



StarTrack<sup>®</sup>  
Fusible Interlining



weaves<sup>™</sup>  
live instyle

SHRI LAKSHMI COTSYN LIMITED  
24TH ANNUAL REPORT 2011-12

# TOWARDS A NEW GROWTH PARADIGM

## Forward looking statement


In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected, readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# 2011-12

is a defining year in the corporate evolution of Shri Lakshmi Cotsyn.

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## It marked

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the completion of the last phase of our Rs. 992-crores expansion plan, involving multiple product segments (denim fabrics, suiting and technical textiles). With all the capacities in place, we are now fully geared to commence the next stage of our journey.

Our achievement has been the result of sound policies in the past and a well-defined vision for the future. We will continue to listen to market trends, keep abreast of technological innovations globally and evolve strategies to move towards new growth paradigms.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

- Dr. M.P. Agarwal**, Managing Director  
**Mr. Pawan Kumar Agarwal**, Joint Managing Director  
**Mr. Devesh Gupta**, Dy. Managing Director  
**Mr. Dileep Bajaj**, Executive Director  
**Mrs. Sharda Agarwal**, Executive Director  
**Mr. R. K.Garg**, Independent Director  
**Dr. G.N. Mathur**, Independent Director  
**Dr. J.V.Rao**, Independent Director  
**Mr. Ram Sharan Srivastava**, Independent Director  
**Mr. K.D. Gupta**, Independent Director  
**Mr. G.N. Bajpai**, Independent Director

## COMPANY SECRETARY & FINANCE CONTROLLER

**Mr. Rakesh Kumar Srivastava**

## PRESIDENT WORKS

**MR. B.R. GARG**

## STATUTORY AUDITORS

M/S Pradeep & Associates  
 Chartered Accountants  
 27/78 A, Gagan Deep Complex, Birhana Road, Kanpur-208001  
 Ph. No. [0512]- 2313665

## INTERNAL AUDITORS

M/S Ajai Shanker & Company  
 Chartered Accountants  
 112 / 206-A, Swaroop Nagar,  
 Kanpur-208002, Ph. No. [0512]- 2551249

## COST AUDITOR

Mr. A.K.SRIVASTAVA  
 96 Harjender Nagar,  
 Kanpur-208007  
 Ph. No. 09839116989

## SECRETARIAL AUDITOR

Mr. Sarvesh S. Srivastava  
 117/ Q / 454, 209, Indrapuri, Sharda Nagar, Kanpur-208025  
 Ph. No. [0512]- 3073843

## LEGAL ADVISOR

Mr. Ram Gopal Pandey  
 Advocate  
 Chamber No. – 17, First Floor  
 Pt. M.L. Nehru Adhivakta Bhawan,  
 Civil Court, Kanpur  
 Ph. No. [0512]- 2665598

## P. R. ADVISOR

Adfactors PR Pvt. Ltd.  
 Shalaka Maharshi Karve Marg,  
 Cooperage, Mumbai-400021  
 Ph. No. [022]- 22813565

## BANKERS

1. Syndicate Bank
2. Central Bank Of India
3. Bank Of Baroda
4. Union Bank Of India
5. Canara Bank
6. Punjab National Bank
7. State Bank Of Patiala
8. Allahabad Bank
9. Indian Bank
10. I D B I Bank Ltd.
11. Exim Bank
12. State Bank Of Travancore
13. Saraswat Co-Operative Bank
14. State Bank Of Mysore
15. Andhra Bank
16. Axis Bank
17. Oriental Bank of Commerce

## OVERSEAS BANKERS

1. Pnb International Ltd., London
2. Canara Bank, U.K.

## REGISTERED OFFICE

19/X-1 Krishnapuram  
 G.T Road, Kanpur, U.P.-208007  
 Ph. No. [0512]- 2402893, 2402733

## CORPORATE OFFICE

C-40, Sector-57, Noida. U.P.  
 (0120)-4544780



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BUSINESS STRATEGY



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STATUTORY REPORTS



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FINANCIALS

## OVERSEAS OFFICE (U.S. OFFICE)

Suite # 627-629, 7 West, 34th Street,  
New York , NY-10016  
Ph: 212-212-0770

## SUBSIDIARY COMPANIES

### 1) SLCL Overseas (FZC)

SAIF Zone P.O.8000, Sharjah,U.A.E.

### 2) Shri Lakshmi Defence Solutions Ltd.

Rahsoopur Gate No. 133, Tehsil Bindki,  
Industrial Area, G.T.Road, Distt. Fatehpur

### 3) Synergy Global Home Inc.

160 Green Tree Drive, Suite 101,  
Dover Kent – 19904, USA

## REGISTRAR & TRANSFER AGENTS

M/s Abhipra Capital Ltd.  
GF-58-59 World Trade Centre,  
Barakhamba Lane, New Delhi  
Ph. No. (011)-23414629, 23413893  
Mail ID: rta@abhipra.com

## UNITS

### (a) Malwan Unit

UPSIDC Industrial Area, P.O. Malwan Dist. Fatehpur, U.P  
Ph. No. (05181)-248669

### (b) Aung Unit

P.O.Aung, GT Road, Dist. Fatehpur, U.P.  
Ph.No. (05181)-251184 / 48

### (c) Abhaypur Unit

P.O.Aung, GT Road, Dist. Fatehpur, U.P.

### (d) Rewari Bujurg Unit

Village & Post – Rewari Bujurg  
Pargana & Tehsil - Bindki, Dist. Fatehpur, U.P.

### (e) Rahsupur Unit

Village Rahsupur, Dist. Fatehpur, U.P.

### (f) Noida Unit

C-40, Sector-57,Noida  
Ph. No. (0120)-4722700

### (g) Roorkee Unit

Dev Bhoomi Industrial Estate,  
Village Banta Kheri, Tehsil Roorkee, District Haridwar,  
Uttaranchal, Ph. No. (01332)-231961

### (h) Sonapat Unit

Village-Libaspur  
District- Sonapat, Haryana, Ph. No. (0130)-2381579

## WEBSITE

www.shrilakshmi.in

## E-MAIL ID

shri@shrilakshmi.in

## CORPORATE IDENTITY NUMBER (CIN)

L17122UP1988PLC009985

## DEMAT ISIN NSDL & CDSL.

INE851B01016

## LISTING

### Bombay Stock Exchange

Floor 25, P.J. Towers, Dalal Street, Mumbai-400001  
Ph. No. (022) – 2272134

### National Stock Exchange

5th Floor, Exchange Plaza, Bandra (E), Mumbai-400051  
Ph. No. (022)- 26598100

### Uttar Pradesh Stock Exchange

“Padam Tower”, Civil Lines, Kanpur-208002  
Ph. No. (0512)- 2338220

### Singapore Stock Exchange

2, Shenton Way # 19-00, SGX Centre 1, Singapore-068804

## SCRIP CODE

**BSE:** 526049

**NSE:** SHLAKSHMI

## BLOOMBERG CODE

SLCL IN

## REUTERS CODE

SHLK.BO



## FOCUSED MOMENTUM

### For nearly two decades,

Shri Lakshmi Cotsyn Limited (Shri Lakshmi) has traversed a long journey, despite challenges. Today, we have emerged as one of the fastest growing Indian conglomerates.

Started the journey in 1993, we operate in two diverse industries, namely textiles (home and technical segment) and defence solutions. We are an integrated textile player, having state-of-the-art manufacturing capabilities.

We have core expertise in home textiles and enjoy one of the leading positions as a manufacturer and supplier of technical & safety textiles and fabricated items to the defence sector.



## PILLARS OF GROWTH

- Diverse product range
- Presence in margin accretive technical textiles
- Strong research and development (recognised by the Directorate of Scientific & Industrial Research)
- Reputed client base including the government defence establishments
- Rich talent pool
- Experienced and professional management team
- Robust financials



## ON IDEAS AND IMPLEMENTATION

### TEXTILE SOLUTIONS

#### Nanotechnology

Shri Lakshmi is working on nanotechnology fabrics and smart textiles with NCT technologies under the guidance and supervision of Dr. G. N. Mathur, Ex-Director of DRDO. We will be adapting the flexible sensor technology to monitor fatigue, stress, heart condition and blood pressure.

#### Functional fabric

Shri Lakshmi will be offering textiles with optimised material properties like colour fastness, tensile, abrasion resistance, heat proof, cold resistance, water proof, wind tightness, breathability and humidity, among others.

#### Smart intelligent fabric

Smart offerings like odour control, microcapsules with phase change materials, advanced wearing comfort and heating insulation, reflection materials and EIV fed protection

## SHAPING OUR WORLD

# 8

State-of-the-art manufacturing facilities spread in Malwan, Aung, Abhaypur, Rewari Bujurg, Rhasapur, Noida (Uttar Pradesh), Roorkee (Uttarakhand) and Sonapat (Haryana)

# 1,150

Retail presence across multi-branded outlets

# 30%

Leading market share in fusible interlining segment





**MORE  
CAPACITIES\* .  
GREATER  
STRENGTH.**

**REGULAR TEXTILES**



**24 MN# MTRS**

Suiting and shirting

**40 MN MTRS**

Denim

**6 MN MTRS**

Bottom weight

**15,000 TONS**

Terry towel

**30 MN MTRS**

Wider width fabric

**0.3 MN PCS**

Comforters

**6.6 MN PCS**

Garments

**0.4 MN MTRS**

Quilted fabric

**0.8 MN MTRS**

Embroidery fabric



## TECHNICAL TEXTILE



**64** MN MTRS

Technical textile fabric

**25** MN MTRS

Fusible interlining fabric

**1.25** MN MTRS

Nylon coated fabric

**20** MN MTRS

Black-out fabric

**17** MN MTRS

Flex fabric

**10** MN MTRS

NBC fabric

**5** MN MTRS

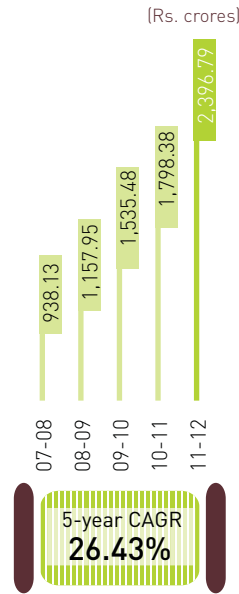
IRR/ MSCN fabric

\*Capacities per annum  
#MN - Million

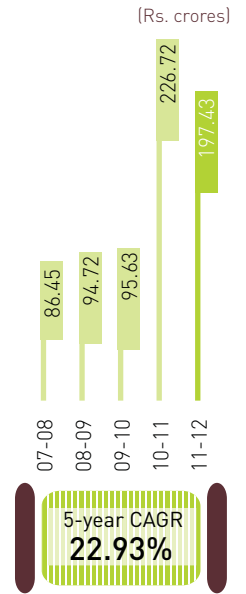


**SUPPORTING  
GROWTH  
AMBITIONS  
WITH  
FINANCIAL  
ACUMEN**

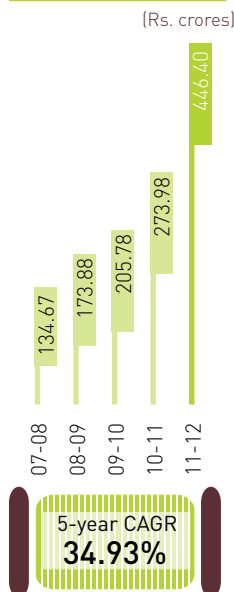
### Net sales



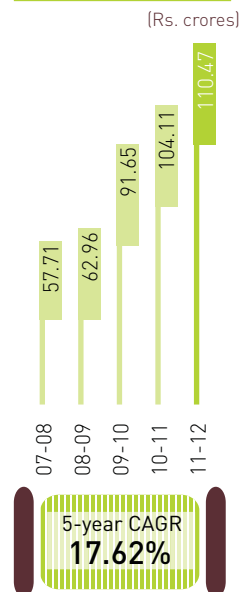
### Export sales



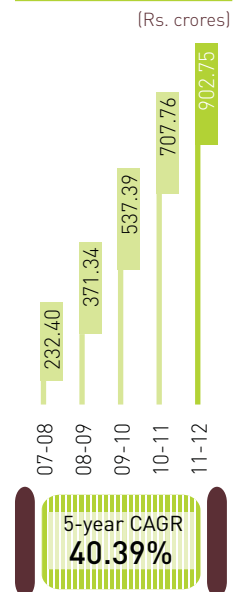
### EBIDTA



### PAT

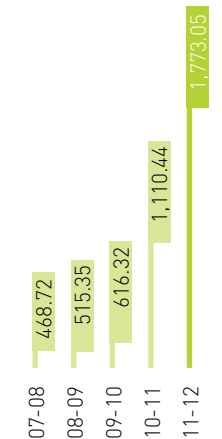


### Net worth



### Net fixed assets

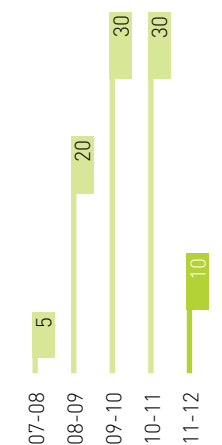
(Rs. crores)



5-year CAGR  
39.47%

### Dividend payout ratio

(%)



## Year-on-year improvement

33.57% ↑ in net sales

63.00% ↑ in EBIDTA

6.12% ↑ in PAT

27.55% ↑ in net worth

59.67% ↑ in net fixed assets

339bps ↑ in EBIDTA margins

## Highlights 2011-12

- Added 15 new dealers
- Set up 2 new DYFI outlets
- Opened a branch in the United States
- Launched a new venture – 'yarn dyed project' – to manufacture premium quality shirts
- Developed anti-bed bug bedsheet, with significant US demand
- Supplied four specialised mine protection vehicles to the Government of Nepal for their troops deployed for United Nations missions
- Supplied six bulletproof commando vehicles to the Gujarat Police and four bulletproof commando vehicles to the Madhya Pradesh Police



SEASONED  
EXPERTISE.  
PROMINENT  
BRANDS.

## STAR TRACK

**Product:** Fusible interlining fabric

**Specialty:** 40 varieties of fusible interlining (with zero-shrinkage)

## GALAXY

**Product:** Clothing accessories

**Specialty:** Wide range of clothing accessories

## ALISHA

**Product:** Embroidery

**Specialty:** Range of embroidery like chikan, etc

## SVL

**Product:** Zippers

**Specialty:** Over 180 shades of zippers for gents and ladies garments, bags and luggage

## WEAVES

**Product:** Home Furnishings

**Specialty:** Value-added bed sheets, bedcovers to terry towels, pillows, cushions, comforters, table covers and innovative bed sheets (water-repellent, mosquito repellent, organic, Vitamin-E enriched and bacteria-free)

## DYFI

**Product:** Garments

**Specialty:** Stitching through technology driven machines. At present, there are 5 owned company stores.



## RECOGNITIONS & AWARDS AND CERTIFICATIONS

### RECOGNITIONS & AWARDS

- Ranked 316th among the top 500 companies of India (Source: *The Economic Times and published in ET-500, 2012 issue*)
- Ranked 294th among the top 1000 companies in BS-1000, issue 2012
- Achieved overall Super Rank 412 as per the survey conducted by Business India, the magazine of the corporate world. (Source: *Business India, issue - December, 2012*)
- Ranked 319th among the top 500 Manufacturing Companies in India (Source: *Industry 2.0 - Technology Management for Decision Makers, September, 2011*)
- Ranked 117th among the top 400 Manufacturing Companies in India (Source: *Dalal Street Journal - Mid Cap 400 issue 2011*)
- Received an award from Indian Carbon Outlook 2011 for accelerating Market driven Sustainability
- Ranked Star Export House by the office of the Joint Director-General of Foreign Trade, Ministry of Commerce and Industry
- Received a Certificate of Recognition from "Parivartan, 2011"
- Received an award from Community of International Sewing Machine Industry, India (CISMI) organised by GARTEXMA for valuable support in apparel and home textiles machine industry (11th October, 2010)
- Processing Certificates like ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2001, GOTS, OE-100, Oelotex and Reach
- Recognition as R&D unit by DSIR Ministry of Science and Technology, Government of India
- Also recognised by Government of India as a centre for skill upgradation of Industria workers.
- Has been issued a License for setting up a Textile Park in the state of Uttar Pradesh

### CERTIFICATIONS

Name of Certificate	Purpose
GOTS	Global Textile System
O.E. 100 & Blended	User Health & Safety
REACH	Chemical Management
OEKO-TEX 100	Skin Friendly Chemical
SA-8000	Social Accountability
ISO-9001 : 2008	Quality Management System
ISO-14001 : 2004	Environment Management System
OHSAS - 18001 : 2001	Occupational Health & Safety
FAIR TRADE CERTIFICATE	Ethic Trade Practices



SHRI  
LAKSHMI  
IN NEWS

अब स्वास्थ्य का हाल बताएंगी बनियान

• पर बैठे जैन जड़ी  
बनियान, इंसिडेन व  
फायर टैंक



राजस्थान काठमेरी, कानपुर

बनियान कि अगर बात में अग्रवाल जिनकी स्वास्थ्य की और अगर फिन बाईपर में सखी किंग अपने स्वास्थ्य का हाल बात में किंग ही 7 किंग बैलगाड़ी के ही में अगर ही पर प्रिफिक फोलेरी जब अगर पर बैलगाड़ी इंसिडेन, फायर टैंक, प्रिफिक का प्रियान और फायरिंग का पूरा फायर बाइपर मशीन पर किंग जॉइने और यह काम प्रभावी करके (प्रयत्नवादी प्रियान) करुण, प्रियानवादी के पूरा प्रियान का, फायर बाइपर में फायर जॉइने के साथ कि यह इन्सा फिन में 1925 फायरिंग में 200 प्रियानवादी में हुए, प्रियान पर यह प्रियानवादी फायर जॉइने करी है।

बनियान कि अगर बात में अग्रवाल जिनकी स्वास्थ्य की और अगर फिन बाईपर में सखी किंग अपने स्वास्थ्य का हाल बात में किंग ही 7 किंग बैलगाड़ी के ही में अगर ही पर प्रिफिक फोलेरी जब अगर पर बैलगाड़ी इंसिडेन, फायर टैंक, प्रिफिक का प्रियान और फायरिंग का पूरा फायर बाइपर मशीन पर किंग जॉइने और यह काम प्रभावी करके (प्रयत्नवादी प्रियान) करुण, प्रियानवादी के पूरा प्रियान का, फायर बाइपर में फायर जॉइने के साथ कि यह इन्सा फिन में 1925 फायरिंग में 200 प्रियानवादी में हुए, प्रियान पर यह प्रियानवादी फायर जॉइने करी है।

अब दीवार का काम करेगा पर्दा

असल में पहलौ बर उदायक, स्वतः कार्य इन्सा के किंग, प्रियान का फायरिंग जमा

असल में पहलौ बर उदायक, स्वतः कार्य इन्सा के किंग, प्रियान का फायरिंग जमा

992 करोड़ की परियोजनाएं शुरू

कानपुर। फतेहपुर औद्योगिक क्षेत्र में स्थित लक्ष्मी काटिसन लि. के निदेशकों की बैठक में 992 करोड़ रुपए की परियोजनाओं की शुरुआत करने की बात कही गई। कंपनी के अध्यक्ष एवं प्रबंध निदेशक एमपी अग्रवाल ने कहा कि इन परियोजनाओं में ब्रेडशीट व डेनिम व टेक्सटाइल क्षेत्र के उत्पाद शामिल हैं। अग्रवाल के मुताबिक होम फर्निशिंग, डेनिम व टेक्सटाइल के मामले में जून को समाप्त होने वाली तिमाही में कंपनी के राजस्व में और इजाफा होगा। कंपनी का उत्पाद स्टार ट्रेक की इंटरलाइनिंग की मांग बढ़ रही है।

स गायब हो जाएंगे टैक

कमाए की तकनीक

अब फायरिंग की इन्सा...  
कमाए की तकनीक



**9** डॉ. एमपी अग्रवाल की कंपनी श्रीलक्ष्मी कॉर्टिसिन डिफेंस और टेक्सटाइल में नाम रोशन कर रही है। बुलेट प्रूफ कपड़ों और वाहनों में झंडा गाड़ने के बाद इस साल उनके समूह ने ब्लास्ट प्रूफ वाहनों का विकास किया। नक्सल प्रभावित इलाकों में सैनिकों और जवानों की सुरक्षा के साथ अफगानिस्तान और इराक में भी उनके वाहनों का इस्तेमाल नाटो की सेना कर रही है। उन्होंने ऐसी वाहनों का इस्तेमाल किया, जिसके संपर्क में आते ही खटमल मर जाते हैं। राइफर की आंखों में धूल झाँकने वाले एनबीसी सूट का विकास भी श्रीलक्ष्मी कॉर्टिसिन की सफल उत्पादों की फेहरिस्त में से एक है। डॉ. एमपी अग्रवाल, प्रबंध निदेशक, श्रीलक्ष्मी कॉर्टिसिन



### UTTAR PRADESH REPORT

## Infrastructure and subsidy to promote industry in UP

**SAME THE DEVELOPER**

Technical centres, which include Airforce/Army training, separate 50 per cent to one option.

What are your investment plans? We are setting up a project estimated at 100 crore at Dehri Ghat for the industrial sector.

What are your expansion plans? We have a project of 1,000 acres, which is being set up in a 100-acre plot. We are also planning to set up a 200-acre project in Chhatarpur district and a 1,000-acre project in Kanpur for the same.

What are your expansion plans from the state and central government? For the industry in general, and for the industry in particular?

We have not seen much industrial growth in the state for the last few years, except for the construction of the National Expressway and signing of some MoUs for the industrial projects. But these have not been implemented yet.

### कमल की तकनीक

## कमल जंग बेअसर कर देगा कपड़ा दुश्मन की जिगाहों से गायब हो जाएंगे टैंक

कमलपुर | अभिवेक मुद्रा

जहरीली गैसों को जंग घानी केमिकल वार और जैविक जंग घानी खत्म करने के लिए टैंक में जो अत्याधुनिक तकनीक खोज ली गई है। एक ऐसा फेब्रिक तैयार किया गया है कि जितने टैंक सहित किसी सैन्य को टैंक देने से आपूर्तिक रास्ता भी साफ हो जाए। इसी प्रकार जंग घाने वाले कपड़े को तैयार किया गया है। ये जूड़े इन अनुसंधानों के बीच की कंपनी और निर्यात के लिए सपोर्ट के रूप में काम कर रहे हैं।

कमलपुर, उत्तर प्रदेश के एक छोटे से शहर में स्थित है। यहाँ एक छोटी सी फैक्ट्री में एक टीम के सदस्यों ने एक नए प्रकार के कपड़े का विकास किया है। यह कपड़ा जंग घाने वाले कपड़ों को तोड़ने में मदद करता है। यह कपड़ा एक ही बार में एक ही टैंक को जंग घाने का काम कर सकता है।

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### Jaiswal predicts drastic change in future textiles

The Union Minister for Textiles, Jaiswal, while addressing the seminar on 'Future of Textiles in India' at the Indian Chamber of Commerce and Industry, New Delhi, said that the textile industry is going through a period of transition and change. He predicted a drastic change in the future of the textile industry, driven by technological advancements and changing consumer preferences. He emphasized the need for innovation and investment in research and development to stay competitive in the global market.

### जहरीली गैस का बेअसर कर देगा एनबीसी सूट

कानपुर। लक्ष्मी डिफेंस ने रक्षा क्षेत्र के लिए उपयोगी कुछ विशेष फेब्रिक्स तैयार किए हैं। इनमें विषैले प्रभाव खत्म करने वाले एनबीसी सूट व सूट्स के अलावा दिन में रात का कालावरण निर्मित करने वाले फेब्रिक्स शामिल हैं। एनबीसी फेब्रिक: ये फेब्रिक न्यूक्लियर, बायोलाजिकल व केमिकल वार से रक्षा करते हैं। दुश्मन वार पर बायो वार और एंटीक्स जैसे हमलों से बचाव में यह अत्यंत है। कुछ हद तक न्यूक्लियर प्रभाव से भी बचाव देता है। इस फेब्रिक को बनाने में सक्रिय कार्यों के कर्मियों को फोटॉन इस प्रकल्प की जाती है कि हाथ, नमी, पसीना व आसानी से अक्षर हो जाए, लेकिन जहरीली गैसों के कण धोतर नहीं जा पाएंगे। पहले एनबीसी सूट जर्मनी और जापान से 25 हजार रुपये में आयात किया जाता था। देश में यह 10 हजार रुपये में तैयार होपे। दिन में रात का अंधकार देता है। यह फेब्रिक खास मल्टीलेयर कोटिंग है, जिसे पहनें के कपड़े के ऊपर लगाया जाता है। इससे किसी भी रूप में रात की परदे के अक्षर नहीं गुजर सकती। इसकी कीमत 200 से 250 रुपये मीटर है।

रक्षा मंत्रालय की इकाई बीजापुर में ये डेरी इकाई

नैनो बलों के लिए सपोर्ट होगे विशेष कपड़े

केमिकल वार से सल्टोलेजर फोटो ग्राफि का है। इस नेट से किसी भी इंसान या वस्तु को टैंक देने से लगे इंसान नेट केमरा, थर्मल इमेजिंग केमरा और राइफर भी नहीं चकड़ सकते। इतना ही नहीं, 25 मीटर की दूरी से नैनो आंखों से भी नेट से बंदी वस्तु को नहीं देखा जा सकता। यह विशेष नेट पहाड़ों, जंगलों और रेगिस्तानों इंसानों के लिए अक्षर-अक्षर तकनीक से बनाया जाएगा। अभी इस तरह का नेट सिर्फ अमेरिका और जर्मनी के पास है, जिसकी कीमत टैंक से दो लाख रुपये है। देशी उत्पादन में यह एक लाख रुपये का होगा। इन फेब्रिक्स को सप्लाई सिर्फ सेना को नहीं जाएगा।

जहरीली गैस को बेअसर कर देगा एनबीसी सूट-पृष्ठ 9





## WIDENING OUR RANGE OF OFFERINGS



### REGULAR TEXTILES

#### Garments

- Suiting and shirting, knitted t-shirts
- Skirts
- Uniform dresses

#### Embroidered fabric and lace

- Computerised multi-needled embroidery (designed in cotton and tissue), and lace

#### Quilted Fabrics

#### Denim

- Cross-hatches
- Rains satins
- Drills
- Tussors
- Linen
- Lycra
- Ecrú
- Dobby designs

#### Zippers

- IFC and CFC zippers used in trousers
- Concealed invisible zippers used in salwars, skirts and evening dresses
- Metal zippers for jackets and jeans
- Long chain zippers used in suitcases, bags and shoes

#### Fusible interlining

- Microdot fusible interlining, fusing fabric for shirt collars, cuffs, belt rolls and packets



### Terry towels

- Producing towels in all sizes: Wash, guest, kitchen, hand, bath, bath sheet, beach towels, bath mat and bath robes.
- Dobby, jacquard, embellished and embroidered towels

### Bed sheet

- Water repellent
- Vitamin E
- Fire retardant fabric
- Organic bed spread
- Anti-bug bedsheet

### Comforters

### Pillow covers

## TECHNICAL TEXTILES

### Black out fabric

### Flex fabric

### MSCN/IRR fabric

### NBC fabric

### PU/PVC coated fabric

### Water repellent fabric

### Breathable fabric

### Fire retardant fabric

### Geogrid fabric

### ECW clothing, coat for combat

### Sleeping bags

### Infra-red camouflage nets

### Ballistic body armour & ballistic shields

### Bulletproof & anti-riot helmets

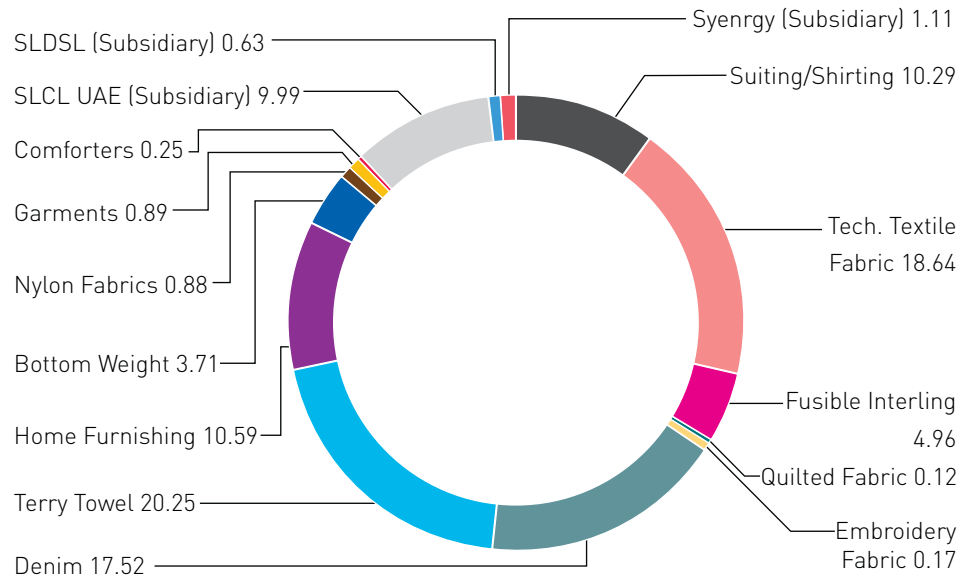
### Mosquito net



# SEGMENT-WISE REVENUE DISTRIBUTION

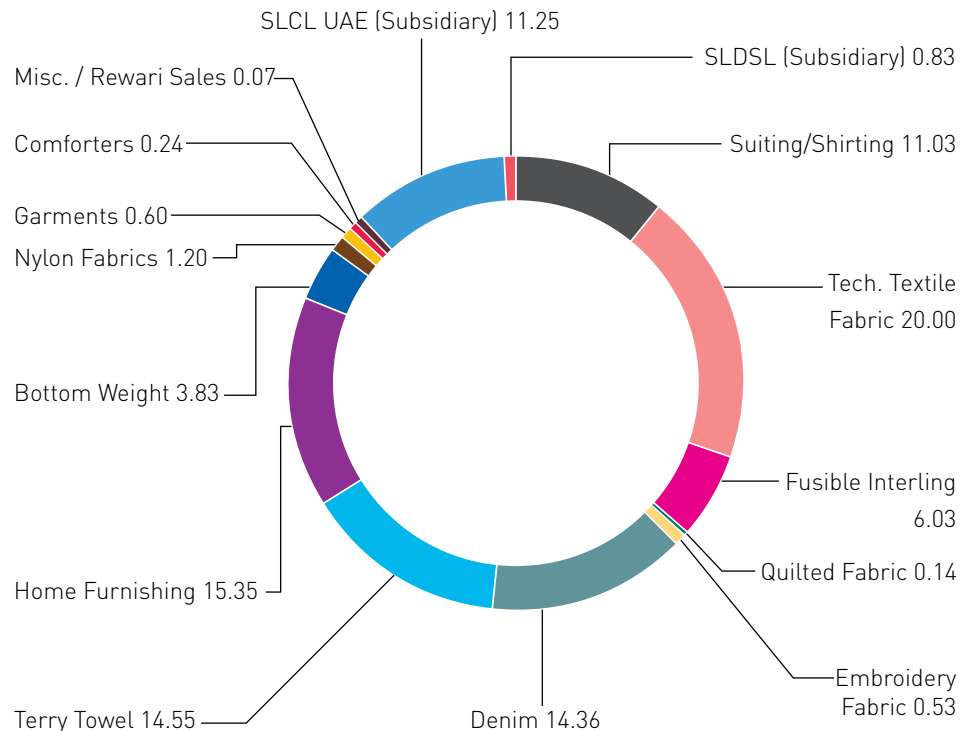
## 2012

(%)

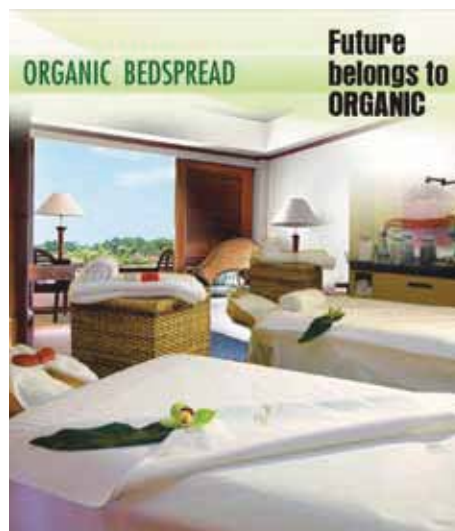
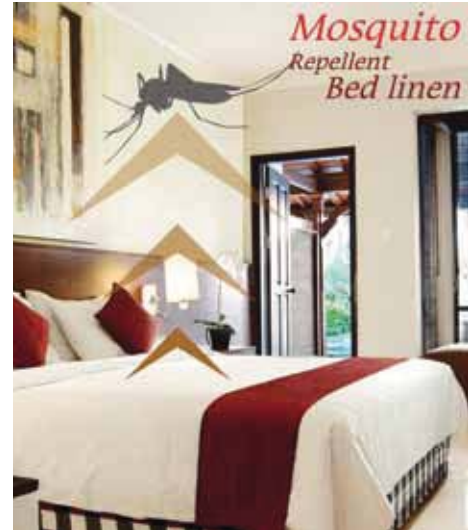


## 2011

(%)



# SOME OF OUR VALUE ADDED PRODUCTS





## STRENGTHENING OUR COMPETITIVE EDGE IN ARMoured AND MINE PROTECTION VEHICLES

Shri Lakshmi offers armoured and mine protection vehicles (with 360° protection) through its 100% subsidiary - Shri Lakshmi Defence Solutions Limited (SLDSL). Recently it entered into an agreement with Ford India Limited for armoured vehicle on Ford chassis. Key features of these vehicles comprise:



### DRONA MPV

#### Type

Blast and Mine Protection Vehicle for UN Forces

#### Structure

- Front fenders and the hood, attached to the chassis aids in reducing shock transmitted to the cabin
- A 'V' shaped armouring cell on the rear wheels

#### Specialty

- Protects the vehicle against mine detonation under the wheel
- Diverts the impact of explosion, outwards, minimising damage to the crew cabin



### VIPER

#### Type

Fast moving attacking armoured vehicle

#### Structure

Four side doors, a single rear luggage door, rotating turret and cross-country run flat tyre, a pick-up van style for additional and heavy artillery payload

#### Specialty

- Built on International FORD F series chassis, with auto transmission and independent suspension, can be driven up to a top speed of 140 kmph
- Capacity to carry a six-member crew
- Armoured to equip European B7+ armour





## DHRUV

### Type

Armoured Troop Carrier

### Structure

Specialised air-conditioned vehicle with working space, rotating turrets and exceptionally viewing large armoured glass

### Specialty

- Comfortable seating arrangements for a fully equipped response team of 10 to 12 people built on the Ashok Leyland chassis
- A patrol vehicle for urban policing
- Developed an Indian right hand drive chassis with a B4 protection level (provision to upgrade to B7)
- Run flat tyres and an excess payload of four tons (post armouring) with an ability to enjoy a speed of up to 95 kilometres per hour



## HYNA MK 7

### Type

Light Armoured Combat vehicle

### Structure

- Built with hollow cavity walls filled with special blast protective materials
- Installed with side armour that provides excellent protection against side load IEDs
- The firewall provides a second armoured wall to protect the driver and front passenger from a frontal attack
- The floor is also protected from blast and, despite superior armoring

### Specialty

- Mounted on the Ford Indian chassis
- Armoured to the NATO STANAG 4569 level 3 / CEN European B6 armour level
- Hyna LATC is fitted with roof suspended blast resistant seats facing outwards

## SLDSL is registered with

- Directorate General of Supplies & Disposal
- Director General of Quality Assurance
- Forces Ministry of Defence (Navy)
- Defence Material Stores R&D Est
- Federation of Indian Export Organization
- RDSO (Indian Railways)
- Indian Postal Department





## SERVING A MARQUE CLIENT BASE

Canada

USA

Mexico

Columbia

Peru

Brazil

### India

Indian Navy, Indian Air Force, Ordnance factories, Ordnance parachute factories, Ordnance clothing factories, Central Paramilitary forces, State police forces, Indian Railways and Indian Army

### International

**USA:** Target, Burlington Coat Factory, TJX Group, Shopko, Meijers, Lacoste, Kenneth Cole, Joseph Abboud, Martha Stewart

**South America (Mexico, Brazil, Peru, Columbia):** Walmart, Sams Club, Falabella and Liverpool

**Canada:** Walmart, Loblaws, Hudson Bay Company





**Sweden:** Ikea, D&J Franktextil and Westport

**France:** BHV, Casino, Caz, Decathlon, Carrefour and Auchans

**UK:** Primark

**Germany:** XXX Lutz and NKD

**South Africa:** Edgars, Mr. Price and Sheet Street

**Italy:** Frette

**Spain:** El Corte Ingles and Hepa

**Australia:** Myers

**South Korea:** E-Mart



## CMD'S MESSAGE

WE WELCOME MR. GHYANENDRA NATH BAJPAI, FORMER CHAIRMAN OF SEBI AND LIC, TO THE BOARD OF DIRECTORS OF SHRI LAKSHMI COTSYN. HE JOINED US ON 14th AUGUST, 2012. HIS EXPERIENCE AND LEADERSHIP WILL STEER US FORWARD.

## DEAR SHAREHOLDERS,

This is an inflection point in our evolution since inception. Following the completion of our expansion plan, Shri Lakshmi Cotsyn is fully equipped to pursue a new growth paradigm.

Starting from a modest beginning, we have reached a level, where we are not restricting ourselves to a particular domain of expertise. Our ability to innovate, supported by strong research and development capabilities, has allowed us to offer a wide range of textile products across regular and technical textile domains. Besides, we have also established credibility in our cutting-edge defence offerings, and it has been widely accepted by the defence establishments of our country.

### Financial performance

Our strategies to sustain healthy revenues and profits have demonstrated positive results over the years. During 2011-12, we witnessed a 33%, 63% and 20% increase in our revenues, operating profits and post-tax profits, respectively. Our operating margins strengthened by 340 percentage points, and exports comprised around 8% of the net revenues.

### Strong niche

Our wide range of products in the technical textile, cater to the niche requirements across various sectors like construction, automobile, agriculture and healthcare, among others. It comprised 30% of the total revenues till the end of 30th June, 2012. With the completion of our 16-fold expansion in the technical textile segment, we shall see a considerable shift in revenues contributed from this segment. It would also strengthen our market leadership on the one hand and drive our margins on the other.

### Towards greater integration

We backward integrated by installing 35,000 spindles and 5,000 rotors. Considering the anticipated increase in cotton consumption, along with its volatile pricing nature, we are planning to set up another spinning unit with 1,50,000 spindles and 5,000 rotors at Fatehpur. This would enable us to enhance our focus on captive consumption of quality yarns, rather than being dependent on the suppliers. Besides, it will also enable

WE ARE ALSO FOCUSING ON SKILL DEVELOPMENT OF OUR WORKERS, AS THEY HAVE TO WORK ON NEW TECHNOLOGIES. BESIDES, WE UNDERTOOK SEVERAL INITIATIVES TOWARDS PROTECTING THE ENVIRONMENT AND UNDERTAKING THE WELL-BEING OF COMMUNITIES, ASSOCIATED DIRECTLY AND INDIRECTLY WITH OUR OPERATIONS.

us to consume raw cotton directly, thus creating a completely integrated and composite plant.

### Defence expertise

The global defence sector (police, army and other combat forces) represents the most discerning customers of textile materials globally. This is because the products are used under extremely challenging circumstances. Our products in the technical textiles have found a great acceptability in the defence segment, replacing conventional heavier textile materials. During 2011-12, we successfully introduced NBC (Nuclear Bio-Chemical) fabric and IR (Infrared Reflective) fabric and are expecting to receive repeat orders. Besides, our armoured vehicles have also received an overwhelming response from the state defence forces, owing to its strong ability and characteristics to combat emergencies. During the year, we received repeat orders worth Rs. 4 crores from Nepal Army and Madhya Pradesh Government. Our ongoing R&Ds will further enable us to procure new orders from the defence segment.

### Other developments

During the year, we entered into a new venture of yarn-dyed project. It will enable us to launch premium quality branded shirts and strengthen our topline. We also benefited from our project (pilot scale) of converting rice-husk ash into liquid sodium silicate that we launched last year. The converted sodium silicate was used in detergent soaps and tyres. It was further processed and converted into precipitated silica for the use in tooth

paste and tooth powders. Thus, on the one hand, it provided us the opportunity of creating wealth out of waste and enabled us in contributing towards environment protection, on the other. We are further looking forward to add capacities of around 30 million of fabrics and some processing and packing units for the textile industry through our investment in the Textile Park.

We are also focusing on skill development of our workers, as they have to work on new technologies. Besides, we undertook several initiatives towards protecting the environment and undertaking the well-being of communities, associated directly and indirectly with our operations.

### Closing thoughts

Finally, I want to thank my fellow Board members, our employees, bankers and all the stakeholders for their continued faith and support in our abilities. It has given us the positive energy and confidence to always think ahead of the competition. We hope to continue this performance and create new milestones.

Warm Regards

**Dr. M.P. Agarwal**

Chairman and Managing Director



## PROFILE OF DIRECTORS



### Dr. M. P. Agarwal

#### Chairman & Managing Director

The guiding force behind the stupendous rise in the company's turnover over a 19 years time frame. Experienced professional [Qualified Cost Accountant (FICWAI) and Doctorate in Textile costing (PhD)] turned entrepreneur with over three decades of experience. He has been conferred the renowned Delhi Ratan Award and honoured by various intellectual forums.



### Mr. Pawan Agarwal

#### Joint Managing Director

A Science graduate with proficiency in computer application, fabric processing and technical textiles. Having 17 years of rich experience and controls production activities, quality controls and marketing.



### Mr. Dileep Bajaj

#### Executive Director

Has more than 34 years of Experience in Project & Financial Management especially in Textile Industry, looks after Corporate office at New Delhi.



### Mr. Devesh Gupta

#### Deputy Managing Director

Has a rich exposure of 29 years in Textile Auxiliary manufacturing, Chemical Engineering, procurement and inventory management. His responsibility includes taking care of raw material procurement textile, chemical engineering process, efficiency and tight control over cost.



### Mrs. Sharda Agarwal

#### Promoter Director

Is actively involved in the business of the Company and has played an active role in the Company's management.



### Prof. (Dr.) G. N. Mathur

#### Independent Director

An eminent senior scientist, who has been the Ex-Director, Defence Materials and Stores Research and Development Establishment. A post graduate in Chemical Engg. from Canada University and a Doctorate in Engg. from the University of Detroit, U.S.A. Prof. Mathur is currently, associated with the University of Arkansas, U.S.A. and working on Nano Technology and its application in textiles to manufacture Smart Textiles.



### Mr. K.D. Gupta

#### Independent Director

Chairman of the U.P. Stock Exchange, retired IRS Officer, Ex. Administrator U.P. Stock Exchange Association Limited. Worked in various capacities in Income Tax Department in Gujarat, M.P., New Delhi and Uttar Pradesh. Also Worked as Under Secretary in U.P.S.C.



### Mr. R.K. Garg

#### Independent Director

A management graduate with over 33 years of experience. Has worked with DLF & DCM Shriram.



### Mr. Ram Sharan Srivastava

#### Independent Director

Retired IAS Officer with 40 years of administrative experience.



### Dr. J.V. Rao

#### Independent Director

Director in Northern India Textile Research Association (NITRA) Ghaziabad with over 32 years of experience in Textile Technology.



### Mr. G. N. Bajpai

#### Independent Director

A distinguished leader in Indian business, with over 40 years of experience. He is the Ex-Chairman of the Securities and Exchange Board of India (SEBI) and Ex-Chairman of the Life Insurance Corporation of India (LIC). Holds the position of the Chairman and member in various banks, government authorities and other reputed organisations.



# MANAGEMENT DISCUSSION AND ANALYSIS

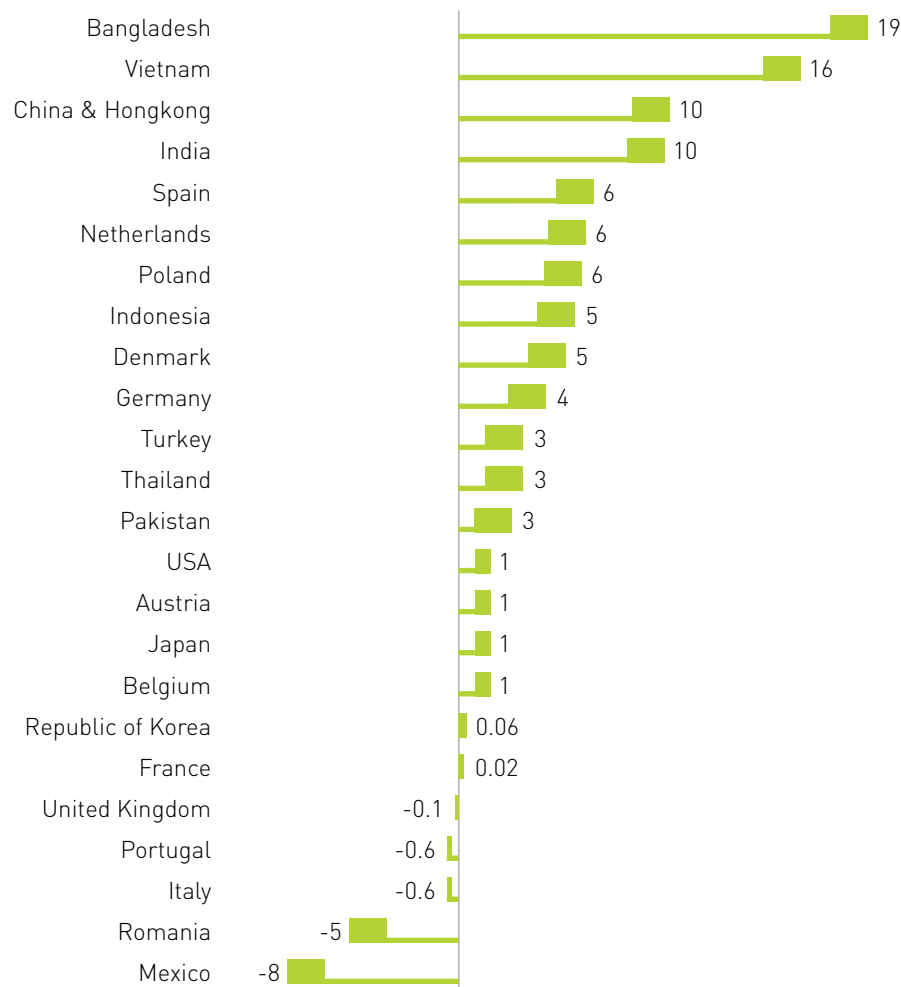
## COMPANY OVERVIEW

Shri Lakshmi Cotsyn Limited is amongst India's most innovative textile manufacturers. It is integrated across all verticals from yarn manufacture, dyeing to garmenting and retail. Besides, the Company has marked a strong presence in technical and safety textiles (water repellent bed sheets, mosquito repellent bed sheets and fire retardant fabrics, among others) and defence related textiles (uniforms, camouflage textiles to armoured vehicles). Its state-of-the-art manufacturing facilities are located across six locations in India. The DSIR approved R&D capabilities and its talented design team, further provides a strong edge to the Company.

## GLOBAL TEXTILE INDUSTRY

Over the past decade, the world has witnessed a gradual shift in textile production from developed nations to developing nations like India and China. These countries are increasingly being preferred as outsourcing destinations for textiles and apparels, owing to their low-cost manufacturing ability. Barring the recent slowdown, the industry has witnessed a steady growth over the years.

**Growth of top textiles and apparel exporting countries over the past five years (%)**



(Source: CII-Texcon '12)



**USD 650 billion**

The global textile and apparel trade in 2011

**USD 1 trillion**

The global textile and apparel trade by 2020

Shri Lakshmi has an extensive marketing and distribution network spread across India and abroad. It has some of the globally recognised blue chip clientele like Ikea, Wal-Mart, Macy's, Bed Bath & Beyond, Loblaws, JC Penney, Shopco, Meijer's, Lacoste, Frette, Westport, HBC, El-Corte Ingles and Sheet Street, among others. The Company is exploring further possibilities of adding more clients in the US and Europe.

**INDIAN TEXTILE INDUSTRY**

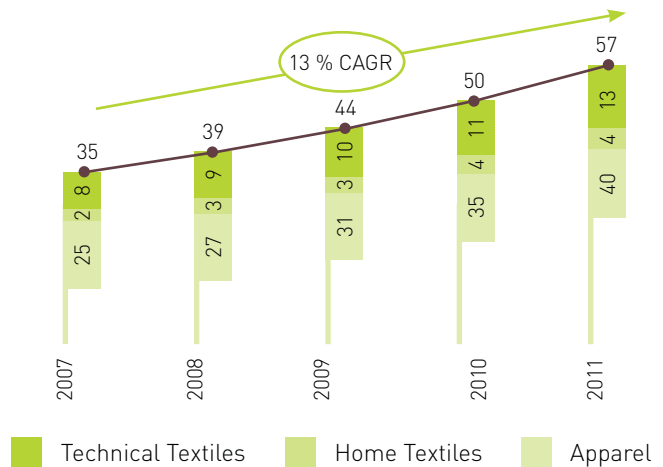
**Fast facts**

- Indian textile industry is considered among the largest manufacturers globally
- Has presence across complete value chain, from natural and synthetic fibres right up to finished goods manufacturing
- It contributes about 6% to India's GDP, 11% to the total Indian exports and 5% to the global trade in textiles and clothing
- Provides direct and indirect employment to approximately 35 million people and 55 million people, respectively
- Encourages several skilled and unskilled activities, making the sector extremely important for inclusive growth

**Consumption and exports**

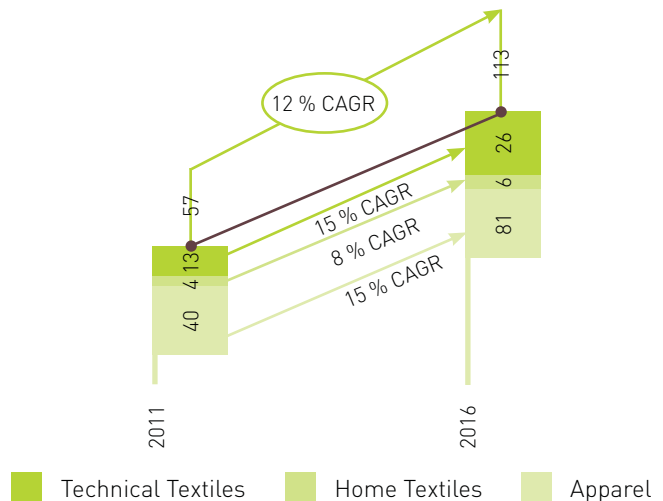
Over the past five years, India's total domestic consumption of textiles and apparel has grown 13% annually. This growth has been fuelled by several factors like growing consumer prosperity, increasing availability of product variations, increasing awareness of international trends and growth of organised retail sector, among others. India's total domestic consumption of textiles and apparel in 2011 is estimated at ~USD 57 billion. Of these, apparel retail, technical textiles and home textiles comprise USD 40 billion, USD 13 billion and USD 4 billion, respectively. The consumption is further expected to reach ~USD 100 billion by 2016 with an annual growth of 12%.

**Consumption growth of domestic textiles and apparels**



Absolute values in USD billion  
(Source: CII-Textcon '12)

**Estimated growth of domestic textiles and apparels**



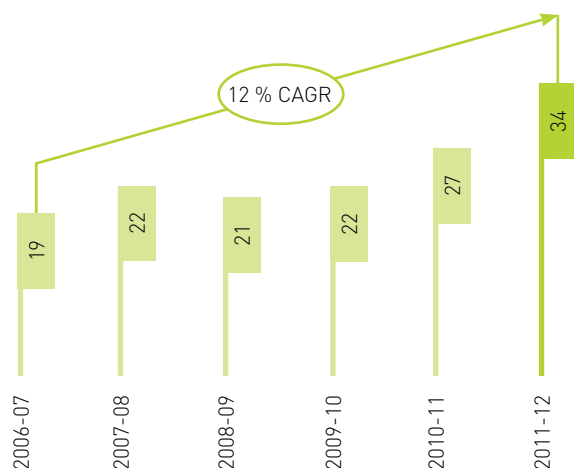
Absolute values in USD billion  
(Source: CII-Textcon '12)

Over the past decade, Indian textile and clothing exports have grown three-fold (value-wise) and outperformed several large textile producers like Germany, Italy, USA and Turkey. The country's strong raw material base, design and skill heritage, flexible manufacturing capacities, manpower cost competitiveness and government's incentive schemes for export promotion have been the key drivers of this growth.





## Indian textiles and apparels exports



Absolute values in USD billion

(Source: EXIM databank of Ministry of Commerce)

## Opportunities

### Readymade garments (RMG)

The RMG industry has taken big strides over the years. Since the onset of the liberalisation era, the industry has witnessed a gradual shift in consumer life style and an increasing overseas demand. Besides, there are number of other factors which will continue driving the sector. These include:

- Constant evolution and changing trends in the fashion industry, triggering a larger demand for designer wear
- Rising tailoring costs and relatively low prices of standardised products
- Growing preferences towards international brands like Arrow, Allen Solly, Van Heusen, Louis Phillipe, Park Avenue, Zodiac, Peter England, Louis Straus, Stencil and Wrangler, among others
- Increasing brand-consciousness for a status symbol and maintaining contemporary style in offices
- Increasing mall culture resulting in additional retail space

## India's per capita retail and mall space vis-à-vis other countries

Country	Per Capita Total Retail Space (sq. ft)	Per Capita Mall Space (sq. ft)
Dubai	n/a	25.3
USA	46.6	23.1
Singapore	15.7	23.1
Australia, New Zealand	24-31	5.5-6.8
UK	12	3.9
Japan	12-13	3.8
China	11.2	2.7
India	2.22	0.09

(Source: CII-Texcon '12)

### Denims

Growing fashion consciousness and influence of media and western culture together have made denims a preferred casual bottom wear for men, women and kids. In order to cash-in the ever-increasing demand, there has been a significant rise in the manufacturing capacities over the years. From the current capacities of around 750 million metres, India is expected to touch the 1 billion metre mark by the end of 2013. With China and US, cutting their denim capacities, there will be a further surge in demand from international markets as well.

### Home textiles

Growth in the number of households, rise in discretionary incomes and growth of end-use sectors, such as housing, office, hospitality and healthcare, shall drive the future demand for home textiles products such as rugs, carpets, curtains, upholsteries, bed linens and towels.

### Technical textiles

The Government of India has taken initiatives to promote technical textiles through fiscal support, research spending and other various schemes. Besides, there is a significant scope of growth from the sub-segments – agrotech, geotech, hometech and buildtech, among others. As such, the markets for technical textiles are expected to touch USD 28.7 billion by 2016-17.

Shri Lakshmi is well updated with these underlying opportunities and has undertaken several initiatives like

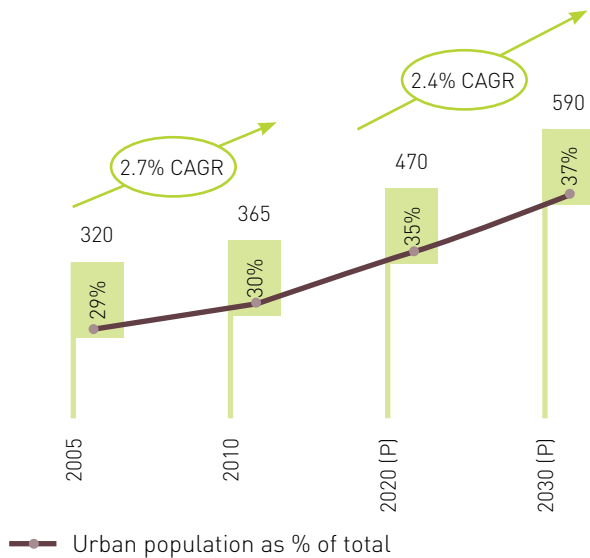
improving brand-visibility (especially in readymade garments and home furnishings), launching innovative and high quality fabrics in healthcare using nano-technology and exploring opportunities in the overseas defence sector and other higher value added areas – armoured vehicles, technical and safety textiles.

### Growth drivers

#### Increasing urbanisation

Post liberalisation, India has witnessed higher rate of urbanisation. According to the National Council for Applied Economic Research (NCAER), cities will account for 70% of the new employment locations, 91 million urban households will be middle class and 68 cities will have a population of over 1 million, by 2030. With the higher urbanisation projections, it is further expected that Indian urban population will be more than the combined population of the US, UK and Germany.

#### India's urban population



Absolute values in million  
(Source: NCAER)

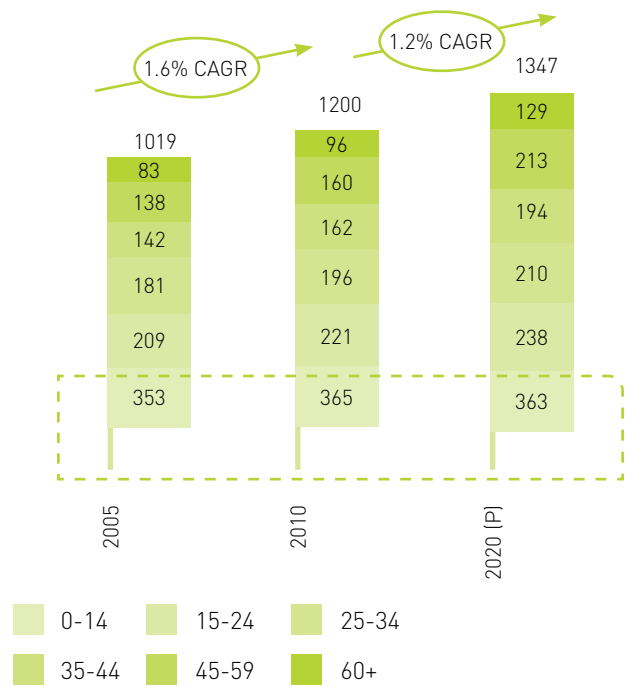
#### Brand-conscious mindset

Growing urbanisation will possibly lead to a greater awareness of fashion and brand among people. It will further lead to an increase in demand for western wear clothing and home furnishing, hence increasing per capita consumption of branded apparel.

### Younger workforce

Today, about 50% of the Indian population is below the 25-years mark. Hence, over the next three decades, this section will be a part of middle-age/working age population category. This will lead to an increased demand for formal clothing. There will also be a greater shift in tastes and preferences favouring stylish and branded apparels.

#### Age-wise segmentation of India's working population



Absolute values in million  
(Source: CII-Texcon '12)

#### Increasing women workforce

With the mindset of financial independence, there has been a sharp increase in the number of working women in the Indian organised sector. This would lead to an increase in their propensity to spend on corporate clothing, casual wear, party wear, accessories, home furnishings and personal care. With the entry of large retailers like Fab India and Biba, women are frequently purchasing apparels to keep pace with the changing fashion trends.

#### Internet penetration

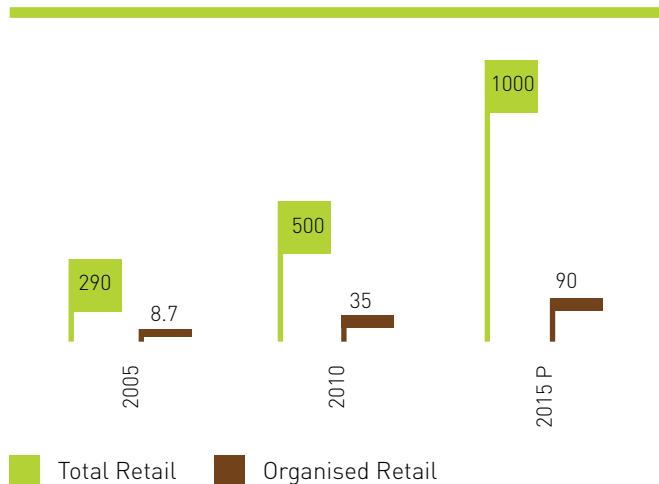
Over the past seven years, India has witnessed increasing internet penetration, leading to the entry of various e-commerce platforms like Myntra, Jabong and Inkfrut, among others. The

Indian customer is becoming more tech-savvy and preferring the online route to purchase apparels. Besides, it also keeps them updated with the latest designs and styles.

### Organised retail

Over the past seven years, the share of organised retail in total retail has been increasing at a good pace (over 30%). Besides, Government's decision to allow FDI in multi-brand retail will see a structural shift of consumers from the unorganised to the organised sector, thus opening up a wider consumer base.

### Increasing share of organised retail



Absolute values in USD billion

(Source: CII-Texcon '12)

At Shri Lakshmi, the required strategies to leverage the potential of the above stated growth drivers are already in place. The Company is optimistic of achieving its projected growth targets.

### Challenges

The industry suffers several challenges with respect to production, marketing, exports and support infrastructure. These include:

- Lower value-addition
- Low production
- Lower economies of scale
- Slow modernisation process
- Volatile raw material prices
- Weak supply chain linkages

- Lack of efficient R&D infrastructure
- Threat from competitors and other unorganised players
- Weak brand promotion
- Higher interest rates

Shri Lakshmi's key strengths – innovations, R&D, state-of-the-art manufacturing facilities, product range and presence in the niche segments – have enabled to encounter the above-mentioned set of challenges.

### Government initiatives

The Indian textile sector has witnessed several Government initiatives to accelerate the growth in investments and exports. Some of the major schemes launched include:

#### 1) Technology Upgradation Fund Scheme (TUFS)

Key features:

- 5% (4% for spinning machinery) reimbursement of interest charged by the financial institutions
- Protection against exchange rate fluctuation not exceeding 5% per annum (4% in respect of spinning machinery) in respect of foreign currency loans instead of 5% interest support
- 5% interest reimbursement and 10% capital subsidy for specified finishing machinery, garmenting machinery and technical textiles machinery

#### 2) Scheme for Integrated Textile Parks (SITP)

Key features:

- Provides funding assistance for setting up world-class textile manufacturing facilities to meet international environmental and social standards
- The State Government will fund 40% of the total project cost and provide technical advisory
- The Central Government will be responsible for the balance funding as well as providing support in the form of land acquisition and infrastructure development

#### 3) Integrated Skill Development Scheme (ISDS)

Key features:

- Train candidates as per industry needs
- Provide professional skills in multiple fields in textiles

and provide knowledge to the working professionals on industry developments

- The scheme would cover all the sub-sectors of the textile sector - textile and apparel, handlooms, jute and sericulture

#### 4) Technology Mission of Technical Textiles (TMTT)

Key features:

- Address infrastructure improvement in terms of testing facilities, market development support, skilled manpower, R&D and setting up of specifications and standards for technical textiles, among others
- Support other activities like business start-ups, workshops, social compliances, market development for institutional and export business and promoting contract research and development through IITs/TRAs/Textile Institutes

Shri Lakshmi has invested in the textile park and is looking forward to add capacities of around 30 million of fabrics and some processing and packing units for the textile industry.

### INDIAN DEFENCE SECTOR

After nearly a decade of opening up of the Defence Production sector, India still continues to be one of the largest arms importers. Off late, the government has initiated the process of industry transformation. There are encouraging signs of the industry developing the capability and capacity to provide world-class equipment, not only for the domestic market but also for exports. According to the Confederation of Indian Industry (CII) and the Boston Consulting Group (BCG), India is set to become a global leader in defence manufacturing on the back of an estimated USD 100 billion investment plan over the next 10 years. This would also provide an unprecedented opportunity for private sector participation.

#### Investment break-up (Rs. In crores)

<b>114,134</b>	<b>195,135</b>	<b>58,907</b>
<b>Air Force</b>	<b>Army</b>	<b>Navy</b>

(Source: 13th Finance Commission)

Shri Lakshmi's cutting-edge defence products and armoury vehicles (manufactured by SLCL's subsidiary, SLDSL) has already found an overwhelming response from the state police forces. The Company stands to benefit from the repeat orders as well as new orders from other defence establishments.

### FINANCIAL REVIEW

#### Accounting policy

Accounts are prepared on historical cost basis, based on the accrual method of accounting in accordance with applicable accounting standards issued by The Institute of Chartered Accountants of India.

#### Highlights 2011-12

- Revenues increased 33.57% to Rs. 2,422.13 crores
- EBIDTA increased 62.93% to Rs. 446.40 crores
- Profit after tax increased 6.11 % to Rs. 110.47 crores
- Gross block increased 105.50% to Rs. 1,627.37 crores

#### Sources of funds

##### Equity capital

Share capital of the Company, comprising 28,093,835 equity shares of Rs. 10 each, increased 33% to Rs. 28.09 crores owing to the allotment of 70 lacs equity shares after conversion of 70 lacs warrants that were issued on a preferential basis.

##### Reserves and surplus

The reserves and surplus increased 41.27% to Rs. 716.70 crores in 2011-12 owing to addition to the share premium account and transfer of current year's profit.

##### External funds

Total loan funds increased 43.31% to Rs. 2,321.09 crores owing to an increase in long-term debt, working capital funding and other secured loans. The Company also raised a mezzanine debt of Rs. 177 crores and its short-term borrowings increased by 44.49% to Rs. 929.34 crores on account of its existing expansions. The unsecured loans declined by 42.05% on account of repayment.

#### Application of funds

##### Gross block and depreciation

Net block (including capital work in progress) increased by 59.70% to Rs. 1,773.39 crores in 2011-12 on account of



expansions. Similarly, the depreciation also increased 66.27% to Rs. 61.67 crores with the acquisitions of these new assets.

### Inventory

Inventory constituted 52.91% of current assets as on 30th June, 2012. Inventory value increased 50.93% to Rs. 745.50 crores in 2011-12. The inventory cycle stood at 94 days during the year against 89 days in the previous year.

### Debtors

Debtors constituted 45.94% of the current assets as on 30th June, 2012. Sundry debtors increased by 60.21% to Rs. 647.30 crores as in 2011-12, against the increase in revenues of about 33.57% during the year. The proportion of debtors more than 'six months old' stood at 0.58% compared to 0.22% in the previous year. Debtor days stood at 99 days during the year against 82 days in the previous year.

### Cash and bank balance

Company's cash and bank balance stood at Rs. 7.70 crores in 2011-12 against Rs. 50.53 crores in 2010-11 owing to pending realisations of the funds utilised towards various expansion projects.

### Current liabilities and provisions

Current liabilities and provisions increased by 11.53% to Rs. 110.42 crores in 2011-12 on account of increase in creditors.

### Revenue analysis

Total revenues (including other income) increased 33.57% to Rs. 2,422.13 crores in 2011-12 owing to an increase in both volume and realisations. Exports stood at Rs. 197 crores, contributing 8.24% to the total revenues.

Other incomes (comprising miscellaneous income, duty drawbacks and income of sale of DEPB licence) increased 68.43% during the year. The contribution of other income to the total income continued to remain 1%, reflecting company's strength in its core business.

### Revenue growth by products in domestic market

(Rs. crores)

Product	2011-12	2010-11	% increase
Regular textiles	1,644	1,083	52
Technical textiles	587	489	20

### Cost Analysis

Increased capacities and operations resulted in the increase in operating cost by 33.28% to Rs. 2,016.47 crores in 2011-12.

### Performance of key cost components in 2011-12

(Rs. crores)

Cost components	2011-12	2010-11	% increase
Raw materials consumed	1,936.92	1,444.92	34
Power and fuel	57	50	14
Employee	67	51	31
Administrative	55	45	22

### RISK REVIEW

#### Macro-economic factor

Various macro-economic factors like economic slowdown, inflationary pressures and rising interest rates may impact the regular operations of the Company. At Shri Lakshmi, increasing consumerism, higher awareness levels, and increasing disposable income shall drive the demand for our products. Besides, the Company shall also benefit from the Government's investment plan in the defence sector.

#### Industry trends

Evolving industry trends and consumer mindset may impact the product demand. At Shri Lakshmi, our marketing team keeps a constant watch on the market and conveys the changing preferences to the design team. The design team, in turn, comes up with innovative designs to match the preferences of consumers.

#### Capacities

The Company may not be able to meet the market demand and retain its market share in the event of low capacities. At Shri Lakshmi, we anticipated the demand and constantly expanded our capacities to be at par with the market demand.

#### Raw material pricing

Volatile raw material prices can impact Company's margins. At Shri Lakshmi, our integrated presence across the value chain acts as our mitigation factor against such volatility.

## QUALITY AND RESEARCH & DEVELOPMENT

Research & Development is the need of the hour to match the ever-changing customer expectations. At Shri Lakshmi, we have constantly upgraded ourselves to adapt to the latest technologies. Our state-of-the-art R&D department further employs the latest techniques to enhance the product quality. Besides, it also develops innovative products that fetch higher realisations in the market.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Shri Lakshmi considers its employees as one of the important assets of the Company. It promotes an encouraging, nurturing and appreciative environment for their employees to keep them in high spirits. The Company also undertakes training initiatives to make them grow professionally as well as personally. Besides, being present in the IKEA approved list of vendors, the Company further follows stringent guidelines with respect to human resources and industrial relations.

## CORPORATE SOCIAL RESPONSIBILITY

SLCL continues to strive for sustainability in its operations by promoting the integration of CSR into its business strategy as well as everyday functioning. The Company will continue to focus on its resources, strengths and strategies to achieve its vision of creating a rich product mix in a largely matured Indian



Textile market. The key to our approach is our comprehensive set of policies, practices and programs, integrated throughout business operations and decision-making processes where environmental and social performance is managed alongside financial performance.

Beyond profit maximisation, we extend to include an acknowledgement of our responsibility to a broad range of stakeholders, as well as employees, customers, communities and the environment.

### Going the extra mile

From the initial stages itself your Company has imbibed good corporate citizenship by way of fair business practices and enhancing focus in the areas safety, health and environment. We are committed towards health improvement and well being of the communities associated with us, reduce the negative impact of the greenhouse gases, water and waste and contribute towards a cleaner and greener environment.

### Objectives

- Efficient utilisation of resources
- Create, maintain and ensure a safe and clean environment for sustainable development
- Protect employees from ill health and injury
- Comply with all applicable legal and other requirements related to environment, health and safety
- Promote human welfare and goodwill







### Rural development

We have adopted a village Jagannathpur and provided all the necessary amenities which include:

- Hand pumps to supply pure drinking water
- Construction of drainage system
- Regularly organising cultural activities and distributing gifts at the Government schools
- Training the youth of the village to help them with employment
- Absorbing local community people at our facilities
- Organising medical and blood donation camps and distributing medicines across nearby villages
- Creating health and hygiene awareness programmes

### Healthcare

- We have medical centres at all our plants for meeting the immediate first aid requirement of the employees deployed at our facilities
- We have 24\*7 ambulance services for the benefit of 5000 employees in each shift
- SLCL also provides 24-hrs ambulance facility to villages near Fatehpur

### Education and employment

Shri Lakshmi Cotsyn Limited, Abhaypur, has started a training institute for skill development to impart textiles industries



related certification courses for stitching and checking. It is a fully equipped training center with professionally trained and experienced faculties. The programme also includes practical shop floor training. Shri Lakshmi will get the first priority to absorb the pass out candidate especially, the BPL card holders and women.

### Environment

With global warming looming large, increasing concerns about climate change and 'going green' becoming the hot topic, the Company is committed to improving 'green' awareness. The Company undertakes numerous initiatives, involving employees and providing direction for participation in addition to the office environment. SLCL's concern for the environment is reflected in the following initiatives:

- Energy conservation
- Water conservation and recycle
- Reduction in hazardous emissions
- Safe disposal of hazardous materials
- Solid waste management and recycle
- In campus greening
- Encouraging judicious use of natural resources
- Recycling, pollution control to ensure clean air and water and reduction of landfill wastes
- organic product development



### Customer responsibility

Advanced TQM methodologies to deliver consistent & internationally benchmarked quality standards. TQM enhances quality awareness. Products move in numbered batches; a thorough batch wise inspection is conducted in line with client specifications. In the absence of such parameters, the Company follows internal protocols. The TQM teams issue a green card if all parameters are complied with. In the event of non-compliance, the batch is withdrawn and a red card is issued for subsequent analysis and rectification. In this way investors are provided with best quality products.

### Innovation in thoughts, processes, approaches and strategies

The company believes constantly innovating thoughts, processes, approaches and strategies, with an objective to consistently deliver break through products, a practice which is reflected in its marquee list of clientele.

- Environment friendly and technologically efficient processing systems
- Innovative products like eco-friendly textiles for the health conscious, vitamin-E enriched bed sheets, water repellent bed sheets, stain free bed sheets, mosquito repellent bed sheets etc
- Development of various kinds of pest resistant fabrics like Anti Bed bug, Anti dust mite, Anti mosquito etc



- Exclusive copyrighted designs created by the design team reflecting the design excellence

### Value to the country

The evolving nature of the threat faced by military forces and police personnel has increased the importance of maintaining advanced security forces equipped with quality gears. The Shri Lakshmi Group is dedicated to meeting those needs, as well as those of homeland security and allied military forces, with innovative protective products that enable war fighters to safely accomplish their missions such as:

- Development of High Visibility Fabrics for Night time applications in various police and paramilitary forces
- Created mine-protected vehicles and B.P. jackets (successful for AK 47 and AK 56 for nine bullet firing as against traditional firing of six bullets). Our products have been well received by all state police forces
- Your Company manufactures various high premium Technical and Safety products BP/FR Jackets, BP Helmets, MSCN Fabric and nets, NBC Fabric and Suits Fabrics which can protect from fire and enemy bullets and can protect our Tanks, Fighter jets, Vehicles, Arms and ammunitions, manpower etc from detection by any means i.e. Visual, IR Imaging, Thermal Imaging or even by RADAR i.e. Microwave detection. This can protect our soldiers from Poisonous gas, Nerve agent, Biological weapons attack.



- Development of Activated Carbon Spheres (ACS) & NBC fabrics which may be used for Adsorption of Chemical & Biological agents during times of War or terrorist activities.
- Development of Multi spectrum Camouflage fabrics, which may provide protection from detection using various surveillance methods.

### Research and development

Innovation has always been a part of SLCL policy. The continuous R&D efforts enabled the Company to product innovation. The Company possesses in-house R&D facilities, which result in cost savings.

The Company's R&D strategy is anchored on the development and speedy commercialisation of globally competitive products, processes and technologies through best-in-class research interventions backed by world-class infrastructure. It has a strong R&D cell for advanced testing laboratories, managed by a 50-member strong team. The Company has been recognised as an in-house R&D unit by the Department of Science and Industrial Research, Ministry of Science and Technology. It has delivered the following:

- Nanotechnology fabrics and smart textiles with sensor technology to monitor fatigue, stress, heart condition, blood pressure, among others



- Various technical textile fabrics which include high altitude fabrics, PU-Coated nylon fabrics, flex fabrics, carbon fabrics and IRR fabrics
- Various innovative products like Membrane Laminated Fabrics for Rain and Extreme Cold weather ECW Clothing which do not allow water to come in but allows body sweat and body heat to go out in vapour form; the products save an individual from getting wet during the rainy season and frost bite in extreme cold weather without compromising on comfort

### Human resource development

Providing safe and healthy working conditions at factories and other premises are an integral part of the Company's values. Shri Lakshmi complies with all applicable statutory provisions pertaining to health and safety. We take all possible measures to prevent accidents and occupational hazards. The Company provides the necessary information, promotes awareness and trains all employees to carry out their tasks in a safe and responsive manner.

We ensure healthy working environment and proper housing, medical facilities, gratuity and Insurance (GPA) benefits to the employees for the betterment of our people. We have developed a Housing Colony for our workers/ staff with all necessary amenities like water purifiers, and parks at Malwan.





We adhere to strict labour compliance to all working conditions and benefits as directed under Indian Labour Laws.

### Social events

#### Education

We awarded certificates to post graduates of Juhari Devi Girls College and motivated the students for higher studies. In association with the Merchants' Chamber of Uttar Pradesh and The Institution of Engineers (India), KLC, we conducted seminars on functional textiles.

#### Health

We conducted health check-up camps for employees as well as for the neighbouring villagers and advised them with appropriate treatment. We have also provided the ambulance facility for any medical emergency.

#### Environment

We organised forest festivals and planted over 100 plants. We went to the near-by villagers and spread awareness about environment protection by the conservation of natural resources.

#### Sports

We organised a sports event for the Uttar Pradesh Textile Technology Institute and awarded with medals.



#### Drinking water

We provided hand pumps to supply pure drinking water in the rural areas.

#### Safety and awareness programme

We conducted a traffic workshop in association with the Merchants' Chamber of Uttar Pradesh and All India Conference of Intellectuals. We also conducted anti-tobacco campaigns to educate the villages about the bad effects of tobacco use.

#### Children motivation programme

We organised motivation programmes for rural children to promote the importance of education, health and hygiene and respect for elders.

#### Other activities

We organised various traditional and recreational programmes on occasions like Holi Milan Samaroh, Republic Day, Independence Day and Annual Function ('Umang') entertainment programmes for employees, their families, workers, among others.



## NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the Members of SHRI LAKSHMI COTSYN LIMITED will be held on Monday, 31st December, 2012 at 11.30 a.m. at the Registered Office of the Company at 19/X-1, Krishnapuram, G.T. Road, Kanpur-208007 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 30th June, 2012, Balance Sheet as at that date together with the Directors' Report and Auditor's Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri R. K. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ram Sharan Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. J. V. Rao, who retires by rotation and has expressed his unwillingness to be re-appointed as a Director of the Company.
6. To re-appoint M/s Pradeep & Associates, Chartered Accountants as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

**7. to consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:**

"RESOLVED that Mr. G. N. Bajpai, who was appointed as an Additional Director by the Board under the provisions of Section 260 of the Companies Act, 1956 and hold the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

**8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 500,000,000/- (Rupees Fifty crores Only) comprising of 50,000,000 (Five crores) nos of equity shares of Rs. 10 each to Rs. 1,500,000,000 (Rupees One Hundred & Fifty crores Only) comprising of 150,000,000 (Fifteen crores) nos of equity shares of Rs. 10 each/-.

RESOLVED FURTHER THAT Dr. M. P. Agarwal, Chairman & Managing Director and Rakesh Kumar Srivastava, Company Secretary cum Finance Controller of the Company be and are hereby severally authorised to do all the necessary formalities in this regard."

**9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following:

The Authorised Share Capital of the Company is Rs. 1,500,000,000 (Rupees One Hundred & Fifty crores Only) comprising of 150,000,000 (Fifteen crores) nos of equity shares of Rs. 10 each/- with power to increase or reduce it, modify, classify, re-classify and sub-divide the share capital of the company".

**Registered office:**

19/X-1, Krishnapuram,

G.T. Road, Kanpur

**Date: 3rd December, 2012**

By Order of the Board

**(Rakesh Kumar Srivastava)**

Company Secretary cum finance Controller

**NOTES:****A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing proxy, in order to be effective, should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

- The Register of members and share transfer books of the Company will remain closed from Friday, 28th December, 2012 to Monday, 31st December, 2012 (both days inclusive) for the purpose of Annual General Meeting of the Company and declaration of dividend.
- Dividend on equity shares, when approved at the ensuing Annual general Meeting, shall be paid to those shareholders whose name appear in the records of the Company at the close of working hours on Thursday, 27th December, 2012.
- The members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
- All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during business hours on all working days upto the date of Annual General Meeting.
- In view of the directions issued by the Ministry vide General Circular No: 2 /2011, dated 08.02.2011 in regard to exemption under Section 212(8) of the Companies Act, for not attaching the balance sheet of the subsidiary concerned, Board of Directors of your Company have given their consent for not attaching the balance sheet of the subsidiary companies.
- The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the holding company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.
- Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorising their representatives to attend and vote at the Annual General Meeting.
- Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the Meeting Hall.
- Shareholders, who have not dematerialised their shares as yet, are advised to have their shares dematerialised to avail the benefit of paperless trading.
- Pursuant to the provisions of Section 205C of the Companies Act 1956, as amended, dividend for the financial year 2004-05 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years, will be transferred to Investor Education and Protection Fund (IEPF). Shareholders who have so far not encashed the dividend warrant(s) for the year 2004-05 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the RTA on or before 15th January, 2013, failing which the unpaid/unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid/ unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF / the Company in respect of such amount by the shareholder.
- In all correspondence with the Company/RTA, members are requested to quote their folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number.
- Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to write to the Company at least seven days before the date of the meeting in order to enable the management to make the information available at the meeting, if the Chairman so permits.
- All correspondence relating to change of address, transfer/transmission of shares, bank mandate, dividend and all other matters relating to the shareholding in the Company may be made directly to the Registrar and Transfer Agent (RTA) of the Company M/s Abhipra Capital Ltd. GF-58-59 World Trade Centre, Bara Khamba Lane, New Delhi.

In terms of the Articles of Association of the Company, the relevant details in respect of directors retiring by rotation pursuant to Clause 49 of the Listing Agreement are furnished hereunder:





#### I. **Shri R. K. Garg**

He is a Management Graduate with over 32 years of experience in corporate world and has worked with DLF Universal Limited, DCM Shriram Industries Limited & Blue Star Limited at a senior position. He acts as an Independent Director of the Company

Shri R. K. Garg does not hold shares in the Company in his name and none of the share in the Company is held by him for any other person on a beneficial basis.

#### II. **Shri Ram Sharan Srivastava**

He is Retired IAS Officer with 42 years of administrative experience.

Shri R S Srivastava, does not hold shares in the Company in his name and none of the share in the Company is held by him for any other person on a beneficial basis.

#### III. **Dr. J. V. Rao**

He is Textile Engineer and the director in Northern India Textile Research Association (NITRA) Ghaziabad with over 32 years of experience in Textile Technology. He has served the Company as a non-executive independent director since 31st July, 2006 and due to his change in career plans, he has expressed his unwillingness to continue as a Director of the Company and is scheduled to retire at ensuing Annual General Meeting.

Dr. J. V. Rao does not hold shares in the Company in his name and none of the share in the Company is held by him for any other person on a beneficial basis.

#### **Important Communication to Members:**

##### **Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued stating that services of notice/documents including Annual Report can be sent by e-mail to its members. In order to overcome the delivery aspect of Notice's, documents and in the spirit of circular issued by the Ministry of Corporate Affairs permitting the Companies to adopt the "Green initiative in Corporate Governance" by allowing paperless compliances through electronic mode, the Ministry has permitted the corporate entities to send through electronic mode its Notices convening the General Meetings, Financial Statements, Directors' Report, and Auditors' Report etc. in electronic form, to the email address provided by you. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their valid e-mail addresses in respect of electronic holding with the Depository through their concerned Depository Participants. It is observed that we do not have your e-mail address in our records. In view of the above, it is in your interest to provide your valid e-mail address to the Company at [rakesh@shrilakshmi.in](mailto:rakesh@shrilakshmi.in) and [rtat@abhpra.com](mailto:rtat@abhpra.com) thereby enabling the company to promptly communicate to you with the information from time to time and also send the requisite documents, as prescribed under the Act.

#### **ANNEXURE TO THE NOTICE**

##### **EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956:**

##### **Item No. 7:**

Mr. Ghyanendra Nath Bajpai, was appointed as an Additional Director on the Board of the Company with effect from 14th August, 2012 under the provisions of Section 260 of the Companies Act, 1956 to hold the office upto the date of this Annual General Meeting.

Mr. G.N. Bajpai, a distinguished leader in Indian business, has a rich experience of more than 40 years in various administrative capacities.

Mr. Bajpai, was the Chairman of the Securities and Exchange Board of India (SEBI). Earlier Mr. Bajpai was Chairman of the Life Insurance Corporation of India (LIC). Mr. Bajpai is known for his visionary leadership and exemplary integrity. He has served/serves as non-Executive Chairman and a Director on corporate boards in India and other countries, received awards for contribution to business, and authored several books. Mr. Bajpai has been Chairman of the Corporate Governance Task Force of International Organisation of Securities Commissions and the Chairperson of the Insurance Institute of India, (III) a counterpart of Chartered Insurance Institute UK.

As Chairman of SEBI, Mr. Bajpai oversaw the orderly functioning of India's securities markets. With a vision to make India a global benchmark, Mr. Bajpai initiated numerous reforms and innovations in India's securities markets.

As Chairman of LIC, Mr. Bajpai transformed LIC to meet the challenges of deregulation and competition from global insurance companies. Under his leadership, LIC became a financial powerhouse with the largest asset base in the Indian Sub-Continental.

Mr. Bajpai has been a member of Board of Directors at General Insurance Corporation of India, ICICI Bank, Unit Trust of India, UTI Bank now Axis Bank, Tata Chemicals, Jindal Steel, Thane Electric Supply Co., National Housing Bank, Discount & Finance House, Indian Railway Finance Corporation, India International Insurance Ltd., Singapore and Ken-India Ltd., Nairobi (Africa).

Mr. Bajpai was also Non-Executive Chairman of National Stock Exchange, Stock Holding Corporation of India, LIC Housing Finance Ltd, and LIC International EC Bahrain and LIC Nepal Ltd.

Currently, Mr. Bajpai is Non-Executive Chairman and Non-Executive Director of several Corporates in India.

Mr. Bajpai is on the Board of Advisors of Indian Army Group Insurance Fund and is on the Governing Board of National Insurance Academy. Currently, Mr. Bajpai is the Chairman of Indian's National Pension Trust. Earlier he has served on the Governing Board of Indian Institute of Management, Lucknow one of the most prestigious management Institutes in India.

He has been a visiting faculty at leading institutes of Management and Training.. He has delivered lectures including at London School of Economics (LSE), Harvard University and MIT and also addressed OECD & IMF seminars. Currently, he is the visiting Prof. of Middlesex University, London. He has written three books: The Securities Market, Marketing of Insurances, and How to Become a Super Successful Salesman.

He received among others the "Outstanding Contribution to the Development of Finance" Award from Prime Minister of India, Dr. Manmohan Singh.

The Board considers that his presence on the Board will be of immense value to the Company and accordingly recommends the resolution for approval of the Members.

None of the Directors except Dr. G. N. Bajpai himself, may be considered as interested in the said resolution.

**Item Nos. 8 & 9:**

The present Authorised Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty crores Only) divided into 50,000,000 (Five crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

In view of the interest shown by the strategic investors/ business partner/ promoter for investment in the projects, shareholders at the Extra Ordinary General Meeting held on 31st October, 2012, have approved to increase the authorised capital from Rs. 50 crores to Rs. 200 crores by issuance of further 15 crores numbers of equity shares of Rs. 10 each at premium, to cover the substantial cost of expansion projects viz., terry towel expansion with a project cost of Rs. 700 crores and spinning project valuing at Rs. 1,200 crores.

Later on, due to the change in the investment plan of strategic investors, the total investment amount has now been reduced, thus now, making the requirement for increase in the existing authorised capital of the Company, maximum to Rs. 150 crores from Rs. 50 crores (Rs. Fifty crores only) by creation of further 100,000,000 (Ten crores) number of Equity Shares of Rs. 10/- (Rupees Ten) each.

Consequent upon the increase in the Authorised Capital of the Company, its Memorandum of Association will require alteration so as to reflect the increase in Share Capital. As a result of the above, relevant Capital Clause V of the Memorandum of Association of the Company is required to be altered which is sought to be effected by passing of resolutions at Item No. 9 of the Notice.

A Copy of the Memorandum of Association of the Company along with the proposed changes and other documents referred in the accompanying Notice are open for inspection of the Members at the Registered Office of the Company during the business hours on all working days up to the date of the Meeting.

Board of Directors accordingly recommends the resolution set out at Item no. 8 & 9 of the accompanying Notice for the approval of Members.

The Members are requested to pass the above resolutions as an Ordinary Resolutions .

**Registered office:**

19/X-1, Krishnapuram,  
G.T. Road, Kanpur

**Date: 3rd December, 2012**

By Order of the Board

**(Rakesh Kumar Srivastava)**

Company Secretary cum finance Controller



## DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 24th Annual Report along with the audited financial statements of the Company for the year ended on 30th June, 2012.

### FINANCIAL RESULTS:

Highlights of financial result for the year were as under:

(Rs. In crores)

Particulars	2011-12	2010-11	Growth (%)
Sales and other income	2,422.13	1,813.43	33.57
Operating profit before interest, depreciation and tax	446.40	273.98	62.93
<b>Less:</b>			
Interest and other financial charges	205.07	107.45	90.85
Depreciation	61.67	37.09	66.27
Extraordinary items	10.78	-	
<b>Profit before tax</b>	<b>168.88</b>	<b>129.43</b>	<b>30.48</b>
Less: Income Tax (including deferred tax)	58.41	25.33	130.60
<b>Profit after tax</b>	<b>110.47</b>	<b>104.10</b>	<b>6.12</b>
Proposed dividend	2.81	6.33	
Dividend tax	0.46	1.08	
<b>Balance carried to balance sheet</b>	<b>107.20</b>	<b>96.69</b>	

### PERFORMANCE

Your Directors are pleased to inform you that besides terry towel and home furnishing that performed stupendously during 2011-12, other products like, home furnishing, bottom weight, technical textile (including Fusible interlining and nylon coated fabrics), garments etc. have also marked their presence in the Company's overall performance.

During 2011-12, your Company recorded sales and operating income at Rs. 2,422.13 crores as compared with Rs. 1,813.43 crores in 2010-11, thus registered a growth of 33.57% over the last year. The profit before tax is increased by 30.48% being Rs. 168.88 crores as against Rs. 129.43 in 2010-11. The profit after tax is increased by 6.12 % being Rs. 110.47 crores as against Rs. 104.10 crores in 2010-11. The Company's performance was possible mainly on account of improved capacity utilisation, increase in sales and value added products.

### EXPORTS

During 2011-12, in view of the global recession, the export during the year has declined to Rs. 197.43 crores as against Rs. 226.72 crores in 2010-11.

## WHOLLY-OWNED SUBSIDIARY COMPANIES

### M/s SLCL Overseas FZC, Sharjah U.A.E

M/s SLCL Overseas FZC, Sharjah U.A.E., a wholly-owned subsidiary, recorded a turnover of Rs. 239.50 crores as compared with Rs. 202.29 crores in the last year, thus registering a remarkable growth of 18.39%.

### Shri Lakshmi Defence Solutions Ltd.

During 2011-12, Shri Lakshmi Defence Solutions Ltd. has made a remarkable performance with a turnover of Rs. 15.17 crores as compared with Rs. 14.86 crores in 2010-11, thus registered a growth of 2.10% over the last year.

### M/s Synergy Global Home Inc.

During the year, a wholly-owned subsidiary in the name and style of M/s Synergy Global Home Inc., was incorporated at U.S.A.; which deals in trading of home furnishing items. The Company has achieved revenue of Rs. 26.66 crores. Since, the company is in gestation period coincide with global melt down, the break-even point could not be achieved, therefore suffered a loss of Rs. 3.67 crores.

## EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, FOR NOT ATTACHING THE BALANCE SHEET OF THE SUBSIDIARY COMPANIES:

In view of the directions issued by the Ministry vide General Circular No: 2 /2011, dated 08.02.2011 in regard to exemption under Section 212(8) of the Companies Act, for not attaching the balance sheet of the subsidiary concerned; therefore, Board of Directors of your Company have given their consent for not attaching the balance sheet of the subsidiary concerned.

The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

## OPENING OF NEW STORES FOR RETAIL GARMENTS BRAND- "DYFI"

The Company has launched its own garments brand for retail sales in India called DYFI through five company owned stores and 450 multi-branded retail outlets throughout India.

## OUR PROPOSED EXPANSION

The Company is embarking upon various project expansions the details of which are given as under:

### Terry Towel expansion

At present the Terry Towel units are running at full capacity and fulfilling the demand of its valued customers. But still there is a short fall in the capacity due to robust demand of Terry Towel both in the domestic as well as global markets.

Keeping in view of this the Company is proposing to enhance the capacity of its Terry Towel manufacturing from 50 tons per day to 100 tons per day at the capital outlay of Rs.700 crores. After adding this capacity, SLCL will be one of the largest producers of Terry Towel in the country.

### Spinning project

The Company is already running a small plant consisting of 35,000 spindles and 5,000 rotors. After expansion of terry towel, denim, wider width and technical textile fabrics, the yarn requirement has increased from 70 tons to 150 tons per day. The present requirement of the yarn is partly fulfilled by our existing spinning plant. In view of the present scenario and huge requirement of yarn after expansion of our capacities, the Company can not survive if spinning facilities are not expanded on urgent basis. Hence, the Company proposes to install further 150,000 spindles and 5,000 rotors to fulfill its requirement. The total cost of the project was estimated on historical plant basis and now it has been decided to install the modernised and fully automated plant from Germany, the cost of which is estimated to Rs. 1,200 crores.



## DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, the Directors of the Company namely, Shri R. K. Garg, Shri Ram Sharan Srivastava and Dr. J. V. Rao are liable to retire by rotation at the ensuing Annual General Meeting of the Company. Shri R. K. Garg and Shri Ram Sharan Srivastava, being eligible, have offered themselves for reappointment. However, Dr. J. V. Rao, has expressed his unwillingness for re-appointment as a Director of the Company.

Recently, Mr. G. N. Bajpai, Ex-Chairman SEBI & LIC, has joined our Board as an Independent Director with effect from 14th August, 2012. Mr. G. N. Bajpai has a rich experience of more than 40 years in various administrative capacities including SEBI, Banks, Financial Institutions, LIC and eminent companies.

## CAPITAL

During the period, the Company has allotted the following nos. of equity shares:

- (i) 5,000,000 nos. of equity shares after conversion of equivalent number of share warrants to promoters group and 2,000,000 nos. of equity shares after conversion of equivalent number of share warrants to non-promoters group/ strategic investors of Rs. 10 each at a premium of Rs. 146 per share. Consequently, the paid up capital of the company is increased to Rs. 280,938,350.
- (ii) 376,810 nos. of equity shares at a pre-determined price of Rs. 108.41 per share after conversion of FCCBs aggregating to USD 1,000,000 on 6th July, 2012. Consequently, the paid up capital of the company is increased to Rs. 284,706,450.

## DIVIDEND

Your Directors at their meeting held on 3rd December, 2012, has recommended a dividend of 10% (i.e., Rs. 1/- per share) on 2,80,93,835 equity shares of face value of Rs. 10/- each for the accounting year ended on 30th June, 2012 and recommended the same for the approval of shareholders in the forthcoming Annual General Meeting, that if approved, would be paid to all those equity shareholders whose name appears in the register of Members and whose names appears as beneficial owners as on record date i.e., 27th December, 2012 as per shareholders list furnished by our Registrar & Transfer Agent.

## CREDIT RATING

### Equity

As per the latest CRISIL Independent Equity Research report on Shri Lakshmi Cotsyn Ltd. dated 17th August, 2012, the fundamental grade of the Company is 2/5, indicating that its fundamentals are moderate relative to other listed securities in India. CRISIL has assigned a fair value of Rs. 157 to the Company, which implies a valuation grade of 5/5, indicating the market price of Rs. 100 has strong upside from the current levels. The full report can be downloaded from [www.ier.co.in](http://www.ier.co.in).

### Debt

The CARE Rating, a credit rating agency, has assigned the rating to the long term bank facilities as CARE BBB- (Triple B Minus) and to the short term facilities as A3 (A Three) vide their letter dated 28th September, 2012.

The Company's overall rating has been assigned by Dun & Bradstreet Information Services India Pvt. Ltd. (D&B) as 5A3 dated 5th June, 2012.

## AUDITORS

M/s Pradeep & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The observations of Auditors in their report read with notes to the accounts are self-explanatory and do not call for further explanation.

## COST AUDITOR

The Central Government's Cost Auditor order specifies an audit of cost accounting records of the textile Company every year. This is applicable to the products manufactured by the Company. The Board of Directors, subject to the approval of the Central Government, appointed A. K. Srivastava, Cost Accountants, Kanpur, to carry out cost audit for the current year.

## INTERNAL AUDITOR

The Company appointed a firm of Chartered Accountants M/s Ajai Shanker and Company of Kanpur as internal auditors to review the internal control systems of the Company and report thereon. The Report of the Internal Auditors is reviewed by the Audit Committee.

## ENVIRONMENTAL SUSTAINABILITY

With an increasing concern towards ecology and global warming, consumers are favouring organic and eco-friendly textile products. Therefore, the demand of organic cotton is accelerating with brands and retailers continuing to implement long-term commitment to increase their use of organic cotton. Your Company also continues to pursue its mission for environmental excellence and constantly explores opportunities to improve ecology and the environment.

## RESEARCH AND DEVELOPMENT

Innovation has always been a part of SLCL policy. The continuous R&D efforts enabled the Company to product innovation. The Company posses in-house R&D facilities which results in cost saving.

The Company has been recognised as an In-house R&D unit by Department of Science and Industrial Research, Ministry of Science and Technology. It has delivered the following:

- Nanotechnology fabrics and smart textiles with sensor technology to monitor fatigue, stress, heart condition, blood pressure etc.
- Various technical textile fabrics which include high altitude fabric, PU-Coated nylon fabrics, flex fabrics, carbon fabrics and IRR fabrics.
- Various innovative products like Membrane Laminated Fabrics for Rain and Extreme Cold weather ECW Clothing which do not allow water to come in but allows body sweat and body heat to go out in vapour form; the product save an individual from getting wet during rainy season and frost bite in extreme Cold weather without compromising on comfort.
- High premium Technical and Safety products BP/FR Jackets, BP Helmets, MSCN Fabric and nets, NBC Fabric and Suits Fabrics which can protect from fire and enemy bullets and can protect our Tanks, Fighter jets, Vehicles, Arms and ammunitions, Manpower etc from detection by any means i.e. Visual, IR Imaging, Thermal Imaging or even by RADAR i.e. Microwave detection. This can protect our soldiers from Poisonous gas, Nerve agent, and Biological weapons attack.
- Development of High Visibility Fabrics for Night time applications in various Police and Para military forces.
- Development of Activated Carbon Spheres (ACS) & NBC fabrics which may be used for Adsorption of Chemical &

Biological agents during times of War or terrorist activities.

- Development of Multi spectrum Camouflage fabrics which may provide protection from detection using variety of Surveillance methods.

## INSURANCE

All the insurable assets of your Company including inventories, building, plant and machinery were adequately insured.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR 2011-12:

As required under Clause 49 of the Listing Agreement with Stock Exchanges, Management discussion and analysis for the year 2011-12 forms part of this Report and is annexed prior to the Notice of AGM.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

Corporate Governance Report for the year 2011-12 as required by Clause 49 of the Listing Agreement together with the Report of the Auditors of the Company in this regard is annexed herewith.

## GREEN INITIATIVE FOR PAPER LESS COMMUNICATIONS:

In accordance with MCA's recent circulars bearing no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011, your Company now wishes to send documents and various other notices (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditor's Report etc) to the shareholders through electronic mode to the registered e-mail addresses of shareholders. In this regard, communication were already been made to the shareholders/ stakeholders.

## STATUTORY INFORMATION

### (A) Particulars of employees

The industrial relations throughout the year under review remained cordial. As none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed, the particulars of employees under Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011, were not given.





## (B) Conservation of energy, technology absorption and foreign exchange earnings and outgo

Particulars with respect to conservation of energy, among others, as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure forming part of this Report.

## (C) Directors' responsibility statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards were followed and there are no material departures;
2. The Directors selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the period;
3. The Directors took proper and sufficient care to maintain 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.
4. The Directors prepared the annual accounts on a going concern basis.

## STATUTORY DISCLOSURES

None of the Directors are disqualified under the provisions of Section 274(1) (g) of the Companies Act, 1956. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

## ACKNOWLEDGEMENTS

We have definitely scaled greater heights and defined the path for others to follow. In this regard, your Directors wish to place on record their appreciation of the timely support provided by the Company's bankers, all the vendors and tie-up entities and the dedication and commitment of the employees at all levels. We are sure we will continue to dare and reach the pinnacle of our journey called success.

Your Directors convey their grateful thanks to all the Government authorities and shareholders for their continued and unstinted assistance, co-operation and patronage.

We also take this opportunity to thank all the valued customers who have appreciated our products and have patronised them.

**Registered office**  
19/X-1, Krishna Puram,  
G.T. Road, Kanpur

Date: 3rd December,  
2012

For and on behalf of the Board  
**Devesh Gupta**    **Dr. M.P. Agarwal**  
Deputy Managing    Chairman and  
Director    Managing Director

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional Information as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

### (A) Conservation of Energy

#### (a) Energy conservation measures taken:

The Company is engaged in the continuous process of energy conservation through new and improved measures for operation and maintenance. Accordingly and in line with the Company's commitment to conservation of natural resources, we continued with reduce wastage and optimise consumption. Concurrent measures are adopted such as:

- Synchronisation of steam turbine power and DG plants to facilitate shifting of part / full electrical load against each other in case of any emergency thus avoiding power failure;
- Installation of cooling water recovery system where water from machines is collected and reused for process requirements;
- Use of energy saving lighting arrangement on shop floor and roads within factory premises;
- Optimum use of compressors during lean period of operations;
- Monitoring of high energy consuming equipments closely for better control;
- Regular checking and monitoring of electrical load on all motors and repair of the defective ones;
- Installation of power factor controllers/capacitors to conserve energy;
- Inspection and immediate rectification of air leakages in weaving, knitting and preparatory;
- Installation of centralised cooling tower for saving of energy of C.T. fans and CT pumps;

#### (b) Additional investment and proposals being implemented for reduction of consumption of energy:

Your Company planned several measures, which are at various stages of implementation. Some of them are:

- 1) 8 MW bio-mass captive co-generation power plant has been set up at Abhaypur for reliable captive supply;
- 2) Undergoing trial for switching the fuel from coal to biomass in the existing 8 MW captive co- generation plant and Thermic Fluid Heater is going on at Malwan unit.
- 3) In-house Chemical auxiliary unit, resulting in optimum resource utilisation.
- 4) Monitoring and increasing scale and scope of measures taken in the past.

### Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The above measures initiated/being initiated for energy conservation resulted in improving the energy efficiency at all plants and savings in consumption of power and the cost of production. Your Company will continue to implement planned measures for optimisation of energy conservation and efficiency.

### (B) Technology Absorption, Adaptation and Innovation:

#### Efforts in brief, made towards Technology Absorption, Adaptation and Innovation:

The Company sets target for technology improvement in accordance with global competition. Company's R&D strategy is anchored on the development and speedy commercialisation of globally competitive products, processes and technologies through best-in-class research interventions backed by world-class infrastructure. It has a strong R&D cell for advanced testing laboratories, managed by a 50 member strong team. The continuous R&D efforts enabled the Company to product innovation. The Company also takes active participation in regional/national/international seminars

#### Benefits derived as a result of above efforts:

- The development of several new products and line developments.
- Product quality improvement and better stability.
- Increased use of alternative fuels.
- Cost reduction in an inflationary scenario.
- Reduction in specific energy consumption.

Imported Technology (imported during the last 5 years): Nil

### (C) Foreign Exchange Earnings And Outgo:

		(Rs. In lacs)	
Foreign exchange earnings and outgo		2011-12	2010-11
i)	Total earnings of foreign exchange	25,803.71	23,011.46
ii)	Total outgo in foreign exchange	19,877.27	21,296.39

**Registered office**  
19/X-1, Krishna Puram,  
G.T. Road, Kanpur

Date: 3rd December,  
2012

For and on behalf of the Board  
**Devesh Gupta** **Dr. M.P. Agarwal**  
Deputy Managing Director  
Chairman and Managing Director



## CORPORATE GOVERNANCE REPORT

(Annexure to and forming integral part of Directors' Report of the Company)

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organisation most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organisation and of their own role as trustees on behalf of the shareholders.

Shri Lakshmi Cotsyn Limited is committed to good corporate governance. The Company respects the rights of its shareholders to secure information on the performance of the Company. The Company will continue to focus its resources, strengths and strategies to achieve its vision of creating a rich product mix in a largely matured Indian textile market. The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

### BOARD OF DIRECTORS

The Board has an optimum combination of Executive and Non-Executive Directors as per the Corporate Governance requirements. The Board of Directors of the Company Consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management etc. As on 30th June, 2012, the Board comprised 10 Directors.

### NUMBER OF BOARD MEETINGS HELD AND THE DATES THEREOF

During the year 2011-12, five (5) meetings of Board of Directors were held. The meetings were held on 8th August, 2011, 7th November, 2011, 29th November, 2011, 31st January, 2012 and 14th May, 2012. The maximum time gap between any two meetings was not more than four calendar months.

## ATTENDANCE OF DIRECTORS AT THE BOARD/COMMITTEE MEETINGS AND THE LAST ANNUAL GENERAL MEETING

Name and designation of the Director	Category of Directorship	Number of Board meetings attended	Attendance at the last AGM	Number of Directorship in other companies*	Committee position held**	
					Chairman	Member
Dr. Mata Prasad Agarwal (Chairman and Managing Director)	Promoter Executive Director	5	Yes	8	1	Nil
Shri Pawan Agarwal (Joint Managing Director)	Promoter Executive Director	4	Yes	5	Nil	1
Shri Devesh Gupta (Deputy Managing Director)	Executive Director	5	Yes	3	Nil	1
Shri Dileep Bajaj	Executive Director	4	-	Nil	Nil	1
Smt. Sharda Agarwal	Promoter Executive Director	5	Yes	2	Nil	Nil
Shri R. K. Garg	Non-Executive Independent Director	2	-	Nil	Nil	1
Dr. G. N. Mathur	Non-Executive Independent Director	2	-	4	Nil	1
Dr. J. V. Rao	Non-Executive Independent Director	2	-	Nil	Nil	Nil
Shri R. S. Srivastava	Non-Executive Independent Director	3	Yes	Nil	1	2
Shri K.D. Gupta	Non-Executive Independent Director	5	Yes	3	2	1
Shri G. N. Bajpai***	Non-Executive Independent Director	1	-	13	5	3

### Notes:

- \*Other Directorships of only Indian Public Limited Companies were considered pursuant to Clause 49 of Listing Agreement.
- \*\*Committee positions of only four committees namely Audit Committee, Investors' Grievance Committee, Remuneration Committee and Finance Committee have been mentioned.
- \*\*\*Shri G. N. Bajpai has joined the Board as an Independent Director w.e.f. 14th August, 2012.



## BOARD PROCEDURE

The Board meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each of the Directors. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subjects. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/regulatory requirements, major accounting provisions and write offs are considered by the Board.

## INFORMATION PLACED BEFORE THE BOARD

Information placed before the Board of Directors broadly covers the items specified in Clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberation and issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Board of Directors has complete access to all information of the Company, as and when necessary.

## COMMITTEES OF THE BOARD

### Audit Committee

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;

- c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - The going concern assumption
  - Major accounting entries based on exercise of judgement by management
  - Significant adjustments arising out of audit
  - Compliance with Accounting Standards
  - Compliance with Stock Exchange and legal requirements concerning financial statements
  - Related party transactions
  - Qualifications in draft audit report
  - Report of the Directors & Management Discussion and Analysis;
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- (e) Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (f) Reviewing reports of internal audit, including that of wholly owned subsidiaries, and discussion with internal auditors on any significant findings and follow-up thereon;

## COMPOSITION

The Company has an Audit Committee comprising three Directors, all being Non-Executive-Independent named Shri R S Srivastava, Dr. G N Mathur and Shri K D. Gupta . The Audit Committee is chaired by Shri K D. Gupta. The Company Secretary acts as the Secretary to the Audit Committee. Mr. Pradeep Gupta, M/s Pradeep & Associates, Statutory Auditors, was invited to be present at all the Audit Committee meetings.

The terms of reference of the Audit Committee are in conformity with the requirements specified in Clause 49 of the Listing Agreement with the Stock Exchanges and also comply

with the requirements of Section 292A of the Companies Act, 1956. The Audit Committee while reviewing the Annual Financial statements also reviews the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. Compliance of the Accounting Standard as applicable to the Company was ensured in the financial statements for the year ended 30th June, 2012. During the accounting year, five Audit Committee Meetings were held on 5th August, 2011, 3rd November, 2011, 26th November, 2011, 28th January, 2012 and 12th May, 2012.

#### Details of the attendance at the meetings are as follows

Serial number	Name	Attendance
1	Shri R S Srivastava	5
2	Dr. G. N. Mathur	2
3	Shri K. D. Gupta	5
4	Shri Pradeep Gupta	5
5	Shri R. K. Srivastava	5

#### Internal Auditors and Internal Audit System

The Company appointed a firm of Chartered Accountants M/s Ajai Shanker & Company of Kanpur as Internal Auditors to review the internal control systems of the Company and report thereon. The report of Internal Auditors is periodically reviewed by the Audit Committee of the Board and necessary directions are issued whenever required.

The Company continues to maintain a comprehensive Internal Audit System for assessing risk, adding values and improving your organisation's operations and also to ensure timely financial reporting.

#### Internal control systems and their adequacy

The Company has an adequate system of internal controls, commensurate with its nature of business and scale of operations to:

- Safeguard the Company's assets from loss or damage
- Keep a constant check on the cost structure
- Prevent revenue leakages
- Provide adequate financial and accounting controls and implement accounting standards

These internal controls are constantly monitored by an extensive program of internal audits. They are conducted by a professional firm of Chartered Accountants viz. Ajai Shanker & Company. The report of the internal auditors is reviewed by the Audit Committee.

#### Cost Auditor

The Company appointed Mr. A. K. Srivastava of Kanpur as Cost Auditor of the Company who submits his report to the Audit Committee for consideration.

#### Remuneration Committee

The Remuneration Committee was constituted by the Board to recommend/review the Remuneration package of the Managing/Wholetime Directors. The recommendations of the Remuneration Committee are considered and approved by the Board subject to shareholders' approval.

The Remuneration Committee comprises three Non-Executive Directors, all of them being Independent, including the Chairman of the Committee. During 2011-12, the meeting of the Remuneration Committee was held on 24th November, 2011.

#### Details of the attendance at the meeting are as follows:

Serial number	Name	Attendance
1	Shri R. S. Srivastava – Chairman	1
2	Mr. K. D. Gupta	1
3	Dr. G. N. Mathur	1





## Details of remuneration paid to all the Directors for the year ended on 30th June, 2012.

### a) Executive Directors (Managing/Wholetime Directors)

Details of remuneration paid for the year ended 30th June, 2012 to Managing/Wholetime Directors are as follows

Name	Designation	All elements of remuneration package i.e. salary, perks, benefits, bonuses and pension, among others (Rs. in lacs/ p.a.)	Performance linked incentives along with the performance criteria (in Rs.)	Total (Rs. in lacs/ p.a.) (2010-11)	Stock, option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable
Dr. M.P Agarwal	Managing Director	39.00	NIL	30.00	Presently the Company does not have any stock option scheme
Mr. Pawan Kumar Agarwal	Joint Managing Director	24.00	NIL	18.00	
Mr. Devesh Narain Gupta	Dy. Managing Director	19.50	NIL	15.00	
Smt. Sharda Agarwal	Executive Director	12.00	NIL	9.00	
Mr.Dileep Bajaj	Executive Director	19.50	NIL	15.00	

### b) Non-Executive Directors

During 2011-12, the Company did not pay any remuneration to Non-Executive Directors except sitting fees to each Non-Executive Director for attending meetings of the Board of Directors and Committees thereof. The criterion for payment of sitting fees to Non-Executive Directors is based on the provisions of the Companies Act, 1956 and is well within the statutory ceiling fixed in this regard.

### Finance Committee

The Committee comprises four Executive Directors chaired by Dr. M. P. Agarwal. The Finance Committee met 20 times during the year. The Committee is primarily looking after the day-to-day business activity of the Company within Board approved directions/framework.

### Details of the attendance at the meeting are as follows:

Serial number	Name	Attendance
1	Dr. M. P. Agarwal	20
2	Shri Pawan Kumar Agarwal	15
3	Shri Devesh Narain Gupta	16
4	Shri Dileep Bajaj	18

### Shareholders/ Investor's Grievance Committee

In compliance with Clause 49 of the Listing Agreement, the Shareholders /Investors' Grievance Committee has

been constituted by the Board for a speedy disposal of grievances/complaints relating to shareholders/investors. The Shareholders'/ Investors' Grievance Committee comprises three Non-Executive Directors namely, Mr. R. S. Srivastava, Mr. R. K. Garg, and Mr. K.D. Gupta and is chaired by Mr. K.D. Gupta. The Company Secretary acts as the Secretary of the Committee.

### Compliance officer

The Board designated Mr. Rakesh Kumar Srivastava, Company Secretary-cum-Finance Controller as the Compliance Officer of the Company for complying with the requirements of the listing agreements and SEBI Laws.

### Investor Grievance Redressal

The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer/transmission of shares, dematerialisation/rematerialisation of shares, consolidation of share certificates etc. Committee also looks into redressal of shareholders'/ investors' complaints related to non-receipt of Annual Reports, non-receipt of declared dividend etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

### Risk management

The Company manages risks as an integral part of its decision making process. The Company has adequate system of internal control commensurate with its size and business operation to

safeguard and protect its assets against losses. The Board of Directors and the Audit Committee continuously have a close eye on the risks by adopting the following procedure:

- Identification of risks
- Assessment of risk
- Risk control and mitigation

The risk control and mitigation is being done, keeping in view the risk appetite of the Company.

Audit Committee provides quarterly updates to the Board of Directors. The head of departments are responsible for identifying, reviewing and escalating risks as well as preparing and executing action plans within their areas of responsibility.

## GENERAL BODY MEETINGS

Details regarding the Annual General Meetings of the Company held during the last three years were as follows:

Year ended	Date	Time	Day	Place	Number of special /ordinary resolutions passed
30th June, 2009	31st December, 2009	11.00 am	Thursday	19/X-1, Krishnapuram, G.T. Road, Kanpur	5
30th June, 2010	27th November, 2010	11.00 am	Saturday	19/X-1, Krishnapuram, G.T. Road, Kanpur	5
30th June, 2011	30th December, 2011	11.30 am	Friday	19/X-1, Krishnapuram, G.T. Road, Kanpur	5

## EXTRA-ORDINARY GENERAL MEETINGS

Details regarding the Extra-Ordinary General Meetings of the Company held during the year 2011-12: are as follows:

Year ended	Time	Day	Place	Number of special resolution passed
2nd December, 2011	11.30 am	Friday	19/X-1, Krishnapuram, G.T. Road, Kanpur	1

## POSTAL BALLOT

No special resolution requiring a postal ballot was proposed last year. At the ensuing Annual General Meeting there is no resolution proposed to be passed by way of Postal ballot.

## DISCLOSURES

- a. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management and their subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the "Notes to the Annual Accounts" of the Company.
- b. There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any

matter related to capital markets, during last three years.

- c. The Company did not adopt any whistle blower policy. However, the Company did not deny access to any personnel to approach the management or the Audit Committee on any issue.
- d. The Company complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

## MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are submitted to the listed stock exchanges and are published in leading newspapers viz., Business Standard (English and Hindi), Jansaptah, The Financial Express (English and Hindi) and in terms of the requirements of Clause 41 of the Listing Agreement. The Company also displays the presentations made by it to Institutional investors and to analysts on its website along with the official news releases.

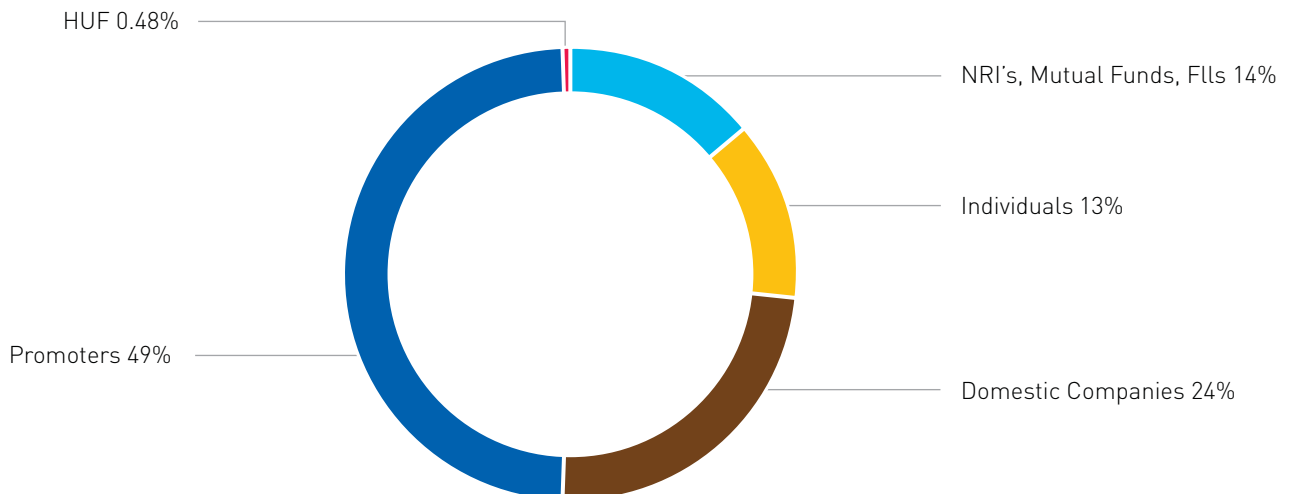


\*\*The management discussion & analysis Report is given separately forming part of the Annual Report.\*\*

### Share holding Pattern for the quarter ended 30th June, 2012:

Category	Number of shares held	Percentage of share holding
<b>(A) Promoters' holding</b>		
- India promoters	13,717,831	48.83
- Foreign promoters	-	-
<b>Sub-Total (A)</b>	<b>13,717,831</b>	<b>48.83</b>
<b>(B) Non-promoters' holding</b>		
(1) Institutional investors		
Mutual Funds	-	-
Financial Institutions/Banks	150000	0.53
Central Govt./State Govt.	-	-
Venture Capital Funds	-	-
Insurance companies	-	-
Foreign Institutional investors	3499620	3.64
Foreign Venture Capital investors	-	-
Foreign/ Financial Institutions/Banks	-	-
<b>Sub-total (B)(1)</b>	<b>3649630</b>	<b>12.99</b>
(2) Others		
- Domestic companies	6746572	24.01
- Individuals	3683454	13.12
- HUF	136045	0.48
- NRI's	146680	0.52
-Clearing members	13123	0.05
- Trust	500	0.00
<b>Sub-total (B) (2)</b>	<b>10726374</b>	<b>38.18</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>14376004</b>	<b>51.17</b>
<b>Grand total (A)+(B)</b>	<b>28093835</b>	<b>100.00</b>

### Diagrammatic representation of Shareholding pattern as on 30th June, 2012



### Distribution of Share holding as on 30th June, 2012

Shareholding of nominal value of		Shareholders		Shares amount	
Rs.	Rs.	Number	% to Total	Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to	- 5000	7945	86.51	11,149,520	3.97
5001	- 10000	582	6.34	4,797,060	1.71
10001	- 20000	275	2.99	4,175,300	1.49
20001	- 30000	106	1.15	2,723,510	0.97
30001	- 40000	43	0.47	1,587,030	0.56
40001	- 50000	40	0.43	1,894,080	0.67
50001	- 100000	61	0.66	4,600,410	1.64
100001 and above		132	1.45	250,011,440	88.99
<b>Total</b>		<b>9184</b>	<b>100.00</b>	<b>280,938,350</b>	<b>100.00</b>

### Stock market price data for the year 2011-2012 at BSE SENSEX

Scrip Code: 526049 Company: SHRILAKSHMI For the period: July 2011 to June 2012

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-	C-O
Jul 11	82.10	87.30	81.50	82.15	5,17,885	5,052	4,38,33,937	5.80	0.05
Aug 11	82.05	88.65	70.15	75.95	12,49,383	10,289	9,93,35,997	18.50	-6.10
Sep 11	77.70	106.65	75.00	94.55	16,17,265	17,507	14,81,32,597	31.65	16.85
Oct 11	92.00	115.15	90.60	112.45	30,74,745	14,184	33,48,70,289	24.55	20.45
Nov 11	112.00	114.80	93.05	108.00	36,33,079	12,143	38,22,57,228	21.75	-4.00
Dec 11	112.00	113.85	94.05	110.55	48,19,374	12,148	49,94,30,334	19.80	-1.45
Jan 12	111.70	129.60	108.25	127.60	46,44,985	12,962	57,34,75,865	21.35	15.90
Feb 12	128.35	155.50	125.00	154.05	44,52,596	16,221	63,23,95,941	30.50	25.70
Mar 12	156.50	156.50	141.25	146.40	44,43,466	16,154	66,39,25,196	15.25	-10.10
Apr 12	150.00	155.00	131.90	139.10	40,33,755	13,404	57,86,79,550	23.10	-10.90
May 12	144.70	144.70	81.10	105.10	46,83,301	24,463	55,07,86,857	63.60	-39.60
Jun 12	106.50	112.95	101.30	106.35	26,28,628	10,792	27,86,40,244	11.65	-0.15

\*Spread

H-L: High-Low

C-O: Close-Open



## General share holder information

<b>24th Annual General Meeting (AGM for the year ended 30th June, 2012)</b>	<b>Day:</b> Monday <b>Date:</b> 31st December, 2012 <b>Time:</b> 11:30 am <b>Venue:</b> 19/X-1, Krishnapuram, G.T. Road, Kanpur
<b>Accounting calendar years</b>	For the accounting year 2011-12, the interim and final results were announced on: <ol style="list-style-type: none"> <li>1st quarter results - Second week of November, 2011</li> <li>2nd quarter results- Fifth week of January, 2012</li> <li>3rd quarter results- Third week of May, 2012</li> <li>4th quarter &amp; Annual results- Third week of August, 2012</li> </ol>
<b>Date of book closure</b>	Friday, 28th December, 2012 to Monday, 31st December, 2012 (both days inclusive).
<b>Listing on stock exchange</b>	<ol style="list-style-type: none"> <li>National Stock Exchange of India Ltd.</li> <li>Bombay Stock Exchange Ltd</li> <li>U. P. Stock Exchange Ltd</li> <li>Singapore Stock Exchange</li> </ol>
<b>Registrar and Transfer Agents</b>	M/s Abhipra Capital Ltd. GF-58-59 World Trade Centre, Barakhamba Lane, New Delhi-110033 Ph. no.:+91 11-42390909, Fax:+91 11-27215530 Email: jeewatrai@abhipra.com; rta@abhipra.com
<b>Address for correspondence</b>	19/X-1, Krishnapuram, G.T. Road, Kanpur-7 (U.P.) Ph. no.:+91 512-2401492, 2402733, 2404181 Fax no.: +91 512-2402339 E-mail: shri@shrilakshmi.in Website: www.shrilakshmi.in
<b>Share transfer system</b>	Applications for transfer of shares in physical form are received by the Company's Registrar and Transfer Agent, Abhipra Capital Ltd., who in consultation and approval of the Company, executes the requests of transfer/transmission of shares.
<b>Nomination facility</b>	Shareholders holding shares in physical and desirous of making a nomination in respect of their share holding in the Company as permitted U/S 109A of Companies Act, 1956 may submit their request to the Company in form 2B of the Companies (Central Government's) General Rules and Forms, 1956, prescribed for the purpose.
<b>Code of conduct</b>	The Company's Board laid down a Code of Conduct for all Board members and senior management of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. A declaration to this effect, signed by Dr. M. P. Agarwal, Chairman-cum-Managing Director, is enclosed at the end of this Report.
<b>Dematerialisation of shares and liquidity</b>	<b>ISIN Code - equity shares: INE 851 B01016</b> As on 30th June, 2012, 87.55% of the total equity shares of the Company were dematerialised, which was increased to 93.07% as on date. Trading in equity shares of the Company is permitted only in dematerialised form, as per the notification issued by the Securities and Exchange Board of India (SEBI).

## DECLARATION

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Dr. M.P. Agarwal, Chairman and Managing Director of Shri Lakshmi Cotsyn Ltd, declare that all Board members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct for the accounting year 2011-12.

Date: 3rd December, 2012

Place: Kanpur

(Dr. M.P. Agarwal)

Chairman and Managing Director

**Pradeep & Associates**

Chartered Accountants

27/78 'A' 'Gagan Deep'  
Ground Floor, Birhana Road  
Kanpur – 208001  
Phone: Offi. : 2313665  
Resi. : 2540609

## CERTIFICATE

TO

THE MEMBERS,

M/S SHRI LAKSHMI COTSYN LIMITED

19/X-1, Krishna Puram, G.T. Road, Kanpur

We have examined the compliance of conditions of Corporate Governance by **M/S SHRI LAKSHMI COTSYN LIMITED** for the year ended 30th June, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that Company has complied in material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Pradeep & Associates  
Chartered Accountants

**(P.K. GUPTA)**

Partner

Membership No. 70492

Date: 3rd December, 2012

Place: Kanpur





## CEO/CFO CERTIFICATION

I, Dr. M. P. Agarwal, Chairman & Managing Director of Shri Lakshmi Cotsyn Limited, hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ending 30th June, 2012 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 Shri Lakshmi Cotsyn Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Shri Lakshmi Cotsyn Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements; and
- (e) We certify that there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or any employee having significant role in the Company's internal control systems.
- (f) We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct).

**Dr. M. P. Agarwal**  
Chairman & Managing Director

Dated: 3rd December, 2012

Place: Kanpur

# AUDITOR'S REPORT

The Members of

**Shri Lakshmi Cotsyn Limited**

19/X-1, Krishnapuram, G.T. Road,  
Kanpur

1. We have audited the attached Balance Sheet of M/s Shri Lakshmi Cotsyn Limited as at 30th June, 2012 and the Profit and Loss Account for the period ended on that date and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement; an audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, by the Central Government of India in terms of Sub-Section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those.
  - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statements dealt with by this report, comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - (e) On the basis of written representation received from the Directors of the Company as on 30th June, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2012 from being appointed as Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the Accounting Principles generally accepted in India.
    - (i) In so far as it relates to the Balance Sheet, of the State of Affairs of the Company as at 30th June, 2012 and
    - (ii) In so far as it relates to the Profit & Loss Account of the Profit for the period ended on that date; and
    - (iii) In so far as it relates to the Cash Flow Statement of the Cash flow of the Company for the period ended on that date.

**For Pradeep & Associates**  
Chartered Accountants

**Pradeep Kumar Gupta**  
Partner  
Membership No. 70492

Place: Kanpur  
Date: 3rd December, 2012



## ANNEXURE REFERRED IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (ii) As explained to us, the fixed assets have been physically verified by the management during the period under regular programme of verification which in our opinion is reasonable having regard to the size of the Company & nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - (iii) There was no substantial disposal of fixed assets during the period.
2. (i) As explained to us, inventory has been physically verified by the management at reasonable intervals during the period.
  - (ii) In our opinion and according to the information and explanations given to us, the procedures at physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (iii) On the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (i) The Company has neither granted nor taken any loan Secured/Unsecured to /from Companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
  - (ii) Since Company has not taken any loan from Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956, this clause is not applicable.
  - (iii) Since the Company has not taken any loan from parties covered u/s 301 of the Companies act 1956, comments on this paragraph is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.
  - (i) According to the information and explanations given to us , we are of the opinion that the transactions that need to be entered in to the Register maintained under Section 301 of the Companies Act 1956, have been so entered.
  - (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts, of arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted Public deposit u/s 58A and 58AA of the Companies Act, 1956 and rules framed thereunder.
7. In our opinion, the Company has an internal Audit System commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209(1) (d) of the Companies Act, 1956, in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained.
9. (i) Undisputed statutory dues in respect of Provident Fund and Income Tax Deducted at source under Income Tax Act, 1961 have been deposited regularly by the Company on prescribed due dates with the appropriate authorities. Further other undisputed statutory dues including,

Income Tax, Wealth tax, Sales Tax, Custom duty, Excise duty and Cess have been deposited subsequently.

(ii) According to the information and explanations given to us, there is no arrear of undisputed statutory dues outstanding as on 30th June, 2012 for a period of more than six months from the date they became payable and these dues have been deposited subsequently.

(iii) Since there no arrears of undisputed statutory dues outstanding, comment on this clause not applicable.

10. The Company has no accumulated losses at the end of the financial period ended on 30th June, 2012 and it has not incurred any cash losses in the current and immediately preceding financial year.

11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial Institutions.

12. In our opinion and according to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities

13. In our opinion, the Company is not a Chit Fund or nidhi/ mutual benefit fund/society.

14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. In our opinion and according to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or financial Institutions.

16. Based on the information and explanations given to us by the management, the term Loans taken during financial year were applied for the purpose for which the loans were obtained.

17. According to information and explanation given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that Company has not utilised any short term borrowing for repayment of long term borrowing and acquisition of fixed assets.

18. The Company has not raised any money by way of public issue during the period

19. Based upon the audit procedures performed by the purpose of reporting true and fair view of the financial statements and according to the information and explanations given to us by the management, in our opinion , no fraud on or buy the Company has been noticed or reported during the course of our audit.

**For Pradeep & Associates**  
Chartered Accountants

**Pradeep Kumar Gupta**  
Partner  
Membership No. 70492

Place: Kanpur  
Date: 3rd December, 2012



# CONSOLIDATED BALANCE SHEET

AS ON 30TH JUNE, 2012

(Rs. In lacs)

Particulars	Note No.	As at 30th June, 2012	As at 30th June, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,809.38	2,109.38
(b) Reserves and surplus	2	71,669.78	50,732.29
(c) Minority Interest	3	8.32	-
(d) Money received against share warrants		-	8,470.80
<b>2 Share application money pending allotment</b>		6,480.52	2,353.49
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	139,174.41	97,643.82
(b) Deferred tax liabilities (net)		9,307.20	4,594.58
(c) Other long-term liabilities		-	-
(d) Long-term provisions		2,515.25	2,515.25
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	92,934.53	64,319.32
(b) Trade payables		8,676.62	7,583.60
(c) Other current liabilities	6	173.14	150.31
(d) Short-term provisions	7	2,192.08	2,166.30
		<b>335,941.24</b>	<b>242,639.14</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	162,736.94	79,189.39
(ii) Intangible assets	9	33.95	-
(iii) Capital work-in-progress		14,567.97	31,854.34
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	10	8,162.50	5,876.33
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	11	9,200.79	28,164.82
(e) Other non-current assets	12	328.88	318.00
<b>2 Current assets</b>			
(a) Current investments	13	700.08	2,279.02
(b) Inventories	14	74,550.13	49,392.43
(c) Trade receivables	15	64,729.70	40,403.05
(d) Cash and cash equivalents	16	769.56	5,052.97
(e) Other current assets	17	160.74	108.81
		<b>335,941.24</b>	<b>242,639.14</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**P.K. Gupta**  
Partner

**Devesh Gupta**  
(Deputy Managing Director)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)

Place: Kanpur  
Date: 3rd December, 2012

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30TH JUNE, 2012

(Rs. In lacs)

Particulars	Note No.	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>A CONTINUING OPERATIONS</b>			
<b>1 Revenue from operations (gross)</b>	18	239,679.20	179,838.30
Less: Excise duty		-	-
Revenue from operations (net)		239,679.20	179,838.30
<b>2 Other income</b>	19	2,533.83	1,504.36
<b>3 Total revenue (1+2)</b>		<b>242,213.03</b>	<b>181,342.66</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20	201,647.34	151,290.36
- Purchases of stock-in-trade			
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(16,254.96)	(6,941.38)
(c) Employee benefits expense	22	6,730.51	5,098.38
(d) Finance costs	23	20,506.98	10,745.45
(e) Depreciation and amortisation expense	24	6,166.56	3,708.80
(f) Other expenses	25	5,449.91	4,497.41
<b>Total expenses</b>		<b>224,246.34</b>	<b>168,399.02</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		17,966.69	12,943.64
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		17,966.69	12,943.64
8 Extraordinary items	26	1,078.03	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		16,888.66	12,943.64
10 Tax expense:			
(a) Current tax expense for current year		1,128.71	1,132.32
(b) Deferred tax		4,712.62	1,400.82
		<b>5,841.33</b>	<b>2,533.14</b>
<b>11 Profit / (Loss) from continuing operations (9 + 10)</b>		11,047.33	10,410.50
<b>B PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
<b>13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		-	-
<b>C TOTAL OPERATIONS</b>			
14 Profit / (Loss) for the year (11 + 13)		<b>11,047.33</b>	<b>10,410.50</b>
15 Earnings per equity share (of 10/- Each)		39.32	49.35

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**P.K. Gupta**  
Partner

**Devesh Gupta**  
(Deputy Managing Director)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)

Place: Kanpur  
Date: 3rd December, 2012





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
5,00,00,000 equity shares of Rs.10 each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
2,80,93,835 equity shares of Rs. 10/- each fully paid-up.	2,809.38	2,109.38
	<b>2,809.38</b>	<b>2,109.38</b>
<b>Reconciliation of the number of equity shares outstanding:</b>		
Equity shares outstanding at the beginning of the year	21,093,835	19,963,405
Equity shares allotted during the year	7,000,000	1,130,430
Equity shares outstanding at the end the of the year	28,093,835	21,093,835

### Shareholder holding more than 5 percent Equity shares of the Company:

Name of shareholder	No. Of Shares	
	30th June, 2012	30th June, 2011
M/s Jayant Textiles (P) Ltd.	-	12,40,000

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>2 RESERVES AND SURPLUS</b>		
<b>(i) Securities premium account</b>		
Balance as per last financial statement	10,618.37	9,518.10
Add: Additions during the year	10,220.00	1,100.27
Less: Deduction during the year	-	-
<b>Closing balance</b>	<b>20,838.37</b>	<b>10,618.37</b>
<b>(ii) Capital Reserves Account</b>		
State Capital Subsidiary	12.19	12.19
Add: Additions during the year	-	-
<b>Closing Balance</b>	<b>12.19</b>	<b>12.19</b>
<b>(ii) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last financial statement	40,099.69	27,431.60
Add: Profit for the year *** [ 11047.32-1.28] = 10,398.18	11,046.05	10,410.50
Debenture Redemption Reserve	-	3,000.00
Less: Allocation and appropriation	-	-
Proposed dividend @ 10% (30%)	280.94	632.82
Corporate dividend tax	45.58	107.55
<b>Total</b>	<b>50,819.22</b>	<b>40,101.73</b>
<b>Total reserve and surplus (i to ii)</b>	<b>71,669.78</b>	<b>50,732.29</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>3 MINORITY INTEREST</b>		
Share held by outsider (Rs.1000 lacs - Rs. 995 lacs)	5.00	-
Add : 0.5% Reserves & Suplus		
** Rs.408.35 * 0.50% = 2.04 lacs		
*** Rs.255.04 * 0.50% = 1.28 lacs	3.32	-
<b>Total Reserve and Surplus (i to iii)</b>	<b>8.32</b>	<b>-</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>4 LONG-TERM BORROWINGS</b>		
<b>Secured loan:</b>		
Secured loans from banks	120,726.45	91,233.29
Mezannine debt	17,689.47	5,101.73
<b>Unsecured loan:</b>		
Unsecured loan	758.49	1,308.80
<b>Total</b>	<b>139,174.41</b>	<b>97,643.82</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>5 SHORT TERM BORROWINGS</b>		
Short term loan for project	12,004.77	9,964.09
Working capital loan	80,929.76	54,355.23
	<b>92,934.53</b>	<b>64,319.32</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>6 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	30.45	22.77
Statutory remittances	142.69	127.54
	<b>173.14</b>	<b>150.31</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>7 SHORT TERM PROVISIONS</b>		
Proposed dividend	280.94	632.82
Corporate dividend Tax	45.58	107.55
Provision for tax	1,128.42	1,122.31
Provision for expenses	737.15	303.62
	<b>2,192.08</b>	<b>2,166.30</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.07.11	Addition	As on 30.06.2012	Upto 01.07.11	For the year	As on 30.06.2012	As on 30.06.11	As on 30.06.2012
<b>8 FIXED ASSETS</b>								
Land	935.41	1,240.35	2,175.76	-	-	-	935.41	2,175.76
Building	12,575.59	6,322.50	18,898.08	1,400.51	620.74	2,021.25	11,175.08	16,876.84
Plant & Machinery	78,713.47	81,787.04	160,500.51	12,653.29	5,336.55	17,989.84	66,060.18	142,510.67
Furniture & Fixture	389.89	104.42	494.31	72.00	30.68	102.68	317.89	391.63
Office Equipment	518.23	118.85	637.08	142.39	98.36	240.75	375.84	396.33
Vehicles	538.95	142.50	681.45	215.51	80.23	295.74	323.44	385.71
<b>Total</b>	<b>93,671.53</b>	<b>89,715.66</b>	<b>183,387.20</b>	<b>14,483.70</b>	<b>6,166.56</b>	<b>20,650.26</b>	<b>79,187.83</b>	<b>162,736.94</b>
Previous Year	55,318.51	38,353.02	93,671.53	70,773.35	3,708.80	74,482.15	44,545.16	79,189.39

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>9 INTANGIBLE ASSETS /GOODWILL</b>		
Share Capital of Synergy	1.69	-
Less : Reserves & Surplus of Synergy	42.79	-
Opening Balance 42.79 (100% holding)		
	<b>41.10</b>	-
Less: Investments	7.15	-
	<b>33.95</b>	-

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>10 NON-CURRENT INVESTMENT</b>		
Quoted shares	38.56	38.56
Un-quoted shares	8,123.94	5,837.77
	<b>8,162.50</b>	<b>5,876.33</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>11 LOANS AND ADVANCES</b>		
Capital advances	5,932.44	25,772.19
Security deposits	1,265.29	1,207.60
Others loan and advances:	717.15	209.27
Advances tax	1,182.04	943.10
Prepaid expenses	103.87	32.66
	<b>9,200.79</b>	<b>28,164.82</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>12 NON-CURRENT ASSETS</b>		
Accrued duty draw back	208.47	131.26
Accrued DEPB	120.41	186.74
	<b>328.88</b>	<b>318.00</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>13 CURRENT INVESTMENT</b>		
Un-quoted shares	700.08	2,279.02
	<b>700.08</b>	<b>2,279.02</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>14 INVENTORIES</b> (As certified by the Management)		
Raw materials (includes own produced goods)	25,857.76	17,760.22
Work-in-progress	22,148.24	16,347.70
Finished goods	25,140.13	14,353.51
Stores and spare-parts, etc.	1,404.00	931.00
	<b>74,550.13</b>	<b>49,392.43</b>

Basis of valuation of inventories are as under:

All the inventories are valued at lower of cost or net realisable value except waste which is being valued at net realisable value.

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>15 TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for more than six months (from due date)	429.59	150.50
Considered good*	64,300.11	40,252.55
	<b>64,729.70</b>	<b>40,403.05</b>

\* Consolidated Trade Receivables of Rs. 67,060.41 lacs and adjustment of Intergroup Transactions includes Synergy Sales of Rs. 2,648.96 lacs.

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>16 CASH AND BANK BALANCES</b>		
<b>(a) Cash and cash equivalents:</b>		
Cash balance on hand	329.04	109.65
(Including stamps in hand)		
<b>Balance with banks in:</b>		
Current accounts	410.07	4,920.55
<b>(b) Earmarked balances with banks:</b>		
Unpaid dividend account	30.45	22.77
	<b>769.56</b>	<b>5,052.97</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>17 OTHER CURRENT ASSETS</b>		
Advances against others	75.27	14.40
Salary advance	23.75	40.24
Advances against travelling expenses	61.72	54.17
	<b>160.74</b>	<b>108.81</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>18 REVENUE FROM OPERATIONS :</b>		
<b>Sale of manufactured goods:</b>		
Suiting & shirting	21,308.13	14,820.59
Technical textile / fusible interlining	58,663.23	48,868.43
Quilting & embroidery	677.12	1,207.59
Denim	41,770.47	25,345.49
Terry towel	41,223.87	17,251.93
Home furnishing	21,414.53	20,930.52
Bottom weight	8,826.41	6,882.08
Garments	597.29	289.63
Misc. / subsidiary sales	28,575.05	21,569.98
<b>Total</b>	<b>223,056.10</b>	<b>157,166.24</b>
Export Sales	19,743.10	22,672.06
Less: Inter Company Sales	3,120.00	-
<b>Total</b>	<b>16,623.10</b>	<b>22,672.06</b>
<b>Revenue from operations</b>	<b>239,679.20</b>	<b>179,838.30</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>19 OTHER INCOME</b>		
Miscellaneous income	389.02	189.70
Duty draw back	1,301.45	773.63
Income on sale of DEPB license	843.36	541.03
	<b>2,533.83</b>	<b>1,504.36</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>20 COST OF MATERIALS CONSUMED</b>		
Raw material consumed**	193,692.11	144,491.66
Packing materials	1,638.97	1,275.42
Power & Fuel	5,665.81	4,951.67
Others	650.45	571.61
	<b>201,647.34</b>	<b>151,290.36</b>

\*\*Raw Material Consumed - Rs.1,97,522.76 lacs - Purchase made by Synergy of Rs. 3,830.65 lacs

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Inventories as at 30th June, 2012</b>		
Work-in-progress as at 30th June, 2012	22,148.24	16,347.70
Work-in-progress as at 30th June, 2011	16,347.70	14,217.53
	<b>(5,800.54)</b>	<b>(2,130.17)</b>
Finished goods as at 30th June, 2012	25,140.13	14,353.51
Finished goods as at 30th June, 2011	14,685.71	9,542.30
	<b>(10,454.42)</b>	<b>(4,811.21)</b>
Net (increase) / decrease inventories	<b>(16,254.96)</b>	<b>(6,941.38)</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	6,563.68	4,999.47
Employee welfare expenses	166.83	98.91
	<b>6,730.51</b>	<b>5,098.38</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>23 FINANCE COSTS</b>		
Interest expenses	19,465.08	9,756.38
Bank charges	1,041.90	989.07
	<b>20,506.98</b>	<b>10,745.45</b>





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>24 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	6,166.56	3,708.80
	<b>6,166.56</b>	<b>3,708.80</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>25 OTHER EXPENSES</b>		
Rent, rate & taxes	336.53	169.13
Insurance	70.09	67.17
Repair & maintenance	562.31	533.58
Printing & stationery	77.57	51.29
Postage & telegram	165.64	96.07
Travelling & conveyance	455.92	379.56
Meeting expenses	14.33	8.63
Cost & stock audit fee	0.30	1.11
Auditors remuneration	23.37	13.79
Selling & distribution exp.	592.46	731.43
Legal expenses	4.68	12.47
Advertisement	202.76	126.21
Freight outward	1,116.15	804.05
Stores & spares	798.54	590.34
Professional charges	302.51	231.60
Misc. expenses	726.75	680.98
	<b>5,449.91</b>	<b>4,497.41</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>26 EXTRA-ORDINARY ITEMS</b>		
Trade Receivables	2,648.96	-
Less : Trade Payable	2,281.58	-
Exchange Loss	367.38	-
Purchase of Synergy	<b>3,830.65</b>	-
Less : Sale to Synergy	3,120.00	-
Exchange Loss	710.65	-
Net Exchange Loss	1,078.03	-

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**P.K. Gupta**  
Partner

**Devesh Gupta**  
(Deputy Managing Director)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)

Place: Kanpur  
Date: 3rd December, 2012

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2012

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before tax	16,888.66	12,943.64
- Depreciation	6,166.56	3,708.80
	<b>23,055.22</b>	<b>16,652.44</b>
<b>Operating profit before working capital changes</b>		
- Trade and other receivable	(24,326.65)	(380.69)
- Inventories	(25,157.70)	(11,310.32)
- Trade payables	1,541.70	1,062.86
- Loans & advances	18,901.22	(6,223.08)
- Increase in bank borrowing	26,574.53	9,636.43
- Secured/unsecured loans	(1,059.91)	1,006.27
- Income tax	(1,122.31)	(660.01)
	<b>(4,649.12)</b>	<b>(6,868.54)</b>
<b>Cash generated from operations</b>	<b>18,406.10</b>	<b>9,783.90</b>
<b>Net cash from operating activities</b>	18,406.10	9,783.90
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
- Fixed assets acquired	(72,463.16)	(53,120.87)
- Purchase of investment	(707.23)	(2,279.02)
	<b>(54,764.29)</b>	<b>(45,615.99)</b>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
- Proceeds from issue of share capital	10,926.16	1,225.50
- Proceeds from issue of share warrant application money	(4,343.77)	5,965.50
- Proceeds from issue of debentures	-	(5,000.00)
- Proceeds from issue of FCCB	-	(1,225.50)
- Proceeds from long / short term borrowings	44,631.18	47,176.06
- Dividends paid (including dividend tax)	(732.69)	(688.12)
<b>- Net Cash used in financing activities</b>	<b>50,480.88</b>	<b>47,453.44</b>
<b>- Net increase in cash and cash equivalents</b>	<b>(4,283.41)</b>	<b>1,837.45</b>
Cash and Cash equivalents as at 1st July, 2011	5,052.97	3,215.52
Cash and Cash equivalents as at 31st March, 2012	769.56	5,052.97

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

**P.K. Gupta**  
Partner

Place: Kanpur  
Date: 3rd December, 2012

**Devesh Gupta**  
(Deputy Managing Director)

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)



# STANDALONE BALANCE SHEET

 AS ON 30TH JUNE, 2012

(Rs. In lacs)

Particulars	Note No.	As at 30th June, 2012	As at 30th June, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	2,809.38	2,109.38
(b) Reserves and surplus	2	60,509.82	42,479.91
(c) Money received against share warrants		-	8,470.80
<b>2 Share application money pending allotment</b>		6,480.52	2,353.49
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	138,127.58	96,310.27
(b) Deferred tax liabilities (net)		9,268.60	4,562.25
(c) Other long-term liabilities		-	-
(d) Long-term provisions		2,515.25	2,515.25
<b>4 Current liabilities</b>			
(a) Short-term borrowings	4	92,018.97	63,890.81
(b) Trade payables		8,322.42	7,045.11
(c) Other current liabilities	5	167.19	145.66
(d) Short-term provisions	6	2,030.93	2,104.04
		<b>322,250.66</b>	<b>231,986.97</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	161,400.39	77,807.11
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		14,567.97	31,854.32
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	8	3,877.75	1,844.58
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	8,505.16	27,889.48
(e) Other non-current assets	10	328.88	318.00
<b>2 Current assets</b>			
(a) Current investments	11	718.75	2,033.17
(b) Inventories	12	71,190.49	48,381.81
(c) Trade receivables	13	61,112.58	36,862.90
(d) Cash and cash equivalents	14	508.95	4,952.24
(e) Other current assets	15	39.74	43.36
		<b>322,250.66</b>	<b>231,986.97</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **PRADEEP & ASSOCIATES**

Chartered Accountants

For and on behalf of the Board of Directors

**Dr. M.P. Agarwal**

(Chairman)

**P.K. Gupta**

Partner

**Devesh Gupta**

(Deputy Managing Director)

**Rakesh Kumar Srivastava**

(Company Secretary cum Finance Controller)

Place: Kanpur

Date: 3rd December, 2012

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30TH JUNE, 2012

(Rs. In lacs)

Particulars	Note No.	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>A CONTINUING OPERATIONS</b>			
<b>1 Revenue from operations (gross)</b>	16	214,666.32	158,123.38
Less: Excise duty		-	-
Revenue from operations (net)		214,666.32	158,123.38
<b>2 Other income</b>	17	2,531.23	1,490.41
<b>3 Total revenue (1+2)</b>		<b>217,197.55</b>	<b>159,613.79</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	18	174,564.25	128,204.73
Purchases of stock-in-trade			
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(14,157.78)	(6,525.07)
(c) Employee benefits expense	20	6,388.71	4,909.97
(d) Finance costs	21	20,289.60	10,501.58
(e) Depreciation and amortisation expense	22	6,098.04	3,644.45
(f) Other expenses	23	10,045.95	8,875.27
<b>Total expenses</b>		<b>203,228.77</b>	<b>149,610.93</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		13,968.78	10,002.86
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		13,968.78	10,002.86
8 Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		13,968.78	10,002.86
10 Tax expense:			
(a) Current tax expense for current year		1,126.00	1,132.32
(b) Deferred tax		4,706.35	1,358.48
		<b>5,832.35</b>	<b>2,490.80</b>
<b>11 Profit / (Loss) from continuing operations (9 + 10)</b>		8,136.43	7,512.06
<b>B PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
<b>13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		-	-
14 Profit / (loss) for the year (11 + 13)		8,136.43	7,512.06
15 Earnings per equity share (of 10/- each)		28.96	35.61

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**P.K. Gupta**  
Partner

**Devesh Gupta**  
(Deputy Managing Director)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)

Place: Kanpur  
Date: 3rd December, 2012



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
5,00,00,000 Equity shares of Rs.10 Each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
2,80,93,835 Equity shares of Rs. 10/- each fully paid-up.	2,809.38	2,109.38
	<b>2,809.38</b>	<b>2,109.38</b>
<b>Reconciliation of the number of equity shares outstanding:</b>		
Equity shares outstanding at the beginning of the year	21,093,835.00	19,963,405.00
Equity shares allotted during the year	7,000,000.00	1,130,430.00
Equity shares outstanding at the end the of the year	28,093,835.00	21,093,835.00

Shareholder holding more than 5 percent Equity shares of the Company:

Name of Shareholder	No. of Shares	
	30th June, 2012	30th June, 2011
M/s Jayant Textiles (P) Ltd.	-	12,40,000

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>2 RESERVES AND SURPLUS</b>		
<b>(i) Securities premium account</b>		
Balance as per last financial statement	10,618.37	9,505.91
Add: additions during the year	10,220.00	1,112.46
Less: deduction during the year	-	-
<b>Closing balance</b>	<b>20,838.37</b>	<b>10,618.37</b>
<b>(ii) Capital Reserves Account</b>		
Balance as per last financial statement	12.19	12.19
Add: Additions during the year	-	-
<b>(iii) Surplus / (deficit) in statement of profit and loss</b>		
Balance as per last financial statement	31,849.35	22,077.66
Add: profit for the year	8,136.43	7,512.06
Debenture redemption reserve	-	3,000.00
Less: allocation and appropriation	-	-
Proposed dividend @ 10% [30%]	280.94	632.82
Corporate dividend tax	45.58	107.55
<b>Total</b>	<b>39,659.26</b>	<b>31,849.35</b>
<b>Total reserve and surplus (i to ii)</b>	<b>60,509.82</b>	<b>42,479.91</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured loans from banks:</b>		
Secured loans from banks	120,348.11	90,640.43
Mezzanine debt	17,689.47	5,101.73
<b>Unsecured:</b>		
Unsecured loan	90.00	568.11
<b>Total</b>	<b>138,127.58</b>	<b>96,310.27</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>4 SHORT TERM BORROWINGS</b>		
Working capital loan	80,014.20	53,926.72
Short term loan for project	12,004.77	9,964.09
	<b>92,018.97</b>	<b>63,890.81</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>5 OTHER CURRENT LIABILITIES</b>		
Unpaid dividend	30.45	22.77
Statutory remittances	136.74	122.89
	<b>167.19</b>	<b>145.66</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>6 SHORT TERM PROVISIONS</b>		
Proposed dividend	280.94	632.82
Corporate dividend tax	45.58	107.55
Provision for tax	1,126.00	1,122.31
Provision for expenses	578.41	241.36
	<b>2,030.93</b>	<b>2,104.04</b>





## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.07.11	Addition	As on 30.06.2012	Upto 01.07.11	For the year	As on 30.06.2012	As on 30.06.11	As on 30.06.2012
<b>7 FIXED ASSETS</b>								
Land	935.41	1,240.35	2,175.76	-	-	-	935.41	2,175.76
Building	11,897.62	6,186.63	18,084.25	1,351.64	607.93	1,959.57	10,545.98	16,124.68
Plant & machinery	77,914.41	81,937.47	159,851.88	12,574.27	5,307.65	17,881.92	65,340.14	141,969.96
Furniture & fixture	383.76	99.84	483.60	71.12	30.34	101.46	312.64	382.14
Office equipment	504.48	118.91	623.39	140.79	72.30	213.09	363.69	410.30
Vehicles	521.62	108.12	629.74	212.37	79.82	292.19	309.25	337.55
<b>Total</b>	<b>92,157.29</b>	<b>89,691.32</b>	<b>181,848.62</b>	<b>14,350.19</b>	<b>6,098.04</b>	<b>20,448.23</b>	<b>77,807.10</b>	<b>161,400.39</b>
Previous year	53,905.76	38,251.53	92,157.29	10,705.74	3,644.45	14,350.19	43,200.02	77,807.10

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>8 NON- CURRENT INVESTMENT</b>		
Quoted shares	38.56	38.56
Un-quoted shares	3,839.19	1,806.02
	<b>3,877.75</b>	<b>1,844.58</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>9 LOANS AND ADVANCES</b>		
Capital advances	5,932.44	25,771.49
Security deposits	998.33	958.31
Others loan and advances:	330.78	196.91
Advances tax	1,175.17	943.10
Prepaid expenses	68.44	19.67
	<b>8,505.16</b>	<b>27,889.48</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>10 OTHER NON- CURRENT ASSETS</b>		
Accrued duty draw back	208.47	131.26
Accrued DEPB	120.41	186.74
	<b>328.88</b>	<b>318.00</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>11 CURRENT INVESTMENT</b>		
Un-quoted shares	718.75	2,033.17
	<b>718.75</b>	<b>2,033.17</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>12 INVENTORIES</b> (As certified by the Management)		
Raw materials (includes own produced goods)	25,641.46	17,440.87
Work-in-progress	21,673.73	16,116.82
Finished goods	22,526.60	13,925.73
Stores and spare-parts, etc.	1,348.70	898.39
	<b>71,190.49</b>	<b>48,381.81</b>

Basis of valuation of inventories are as under:

All the inventories are valued at lower of cost or net realisable value except waste which is being valued at net realisable value.

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>13 TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for more than six months (from due date)	356.84	81.36
Considered good	60,755.74	36,781.54
	<b>61,112.58</b>	<b>36,862.90</b>

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>14 CASH AND BANK BALANCES :</b>		
<b>(a) Cash and cash equivalents:</b>		
Cash balance on hand	96.42	85.69
(Including stamps in hand)		
<b>Balance with banks in:</b>		
Current accounts	382.08	4,843.78
<b>(b) Earmarked balances with banks:</b>		
Unpaid dividend account	30.45	22.77
	<b>508.95</b>	<b>4,952.24</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	As at 30th June, 2012	As at 30th June, 2011
<b>15 OTHER CURRENT ASSETS</b>		
Advances against others	5.69	13.88
Salary advance	22.31	20.57
Advances against travelling expenses	11.74	8.91
	<b>39.74</b>	<b>43.36</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>16 REVENUE FROM OPERATIONS :</b>		
<b>(i) Sale of manufactured goods :</b>		
Suiting & shirting	24,655.05	19,830.32
Technical textile / fusible interlining	58,663.23	48,958.96
Quilting & embroidery	677.12	1,207.59
Denim	41,984.31	25,832.65
Terry towel	50,980.14	26,164.09
Home furnishing	26,055.39	27,599.78
Bottom weight	8,900.01	6,890.84
Garments	2,145.00	1,072.32
Misc. / Subsidiary sales	606.07	566.83
Revenue from operations	<b>214,666.32</b>	<b>158,123.38</b>

Sales includes Export Sales of Rs.19,743.10 lacs (Previous year Rs. 22,672.06 lacs).

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>17 OTHER INCOME</b>		
Miscellaneous income	386.42	176.05
Duty draw back	1,301.45	773.63
Income on sale of DEPB license	843.36	540.73
	<b>2,531.23</b>	<b>1,490.41</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>18 COST OF MATERIALS CONSUMED</b>		
Raw material consumed	172,352.60	126,480.05
Packing materials	1,592.87	1,197.86
Others	618.78	526.82
	<b>174,564.25</b>	<b>128,204.73</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
Work-in-progress as at 30th June, 2012	21,673.73	16,116.82
Work-in-progress as at 30th June, 2011	16,116.82	1,4084.17
	<b>(5,556.91)</b>	<b>(2,032.65)</b>
Finished goods as at 30th June, 2012	22,526.60	13,925.73
Finished goods as at 30th June, 2011	13,925.73	9,433.31
	<b>(8,600.87)</b>	<b>(4,492.42)</b>
Net (increase) / decrease inventories	[14,157.78]	[6,525.07]

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	6,307.47	4,828.37
Employee welfare expenses	81.24	81.60
	<b>6,388.71</b>	<b>4,909.97</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>21 FINANCE COSTS</b>		
Interest expenses	19,284.91	9,651.50
Bank charges	1,004.69	850.08
	<b>20,289.60</b>	<b>10,501.58</b>

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>22 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	6,098.04	3,644.45
	<b>6,098.04</b>	<b>3,644.45</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>23 OTHER EXPENSES</b>		
Rent, rate & taxes	107.26	142.84
Insurance	66.72	66.15
Repair & maintenance	553.21	530.91
Printing & stationery	49.97	36.57
Postage & telegram	129.26	92.72
Travelling & conveyance	339.58	270.26
Meeting expenses	14.11	7.81
Cost & stock audit fee	0.30	1.11
Auditors remuneration	16.85	13.79
Selling & distribution exp.	343.26	538.37
Legal expenses	4.64	2.96
Advertisement	92.65	126.21
Freight outward	1,057.99	739.92
Stores & spares	794.74	574.09
Power & fuel	5,625.39	4,912.98
Professional charges	257.39	230.48
Misc. expenses	592.63	588.10
	<b>10,045.95</b>	<b>8,875.27</b>

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**P.K. Gupta**  
Partner

**Devesh Gupta**  
(Deputy Managing Director)

**Rakesh Kumar Srivastava**  
(Company Secretary cum Finance Controller)

Place: Kanpur  
Date: 3rd December, 2012

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2012

(Rs. In lacs)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extra ordinary items	13,968.78	10,002.86
- Depreciation	6,098.04	3,644.45
<b>Operating profit before working capital changes</b>	<b>20,066.82</b>	<b>13,647.31</b>
<b>Adjustments for working capital changes:</b>		
- Trade and other receivable	(24,256.83)	2,413.94
- Inventories	(22,808.68)	(10,747.88)
- Trade payables	1,628.21	753.45
- Loans and advance	19,377.06	(5,976.23)
- Increase in bank borrowing	26,087.48	9,450.90
- Secured/unsecured loans	(987.71)	612.35
<b>Cash generated from operations</b>	<b>19,106.35</b>	<b>10,153.84</b>
- Income tax	(1,122.31)	(650.00)
<b>Net cash generated from operating activities</b>	<b>17,984.04</b>	<b>9,503.84</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Fixed assets acquired	(72,404.97)	(53,019.38)
- Purchase of investments	(711.60)	(2,033.17)
<b>Net cash used in investing activities</b>	<b>(73,116.57)</b>	<b>(55,052.55)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds from issue of share capital	10,920.00	1,225.50
- Proceeds from issue of share warrant application money	(4,343.77)	5,965.50
- Proceeds from issue of debentures	-	(5,000.00)
- Proceeds from issue of FCCB	-	(1,225.50)
- Proceeds from long / short term borrowings	44,845.70	47,044.73
- Dividend paid (including dividend tax)	(732.69)	(688.12)
<b>Net cash from financing activities</b>	<b>50,689.24</b>	<b>47,322.11</b>
<b>Net increase in cash or cash equivalents</b>	<b>(4,443.29)</b>	<b>1,773.40</b>
Cash and cash equivalents as at 1st July, 2011	4,952.24	3,178.84
Cash and cash equivalents as at 30th June, 2012	508.95	4,952.24

In terms of our report attached.  
For **PRADEEP & ASSOCIATES**  
Chartered Accountants

**P.K. Gupta**  
Partner

Place: Kanpur  
Date: 3rd December, 2012

For and on behalf of the Board of Directors  
**Dr. M.P. Agarwal**  
(Chairman)

**Devesh Gupta** (Deputy Managing Director) **Rakesh Kumar Srivastava** (Company Secretary cum Finance Controller)




**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**, RELATING TO SUSIDIARY COMPANIES

AS AT 30TH JUNE, 2012

1 Name of the subsidiary companies	Shri Lakshmi Defence Solutions Limited	SLCL Overseas, FZC, U.A.E.	Synergy Global Home Inc. N.Y., U.S.A.
2 Financial year of the subsidiary ended on	30.06.2012	30.06.2012	30.06.2012
3 Shares of the subsidiary held by the company on the above date			
A) No. Of shares	100,00,000	2,00,000	3,000
B) Face value	Rs. 10	Rs. 10	USD* 1
C) Holding company's interest	99.50%	100.00%	100.00%
4 Net aggregate amount of profit / (loss) of the susidiary so far as they concern members of the holding company:			
(I) Dealt with in the holding company's accounts:			
A) For the financial year of the subsidiary	258.14 lacs	3,387.51 lacs	(367.38) Lacs
B) For the previous financial years since it become holding company's susdiary	175.89 lacs	2,722.55 lacs	-
(II) Not dealt with in the holding company's accounts:			
A) For the financial year of the subsidiary	N.A.	N.A.	N.A.
B) For the previous financial years since it become holding company's susdiary	N.A.	N.A.	N.A.
5 Material changes in subsidiary between the end of its financial year and the financial year of the holding company			
A) Fixed assets	Not applicable as accounting year of the Holding & Subsidiary Company ends on 30th June, 2012	Not applicable as accounting year of the Holding & Subsidiary Company ends on 30th June, 2012	Not applicable as accounting year of the Holding & Subsidiary Company ends on 30th June, 2012
B) Investments made			
C) Money lent by subsidiary			
D) Money borrowed by subsidiary for any purpose other than that of the meeting current liabilities			

\* USD 1 = Rs. 56.309 as on 30th June, 2012.

For and on behalf of the Board of Directors

**Dr. M.P. Agarwal**  
(Chairman)

Place: Kanpur  
Date: 3rd December, 2012

**STATEMENT IN TERMS OF GENERAL EXEMPTION UNDER 212(8) OF THE COMPANIES ACT, 1956** GRANTED BY MINISTRY OF CORPORATE AFFAIRS VIDE CIRCULAR NO. 2/2011 DATED 08.02.2011 AS AT 30TH JUNE, 2012

(Rs. In lacs)

Name of the subsidiary companies	Shri Lakshmi Defence Solutions Limited	SLCL Overseas, FZC, U.A.E.*	Synergy Global Home Inc. N.Y., U.S.A.**
Issued & subscribed share capital	1,000.00	20.00	1.69
Reserves & surplus	666.49	11,231.54	(367.38)
Total assets	3,855.57	11,753.18	1,963.76
Total liabilities	3,855.57	11,753.18	1,963.76
Investments (except investment in subsidiary)	Nil	5,297.60	Nil
Turnover	1,517.21	23,950.05	26.66
Profit before taxation	266.83	3,387.51	(367.09)
Provision for taxation	8.69	Nil	0.29
Profit after taxation	258.14	3,387.51	(367.38)
Proposed dividend	Nil	Nil	Nil

\* Converted into Indian Rupees at the exchange rate, 1AED = Rs. 15.16 as on 30th June, 2012.

\*\* Converted into Indian Rupees at the exchange rate, 1USD = Rs. 56.309 as on 30th June, 2012.

**Notes:**

- 1) The Ministry of Corporate Affairs vide their general circular no. 2/2011 dated 5th February, 2011 has granted exemption from the applicability of the provisions of sub-section (1) of Section 212 of the Companies Act, 1956.
- 2) The Company will make available the annual accounts of the Subsidiary Company and related detailed information if sought by the members of the Company and its Subsidiary. Further, the annual accounts of Subsidiary Company will be kept for inspection by any member of the Company or its Subsidiary at the registered office of the Company and that of the subsidiary Company concerned.



# OUR UNITS



**Malwan Unit**



**Quilting Unit, Noida**



**Garments Unit, Roorkee**



**Zipper Unit, Roorkee**



**Abhaypur Unit**



## Shri Lakshmi Cotsyn Limited

AN ISO 9000:2008 COMPANY  
[www.shrilakshmi.in](http://www.shrilakshmi.in)