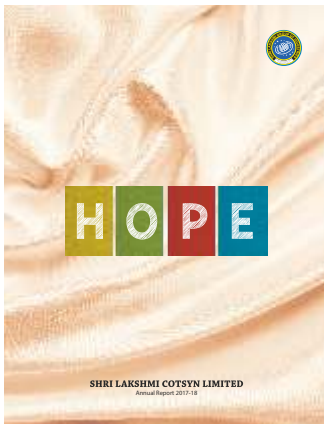




SHRI LAKSHMI COTSYN LIMITED

Annual Report 2017-18



Forward looking statement

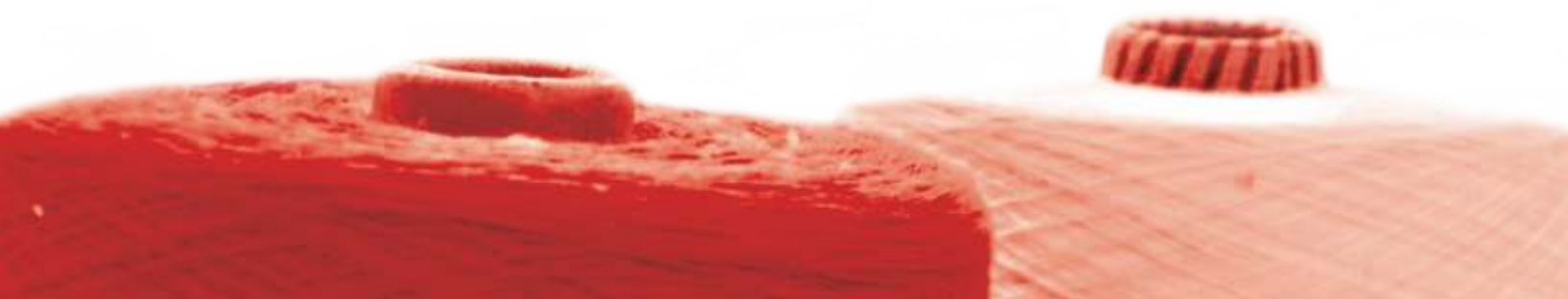
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based 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 because of new information, future events or otherwise.



This Annual Report is available online at www.shrilakshmi.in

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The business environment
remains dynamic.

The business fundamentals
remain strong.

However, it's the unforeseen
circumstances, that have
overpowered the Company's
sustainability.

Only thing that's undeterred is
HOPE.

Shri Lakshmi Cotsyn Limited (SLCL) at a glance

SLCL offers world-class products under the regular and technical textiles. Its innovative product offerings has been acknowledged through its leadership in the field of terry towels, home furnishing, wider width sheeting, denim fabrics, infra-red protective fabrics and several technical textiles like flex fabric, black out fabric, industrial flock fabric, breathable fabric and membranes laminated fabric.

The Company is integrated across all verticals from yarn manufacture, dyeing to garmenting. It has also installed rise-husk based Captive Power generation capacity and has an in-house chemical auxiliary unit. The Company enjoyed in the past a strong global presence with its clients across USA, Canada, Latin America, UK, Sweden, France, Germany, South Africa, Italy, Spain, South Korea and Australia. Still it is exporting the towels and bedsheets to Walmart.

ISO9001:2008

Certified by Transpacific Certifications Limited

Product offerings and capacities

Abhaypur Unit 15,000 MTPA Terry Towels	Rewari Bujurg 120 lakh mtr Technical textile fabric 12.5 lakh mtr Nylon coated fabric 200 lakh mtr Black out fabric 170 lakh mtr Flex fabric 100 lakh mtr NBC fabric 50 lakh mtr IRR/MSCN fabric	Malwan Main Unit 60 lakh MTPA Bottom Weight 200 lakh mtrs per annum Wider Width Sheeting 400 lakh meters Denim 27,168 Spindles
Roorkee 66 lakh pieces per annum Readymade garments		
Noida 3 lakh pieces per annum Quilts/comforters		





Dr. M.P. Agarwal is a first generation entrepreneur and doctorate in textile costing, having over four decades of experience in this line of business.



Chairman's Message

Dear Shareholders,

There's a very famous saying - We must accept finite disappointment, but never lose infinite hope.

Amidst the difficult time of your company, there is always some hope and redemption, not because we like happy endings, but because I am an optimist at heart. I know the sun will rise in the morning, that there is a light at the end of every tunnel.

As you are aware, the Company has been facing back to back challenges since last few years. Initially we were hit by the global slowdown and the heavy increase in yarn price. This was followed by demonetisation and GST implementation. However, the major setback came after our flex fabric project did not take off as expected. This project was quite important for the Company's future. However, continuous delay in funding and final denial for the same led us to challenges in serving our day-to-day working capital needs. As such, major part of our plants ceased to operate.

The National Company Law Tribunal has admitted insolvency proceedings owing to the non-payment of outstanding loans of Rs [5,762] crores. All our units are under the bank's possession. Mr Rohit Sehgal, a partner at the Delhi-based AAA Insolvency Professionals LLP, has been appointed as the Resolution Professional (RP). Under the Regulation 36A (1), of the Insolvency and Bankruptcy Regulations 2016 Resolution Professional has invited Expression of Interests (EOI) from the potential investors. Based on the bids submitted by the investors, the banks will decide upon the future course of action.

At present, we are only operating at 20-25% of total production capacity. Out of our 8 units, 2 are already sold by bank. From the remaining 6, we have kept only 3 units operational to meet the running expenses. We are consistently serving the export requirements of one of our oldest clients – Walmart. It clearly speaks of the quality, capability and infrastructural strengths.

I am quite hopeful that some resolution will come for turnaround in operations. I am thankful to my employees for being with us across the thick and thin situation of the Company. I also acknowledge the shareholders, bankers, creditors as well as Auditors for their trust and faith in us. I also whole heartedly thanks to Resolution Professional Mr Rohit Sehgal for his untiring efforts in running the units. Our Board Members continue to guide us towards our desired objectives. With right intentions and dedicated efforts, we are extremely hopeful of receiving a good response from the potential investors towards the revival of your Company.

Warm Regards,
Dr M P Agarwal

Profile of Directors



Dr. M. P. Agarwal
Chairman & Managing Director

Experienced professional [Qualified Cost Accountant (FICWAI) and Doctorate in Textile costing (PhD)] turned entrepreneur with around four decades of experience has been awarded by well-known Delhi Ratan Award and honoured by various intellectual forums.



Mr. Pawan Agarwal
Joint Managing Director

He is Science graduate and has proficiency in computer application, fabric processing and technical textiles. He has around 23 years of rich experience and controlling production activities, quality controls and marketing.



Mr. Devesh Narain Gupta
Deputy Managing Director

He has rich experience of 35 years in Textile Auxiliary manufacturing, Chemical Engineering, procurement and inventory management. He is entirely taking care of raw material procurement textile, chemical engineering process, efficiency and tight control over cost

Mrs. Sharda Agarwal
Promoter Director

Actively involved in the business of the Company, playing an active role in the management of the Company.



Prof. (Dr.) R.K.Trivedi
Independent Director

Dr. Trivedi is currently Professor at HBTI, Kanpur & Director STEP-HBTI and also holds the position of Vice-President of Oil Technologist Association of India (HQ). He has been a Ex- Director in Dr Ambedkar Institute of Technology, Kanpur and Teaching Faculty in the Department of Oil & Paint Technology at HBTI, Kanpur for 31 Years and has worked as Honrary General Secretary of OTAI for 6 years. He is also Chairman of Indian Institute of Chemical Engineers, Kanpur region. He has also worked as Chief Co-Investigator of 2 SICI-CIDA partnership project between HBTI and University of Guelph, Canada and as consultant to MI, WHO, CPCB, MARKFED, HAFED.



Corporate Information

BOARD OF DIRECTORS

Dr. M.P. AGARWAL - Chairman cum Managing Director
Mr. PAWAN KUMAR AGARWAL - Joint Managing Director
Mr. DEVESH NARAIN GUPTA - Dy. Managing Director
Mrs. SHARDA AGARWAL - Executive Director
Prof. (Dr.) R. K. TRIVEDI - Independent Director

COMPANY SECRETARY & FINANCE CONTROLLER

Mr. RAKESH KUMAR SRIVASTAVA

HEAD ACCOUNTS

Mr. VIVEK SAXENA

STATUTORY AUDITORS

M/s. TANDON & TANDON
9/81, Arya Nagar
Kanpur - 208 002

INTERNAL AUDITORS

M/s. SRIVASTAVA S & CO.
Chartered Accountants
102/206-A, Swaroop Nagar
Kanpur - 208 002
Ph. No. : (0512) 2551249

COST AUDITORS

Mr. A. K. SRIVASTAVA
96, Harjender Nagar
Kanpur - 208 007
Ph. No. : 098391 16989

RESOLUTION PROFESSIONAL (RP)

Mr. ROHIT SEHGAL
Partner
AAA Insolvency Professionals LLP
E-10A, Kailash Colony, Greater Kailash - I
New Delhi - 110 048

LEGAL ADVISOR

DHIR & DHIR ASSOCIATES
Advocates & Solicitors
D-55, Defence Colony
New Delhi - 110 024
www.dhirassociates.com

P. R. ADVISOR

S. K. ADVERTISERS
MIG F-4, Gujaini, Kanpur - 208 022
Ph. No. : (0512) 2282265

BANKERS & ARC CONSORTIUM

1. Central Bank of India
2. Syndicate Bank
3. Union Bank of India
4. Canara Bank
5. Bank of Baroda
6. Punjab National Bank
7. Indian Bank
8. State Bank of India
9. Exim Bank
10. Oriental Bank of Commerce
11. IDBI Bank
12. Vijaya Bank
13. Corporation Bank
14. Saraswati Bank
15. Andhra Bank
16. Edelweiss Asset Reconstruction Company Ltd.

MONITORING INSTITUTION FOR LENDERS

Central Bank of India
CFB, Jeevantara Building, Parliament Street
New Delhi - 110 001

SECURITY TRUSTEE FOR LENDERS

Centbank Financial Services Limited
1st Floor, Link House, Bahadurshah Zafar Marg
New Delhi - 110 002

REGISTERED OFFICE

19/X-1, Krishnapuram
G. T. Road, Kanpur, U.P. 208 007
Ph. No. : (0512) 2402893, 2402733

CORPORATE OFFICE

C-40, Sector - 57, Noida, U.P.
Ph. No. : (0120) 4544780

SUBSIDIARY COMPANIES

1. **SLCL Overseas (FZC)**
SAIF Zone, P.O. 8000, Sharjah, U.A.E.
2. **Shri Lakshmi Defence Solutions Ltd.**
Rahsoopur, Tehsil Bindki
Industrial Area, G.T. Road, Dist. Fatehpur
3. **Synergy Global Home Inc.**
160, Green Tree Drive, Suite 101, Drover
Kent - 19904, USA