Company.

15. Notice, Audited Financial Statements for 2016-17 together with Board's Report and Auditors' Report are available on the website of the Company [www.laxmicotspin.com](http://www.laxmicotspin.com)

16. If the Final Dividend, as recommended by the board, is approved at the AGM, Payment of such dividend will be made on 25<sup>th</sup> July, 2017 as under:

To all Beneficial owner in respect of shares held in dematralised form as per the data as may be made available by the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Tuesday 11<sup>th</sup> July, 2017

17. Notice of the AGM along with Annual Report 2016-17 is being sent by electronic mode to those members who is registered as a member as on 16.06.2017.

18. With reference to Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, your company is listed on SME of Platform of NSE is not required to provide the e-voting process for the consideration of resolutions, proposed at the General Meeting.

#### **Explanatory Statement**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 5 of the accompanying Notice dated 26.05.2017.

#### **Item No. 5.**

#### **APPOINTMENT OF MRS. PRAFULLATA RATHI AS A DIRECTOR OF THE COMPANY:**

Mrs. Prafullata Rathi having DIN. 03056379 who was appointed on 01<sup>st</sup> March 2017 as Additional Director of the Company. His period of office expires on the date of this AGM. A notice has been received for his appointment as a Regular Director of the Company from one of the shareholder of Company. Therefore, this resolution has been proposed and same may be passed with or without modification if any.

No Director, Key Managerial personnel or their relatives, except Mrs. Prafullata Rathi or Mr. Sanjay Rathi, to whom the resolution relates, is interested or concerned in the resolution.



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

*Sanjay Rathi*

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

*S. S. Mundada*

**Mr. Shivratn Mundada**  
Director  
DIN: 00349668

Place: Jaipur  
Date: 26.05.2017

**Annexure to the Item No.-4 & Item No.-5 of the Notice**

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015: <b>Name of Director</b>	Mr. Rajesh Bansal	Mrs. Prafullata Rathi
Date of Birth	07.02.1960	25.02.1969
Nationality	Indian	Indian
Date of appointment on the Board	08.05.2006	01.03.2017
Qualifications	8 <sup>th</sup> Pass	B.Com
Expertise	Having more than 25 years of experience in various fields. He is looking after company's policies related to strategies formulation, procurements, production and financings.	Having 11 years of experience in various fields including finance related matters
No. of Shares held in the company	913125	23438
List of the directorship held in other Company	1. Rtcamp Solutions Private Limited	1. Vitthal Polypack Private Limited 2. Mahabaleshwar Alloys Private Limited
Chairman/Member in the committees of the board of other companies in which he/she is director	<b>Chairman</b> - Nil <b>Member</b> - Nomination and Remuneration Committee	<b>Chairman</b> -Nil <b>Member</b> -Nil
Relationship, if any, between director's inter se	No	Wife of Mr. Sanjay Rathi

\* Directorships includes Directorship of other Indian Public Companies and Committee Memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not);

\* Other required details are stated in Corporate Governance Report.





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CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

## DIRECTOR'S REPORT

The Directors have a pleasure in presenting the **Twelfth Annual Report** and Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017.

### **1. Financials Summary (Standalone)**

**Rs. In Lacs**

Particulars	2016-17	2015-16
Sales and Other Income	11484.61	11356.63
<b>Profit Before Tax and Depreciation</b>	<b>951.40</b>	<b>967.43</b>
Less: Depreciation and amortization	572.33	690.29
<b>Profit/(Loss) Before Taxation ( PBT )</b>	<b>379.07</b>	<b>277.14</b>
<b>Provision for Taxation</b>		
Less:- Current Tax (MAT)	97.42	56.50
Less:- Deferred Tax & Shortage/Excess Provision	13.64	-92.62
<b>Profit/(Loss) After Tax ( PAT )</b>	<b>268.00</b>	<b>313.26</b>
Add/(Less): Prior Period Adjustment (Income Tax)		
Add/(Less): Exceptional items		
<b>Balance Transfer to the Balance Sheet</b>	<b>268.00</b>	<b>313.26</b>
<b>Basic Earning Per Equity Share</b>	<b>1.56</b>	<b>1.83</b>
<b>Diluted Earning Per Equity Share</b>	<b>1.56</b>	<b>1.83</b>

During the year under review our company has achieved sales Turnover of Rs. 114.84 cores as against Rs. 113.57 cores, achieved in the previous year, The profit after tax earned by the Company is Rs. 2.68 Cores as Compared to the Profit earned in the previous year of Rs. 3.13 Crores

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

Your Directors are pleased to inform that the company has got listed with National Stock Exchange on the SME Segment on 31.03.2017. We came up with Offer for sale of 48,00,000 lacks equity shares of Rs 10 Each for cash at price Rs 20. The issue opening Date was March, 17, 2017 and the issue closing date was March, 22, 2017. The issue was welcomed by the public and oversubscribed by 6 times.

### **3. Change in the nature of Business, If any,**

There has not been any change in the nature of business of the company

### **4. Share Capital**

The Equity Shares offered through Offer for Sale on the SME Platform of NSE. Hence there is no change in Share Capital of the company after post issue.

### **5. Dividend**

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

## **6. Transfer to Reserve**

Company has proposed to transfer a sum of Rs 27634967 to Reserve and Surplus for the financial year ended 31<sup>st</sup> March, 2017

## **7. Change of Name**

The company has not changed its name during financial year 2016-17

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

During the year Mrs. Prafullata Rathi was appointed as Additional Director of the Company on 01<sup>st</sup> March, 2017 and The Board has appointed Mr. Bhavesh Patel as a Director in place of Mr. Rameshbhai Patel as on 13.06.2016, Mr. Singanallur Natarajan and Mr. Sunil Raithatha, Independent Directors have resigned on 15<sup>th</sup> July, 2016 and Board has appointed Mr. Ritesh Mantri and Mr. Satish Bhakkad as Independent Directors 01<sup>st</sup> February, 2017 on the Board of Directors of the company. On 03.07.2016 Board Re-Designate Mr. Sanjay Rathi as a Chairman of The Company, Mr. Sanjay Rathi has submitted his resignation from Post of chairmanship and Mr. Rajesh Bansal, Non - Executive Director is appointed as a chairman of the company as on 01.03.2017

Mrs. Prafullata Rathi having DIN: 03056379 was appointed on 01<sup>st</sup> March, 2017 as Additional Director of the Company. The Board of Directors of the Company has decided to appoint her as a regular Director.

## **9. Particulate of Employees**

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

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

Twenty Six Board Meetings and two shareholders meeting were held during the Year 2016-17 and Four Audit Committee Meetings and Two Nomination and Remuneration Committee Meetings and Two Stakeholders' Relationship Committee Meetings (As Committee was constituted on 06<sup>th</sup> February, 2017); and the intervening gap between meetings was within the period prescribed under Secretarial Standards applicable to the company.

## **11. Board Evaluation**

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

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

Director who also reviewed the performance of the secretarial Department. The Director expresses their satisfaction with the evaluation process.

**12. Company Policy on Director's Appointment and remuneration**

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

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

The Audit Committee consists of the following members

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

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

**14. Declaration by an Independent director(s)**

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

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

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

**16. Deposits:**

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

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

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

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

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

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

The Company has adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its

compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

**18. Related Party Transactions:**

All related party transactions were entered into during the financial year was at arm's length basis and in the Regular course of the business. Details of Transactions is enclosed herewith in **Form AOC-2** as per **Annexure "B"**

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

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

**20. Risk Management Policy**

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

**21. Statutory Auditors& Auditor Reports**

M/s C N A & Associates, Chartered Accountants, Aurangabad, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and rules made there under and that they are not disqualified for re-appointment. The Board has decided to recommend their appointment subject to approval by shareholders for the year 2017-18. Auditor's report is attached herewith

**22. Secretarial Audit report**

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

**23. Appointment of Cost Auditor :**

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

**24. RETIREMENT BY ROTATION:**

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

**25. Expansion of Plant Capacities:**

Yours directors have pleasure to inform you that our company has successfully set-up the open end spinning unit. This has resulted in increase of daily production of yarn by 9000 Kgs of open end yarn. The said project has been financed by Shamrao Vittal Co-operative Bank Ltd, Aurangabad. The set-up of open end unit which resulted into in-house use of comber waste generated during spinning process, leading to maximum utilization of the comber waste generated.



The Company manufactures quality pesticide free and organic cotton bales. Since last 3-4 years, and has started BCI (BETTER COTTON INITIATIVE) a farm project of cotton funded by WWF and IKEA which was implemented by KVK. Considering the good market potential of BCI bales, the company has started exports of BCI. These cotton bales and cotton yarn produced is tested in modern quality lab with machines like premier HFT 9000.

Company plan to purchase 6 TFO machine and 4 knitting machine by December end, which produce a new variety of yarn with superior Quality, which help to increase turnover of the company.

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

The directors have pleasure to inform you that our company LAXMI COTSPIN LIMITED has been recently recognized as a **Export House by Ministry of Commerce, Government of India.**

#### **27. CERTIFICATION**

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

#### **28. MEMBERSHIP :**

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

#### **29. Corporate Social Responsibility**

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

#### **30. Conservation of Energy**

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

b) A comparative Statement showing consumption of Electricity per kg of yarn manufactured during the current and previous year is appended here with as **Annexure "A"**

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

Foreign exchange used : Rs. 800,31,120/-  
Foreign exchange earned : Rs. 612,11,538/-

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

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

#### **33. Management Discussion and Analysis**

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

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

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

**35. Enhancing shareholders value:**

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

**36. Material Changes:**

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

**37. Our Vision:**

To achieve excellence in all sectors of the textile from fiber to finished product, continually striving to be the fore front of industry and generate highest possible value for all stake holders.

**38. Our Mission:**

To be world class manufacturer of international quality cotton lint, cotton yarn, fabrics & garments both organic & non-organic with highest level of competitiveness on all the parameters.

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

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

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

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

(d) the directors had prepared the annual accounts for financial year ended on March 31, 2017 on a going concern;

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

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

#### **40. Other Details**

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

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

#### **41. Corporate governance certificate**

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

#### **42. Acknowledgement**

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

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

**LAXMI COTSPIN LIMITED**



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

**Mr. Shivratn S. Mundada**  
**Director**  
**DIN: 00349668**

Place: Jalna  
Date: 26/05/2017



**LAXMI COTSPIN LIMITED**  
A Govt. Recognised Export House

Regd. Off.: Gut No. 399, Samangan - Kajala Phata, Jalna-Arabad Road,  
Opp. Meenaji Thakare Vridhashram, JALNA - 431 203. (M.S.) India.  
Off. 9765999633 E-mail: laxmicotspin@gmail.com • Web Site: www.laxmicotspin.com  
CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

**Annexure - "A" to director Report**

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

**A. Energy Conservation**

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

**SPINNING**

Particulars	2016-17	2015-16
Total Units	12835215	12644550
Total Cost	64243610	75238160
Rate per Unit	5.01	5.95
Total Production(in kgs)	4422372	4351758
Electricity consumed per unit of production(in units)	14.53	17.28

**GINNING**

Particulars	2016-17	2015-16
Total Units	537696	406398
Total Cost	4178540	3481750
Rate per Unit	7.77	8.56
Total Production (in kgs)	3589825	1742990
Electricity consumed per unit of production (in units)	1.16	1.99

**B. Technology Absorption**

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

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

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

**Mr. Shivratn S. Mundada**  
Director  
DIN: 00349668

Place: Jalna  
Date: 26/05/2017

Mumbai Branch Office : 14 Rayfreda, Near Hotel Sai Palace, Mahakali Caves Junction, Anderi Kurla Road, Andheri (East) Mumbai India Tel : 0091-22-61274769





**LAXMI COTSPIN LIMITED**

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CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

**Annexure "B"**

**Form No. AOC-2**

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

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

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

- (a) Name(s) of the related party and nature of relationship: **NA**
- (b) Nature of contracts/arrangements/transactions: **NA**
- (c) Duration of the contracts / arrangements/transactions: **NA**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**
- (e) Justification for entering into such contracts or arrangements or transactions: **NA**
- (f) Date of approval by the Board: **NA**
- (g) Amount paid as advances, if any: **NA**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso: **NA**

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

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

**1. Name of the related party :-**

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

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

Sales and purchase of Cotton bales.

<b>Nature of Transaction</b>	<b>Shivratan Mundada</b>	<b>Sanjay Rathi</b>	<b>GGPPL</b>
<b>Services Received</b>	-	37,00,000	-
<b>Material Purchases</b>	2,89,293	-	8,89,64,427
<b>Material Sales</b>	-	-	1,12,39,573

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

Annual Contract

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

1. Dispatch of Cotton Bales after receipt of Purchase order
2. Payment within 30 Days of Dispatch.
3. Prices based on Similar Material Sold to third Parties.

**(e) Date(s) of approval by the Board, if any:** 28<sup>th</sup> May 2016

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

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

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

**Mr. Shivratan S. Mundada**  
**Director**  
**DIN: 00349668**

Place: Jalna  
Date: 26/05/2017



<b>(1) Indian</b>								
a) Individual/ HUF		32,95,260	0.00%	14,01,885		14,01,885	8.18%	0.00%
b) Central Govt			0.00%			-	0.00%	0.00%
c) State Govt(s)			0.00%			-	0.00%	0.00%
d) Bodies Corp.		1,27,58,278	0.00%	20,65,930		20,65,930	12.05%	0.00%
e) Banks / FI			0.00%			-	0.00%	0.00%
f) Any other Directors relatives		10,94,132	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	1,71,47,670	0.00%	34,67,815	-	34,67,815	20.22%	0.00%
<b>(2) Foreign</b>								
a) NRI Individuals			0.00%			-	0.00%	0.00%
b) Other Individuals			0.00%			-	0.00%	0.00%
c) Bodies Corp.			0.00%			-	0.00%	0.00%
d) Any other			0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	-	1,71,47,670	0.00%	34,67,815	-	34,67,815	20.22%	0.00%
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds	-	-	0.00%			-	0.00%	0.00%
b) Banks / FI			0.00%			-	0.00%	0.00%
c) Central Govt			0.00%			-	0.00%	0.00%
d) State Govt(s)			0.00%			-	0.00%	0.00%
e) Venture Capital Funds			0.00%			-	0.00%	0.00%
f) Insurance Companies			0.00%			-	0.00%	0.00%
g) FIs			0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			0.00%			-	0.00%	0.00%
i) Others (specify)			0.00%			-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	0.00%	-	-	-	0.00%	0.00%
<b>2. Non-Institutions</b>								
a) Bodies Corp.								
i) Indian			0.00%	62,76,348		62,76,348	36.60%	0.00%
ii) Overseas			0.00%			-	0.00%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			0.00%	43,56,453		43,56,453	25.41%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			0.00%	18,82,304		18,82,304	10.98%	0.00%



c) Others (specify)								
Non Resident Indians			0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			0.00%			-	0.00%	0.00%
Foreign Nationals			0.00%	6,000		6,000	0.03%	0.00%
Clearing Members			0.00%	2,10,000		2,10,000	1.22%	0.00%
HUF				9,48,750		9,48,750		
Trusts			0.00%			-	0.00%	0.00%
Foreign Bodies - D R			0.00%			-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	-	-	0.00%	1,36,79,855	-	1,36,79,855	79.78%	0.00%
<b>Total Public (B)</b>	-	-	0.00%	1,36,79,855	-	1,36,79,855	79.78%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	-	1,71,47,670	0.00%	1,71,47,670	-	1,71,47,670	100.00%	0.00%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SANJAY KACHRULAL RATHI	84,375	0.49%	84,375	0.49%		0.00%
2	BHAVESH RAMESH PATEL	3,33,188	1.94%	3,33,188	1.94%		0.00%
3	RAJESH PURANMAL BANSAL	9,13,125	5.33%	9,13,125	5.33%		0.00%
4	SHIVRATAN SHRIGOPAL MUNDADA	46,197	0.27%	71,197	0.42%		0.15%
5	ASHVA MULTI TRADE PRIVATE LIMITED	20,65,930	12.04%	20,65,930	12.04%		0.00%

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

SN	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
	SANJAY KACHRULAL RATHI		84,375	0.49%	84,375	0.49%
	BHAVESH RAMESH PATEL		3,33,188	1.94%	3,33,188	1.94%
	RAJESH PURANMAL BANSAL		9,13,125	5.33%	9,13,125	5.33%
	SHIVRATAN SHRIGOPAL MUNDADA	19.12.2016	46,197	0.27%	71,197	0.42%
	ASHVA MULTI TRADE PRIVATE LIMITED		20,65,930	12.04%	20,65,930	12.05%

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
	Name					
1	ANAND VYAPAAR PRIVATE LIMITED		33,92,500	19.78%	33,92,500	19.78%
2	SAFFORD MERCANTILE PRIVATE LIMITED		22,85,450	13.33%	22,85,450	13.33%
3	MAULI FINANCIAL SERVICES PVT LTD		6,03,048	3.52%	74,398	0.43%
4	SENSEX TRACOM PVT LTD		24,21,300	14.12%	-	0
5	MANGALMAYEE STOCK MANAGEMENT PVT LTD		18,50,050	10.79%	-	0.00%
6	VIKAS RAJESH BANSAL		81,250	0.47%	81,250	0.47%
7	DINESH KANTILAL RATHI		60,660	0.35%	60,660	0.35%
8	MAHABALESHWAR ALLOYS PRIVATE LIMITED		1,40,000	0.82%	1,40,000	0.82%
9	RAHUL RAJESH BANSAL		49,063	0.29%	49,063	0.29%
10	SARLA SHIVRATAN MUNDADA		41,250	0.24%	41,250	0.24%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	DESIGNATION	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	SANJAY KACHRURAL RATHI	Managing Director	84,375	0.49%	84,375	0.49%
2	SHIVRATAN SHRIGOPAL MUNDADA	Director	46,197	0.27%	71,197	0.42%
3	BHAVESHBHAI RAMESHBHAI PATEL	Director	3,33,188	1.94%	3,33,188	1.94%
4	RAJESH PURANMAL BANSAL	Director	9,13,125	5.33%	9,13,125	5.33%
5	PRAFULLATA SANJAY RATHI	Director	23,438	0.14%	23,438	0.14%
6	RITESH MANTRI	Director	-	0	-	0
7	SATISH BHAKKAD	Director	-	0.00%	-	0.00%
8	ANUPKUMAR GINDODIYA	CFO	-	0.00%	-	0.00%
9	POOJA POTDAR	CS	-	0.00%	-	0.00%

**V. INDEBTEDNESS**

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,187.16			1,187.16
ii) Interest due but not paid				-
iii) Interest accrued but not due				-

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

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

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

SN.	Particulars of Remuneration			Total Amount
	SANJAY K. RATHI			(Rs/Lac)
	MANAGING DIRECTOR			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			39,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	-	-	39,00,000.00
	Ceiling as per the Act			

##### B. Remuneration to other Directors

SN.	Particulars of Remuneration			Total Amount
				(Rs/Lac)
1	Independent Directors		NO	
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (1)	-	-	-
2	Other Non-Executive Directors		NO	
	Fee for attending board committee meetings			-
	Commission			-

Total (2)			-	-	-
Total (B)=(1+2)			-	-	-
Total Managerial Remuneration					39,00,000.00
Overall Ceiling as per the Act					

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

SN.	Particulars of Remuneration			Total Amount	
	Name		ANUPKUMAR GINDODIYA	POOJA POTDAR	(Rs/Lac)
	Designation		CFO	CS	
1	Gross salary		480000	275000	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option		NO	NO	-
3	Sweat Equity		NO	NO	-
4	Commission		NO	NO	-
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total		4,80,000.00	2,75,000.00	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



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CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

**Annexure - D**

**Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

SL. No.	Name	Designation/ Nature of Duties	Remunera tion Received [Rs.]	Qualifica tion	Experien ce in years	Age in year s	Date of commen cement of employm ent	Last empl oyment 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.

*SK Pathi*



**Annexure E**

**Declaration by Independent Director**

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

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

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

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

**I certify that:**

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

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

#### **DECLARATION**

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

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

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

Thanking you,  
Yours faithfully,

  
**Satish Bhakkad**

DIN: 07597811

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

Date: - 01.04.2017





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

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

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

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

**I certify that:**

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

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

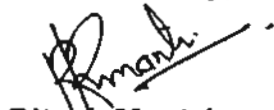
#### **DECLARATION**

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

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

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

Thanking you,  
Yours faithfully,



**Ritesh Mantri**  
DIN: 03576250  
Add - R/o Samadhan Opp Nagar  
Parishad Rly station Road,  
Jalna 431203  
Date: - 01.04.2017



**Annexure F**  
**Secretarial Audit Report**

**A. R. JOSHI & ASSOCIATES**

**Practicing Company Secretary**

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

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Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March 2017

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

To,

The Members,

LAXMI COTSPIN LIMITED

Gut No.399, Samangaon-Kajla Road,

In Front of Meenatai Thakare Vridhashram, Samangaon

Jalna - 431203

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

Based on my verification of the **LAXMI COTSPIN LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Management, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **LAXMI COTSPIN LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
- **At present company has not accepted any foreign direct investment or External Commercial Borrowing.**



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

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

- The Company has not made any substantial acquisition of shares during the year under review.

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

- On Scrutiny it was found that there was no insider trading in the Company as the Company is listed on Stock exchange on 31<sup>st</sup> March 2017 only.

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

**- The company has followed all the required compliances as provided under the above Regulation.**

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

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

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

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

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

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

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

**- Not Applicable**

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

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

(vi) Factories Act , and other Labour Laws namely Provident Fund Act, ESI Act 1948 and other applicable labour laws :-

a. The manufacturing division of Laxmi cotspin limited is located at Gut no. 399, Samangaon- Kajla Phata, Jalna-Ambad Road, Jalna.



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

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

c. Based on the information received from Management and factory people, the company is following regularly the provisions of Factories Act, Provident fund and other labour laws and making payments of Employers and Employees Provident fund regularly. The Factory license has been renewed upto 31<sup>st</sup> December 2017.

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

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

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

**: The company needs to strengthen the Secretarial Standards issued by ICSI and needs improvement in implementing the same.**

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

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

The company has got listed with National Stock Exchange on the SME Segment/platform on 31.03.2017. The company has given Offer for sale of 48,00,000 equity shares of Rs 10 Each for cash at a price of Rs 20 per share. The issue opening Date was March, 17, 2017 and the issue closing date was March, 22, 2017.

iii) I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Women Director, Non-Executive Directors and Independent Directors.

Following are the changes made therein during the year :-

- a) Mr. Rameshbhai Patel, Director of the company has resigned and Mr. Bhaveshbhai Patel has been appointed as Director of the company w.e.f 13<sup>th</sup> June 2016.
- b) Mr. Singanallur Venkataraman Natarajan, Independent Director and Mr. Sunil Vinodrai Raithatha, Independent Director of the company have resigned from the post of Independent Director w.e.f 15<sup>th</sup> July 2016. Mr. Ritesh Radhesham Mantri and Mr. Satish Swaroopnarayan Bhakkad have been inducted as Independent Directors of the company w.e.f 10<sup>th</sup> January 2017.
- c) As per section 203(1) of the Companies Act, 2013, Mr. Anupkumar Ashokrao Gindodiya has been appointed as a CFO of the company w.e.f 22<sup>nd</sup> July 2016, further Mrs. Pooja Vijay Potdar has been appointed as Full-time Company Secretary of the company.



- d) As per section 149(1) of the Companies Act, 2013 read with Rule 3 of companies (Appointment and Qualification of Directors) Rules 2014 Mrs. Prafullata Sanjay Rathi has been appointed as a Women Director of the Company w.e.f 01<sup>st</sup> March 2017.
- e) **Shareholders' approval for borrowing in excess of limits in pursuance to section 180 of the Companies Act, 2013.** : The amount borrowed by the Company from its financial institutions and banks is exceeding the borrowing limits of the Company. However the Board has taken shareholders approval by means of special resolution for availing loan upto Rs. 100 Crores as specified in section 180 (1) (c) of the companies Act 2013 on 30<sup>th</sup> August 2016. **However, the Form no. MGT-14 is not filed with MCA.**
- iv) Adequate notices are given to all directors to schedule the Board Meetings along with agenda. **However, detail notes to agenda are not given for having meaningful discussion in the meeting. This needs to be improved.**
- v) Decisions in the Board Meeting are taken by Majority vote while the views of the dissenting members' are captured and recorded as part of the minutes.
- vi) I, further report that there exists proper systems and processes in the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Company Secretaries



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

(ACS No: 5480 CP No: 4247)

**Place:** Aurangabad

**Date:** 12/06/2017



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

**Annexure A**

To,  
The Members  
Laxmi Cotspin Limited

Our report is to be read along with this letter.

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

For: A. R Joshi & Associates

Company Secretaries



  
A. R Joshi  
Proprietor

(ACS No: 5480 CP No: 4247)

Place: Aurangabad

Date: 12/06/2017



# LAXMI COTSPIN LIMITED

A Govt. Recognised Export House



Regd. Off: Gut No. 399, Samangoan - Kojala Phata, Jalna-Ambad Road,  
Opp. Meenatai Thakare Vridhashram, JALNA - 431 203. (M.S.) India.  
Off. 9765999633 E-mail: laxmicotspin@gmail.com • Web Site: www.laxmicotspin.com  
CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

## REPORT ON CORPORATE GOVERNANCE ON 2016-17

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

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

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

#### a) Composition of the Board

1. Composition & Category of Directors [as on 31st March, 2017]

The Board comprises of Seven directors, of whom 1 is managing Director, 2 directors are Non - Executive and 1 Executive, 1 is Women Director, Two directors are Non-Executive Independent Director. The

Composition of

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

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

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

The Company held Twenty Six Board Meetings during the year on 25.04.2016, 28.05.2016, 13.06.2016, 20.06.2016 - 2.00 pm, 20.06.2016 - 11.00, AM 24.06.2016, 03.07.2016, 15.07.2016, 18.07.2016, 22.07.2016, 30.08.2016, 20.09.2016, 25.10.2016, 02.11.2016, 21.11.2016, 28.11.2016, 19.12.2016, 28.12.2016, 10.01.2017, 03.01.2017, 16.01.2017, 06.02.2017, 13.02.2017, 01.03.2017, 09.03.2017, 27.03.2017

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 Wednesday, 30<sup>th</sup> August, 2016 at 04:00 P.M. was attended by Four Directors.

The attendance of directors at the Board meeting, their Directorships in other Companies and Membership / Chairmanship in the Committees constituted by other Companies are given below:

Name	Number of Board Meetings attended	Directorships in other Company(s) as on (31/3/17)	Member/ Chairman of committees of other company(s) on (31/3/17)
Mr. Sanjat Rathi	26	2	NA
Mr. Rajesh Bansal	26	1	NA
Mr. Shivratana Mundada	26	2	NA
Mr. Bhaveshbhai Patel (Appointed on 13.06.2016)	23	8	NA
Mrs. Prafullata Rathi (Appointed on 01.03.2017)	2	2	NA
Mr. Ritesh Mantri (Appointed on 01.02.2017)	5	0	NA
Mr. Satish Bakkad (Appointed on 01.02.2017)	5	0	NA

c) None of the directors on the Board is a Member of more than 10 board level committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2017 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.

### 3. Committees of Board

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

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

#### 1. Audit Committee:

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

The Committee meets periodically and reviews

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

**As on 31st March 2017, the Audit Committee comprised of the following:**

**(Audit Committee constituted on 06.02.2017)**

Names	Designation	No of Meeting Attended
Mr. Satish Swaroopnarayan Bhakkad	Chairman	2
Mr. Ritesh Mantri	Member	2
Mr. Bhavesh Patel	Member	2

Details of Audit Committee meeting held during the year under review from 06.02.2017 to 31.03.2017

Sr No	Date
1	08.02.2017
2	25.03.2017

**(Audit Committee dissolved on 15.07.2016)**

Names	Designation	No of Meeting Attended
Mr. Sunil Raithatha	Chairman	2
Mr. S. V. Natarajan	Member	2
Mr. Ramesh Patel	Member	2

Details of Audit Committee meeting held during the year under review from 01.04.2017 to 15.07.2017

Sr No	Date
1	27.05.2016
2	15.07.2016

**Note:** The company secretary of the company act as the secretary to the committee.

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

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

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
2. Compensation and performance targets.
3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

**As on 31st March, 2017, the Committee Comprises of the following Members:**

Names	Designation	No of Meeting Attended
Mr. Satish Swaroopnarayan Bhakkad	Chairman	2
Mr. Ritesh Mantri	Member	2
Mr. Rajesh Bansal	Member	2

Committee meeting held during the year under review

Sr No	Date
1	08.02.2017
2	27.02.2017

The Company is having a Remuneration Policy which was approved by the Nomination and Remuneration Committee and Board of the Company.



Remuneration Policy is based on the success and performance of the individual employees. The company has developed remuneration package which endeavours to attract, retain, harness and motivate the work force.

The Company does not have any Employee Stock Option Scheme.

**a. Details of Remuneration paid to managing Director for year under review**

Name of Director	Salary	Perquisites & Allownces
Sanjay Rathi	39 Lacks	

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

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

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

**3. Stakeholders Relationship Committee**

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

Names	Designation	No of Meeting Attended
Mr. Ritesh Mantri	Chairman	2
Mr. Satish Bhakkad	Member	2
Mr. Bhavesh Patel	Member	2

Committee meeting held during the year under review

Sr No	Date
1	08.02.2017
2	31.03.2017

**Note:**

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

**c. GENERAL BODY MEETINGS:**

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

Financial	Date	Time	Venue
-----------	------	------	-------

Year			
2013-14	21.08.2014	11.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2014-15	30.09.2015	11.30 AM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
2015-16	30.08.2016	4.00 PM	Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203

**ii) Special Resolution Passed in the previous three Annual general Meeting**

Financial Year	Special Resolution	Details
2013-14	No	None
2014-15	No	None
2015-16	Yes	<ol style="list-style-type: none"> <li>1. Revision In Remuneration Of Sanjay Rathi, Managing Director Of The Company</li> <li>2. Restriction On Borrowing Including Present Borrowing Other Than Temporary Loans Aailed From Time To Time Upto Rs 100 Crore</li> <li>3. Regularisation of appointment of Mr. Bhavesh r. Patel as a director of the company</li> </ol>

**Disclosures:-**

1. Related party Transaction: Details of transaction with related party have been reported in the notes of Accounts, All the transactions with related party are at Arms Length basis and there are no materially significant related party transactions which may have potential conflicts with company at large.

2. Compliances: There was no instance of non compliance by companies or penalties or strictures imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.

3. Whistle Blower policy: The company has in place an employee concern (Whistle Blower). No personnel have been denied access to the Audit Committee to lodge their grievances.

4. The company has complied with the mandatory requirement of SEBI (LODR) Regulation, 2015

**i. MEANS OF COMMUNICATION:**

Shareholding Pattern, Corporate governance report and Financial Results are Electronically transmitted to the National Stock Exchange. And documents

which are require to be upload on the website of the company as per SEBI (LODR) Regulation, 2015 and other applicable regulation, are also uploaded on the website [www.laxmicotspin.com](http://www.laxmicotspin.com) of the company

## GENERAL SHAREHOLDER INFORMATION

### i) Annual General Meeting:

<b>AGM : Date, Time &amp; Venue</b>	On 18 <sup>th</sup> July, 2017 at 10.30 A.M at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203
<b>Financial Year</b>	The Financial year under the review covers the following period from 01.04.2016 to 31.03.2017
<b>Date of Book closure</b>	12.07.2017 to 18.07.2017
<b>Dividend payment Date</b>	25.07.2017
<b>Listing on Stock Exchange</b>	NSE Limited
<b>Stock Code</b>	NSE - LAXMOCOT ISIN - INE801V01019
<b>Market price date: High Low</b>	As Company is Listed on 31.03.2017 Low: Rs 19.50 High: 21.35
<b>Registrar and Transfer Agent</b>	Linkintime India Private Limited
<b>Share Transfer System</b>	All the transfers received are processed by the Registrar and Transfer Agent.
<b>Distribution of shareholding</b>	Annexure "C"
<b>Demoralization of shares</b>	100% as on 31.03.2017
<b>Outstanding GDR/ADR /warrents 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>	1. Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon, Jalna - 431203  2. Email Id - laxmicotspin@gmail.com  3. Tele - 9765999633

## **Non mandatory Requirements**

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

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

### **b. Audit Qualification –**

The financial statements of the company are unqualified

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

The details of the evaluation of the board performance forms part of the Director's Report.

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

Place - Jalna  
Date - 26.05.2017



Mr. Sanjay Rathi  
(Managing Director)  
(DIN 00182739)

Laxmi Cotspin Limited							
DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
Report Type : All(NSDL+CDSL+PHYSICAL)							
SR.NO.	SHARES RANGE		NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL	
1	1001	to	2000	1	0.2037	1563	0.0091
2	4001	to	5000	1	0.2037	4825	0.0281
3	5001	to	10000	390	79.4297	2342323	13.6597
4	10001	to	*****	99	20.1629	14798959	86.3030
<b>Total</b>			<b>491</b>	<b>100.0000</b>	<b>17147670</b>	<b>100.0000</b>	
Data Extracted on : <b>04 Apr 2017</b> Face Value (INR) : <b>10</b> ISIN :    NSDL Data as of : <b>31 Mar 2017</b> CDSL Data as of : <b>31 Mar 2017</b>							



ANNEXURE G  
CORPORATE GOVERNANCE CERTIFICATE

**A. R. JOSHI & ASSOCIATES**

**Practicing Company Secretary**

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

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**SECRETARIAL AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

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

We have examined the relevant records of Laxmi Cotspin Limited for the purpose of certifying compliance with the conditions of corporate governance for the year ended 31<sup>st</sup> March 2017, as stipulated in Schedule V (E) of the SEBI (LODR) Regulation, 2015 of the said Company with the stock exchanges.

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

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

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

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

  
**A. R. Joshi**  
**Company Secretary**  
**Proprietor**  
**M. No. : 5480**  
**Place: Aurangabad**  
**Date: 26.05.2017**





# LAXMI COTSPIN LIMITED

A Govt. Recognised Export House

Regd. Off.: Gut No. 399, Samangoan – Kajala Phata, Jalna-Ambad Road, Opp. Meenatai Thakare Vridhashram, JALNA - 431 203. (M.S.) India. Off. 9765999633 E-mail: laxmicotspin@gmail.com • Web Site: www.laxmicotspin.com CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

### ANNEXURE TO BOARD'S REPORT

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

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

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

Sl No	Requirement of Rule 5(1)	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Sanjay rathi – (Managing Director) – 14.55%
2	The percentage increase in median remuneration of employees in the financial year	The percentage increase in remuneration 1. MD – 40% 2. Director - NA 3. CFO - 30% 4. Company Secretary – 25% 5. Manager - NA
3	The percentage increase in median remuneration of employees in the financial year	Average 10%
4	The explanation on the relationship between average increase in remuneration and company performance	Average increase in the remuneration is 14.55%, the company has made profit of Rs 26,800,967 as compared to last year 31,326,134
5	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Total remuneration paid to the KMP 31.66 % of the net profit of the 2016-17
6	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	MD- 14.55% (of Net Profit) CFO – 1.65% (of Net Profit) CS – 0.89% (of Net Profit)





# LAXMI COTSPIN LIMITED

A Govt. Recognised Export House



Regd. Off.: Gut No. 399, Samangoan – Kajala Phata, Jalna-Ambad Road,  
Opp. Meenatai Thakare Vridhashram, JALNA - 431 203. (M.S.) India.  
Off. 9765999633 E-mail: laxmicotspin@gmail.com • Web Site: www.laxmicotspin.com  
CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

7	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NA
8	Affirmation that the remuneration is as per the remuneration policy of the company	We affirm that remuneration paid to employee and KMP remuneration is as per the remuneration policy of the company

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

i. If employed throughout the financial year was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;

ii. If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;

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

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

Mr. Sanjay Rathi  
(Managing Director)  
(DIN 00182739)



**LAXMI COTSPIN LIMITED**

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CIN NO-U17120MH2005PLC156866

Ref. No

Date :-

### **Declaration on Compliance of Code of Conduct**

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

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

Place – Jalna  
Date – 26.05.2017

Mr. Sanjay Rathi  
(Managing Director)  
(DIN 00182739))





# LAXMI COTSPIN LIMITED

A Govt. Recognised Export House

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CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
Laxmi Cotspin Limited

Sir,

a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2017 and that to the best of our knowledge and belief:


- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.


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

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

d) We have indicated to the auditors and Audit Committee

- i) That there is no significant change in internal control over financial reporting during the year.
- ii) There is no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii) There is no significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

  
For Laxmi Cotspin Limited  
(Sanjay Rathi)  
Managing Director

  
(Anupkumar Gindodiya)  
CFO

Place: Jalna  
Date: 26.05.2016

**Annexure H**

**Management Discussion and Analysis**



**LAXMI COTSPIN LIMITED**

A Govt. Recognised Export House



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CIN NO-U17120MH2005PLC156866

Ref. No.

Date :

## Management Discussion Analysis:

### 1 Overall Review / Industry Structure and development

Company engaged in the business of cotton Yarn manufacturing in textile industry with our production facilities located in cotton growing areas of Marathwada and Vidarbha region at Samangaon which is situated in the Jalna district of State of Maharashtra. we have an existing ring spinning & open end unit to cater to the yarn markets in all over India and also we export this to various countries. Our business is spread among home textiles, weaving sector, Denim Manufactures and hosiery manufacturers through open end yarn and ring spun yarn. We believe that we are manufacturing premium quality 100% cotton combed and carded hosiery/ warp conventional, organic and BCI yarn in count range of 30s Ne to 40s Ne. We also manufacture 16s and 20s count in open end.

Company was established in year 2006 with a capacity of 13200 spindles with combers in the first phase. Over the years we have expanded upto 16800 spindels with compact, lycra and slub attachment. Addition to this we have set up open end unit with 3000 Rotors. We believe that we have established a strong customer base and good marketing setup. We have also started our own "Organic Cotton Farming Project and Better Cotton (BCI) Project" in Jalna District, with 4,750 farmers in 13,200 acre of cultivation land and yield capacity of initially 55,000 quintals Kapas (11,000 BCI certified own ginned cotton bales) further expanded upto 40,000 bales per crop seasons in near future.

Our plant is equipped with state-of-art latest machineries of international repute . The plant is equipped with fully automatic, dust and pollution ,modern colour contamination removal and yarn conditioning systems. Our Company is approved as Mega Project under IPS Scheme 2007 of Maharashtra State Government and is enjoying the same for 8 years. 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 maintain the contamination free world class premium quality cotton, yarns and garments.



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

## **2 OPPORTUNITIES AND THREATS**

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

### **1. Market access through bilateral negotiation**

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

## **THREATS**

Lack of uninterrupted power, increased power costs, higher transaction costs, high cost of labour are hindering the progress. 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.

## **3 SEGMENT REVIEW AND ANALYSIS**

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

## **4 RISK AND CONCERNS**

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

## **5 STRENGTH and WEAKNESS**

### **1. STRENGTH**

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

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

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

Our factory is located in the 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 first dry port of India near Jalna, this will be very much helpful for building up the business activity through overseas market.

## **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 have 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. More dependence on cotton**

Due to over specialization in cotton, the bulk of the international market is missed out, synthetic products in India are expensive and fabric required for items like swimsuit, sky-wear and industrial apparel is relatively unavailable.



## **II. Weaving Sector**

Weaving sector is unorganized sector in India so we have to cope up with them.

## **III. Poor Infrastructure**

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

## **IV. Low Labor Productivity**

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

## **6 OUTLOOK**

During the current year there is an improvement in the demand for the Company's products. Company export their yarn to Bangladesh, China & Pakistan . They also sale their yarn to various corporate like Alok Indus, Gimatex, Hindustan Spg., Bombay Dyeing, Bharat Vijay Mills, Ashima Ltd and Maral Overseas Ltd. The forthcoming monsoon season shows hope for higher production of cotton and consequently lower price. Therefore, there is an encouraging climate for the business of the Company in the coming year.

Arathi

**2016-17**

## 12th Annual Report



Laxmi Cotspin Limited

CIN U17120MH2005PLC156866

Registered Address and  
Manufacturing Division:

Gut No. 399, Kajala, Samangaon  
Road, at Samangaon, Jalna-  
Solapur Highway, Jalna 431203

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





**CNA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

## Independent Auditor's Report

To,  
The Members,  
Laxmi Cotspin Limited  
Jalna,  
CIN U17120MH2005PLC156866

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Laxmi Cotspin Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, for the period ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

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

### Opinion

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

- a. In case of the Balance Sheet, of the "State of Affairs" of the Company as at 31<sup>st</sup> March, 2017; and
- b. In the case of the Statement of Profit and Loss, of the "Profit" for the year ended on that date;
- c. In the case of the Cash Flow Statement, of the "Cash flows" for the year ended on that date.

### Emphasis of Matter

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

### Report on Other Legal and Regulatory Requirements

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





- d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) Except for the possible effects of the matter described in the Emphasis of matter paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) The matter described in the Emphasis of matter paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
- g) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in Emphasis of matter paragraph above.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Notes on accounts 2.2 (i).to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosures in its financial statements as to holding as well as dealings in specified bank notes during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and such disclosure is in accordance with the books of accounts maintained by the company.

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



CA Anand Partani  
(Partner)  
M.No: 117766

Place: Aurangabad.  
Date: 26<sup>th</sup> May, 2017

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

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

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

We have audited the internal financial controls over financial reporting of **Laxmi Cotspin Limited** ('The Company') as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended and as on that date.

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

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

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

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

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

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

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

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





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

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For C N A & Associates**

Chartered Accountants

FRN 128929-W

*Anand Partani*

CA Anand Partani

(Partner)

M. No. 117766



Date: 26<sup>th</sup> May, 2017

Place: Aurangabad

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

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

**Report on Companies (Auditor's Report) Order, 2017 ('The Order')** issued by the central government in terms of Sub-section 11 of Section 143 of the Companies Act, 2013 ('The Act') of Laxmi Cotspin Limited ('The Company')

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

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

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

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

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

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

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

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

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

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2017 and therefore, the provisions of the clause 3 (v) of the order are not applicable to the company.

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

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

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

- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed





statutory dues including Provident Fund, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, except the following:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which it relates	Forum where the dispute is pending	Amount Paid (₹)
MVAT Act, 2002	Assessment Dues	13,47,287	FY 2012-13	Joint Commissioner, Aurangabad	NIL

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

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

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

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

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

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

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

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

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

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

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

In our opinion and according to the information and explanations given to us, the company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the



related parties and the details of related party transactions have been disclosed in the financial statements as required by applicable accounting standards.

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

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

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

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

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

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

**For C N A & Associates**

Chartered Accountants  
FRN 128929-W





**CA Anand Partani**

(Partner)

M. No. 117766

Date: 26<sup>th</sup> May, 2017

Place: Aurangabad.



**Laxmi Cotspin Limited**  
**Balance Sheet**  
As at 31<sup>st</sup> March, 2017

Particulars	Note No.	As at 31 <sup>st</sup> March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	171,476,700	171,476,700
(b) Reserves and Surplus	4	255,341,369	238,025,669
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	158,220,388	80,145,295
(b) Deferred tax liabilities (Net)		6,583,163	5,291,823
(c) Long term provisions	6	2,810,170	2,385,071
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	340,113,773	163,927,674
(b) Trade payables	8	32,054,483	23,969,311
(c) Other current liabilities	9	64,693,702	54,655,357
(d) Short-term provisions	10	20,061,266	15,969,266
<b>Total</b>		<b>1,051,355,014</b>	<b>755,846,167</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	416,018,395	287,145,902
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		10,283,378	14,070,727
(iv) Intangible assets under development		-	-
(b) Deferred tax assets (Net)		-	-
<b>(2) Current assets</b>			
(a) Inventories	12	315,612,697	167,155,668
(b) Trade receivables	13	245,396,741	208,044,120
(c) Cash and cash equivalents	14	9,931,559	24,972,204
(d) Short-term loans and advances	15	21,617,097	21,367,252
(e) Other current assets	16	32,495,146	33,090,293
<b>Total</b>		<b>1,051,355,014</b>	<b>755,846,167</b>

Overview and Significant Accounting Policies

1 & 2

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

For and on behalf of the Board of Directors

In terms of our report of even date

For C N A & Associates  
Chartered Accountants  
FRN : 128929W

CA Anand Partani  
(Partner)  
M. No. 117766



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

*Anup Kumar Gindodiya*  
Anupkumar Gindodiya  
Chief Financial officer

*Shivratan Mundada*  
Shivratan Mundada  
(Director)  
DIN 00349668

*Pooja Potdar*  
Pooja Potdar  
Company Secretary

Date : 26<sup>th</sup> May, 2017

Place : Aurangabad



**Laxmi Cotspin Limited**  
**Statement of Profit and Loss**  
For the period ended 31<sup>st</sup> March, 2017

Particulars	Note No.	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>INCOME</b>			
Revenue from operations (Net)	17	1,145,124,229	1,132,152,192
Other Income	18	3,337,105	3,511,016
<b>Total Revenue</b>		<b>1,148,461,334</b>	<b>1,135,663,208</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	863,875,868	830,389,547
Changes in inventories of finished goods, work-in-process and stock-in-trade	20	(7,695,131)	10,459,119
Employee Benefit Expenses	21	52,990,277	39,994,384
Finance costs	22	18,891,460	28,660,486
Depreciation and amortisation expenses	23	57,233,026	69,028,508
Other expenses	24	125,004,757	129,700,556
<b>Total Expenses</b>		<b>1,110,300,255</b>	<b>1,108,232,600</b>
<b>Profit Before Extra-ordinary Items and Tax</b>		<b>38,161,079</b>	<b>27,430,608</b>
<b>EXTRA-ORDINARY ITEMS</b>			
Profit/(Loss) on sale of Asset		(253,999)	283,608
<b>Total Extra-Ordinary Items</b>		<b>(253,999)</b>	<b>283,608</b>
<b>Profit Before Tax</b>		<b>37,907,080</b>	<b>27,714,216</b>
<b>Tax expense:</b>			
1) Current Tax		9,742,000	5,650,000
2) Deferred Tax		1,291,340	(7,557,728)
3) Short/ Excess Provision		72,773	(1,704,190)
		<b>11,106,113</b>	<b>(3,611,918)</b>
<b>Profit for the Year</b>		<b>26,800,967</b>	<b>31,326,134</b>
<b>Earning per equity per share of face value of ₹ 10 each</b>			
1) Basic (in ₹)		1.56	1.83
2) Diluted (in ₹)		1.56	1.83

Overview and Significant Accounting Policies

1 & 2

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

In terms of our report of even date

For C N A & Associates  
Chartered Accountants  
FRN : 128929W

CA Anand Partani  
(Partner)  
M. No. 117766



Date : 26th May, 2017  
Place : Aurangabad

For and on behalf of the Board of Directors

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

*SS Mundada*  
Shivratan Mundada  
(Director)  
DIN 00349668

*anupkumar*  
Anupkumar Gindodiya  
Chief Financial officer

*Pooja Potdar*  
Pooja Potdar  
Company Secretary





**Laxmi Cotspin Limited**  
**Cash Flow Statement**  
As at 31st March, 2017

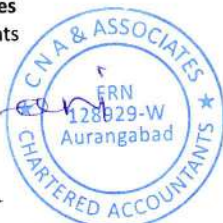
Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>A. Cash Inflow/ (Outflow) from Operating Activities</b>		
Net Profit After Tax	26,800,967	31,326,134
<b>Adjustment For</b>		
Depreciation	57,233,026	69,028,508
Interest (Net)	18,891,460	28,660,486
Provision for Income Tax	9,814,773	3,945,810
Deferred Tax	1,291,340	(7,557,728)
Provision for Gratuity and Leave Encashment	675,662	1,481,148
Profit / (Loss) on Sale of Asset	253,999	283,608
Interest & Subsidy Received	3,337,105	-
Profit / (Loss) on Sale of Shares	-	12,422
	<u>91,497,364</u>	<u>95,854,253</u>
<b>Operating Profit before working capital changes</b>	<b>118,298,331</b>	<b>127,180,387</b>
<b>Adjustment for</b>		
Inventories	(148,457,029)	44,942,767
Trade Receivables	(37,352,622)	(33,274,701)
Other Current Assets	595,147	32,403,748
Trade Payables	8,085,172	(6,145,676)
Other Current Liabilities	10,038,345	(3,666,127)
Income Tax Paid	(8,225,016)	(5,558,147)
	<u>(175,316,003)</u>	<u>28,701,864</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(57,017,672)</b>	<b>155,882,251</b>
<b>B. Cash Inflow/(Outflow) From Investment Activities</b>		
Capital Expenditure (Purchase/ Capitalization)	(183,205,611)	(29,279,519)
Sale Proceeds of Fixed Assets	128,889	3,503,636
(Increase) / Decrease in Investments	-	71,940
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(183,076,722)</b>	<b>(25,703,942)</b>
<b>C. Cash Inflow/(Outflow) From Financing Activities</b>		
Increase/ Decrease in Long Term Borrowings	78,075,092	(57,748,424)
(Repayment)/Receipt to Short Term pledge and Cash Credit borrowings	176,186,099	(59,759,358)
Interest Paid	(18,888,177)	(28,660,486)
Dividend and Dividend tax Paid	(10,319,266)	(10,430,604)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>225,053,749</b>	<b>(156,598,871)</b>
<b>Net Changes In Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(15,040,646)</b>	<b>(26,420,563)</b>
Cash & Cash equivalents (Opening Balance)	24,972,204	51,392,767
Cash & Cash equivalents (Closing Balance)	<u>9,931,559</u>	<u>24,972,204</u>

In terms of our report of even date

For CNA & Associates  
Chartered Accountants  
FRN : 128929W

CA Anand Partani  
(Partner)  
M. No. 117766

Date : 26th May, 2017  
Place : Aurangabad.



For and on behalf of the Board of Directors

Sanjay Rathi  
(Managing Director)  
DIN 00182739

Shivratan Mundada  
(Director)  
DIN 00349668

Anupkumar Gindodiya  
Chief Financial officer

Pooja Potdar  
Company Secretary

**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2017

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>3 Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ` 10/- each	400,000,000	400,000,000
	<b>400,000,000</b>	<b>400,000,000</b>
<b>Issued, Subscribed and Fully Paid -up</b>		
17,147,670 (Previous Year 17,147,670) Equity shares of ` 10/- each fully paid up	171,476,700	171,476,700
<b>Total Share Capital</b>	<b>171,476,700</b>	<b>171,476,700</b>

**(a) Reconciliation of the**

Particular	31st March, 2017 No. of Shares	31st March, 2016 No. of Shares
Equity Shares outstanding at the beginning of the year	17,147,670	17,147,670
Add : Change during the year	-	-
Equity Shares outstanding at the close of the year	<b>17,147,670</b>	<b>17,147,670</b>

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

- i) The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- ii) During the year ended 31<sup>st</sup> March, 2017, the amount of per share dividend proposed, subject to approval of shareholders in annual general meeting, for distribution to equity shareholders is ` 0.50 (Previous Year ` 0.50).
- iii) In the event of
- c) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**
- i) Out of above equity shares, the Company had allotted 94,67,515 equity shares as fully paid up bonus shares by capitalisation of profits transferred from Securities Premium, pursuant to the resolution passed at the Board Meeting held dated on 25<sup>th</sup> March, 2010.

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

Name of Shareholder	31st March, 2017		31st March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of ` 10 each fully paid</b>				
Anand Vyapar Private Limited	3,392,500	19.78%	3,304,356	19.27%
Safford Merchantile Private Limited	2,285,450	13.33%	2,116,700	12.34%
Rameshbhai Chotabhai Patel	2,251,563	13.13%	2,251,563	13.13%
Ashva Multitrade Private Limited	2,065,930	12.05%	2,034,680	11.87%
Rajesh Puranmal Bansal	913,125	5.33%	913,125	5.33%
Sensex Tracom Private Limited	-	0.00%	2,421,300	14.12%
Mangalmayee Stock Management Private Limited	-	0.00%	1,935,972	11.29%





**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2017

Particulars	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>4 Reserves And Surplus</b>		
<b>a) Capital Subsidies</b>		
As per last financial statements	49,460,844	39,951,042
<b>Add:</b>		
During the year	834,000	14,450,000
<b>Less:</b>		
During the year	-	(4,940,198)
<b>Closing Balance</b>	<b>50,294,844</b>	<b>49,460,844</b>
<b>b) Securities Premium Reserve</b>		
As per last financial Statements	55,529,500	55,529,500
<b>Add:</b> During the year	-	-
<b>Closing Balance</b>	<b>55,529,500</b>	<b>55,529,500</b>
<b>c) Surplus in Statement of Profit and Loss</b>		
As per last financial statements	133,035,325	112,296,972
<b>Add:</b>		
Profit for the year	26,800,967	31,326,134
<b>Less:</b>		
<b>Appropriations</b>		
Adjustments during the year	-	(268,515)
Proposed dividend on equity shares (Amount per share ` 0.50, previous year ` 0.50)	(8,573,835)	(8,573,835)
Corporate tax on proposed dividend	(1,745,431)	(1,745,431)
<b>Net surplus in the statement of Profit and Loss</b>	<b>149,517,025</b>	<b>133,035,325</b>
<b>Total Reserve and Surplus</b>	<b>255,341,369</b>	<b>238,025,669</b>

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>5 Long Term Borrowings</b>		
<b>a) Secured Long Term Borrowings</b>		
<b>i) Term Loans from Banks</b>		
HDFC Bank Limited	18,402,188	35,600,120
Shyamrao Vitthal Co-operative Bank Limited	138,254,082	44,248,549
<b>Term Loans from Banks</b>	<b>156,656,270</b>	<b>79,848,669</b>
<b>ii) Other Loans from Banks (Vehicle Loan)</b>		
HDFC Bank Limited	1,564,118	296,626
<b>Vehicle Loans from Banks (Net)</b>	<b>1,564,118</b>	<b>296,626</b>
<b>Secured Long Term Borrowings "a"</b>	<b>158,220,388</b>	<b>80,145,295</b>
<b>b) Unsecured Long Term Borrowings</b>		
<b>i) Inter Corporate deposit</b>	-	-
<b>Unsecured Long Term Borrowings "b"</b>	-	-
<b>Total Long Term Borrowings ("a" + "b")</b>	<b>158,220,388</b>	<b>80,145,295</b>

**Term Loan and Vehicle from the Bank**

Term Loan is secured by way of first charge of land, Factory Shed and Building, Plant and Machineries and other Fixed assets (Present and Future) of the company and guaranteed by Corporate, Directors and Members.

ii) Vehicle Loan is secured by hypothecation of Vehicle and guaranteed by Directors.

Average cost of loans to be given to the extend of 11 to 15%.



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2017

Particulars	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>6 Long term provisions</b>		
<b>Provision for Employee benefits</b>		
Gratuity	2,810,170	2,385,071
<b>Total Long Term Provisions</b>	<b>2,810,170</b>	<b>2,385,071</b>

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>7 Short Term Borrowings</b>		
<b>a) Secured Short Term Borrowings</b>		
i) Cash Credit from HDFC Bank Limited	240,113,773	163,927,674
ii) Pledge Loan from HDFC Bank Limited	100,000,000	-
<b>Secured Short Term Borrowings</b>	<b>340,113,773</b>	<b>163,927,674</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 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, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>8 Trade Payables</b>		
Trade Payables	32,054,483	23,969,311
<b>Total Trade Payables</b>	<b>32,054,483</b>	<b>23,969,311</b>

The Company has so far not received information from vendors regarding their status under the Micro, Small and Medium Enterprises (Development) Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid / payable under this Act have not been given.



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2017

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>9 Other Current Liabilities</b>		
a) Current maturities of Long Term Debts (Including Current maturities of Vehicle loans)	48,146,421	38,571,381
b) Statutory Dues*	3,666,417	4,509,326
c) Advance from customer and others	3,136,579	1,614,578
d) Other Payables		
i) Outstanding liabilities for expenses**	9,744,285	9,960,072
<b>Total Other Current Liabilities</b>	<b>64,693,702</b>	<b>54,655,357</b>

\*Statutory dues include Contribution made for Provident Fund, Sales Tax (VAT and CST), Local Tax, Service Tax and Professional Tax.

\*\* Outstanding liabilities for expenses include Outstanding liability made for Bonus, Electricity Charges, Interest, Salary, Wages unpaid for the current year.

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>10 Short term provisions</b>		
a) <b>Other Provisions</b>		
Provision for taxation- Income Tax	9,742,000	5,650,000
Dividend Payable	8,573,835	8,573,835
Dividend Distribution Tax	1,745,431	1,745,431
<b>Total Short Term Provisions</b>	<b>20,061,266</b>	<b>15,969,266</b>





**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March 2017

Particulars	Gross Block			Depreciation			Net Block			
	As at 1 <sup>st</sup> April, 2016 Rs.	Additions Rs.	Deletion Rs.	As at 31 <sup>st</sup> March, 2017 Rs.	Up to 1st April, 2016 Rs.	For the Period Rs.	Other Adjustments Rs.	Upto 31 <sup>st</sup> March, 2017 Rs.	As at 31 <sup>st</sup> March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>Assets</b>										
<b>Intangible Assets</b>										
Goodwill	2,788,006	-	-	2,788,006	-	-	-	-	2,788,006	2,788,006
Patent Rights	94,716,410	45,324,904	-	140,041,313	17,318,273	3,090,317	-	-	119,632,724	77,398,137
Financial Installations	21,661,515	7,228,516	-	28,890,032	13,209,205	2,086,457	-	20,408,590	13,594,370	8,452,311
Plant & Machineries	491,997,131	130,343,117	-	622,340,247	312,832,249	47,262,689	-	360,094,938	262,245,309	179,164,882
Intangible Fixed Assets	30,191,477	135,754	-	30,327,231	14,840,761	3,295,641	-	18,136,402	12,190,829	15,350,717
Leasehold Property	4,734,977	-	-	4,734,977	3,171,820	449,823	-	3,621,643	1,113,334	1,563,157
Leasehold Intangible Assets	1,823,311	309,229	-	2,132,540	1,815,098	317,441	-	2,132,539	1	8,213
Leasehold Intangible Assets	647,946	-	-	647,946	614,892	33,053	-	647,945	1	33,054
Leasehold Intangible Assets	6,049,097	3,146,888	(925,797)	8,270,188	3,661,670	697,605	(542,908)	3,816,367	4,453,820	2,387,426
<b>Intangible Assets</b>	<b>654,609,870</b>	<b>186,488,408</b>	<b>(925,797)</b>	<b>840,172,481</b>	<b>367,463,968</b>	<b>57,233,026</b>	<b>(542,908)</b>	<b>424,154,085</b>	<b>416,018,395</b>	<b>287,145,902</b>
<b>Intangible Assets</b>	<b>14,070,727</b>	<b>320,167,882</b>	<b>(323,955,231)</b>	<b>10,283,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,283,378</b>	<b>14,070,727</b>
<b>Intangible Assets</b>	<b>14,070,727</b>	<b>320,167,882</b>	<b>(323,955,231)</b>	<b>10,283,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,283,378</b>	<b>14,070,727</b>
<b>Intangible Assets</b>	<b>668,680,597</b>	<b>506,656,289</b>	<b>(324,881,028)</b>	<b>850,455,858</b>	<b>367,463,968</b>	<b>57,233,026</b>	<b>(542,908)</b>	<b>424,154,085</b>	<b>426,301,773</b>	<b>301,216,629</b>
<b>Intangible Assets</b>	<b>650,589,498</b>	<b>29,279,519</b>	<b>(11,188,420)</b>	<b>668,680,597</b>	<b>305,873,429</b>	<b>69,028,508</b>	<b>7,437,969</b>	<b>367,463,968</b>	<b>301,216,629</b>	<b>344,716,069</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March 2017

Particulars	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>12 Inventories</b>		
a) Raw Materials	270,499,262	130,301,110
b) Work-in-Process	10,839,217	7,109,850
c) Finished Goods	16,795,154	12,829,389
d) Stores & Spares	17,479,064	16,915,319
<b>Total Inventories</b>	<b>315,612,697</b>	<b>167,155,668</b>

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>13 Trade Receivables</b>		
a) Unsecured		
Exceeding Six Months		
Considered Good	14,638,916	2,227,610
Others		
Considered Good	230,757,825	205,816,510
<b>Total Trade Receivable</b>	<b>245,396,741</b>	<b>208,044,120</b>

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>14 Cash &amp; Cash Equivalents</b>		
a) Cash on hand	815,016	1,653,025
b) Balances with Scheduled Banks		
- In Current Account	309,227	10,214,234
- In Term Deposits Account	8,793,239	13,090,869
c) Balances with Non-Scheduled Banks	14,077	14,077
<b>Total Cash &amp; Cash Equivalents</b>	<b>9,931,559</b>	<b>24,972,204</b>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March 2017

Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>15 Short Term Loans &amp; Advances</b>		
a) Advance to Suppliers and Service Providers	10,182,533	14,511,785
b) Loans & Advances to Others	1,940,149	912,920
c) Security Deposit	1,269,400	384,400
d) Other Loans and Advances		
- Advance Tax, TDS & TCS	8,225,016	5,558,147
<b>Total Short Term Loans &amp; Advances</b>	<b>21,617,097</b>	<b>21,367,252</b>
Particulars	As at 31st March, 2017 Rs.	As at 31 <sup>st</sup> March, 2016 Rs.
<b>16 Other Current Asset</b>		
a) Prepaid expenses	830,097	1,024,559
b) Balance with Government Authorities	646,760	1,028,897
c) Accrued Interest (TDR)	1,574,881	1,455,316
d) Interest Receivable (TUFS)	13,604,251	6,357,923
e) Other Receivables	15,839,157	23,223,598
<b>Total Other Current Assets</b>	<b>32,495,146</b>	<b>33,090,293</b>





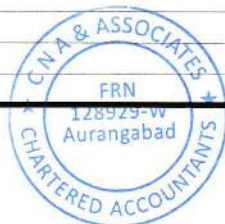
## Laxmi Cotspin Limited

Notes to the Financial Statements as at 31st March, 2017

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>17 Revenue From Operations</b>		
<b>Sale of Products</b>		
Finished Goods	1,145,124,229	1,131,116,504
	<u>1,145,124,229</u>	<u>1,131,116,504</u>
<b>Particulars Of Sales Of Product</b>		
<b>(A) Export Sales</b>		
i) Cotton Yarn	57,846,355	89,992,557
<b>(B) Domestic Sales</b>		
i) Cotton Yarn	726,840,020	679,586,935
ii) Cotton Bales	214,009,215	265,359,473
iii) Cotton Seeds	127,636,067	79,423,374
iv) Cotton Waste	18,792,572	16,754,165
	<u>1,145,124,229</u>	<u>1,131,116,504</u>
<b>Other operating revenue</b>		
Jobwork Income	-	1,035,688
	-	<u>1,035,688</u>
<b>Total Revenue from operations</b>	<u>1,145,124,229</u>	<u>1,132,152,192</u>

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>18 Other Income</b>		
a) Duty Drawback & Incentives	1,879,009	510,440
b) Subsidy from NABARD	-	2,500,000
c) Other non-operating income		
a) Interest Income	1,157,395	309,345
b) Forex Gain & Loss	300,701	191,230
<b>Total Other Income</b>	<u>3,337,105</u>	<u>3,511,016</u>
<b>Total Revenue</b>	<u>1,148,461,334</u>	<u>1,135,663,208</u>

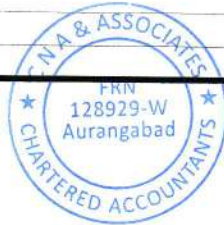
Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>19 Cost of Material Consumed</b>		
a) Opening Stock of Raw material	130,301,110	167,345,124
b) Purchases of Raw material	996,516,786	790,549,077
c) Add: Freight Expenses	7,557,234	2,796,456
d) Less: Closing Stock	(270,499,262)	(130,301,110)
<b>Total Cost of Material Consumed</b>	<u>863,875,868</u>	<u>830,389,547</u>



**Laxmi Cotspin Limited**  
Notes to the Financial Statements as at 31st March, 2017

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>20 Changes in inventories of finished goods, work-in-process and stock-in-trade</b>		
<b>a) Opening Stock</b>		
Finished Goods	12,829,389	24,079,926
Work in Process	7,109,850	6,318,432
	<b>19,939,239</b>	<b>30,398,358</b>
<b>b) Closing Stock</b>		
Finished Goods	16,795,154	12,829,389
Work in Process	10,839,217	7,109,850
	<b>27,634,371</b>	<b>19,939,239</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(7,695,131)</b>	<b>10,459,119</b>

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>21 Employee Benefit Expenses</b>		
a) Salaries and wages	43,515,072	31,263,695
b) Directors remuneration	3,700,000	3,540,000
c) Contribution to provident & other funds	2,973,100	3,390,047
e) Staff Welfare expenses	2,802,105	1,800,642
<b>Total Employee Benefit Expenses</b>	<b>52,990,277</b>	<b>39,994,384</b>





## Laxmi Cotspin Limited

Notes to the Financial Statements as at 31st March, 2017

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>22 Finance Cost</b>		
a) Bank Charges	1,165,433	938,899
b) Interest Expenses	1,165,433	938,899
i) Interest on Term Loan	1,693,259	13,305,826
ii) Interest on Working Capital Loan	14,892,788	14,415,760
iii) Interest on Pledge Loan	1,139,980	-
<b>Total Finance Cost</b>	<b>17,726,027</b>	<b>27,721,586</b>
	<b>18,891,460</b>	<b>28,660,486</b>

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>23 Depreciation &amp; Amortization Expenses</b>		
a) Depreciation	57,233,026	69,028,508
<b>Total Depreciation &amp; Amortization Expenses</b>	<b>57,233,026</b>	<b>69,028,508</b>

Particulars	Period Ended 31st March, 2017 Rs.	Year Ended 31 <sup>st</sup> March, 2016 Rs.
<b>24 Other Expenses</b>		
a) Consumption of Stores and Spares and Packing Material	23,315,109	23,434,143
b) Consumption of Power and Fuel	71,538,494	79,565,699
c) Repair & Maintenance		
d) i) Plant and Machinery	878,480	880,258
e) ii) Office	268,875	561,676
d) Insurance	971,524	684,793
e) Office Expenses	696,159	824,592
f) Audit Fees	195,500	194,650
g) Legal, Professional and Subscription Charges	2,032,018	2,681,234
h) Rent, Rates & Taxes	2,801,321	1,607,870
j) Telecommunication Expenses	493,083	528,954
h) Travelling & Conveyance Expenses	654,852	771,597
k) Selling Expenses	21,159,342	17,965,091
<b>Total Other Expenses</b>	<b>125,004,757</b>	<b>129,700,556</b>



## Laxmi Cotspin Limited

Notes to the financial statement as at and for the period ended 31<sup>st</sup> March, 2017

### 1) Overview:

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

### 2) Significant Accounting Policies and Notes on Accounts:

#### Note 2.1 Significant Accounting Policies:

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

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

##### ii) Use of Estimates:

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

##### iii) Valuation of Inventories:

- a) Raw materials and stores & spares are valued at lower of cost, computed on net realizable value. Cost includes the purchase price as well as incidental expenses. Cotton Waste is valued at estimated realizable value. However, in case of raw materials, stores & 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) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

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

**v) Fixed Assets – Depreciation:**

**a) Tangible Assets:**

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

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

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

**c) Depreciation:**

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

<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 equipments and Misc. Fixed Assets	5 Years

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



**vi) Revenue Recognition:**

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

**vii) Foreign Currency Transactions:**

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

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

- a) Interest subsidy received or receivable on Term Loan taken under Technology up Gradation Fund Scheme (TUFS) Subsidy are reduced from the term loan interest being a revenue nature. TUFS subsidy on Interest pertaining to pre-operative period is attributable to the cost of acquisition/installation of fixed assets till the commencement of commercial production is capitalized.
- b) State Government incentive under Maharashtra Government Capital Subsidy (TUFS) is accounted on accrual basis and considered as a capital receipt, as subsidy amount is linked to investment made by company. The same has been transferred to Capital reserve of the company.

**ix) Employee Benefits:**

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

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

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

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

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

**c) Gratuity:**

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

**d) Leave Encashment:**

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





x) **Borrowing Cost:**

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

xi) **Segment Accounting:**

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

xii) **Taxes on Income:**

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

xiii) **Earnings Per Share:**

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



## Note 2.2 Notes on Accounts

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

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

- The company has given Bank Guarantee in favor of MSEB against the electricity consumption is Rs. 90.51 Lakhs.
- The company has given Bank Guarantee in favor of Director of Agriculture Marketing Maharashtra State Pune Rs. 3 Lakhs.
- The company has given Bank Guarantee in favour of Dy. Commissioner of Customs against Imported Spare Clearance of Rs. 5.03 Lacs.
- The company has given Bank guarantee in favour of DGFT for export obligation is Rs. 9.66 Lacs.

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

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

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

##### **- In respect of civil suits against the company:**

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

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

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

#### **iv) Payments to auditors:**

	<b>31<sup>st</sup> Match, 2017</b>	<b>31<sup>st</sup> Match, 2016</b>
Statutory Audit Fees	1,20,000	1,20,000
Tax Audit	75,500	74,650
<b>Total</b>	<b>1,95,500</b>	<b>1,94,650</b>





v) The Deferred tax liability comprises of following:

Particulars	31/03/2017	31/03/2016
<b>Deferred Tax Liability</b>		
On account of Timing Difference (Depreciation)	80,97,020	58,64,827
<b>Total (a)</b>	<b>80,97,020</b>	<b>58,61,739</b>
<b>Deferred Tax Assets</b>		
On Account of Disallowances	(15,13,857)	(5,73,004)
<b>Total (b)</b>	<b>(15,13,857)</b>	<b>(5,73,004)</b>
<b>Net Deferred Tax Liability</b>	<b>65,83,163</b>	<b>52,91,823</b>
Less: - Provision up to previous year	52,91,823	1,28,49,551
<b>Deferred Tax (Liability) /Assets (Net) for the year</b>	<b>12,91,340</b>	<b>(75,57,728)</b>

vi) Earnings per share is worked out as under:

Earnings per Share	31/03/2017	31/03/2016
<b>Profit After Tax (Balance available for Equity Shareholders)</b>	<b>2,68,00,967</b>	<b>3,13,26,134</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>1.56</b>	<b>1.83</b>

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

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



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

Nature of Transaction	Shivratan Mundada	Sanjay Rathi	GGPPL
Services Received	-	37,00,000	-
Material Purchases	2,89,293	-	8,89,64,427
Material Sales	-	-	1,12,39,573

viii) Details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016:

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in Hand as on 08/11/2016	695,000	938,769	1,633,769
Add - Permitted receipts	-	656,743	656,743
(Less) - Permitted Payment	(695,000)	(514,694)	(1,209,694)
(Less) - Amount Deposited in Bank	-	-	-
Closing Cash in Hand as on 30/12/2016	-	1,080,818	1,080,818

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

In terms of our report of even date

For & on behalf of the Board of Directors

For M/s. C N A & Associates  
Chartered Accountants  
FRN 128929-W

*Anand Partani*

CA Anand Partani  
(Partner)  
M.No. 117766



*Sanjay Rathi*

Sanjay Rathi  
(Managing Director)  
DIN 00182739

*Shivratan Mundada*

Shivratan Mundada  
(Director)  
DIN 00349668

Dated: 26<sup>th</sup> May, 2017  
Place: Aurangabad.





**LAXMI COTSPIN LIMITED**

**CIN:** U17120MH2005PLC156866

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

**Tel. : 9765999633**

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

**Website:** www.laxmicotspin.com

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

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

1

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, the 18th July, 2017 at 10.30 A.M. at the registered office of the Company Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon Jalna 431203 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl No	Resolution(s)	Vote	
		For	Against
1	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2	To declare dividend @ 5% to the Equity Shareholders of the company		
3	To re-appoint M/s. C N A & Associates, Chartered Accountants, Aurangabad as Statutory Auditor of the company		
4	Mr. Rajesh Bansal who retires by rotation and being eligible, offers himself for re-		

	appointment		
5	Regularization of Appointment of Mrs. Prafullata Rathi as a Women Director of the company		

Signed this ..... day of..... 2017



Signature of Shareholder  
Across revenue Stamp

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s)\_\_\_\_\_

Note:

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

2) The proxy need not be a member of the company.

**LAXMI COTSPIN LIMITED**

**CIN:** U17120MH2005PLC156866

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

**Tel.:** 9765999633

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

**Website:** www.laxmicotspin.com

ATTENDANCE SLIP

(To be presented at the entrance)

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

Name of the Reg. Shareholder-----

I, being the registered shareholder/Proxy for the registered shareholder of the company hereby record my presence at the 12<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 18<sup>th</sup> July, 2017 at 10:30 A.M. at the registered office of the Company at Gut No.399, Samangaon-Kajla Road, In Front Of Meenatai Thakare Vridhashram, Samangaon Jalna 431203.

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

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

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

