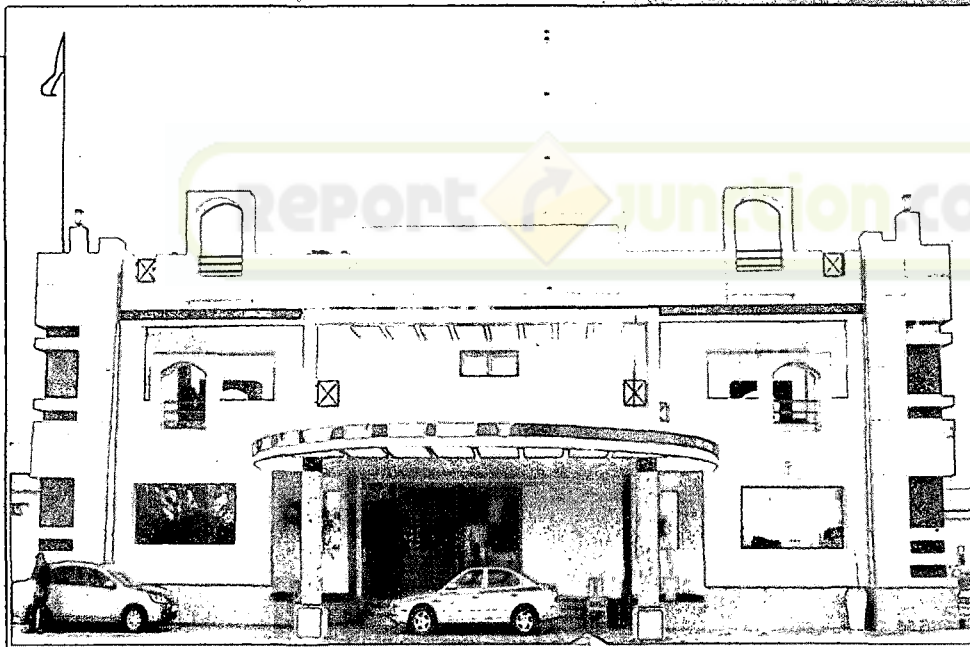


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19th **2006-07**
ANNUAL REPORT

19th

Annual Report

2006-07



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Shri Lakshmi Cotsyn Limited

19/X-1, Krishna Puram, G.T. Road, Kanpur - 208 007 (U.P.) INDIA

Shri Lakshmi Cotsyn Limited



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Dr. M.P. AGARWAL

JOINT MANAGING DIRECTOR

Mr. PAWAN KUMAR AGARWAL

DY. MANAGING DIRECTOR

Mr. DEVESH GUPTA

EXECUTIVE DIRECTOR

Mr. DILEEP BAJAJ

DIRECTOR

Mrs. SHARDA AGARWAL

DIRECTOR

Mr. R.K.GARG

DIRECTOR

Dr. G.N. MATHUR

DIRECTOR

Dr. J.V.RAO

DIRECTOR

Mr. J.S. VARSHNEY

DIRECTOR

Mr. S.K. MANGOL

COMPANY SECRETARY & FINANCE CONTROLLER

Mr. RAKESH KUMAR SRIVASTAVA

PRESIDENT WORKS

Mr. B. L. GARG

SATUTORY AUDITORS

PRADEEP & ASSOCIATES

Chartered Accountants

27/78 A, Gagan Deep Complex

Birhana Road, Kanpur-208001

COST AUDITOR

Mr. A. K. SRIVASTAVA

96, Harjender Nagar,

Kanpur - 208 007

SOLICITOR

RAJAH & TANN

Advocates & Solicitors

4, Battery Road # 26-01

Bank of China Building,

Singapore-049 908

SECRETARIAL AUDITOR

Mr. SARVESH S. SRIVASTAVA

117/Q/454, 209, Indra Puri,

Sharda Nagar, Kanpur- 208 025

Shri Lakshmi Cotsyn Limited



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LEGAL ADVISOR

Mr. NARESH KUMAR SRIVASTAVA

Advocate

96/18, Sri Nivas Garden,
Colonel Ganj, Kanpur

P. R. ADVISOR

SOBHAGYA ADVERTISING SERVICE

B-206,okhla industrial Area

Phase-1, New Delhi, 110 020

BANKERS

1. Syndicate Bank

2. Bank of Baroda

3. Central Bank of India

4. Union Bank of India

5. Canara Bank

6. State Bank of Patiala

7.Allahabad Bank

8.State Bank of Travancore

9.Indian Bank

OVERSEAS BANKERS

1.PNB INTERNATIONAL LTD., LONDON

2. CANARA BANK, U.K.

REGISTERED OFFICE

19/X-1 Krishnapuram

GT Road, Kanpur, U.P.-208007

CORPORATE OFFICE

6A & 6C,Vandana Building

11,Tolstoy Marg

New Delhi-110 005

MUMBAI OFFICE

Room No.11-B, IIInd Floor,

Gomati Bhavan, 263,

Kalba Devi Road, Mumbai - 400 002

WHOLLY OWNED SUBSIDIARY

SLCL Overseas (FZC)

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



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REGISTRAR AND TRANSFER AGENTS

M/s ABHIRA CAPITAL LTD.

GF-58-59 World Trade Centre,

Bara Khamba Lane, New Delhi.

(a) P.O.Aung, GT Road

District Fatehpur, U.P.

(b) U.P.S.I.D.C. Industrial Area P.O. Malwan,

Distt. Fatehpur, U.P.

(c) Village-Libaspur

District- Sonapat, Haryana

(d) Dev Bhoomi Industrial Estate,

Village Banta Kheri, Tehsil Roorkee,

District Haridwar, Uttaranchal

(e) C-204, Sector-63, Noida

www.shrilakshmi.in

shri@shrilakshmi.in

INE-851 B 01016

BOMBAY STOCK EXCHANGE

Floor 25, P.J. Towers Dalal Street

Mumbai-400 001

NATIONAL STOCK EXCHANGE

5th Floor, Exchange Plaza, Bandra (E),

Mumbai-400 051

U.P. STOCK EXCHANGE

"Padam Tower" Civil Lines, Kanpur-208 002

SINGAPORE STOCK EXCHANGE (BONDS)

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

Singapore-068 804

WORKS

WEBSITE

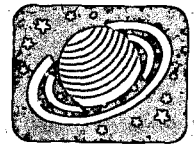
E-mail I.D.

DEMAT ISIN NSDL & CDSL

LISTING

Report Junction

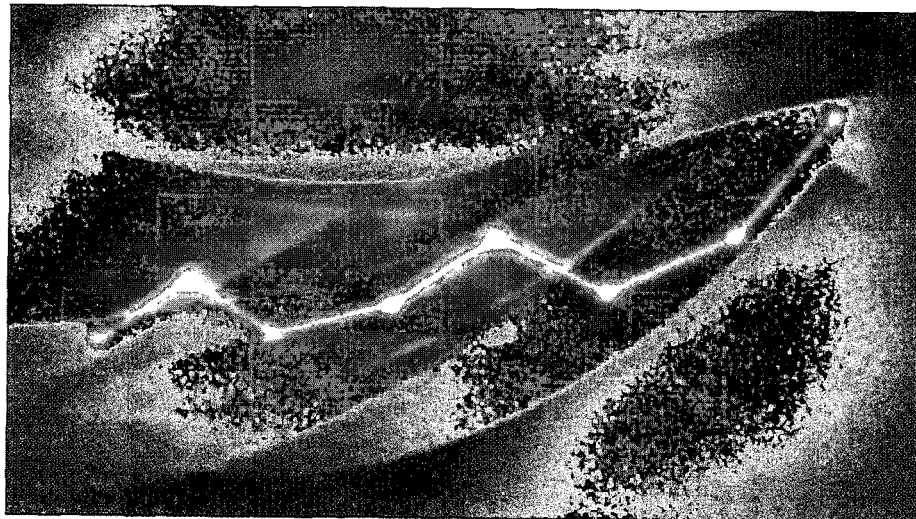
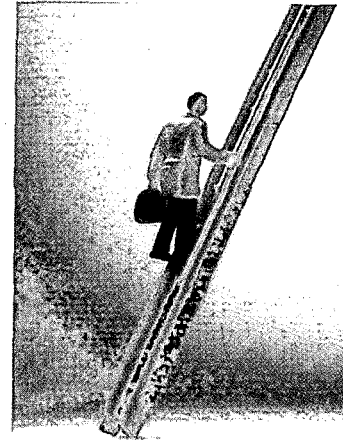
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OUR GOAL

- ❖ ACHIEVING THE HIGHEST WORLD CLASS STANDARD, BY SETTING A TARGET AND HEAD LIKE ,AN ARROW FOR IT
- ❖ VISIONING GROWTH HORIZONS
- ❖ CREATING CUSTOMER VALUE
- ❖ BUILDING COMPETITIVENESS
- ❖ BUILDING SHAREHOLDERS WEALTH
- ❖ BECOMING GLOBAL TEXTILE PLAYER
- ❖ POSITIONING AS AN INTEGRATED MULTI-PRODUCT PLAYER OF TEXTILES VALUE CHAIN.
- ❖ MOVING TOWARDS ZERO GREEN HOUSE GASSES AND CREATING ECO-FRIENDLY ATMOSPHERE BY INSTALLING WORLD CLASS ETP WITH ZERO DISCHARGE.
- ❖ MANUFACTURING OF ARMoured VEHICLES IN THE INTEREST OF THE NATION.





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CHAIRMAN'S SPEECH

Ladies & Gentlemen

It gives me immense pleasure to welcome you all to the 19th Annual General Meeting of your Company.

The Accounting Year 2006-2007 has been a year of stupendous growth for the company. During the year under review, the Company has successfully commissioned a Project to manufacture 20 mn mtrs. Denim Fabric (Rope Dyeing technology), 12 mn mtrs. Wide Width sheeting (Continuous Processing technology), 6 mn mtrs. Bottom Weight fabric and 3000 MT of Terry Towel per annum, besides achieving optimum capacity utilization of existing production facilities consisting 24 mn mtrs. Suiting & Shirting 6 mn mtrs. Technical textile fabrics, 10 mn mtrs. Fusible Interlining and 1.2 mn mtrs. Quilted and Embroidered fabric.

The company has recently successfully raised FCCB for 10 mn US\$ to meet out its capital expenditure requirement. The cost effective expansion has further enhanced the Company's competitive edge, and attuned to its core belief of "Going Beyond Tomorrow".

PERFORMANCE REVIEW

During the year under review, your Company has achieved 78.98% increase in its turnover which stood at Rs.644.38 crores as compared to Rs.360.03 Crores in the previous year. Your Company has also achieved EBITDA of Rs.93.23 Crores as against Rs.30.30 Crores in the previous year, with an increase of 207.68%.

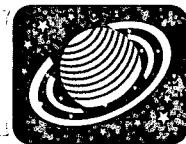
Your Company has recorded a consolidated Profit After Tax of Rs.40.57 Crores during the year, as against Rs.15.84 Crores in the previous year resulting in an increase of 156.12%.

ECONOMIC SCENARIO

India has competitiveness in yarn manufacturing business given repository of highly trained technical and managerial manpower, Raw material and competitive wages. It is heartening to note that the Global Textile & Clothing Industry which is currently a \$ 422 billion market is expected to grow to about \$650 billion by the year 2010 which gives us enough



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opportunity to grow. With the abolishment of quotas in 2005, Indian Textile and Apparel Exports have grown significantly and in 2006-07 have crossed over \$19.2 billion.

Govt. of India has recognized manufacturing sector for a leading role through its current budget by way of giving focus on TUFs (Textile Up gradation Fund) by extending it for 3 more years and SITP (Scheme for Integrated Textile Park) by way of creating 30 textile parks to provide world class facilities.

In the last few months though there has been a steep appreciation of the Rupee, your Company has been taking various measures to insulate it against such risks. Your Company's strategy is to achieve global expansion through value accretive price fixation.

Your Company believes that the strategy of ensuring faster scaling up will enable lower capital costs, high operating margins and achieve sustainable return on the Company's capital.

EXPANSION / DIVERSIFICATION

The Company is expanding its capacity for manufacturing of Terry Towels from 3000 Tons per annum to 15000 Tons per annum at an expected cost of expansion at Rs.271.75 Crores approx.

The Company is also planning to open 500 Retail Outlets in different parts of the country in the next three years for Terry Towels, Bed Sheets and Garment through EBO (Exclusive Branded Outlets), Franchisee Stores, Dealers & distribution network.

Besides the Company is also setting up its own 12 MW Power Plant to ensure uninterrupted power supply on more economical cost and to ensure that the production do not suffer on account of non-availability of power supply. The power plant is expected to cost the Company approximately Rs.28.25 Crores.

During the year the company has established a Garment unit at Noida with manufacturing capacity of 1.5 Million garments per annum to take hand on experience for its upcoming garment manufacturing Project at Roorkee with manufacturing capacity of 6.6 mn. garments per annum and is likely to be in operation w.e.f. April, 2008.

NSE LISTING

Keeping in view the best interest of the shareholders the securities of the Company have been listed on NSE w.e.f. 3rd December 2007, Which is having nation wide trading terminals.

RECOGNITION AMONGST TOP 500 COMPANIES OF INDIA

I am happy to inform you that your Company's name has got placed at 445th position amongst the top 500 Companies of India as per latest Annual Survey conducted by Economic Times of India and published in its edition dated 30th October, 2007.

ACKNOWLEDGEMENT

I take this opportunity to thank all the members on the board for their unstinted support and guidance and my deepest appreciation goes to all the employees of the Company for their dedication and valuable contribution in fulfilling the objectives of the Company besides facing and surmounting the ever changing business challenges, resulting in the all round growth and progress of your company. Last but not the least, I would like to extend my special thanks to all our shareholders, customers, suppliers, bankers for their whole hearted support and I am confident that SHRI LAKSHMI COTSYN would grow from strength to strength in the years to come.

Thank you

Dr. M.P. AGARWAL
CHAIRMAN & MANAGING DIRECTOR



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COMPANY AT A GLANCE

1. Listed Company incorporated in the year 1988.
2. Largest integrated textile company in North India with ISO-9001:2000 certification
3. The Company has positioned itself as an integrated multi-product and multi-market player covering most activities of textile value chain
4. One of the few companies in INDIA having International presence enjoying high operating margins.
5. The Company has been producing Bedspreads, Puff Cushions, Pillows, Sleeping Bags and other Home Furnishing Products in the computerized Quilting Machine based on Swiss technology
6. Core competency in manufacturing of denim fabric, terry towel, bed linen, cotton fusible interlining, embroidered fabric, technical textile products and ballistic products.
7. The company owns popular brand names of its product category i.e. STAR TRACK for fusible interlining, ALISHA for embroidery and lace fabric, CHASER for denim trousers and SVL for zippers.
8. The company has undertaken expansion into value added activities by way of forward and backward integration. It has already completed phase one & two expansions of Rs.389 Crores for manufacturing of wider width fabric, denim fabric, bottom wear fabric, terry towel, Nylon coated fabric etc.
9. Strong Market Network through chain of dealers and agents throughout India and abroad.
10. Entered into JV with "Armet Armored Vehicles Ltd" to carry on the business of manufacturing of armoured vehicles, armor plates, panels, helmets, ballistic body armours, etc and similar safety and security related equipments for domestic as well as International market.
11. Formed a wholly owned subsidiary in the name and style of SLCL Overseas (FZC) at Sharjah, UAE to cater the market for the products of the company in the Middle East countries
12. The company has set up a fully automated garment manufacturing unit at Noida with the capacity of 1.5 Million pieces.
13. The Company has successfully raised FCCB of US\$ 10 Million during the year.
14. Enjoying status of Star Export House.