

LAGNAM SPINTEX PRIVATE LIMITED  
REGD. OFF.:- 29, KAMLA ENCLAVE  
CHITTOR ROAD, BHILWARA - 311001 (RAJ)

CIN : U17119RJ2010PTC032089  
Email Id : [anand@lagnam.com](mailto:anand@lagnam.com)  
Contact No. : 99290-91010

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**NOTICE**

Notice is hereby given that the Annual General Meeting of the members of the M/S LAGNAM SPINTEX PRIVATE LIMITED will be held at the registered office of the company at 29, KAMLA ENCLAVE, CHITTOR ROAD, BHILWARA - 311001 (RAJ) on Monday 04.07.2016 at 11.00 A.M. to consider and transact the following business:-

**ORDINARY BUSINESS:-**


1. To receive, consider and adopt the Director's Report and the Audited Statement of Accounts together with Auditor's Report thereon for the financial year ended 31<sup>st</sup> March 2016.
2. To ratify the appointment of M/s SSMS & Associates, Chartered Accountant (Firm Registration No. 019351C), as Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s SSMS & Associates, Chartered Accountant (Firm Registration No. 019351C), as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration, as may be mutually agreed between the Board of Directors and the Auditors.

3. Any other business which may lawfully transacted in the meeting.

Dated : 10.04.2016  
Place : Bhilwara

FOR & ON BEHALF OF THE BOARD



ANAND MANGAL  
[DIN : 03113542]  
DIRECTOR

**Note:-**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote (on poll) instead of himself. The proxy from should be lodged with the company at the registered office at least 48 hour before the time of meeting.

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BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2016 :

1. FINANCIAL SUMMARY OR PERFORMANCE OF THE COMPANY:-

(₹ in Lac)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Turnover - a) Domestic	5060.87	4645.74
b) Export	540.50	278.36
c) Deemed Export Sale	-	14.32
Other Income	11.97	0.20
Total Income	5613.34	4938.62
Profit before Financial Expenses, Depreciation, amortization and Taxation	888.38	627.53
Less: Financial expenses	384.81	315.19
Operating profit before Depreciation, amortization & Taxation	503.57	312.34
Less: Depreciation & amortization written off	191.96	136.42
Profit before Taxation	311.61	175.92
Less : Provision for Taxation		
Current Tax	63.89	35.20
Deferred Tax	13.05	19.53
Mat Credit	-	-
Profit after Taxation	234.67	121.19
Add: Balance brought forward	288.20	167.01
Profit available for appropriation	522.87	288.20

2. OPERATIONS:-

Your Company has reported total income of ₹5613.34 Lacs for the current year as compared to ₹4938.62 Lacs in the previous year registering an increase of more than 13% despite per kg realization going down by 5% during the current year compared to last year. The Profit after Tax for the year under review amounted to ₹234.67 Lacs compared to ₹121.19 Lacs in the previous year registering an impressive growth of 93%.

Your directors are pleased to report that Operating Profit of the company has jumped from ₹627.53 lacs to ₹888.38 lacs during the current year registering an increase of 42%. This was possible with better productivity, higher efficiency, improved product mix, strict control on operative cost and jump in export sales from ₹278.36 Lacs to ₹540.50 Lacs registering an increase of 94% in export sales. The interest out go increased from ₹315.19 lacs to ₹384.81 lacs after providing ₹32.93 lacs for interest subsidy provided under the "Rajasthan Investment Promotion Scheme". The interest outgo was higher due to higher rate of interest charged by our bankers and partly on account of expansion plans completed on 28<sup>th</sup> December 2015. HDFC bank has recently sectioned working capital limit of ₹.1000.0 Lacs at very competitive rates compared to rates charged by our existing bankers. Your Directors are taking all necessary steps to rationalize the rate of interest charged by our existing bankers and hope to achieve substantial saving during the current financial year.

3. TRANSFER TO RESERVES:-

The Company has not transferred any amount to reserves.

4. DIVIDEND:-

Your Directors is not recommending any dividend for the period under review.

5. CAPITAL STRUCTURE:-

During the year there is no change in the capital structure of the Company.

6. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:-

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:-

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### 8. SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANY:-

As on March 31, 2016, the Company does not have any subsidiary or joint venture or any associates Company.

#### 9. STATUTORY AUDITOR & AUDIT REPORT:-

##### RECOMMENDATION FOR CONTINUATION / RATIFICATION OF APPOINTMENT OF STATUTORY AUDITOR(S) OF THE COMPANY FOR THE FY 2015-16:-

M/s SSMS & Associates, Chartered Accountants, Bhilwara is a statutory auditors of the Company having FRN 019351C, to hold office from the conclusion of Annual General Meeting (AGM) held on 30.09.2014 till the conclusion of the AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM held after their appointment). They have confirmed their eligibility to the effect that their continuation / ratification, if made would be within the prescribed limits under the Act and that they are not disqualified. As per the requirement, of section 139, their continuation / appointment till the conclusion of next annual general meeting is placed before the shareholders for ratification.

There are no qualifications or observations or remarks made by the Auditors in their Report.

#### 10. SECRETARIAL AUDIT REPORT:-

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

#### 11. CHANGE IN THE NATURE OF BUSINESS:-

There is no change in the nature of the business of the company

#### 12. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:-

There is no change during the financial year in the composition of the Board of Directors of the Company. Mr. Anand Mangal [DIN :03113542] & Mr. Dwarka Prasad Mangal [DIN : 01205208] are present directors of the company.

#### 13. DEPOSITS:-

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2016. There were no unclaimed or unpaid deposits as on March 31, 2016.

#### 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 sub rule (3) of The Companies (Accounts) Rules, 2015 - **"AS PER ANNEXURE ENCLOSED"**

#### 15. CORPORATE SOCIAL RESPONSIBILITY:-

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

#### 16. VIGIL MECHANISM:-

The provisions regarding vigil mechanism as provided in Section 177(9) of the Companies Act, 2013 read with rules framed there under are not applicable on the Company.

#### 17. RISK MANAGEMENT POLICY:-

The Company being a Private Limited Company is not under the purview for constituting Risk management committee under the provisions of listing agreement.

#### 18. NUMBER OF MEETING OF THE BOARD:-

During the year 2015-16, the Board of Directors met 7 times viz. on 30.04.2015, 16.05.2015, 31.07.2015, 28.09.2015, 01.10.2015, 31.12.2015 & 18.03.2016

#### 19. DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to the requirement under section 134(3) (C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and of the profit and loss of the company for that period:

(iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors had prepared the annual accounts on a going concern basis; and

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

#### 20. DECLARATION BY INDEPENDENT DIRECTORS:-

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

#### 21. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:-

The Company, being a Private Limited Company was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

#### 22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:-

During the year under review, the Company has not advanced any loans/ given guarantees/ provide any security or made investments under section 186 of the companies act, 2013.

#### 23. INTERNAL CONTROL SYSTEMS:-

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

#### 24. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:-

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

#### 25. PARTICULARS OF EMPLOYEE:-

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 26. RELATED PARTY TRANSACTIONS:-

During the year there is no of contracts or arrangements with related parties referred to in sub-section (1) of section 188 which are required to be described in the form AOC-2.

#### 27. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9 is **annexed** herewith.

Place : Bhiwara  
Date : 10<sup>th</sup> April, 2016

FOR: LAGNAM SPINTEX PRIVATE LIMITED  
LIMITED



ANAND MANGAL  
MANGAL

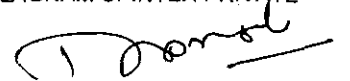
[DIN: 03113542]

01205208]

DIRECTOR

DIRECTOR

FOR : LAGNAM SPINTEX PRIVATE



DWARKA PRASAD

[DIN:

**ANNEXURE**

**FORM NO. MGT 9**  
**(EXTRACT OF ANNUAL RETURN)**

As on financial year ended on 31.03.2015

1. REGISTRATION & OTHER DETAILS:

1.	CIN	U17119RJ2010PTC032089
2.	Registration Date	11.06.2010
3.	Name of the Company	M/s Lagnam Spintex Private Limited
4.	Category of the Company	Company Limited by shares
5.	Sub-category of the Company	Indian Non Government Company
6.	Address of the Registered office & contact details	29, Kamla Enclave, Chittor Road Bhilwara - 311001 (Raj)  Contact No. : 99290-91010
7.	Whether listed company	No
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Spinning of Yarn	13114	100%

3. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	888000	888000	43.57	-	948000	948000	46.52	2.95
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	948000	948000	46.52	-	888000	888000	43.57	-2.95
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	1836000	1836000	90.09	-	1836000	1836000	90.09	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	1000	1000	0.05	-	1000	1000	0.05	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	1000	1000	0.05	-	1000	1000	0.05	-

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	200000	200000	9.81	-	200000	200000	9.81	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	202000	202000	9.91	-	202000	202000	9.91	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	202000	202000	9.91	-	202000	202000	9.91	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2038000	2038000	100.00	-	2038000	2038000	100.00	-

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share	
1	Lagnam Infotech Solution Pvt. Ltd.	948000	46.52	-	888000	43.57	-	2.94
2	Dwarka Prasad Mangal	507500	24.90	-	517500	25.39	-	-0.49
3	Shubh Mangal	246000	12.07	-	206000	10.11	-	1.96
4	Anand Mangal	86500	4.24	-	166500	8.17	-	-3.93
5	Kavita Mangal	28000	1.37	-	38000	1.86	-	-0.49
6	Dwarka Prasad Mangal (HUF) [Karta - D.P. Mangal]	20000	0.98	-	20000	0.98	-	0.00
	Total	1836000	90.09		1836000	90.09		

C) Change in Promoters' Shareholding :

S. N.	Name of Promoter	Shareholding at the beginning of the year		Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year	
		No. of Share	% of total share	Date	Addition / deduction	No. of share	% of total share
1	Lagnam Infotech Solution Pvt. Ltd.	948000	46.52	30.04.2015	-10000 (Transfer)	938000	43.57
				31.07.2015	-20000 (Transfer)	918000	
				28.09.2015	-10000 (Transfer)	908000	
				31.12.2015	-100000 (Transfer)	808000	
				18.03.2016	-40000 (Transfer)	768000	
				18.03.2016	120000 (Transfer)	888000	
2	Dwarka Prasad Mangal	507500	24.90	31.07.2015	10000 (Transfer)	517500	25.39
				31.12.2015	40000 (Transfer)	557500	
				18.03.2016	-60000 (Transfer)	497500	
				18.03.2016	20000 (Transfer)	517500	
3	Shubh Mangal	246000	12.07	30.04.2015	10000 (Transfer)	256000	10.11
				28.09.2015	10000 (Transfer)	266000	
				31.12.2015	-10000 (Transfer)	256000	
				18.03.2016	-60000 (Transfer)	196000	
				18.03.2016	10000 (Transfer)	206000	
4	Anand Mangal	86500	4.24	31.07.2015	10000 (Transfer)	96500	8.17
				31.12.2015	70000 (Transfer)	166500	

5	Kavita Mangal	28000	1.37	18.03.2015	10000 (Transfer)	38000	1.86
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D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	Name of Top Ten Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in Top Ten Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year	
		No. of Shares	% of total share	Date	Addition/ Deduction	No. of shares	% of total share
1	Vijay Singh Bapna & Jayshree Bapna	200000	9.81	-	-	200000	9.81
2	M/s Sumex Engineering Pvt. Ltd.	1000	0.05	-	-	1000	0.05
3	Sudeep Mehta	1000	0.05	-	-	1000	0.05
	Total	202000	9.91			202000	9.91

E) Shareholding of Directors and Key Managerial Personnel:

S. N.	Name of Director / KMP	Shareholding at the beginning of the year		Increase/ Decrease in Director / KMP Shareholding during the year specifying the reasons for increase / decrease		Cumulative Shareholding during the year	
		No. of Shares	% of total share	Date	Addition/ deduction	No. of shares	% of total share
1	Dwarka Prasad Mangal	507500	24.90	31.07.2015 31.12.2015 18.03.2016 18.03.2016	10000 (Transfer) 40000 (Transfer) -60000 (Transfer) 20000 (Transfer)	517500 557500 497500 517500	25.39
2	Anand Mangal	86500	4.24	31.07.2015 31.12.2015	10000 (Transfer) 70000 (Transfer)	96500 166500	8.17
	Total	594000	29.14			684000	33.56

F) INDEBTEDNESS -

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

(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	370648931	744846	0	371393777
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	370648931	744846	0	371393777
Net Change in Indebtedness during the financial year	132025876	- 320526	0	131705350
Indebtedness at the end of the financial year				0
i) Principal Amount	502674807	424320	0	503099127
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	502674807	424320	0	503099127

4. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/Director/ Manager	Total Amount
		Anand Mangal[Director]	
1	Gross salary		
	(a) Salary as per provisions contained in section	Rs. 19,80,000/-	Rs. 19,80,000/-

	17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 15,000/-	Rs. 15,000/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
	(d) Contribution to PF, Gratuity & superannuation fund	Rs. 2,37,600/-	Rs. 2,37,600/-
2	Stock Option/ Sweat Equity/ Commission etc.	-	-
	Total (A)	Rs. 22,32,600/-	Rs. 22,32,600/-

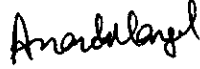
B. Remuneration to other directors (Independent & other Non Executive Directors) : NIL

C. Remuneration to KMP other than MD / Manager / WTD / Director : NIL

5. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

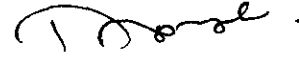
Place : Bhilwara  
Date : 10<sup>th</sup> April, 2016

FOR : LAGNAM SPINTEX PRIVATE LIMITED



ANAND MANGAL  
[DIN: 03113542]  
DIRECTOR

FOR : LAGNAM SPINTEX PRIVATE LIMITED



DWARKA PRASAD MANGAL  
[DIN: 01205208]  
DIRECTOR



## ANNEXURE

FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

In pursuance of section 134(3)(m) of the companies Act,2013 read together with the companies (Disclosure of particulars in the report of Board of Directors ) Rules, 2014 the relevant information is provided herein below:-

A. POWER & FULE CONSUMPTION	(Rs in Lac)	
	Current Year	Previous Year
1) Electricity		
a) Purchased		
Units (Lac)	7037704	6625301
Total Amount (Lac Rs.)	36494886	33898928
Rate /Unit	5.19	5.46
b) Own Generation		
(I) Through Diesel Generator	-	-
Units (Lac)	-	-
Units per Liter of Diesel Oil	-	-
Cost/ Unit	-	-
(II) Through HFO Generator		
Units (Lac)	-	-
Units per Liter of Diesel Oil	-	-
Cost/ Unit	-	-
B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity Unit per Kg.	1.51	1.65

	Current Year	Previous Year
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## 2. TECHNOLOGY ABSORPTION

Details of Expenditure incurred in Research and Development during the year is as follows:

Capital	2, 62, 97,100	
Recurring	9.79.658	11, 92,667
Total Expenses as % of Total Turnover	4.87	0.24

## 3.FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earnings and outgo During the year are as under:

Earning	54050193	2,78,36,209
Outgo:		
(Revenue A/c)	3349160	1707978
(Capital A/c)	92514017	65422508

Place :- Bhilwara

Date:- 10<sup>th</sup> April , 2016

FOR: LAGNAM SPINTEX PRIVATE LIMITED

*Anand Mangal*

ANAND MANGAL  
[DIN: 03113542]  
DIRECTOR

FOR : LAGNAM SPINTEX PRIVATE LIMITED

*Dwarka Prasad Mangal*

DWARKA PRASAD MANGAL  
[DIN: 01205208]  
DIRECTOR

10.04.2016  
No. Aud/01

**Independent Auditor's Report**

To,  
**The Members of Lagnam Spintex Private Limited,**

**Report on Financial Statements**

We have audited the accompanying financial statements of **Lagnam Spintex Private Limited, Bhilwara** which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Contd. 

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### **Emphasis of Matters**

The Company has provided depreciation on Plant and Machinery considering the same as 'Continuous Process Plant' based on technical expert's advice (Refer Note No 1 (F) "Notes to Accounts"). This being a technical matter, no opinion is expressed thereon.

Our opinion is not modified in respect of this matter.

### **Opinion**

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of Statement of the Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal & Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) There is no any financial transaction or matters which have any adverse effect on the functioning of the company;
  - f) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

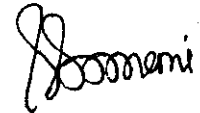
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- g) With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The company does not have any pending litigations which would impact its financial position- Refer note no.27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place: Bhilwara  
Date: 10.04.2016

**For SSMS & Associates**  
Chartered Accountants  
Firm Reg. No.19351C



(Satish Somani)  
Partner  
M.No. 076241

**ANNEXURE TO AUDITORS REPORT**

**The Annexure referred to in our report of even date to the members of Lagnam Spintex Private Limited on the accounts of the company for the year ended 31st March, 2016. We report that:**

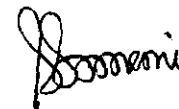
- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. no any material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management; no any material discrepancies were noticed on physical verification;
- (iii) The company has not granted any loan, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The company has not entered any transaction in respect of loan, investments, guarantee and security covered under section 185 and 186 of the Companies act, 2013.
- (v) The company has not accepted deposits under provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) According to the records of company, there is no dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, which has not been deposited on account of disputes.

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- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan and borrowing to financial Institutions, banks, Government, or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments).
- (x) In our opinion and according to the information and explanations given to us, there is no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The provision of section 197 read with Schedule V of the companies Act 2013 is not applicable on the Company.
- (xii) The provision specified in Nidhi Rule 2014 is not applicable on Company.
- (xiii) Company has complied the provision of sections 177 and 188 of Companies Act 2013 on all transactions with the related parties where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013.
- (xvi) The Company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bhilwara  
Date: 10.04.2016

**For SSMS & Associates**  
Chartered Accountants  
Firm Reg. No.019351C



(Satish Somani)  
(Partner)  
M. No. 076241

**LAGNAM SPINTEX PRIVATE LIMITED**  
(CIN No.-U17119R2010PTC032089)  
**BALANCE SHEET as at 31st MARCH ,2016**

(Rs in Lac )

Particulars	Note	As at March 31,2016	As at March 31,2015
<b>1. EQUITY &amp; LIABILITIES</b>			
<b>(i) Shareholders' Funds</b>			
(a) Share Capital	2	20380000	20380000
(b) Reserves and Surplus	3	144906618	121440122
		<u>165286618</u>	<u>141820122</u>
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non-current Liabilities</b>			
(a) Long-term borrowings	4	367934430	288535054
(b) Deferred tax liabilities (Net)	5	6007926	4703000
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		<u>373942356</u>	<u>293238054.00</u>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	109664607	66858723
(b) Trade payables	7	710645	3211110
(c) Other current liabilities	8	44870561	28605231
(d) Short-term provisions		-	-
		<u>155245813</u>	<u>98675064</u>
<b>TOTAL</b>		<b><u>694474787</u></b>	<b><u>533733240</u></b>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		503702329	342353594
(ii) Intangible Assets		3882403	3775227
(iii) Capital work-in-progress		0	21630248
(iv) Intangible Assets under development		-	-
		<u>507584732</u>	<u>367759069.00</u>
(b) Non-current Investments	10	3020000	2220000
(c) Deferred tax Assets (Net)		-	-
(d) Long-term loans and advances	11	4941044	14522252
(e) Other non-current assets	12	1396750	1305822
		<u>9357794</u>	<u>18048074</u>
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	52853049	56071011
(c) Trade Receivables	14	92291427	67402342
(d) Cash & Bank balances	15	922380	2838118
(e) Short-term loans and advances	16	8953886	4849700
(f) Other current assets	17	22511518	16764925
		<u>177532260</u>	<u>147926097</u>
<b>TOTAL</b>		<b><u>694474786</u></b>	<b><u>533733240</u></b>

See accompanying notes 1 to 36 forming part of financial statements

As per our report of even date

For SSMS & Associates

Chartered Accountants

Firm Reg No. 019351C

Satish Somani

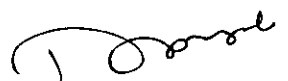
(Partner)

Membership No. 076241

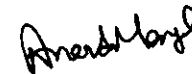
Place : Bhilwara

Date : 10th April ,2016

For and on behalf of the board



D.P. Mangal  
(Director)



Anand Mangal  
(Managing Director)



## LAGNAM SPINTEX PRIVATE LIMITED

(CIN No.-U17119R2010PTC032089)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH , 2016

(Rs in Lac )

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
I. Revenue from operations	18	560137218	493841896
II. Other Income	19	1197170	20468
III. Total Revenue (I+II)		<b>561334388</b>	<b>493862364</b>
IV. Expenses:			
Cost of material consumed	20	370761724	342289880
Purchases of stock - in - trade	21	7468046	0
Change in inventories of finished goods, work-in-progress and stock-in-trade	22	-3463164	7192506
Employee benefits expense	23	12762700	10070876
Finance costs	24	38480695	31519141
Depreciation and amortization expense	25	19195731	13642044
Other expenses	26	84967975	71555975
Total Expenses		<b>530173707</b>	<b>476270422</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		31160681	17591942
VI. Exceptional items		0	0
VII. Profit before extraordinary items and tax (V-VI)		<b>31160681</b>	<b>17591942</b>
VIII. Extraordinary Items			
IX. Profit before tax (VII-VIII)		<b>31160681</b>	<b>17591942</b>
X. Tax expense:			
(1) Current Tax		6353305	3519717
(2) Deferred Tax		1304926	1953000
(3) Tax of earlier year		36554	0
XI. Profit (Loss) for the period form continuing operations ( IX - X)		<b>23465897</b>	<b>12119226</b>
XII. Profit / (loss) form discounting operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit / (loss) from discounting operations (after tax ) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		<b>23466200</b>	<b>12119226</b>
XVI. Earnings per equity share:			
(1) Basic		11.51	6.58
(2) Diluted		11.51	6.58

See accompanying notes 1 to 36 forming part of financial statements

For SSMS &amp; Associates

Chartered Accountants

Firm Reg. No. 019351C

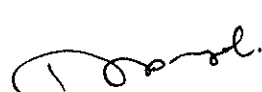
Satish Somani  
(Partner)

Membership No. 076241

Place : Bhilwara

Date : 10th April ,2016

For and on behalf of the board


D.P. Mangal  
(Director)

Anand Mangal  
(Managing Director)

**LAGNAM SPINTEX PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016**

Particulars	(Rs. In Lac)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Cash Flow from operating activities</b>		
Net profit before tax	31160679	17591944
Add:		
Depreciation and amortisation	19195731	13642044
Interest cost	38480695	31519141
Profit / (Loss) on sale / acquisition of fixed assets	36916	1571466
Liabilities no longer required written back	-95887	-344022
Exchange Fluctuation	-9355	
Miscellaneous expenses written off	8400	8400
<b>Operating Profit before working capital changes</b>	<b>88777179</b>	<b>63988973</b>
Inventories	3217962	-14361908
Trade receivables	-24879032	-8654370
Other current assets	-5845921	-5406603
Loans and advance	8572878	-9932640
Trade payables	-2500465	-1879610
Other Current Liab.	4033843	2688123
<b>Cash generated from operation</b>	<b>71376444</b>	<b>26441964</b>
Less: Direct taxes paid	6658038	4501624
<b>Net cash from operating activities</b>	<b>64718406</b>	<b>21940340</b>
<b>Cash flow from investing activities</b>		
Acquisition of fixed assets	-159243558	-110445785
Sale of fixed assets	185000	3500000
Investment in Insurance policy	-800000	-650000
<b>Net cash used in investing activities</b>	<b>-159858558</b>	<b>-107595785</b>
<b>Cash flow from financing activities</b>		
Proceeds form shares	0	2000000
Proceeds form premium	0	8000000
Repayment of long term borrowings	-26820616	0
Proceeds from long term borrowings	115719838	98036455
Increase / Decrease in Short term borrowings	42805884	-1394660
Interest cost	-38480695	-31519141
<b>Net cash from financing activities</b>	<b>93224411</b>	<b>75122654</b>
<b>Net increase in cash and cash equivalents</b>	<b>-1915741</b>	<b>-10532791</b>
Opening cash and cash equivalents	2838118	13370909
Closing cash and cash equivalents	<b>922377</b>	<b>2838118</b>

As per our report of even date

For SSMS & Associates

Chartered Accountants  
Firm Reg. No. 019351C

*Somani*

**Satish Somani**  
(Partner)  
Membership No. 076241  
Place : Bhilwara  
Date : 10th April 2016



For and on behalf of the board

*D.P. Mangal*

(D.P. Mangal)  
Director

*Anand Mangal*

(Anand Mangal)  
Managing Director

**Notes annexed to and forming part of the accounts**

(Rs in Lac )

As at March 31,2016 As at March 31,2015

**NOTE 2 : SHARE CAPITAL**

**AUTHORISED**

25,00,000 Equity Shares of Rs 10/- each (Previous Year  
25,00,000 Equity Share)

250.00 250.00

**250.00 250.00**

**ISSUED**

24,98,000 Equity Shares of Rs 10/- each (Previous Year  
24,98,000 Equity Share)

249.80 249.80

**SUBSCRIBED & FULLY PAID UP**

20,38,000 Equity Shares of Rs.10/- each (Previous year :  
20,38,000 Equity Shares of Rs.10/- each)

20380000.00 20380000.00

**20380000.00 20380000.00**

**1. Shareholders holding more than 5 % of shares**

Name of share holder	As on 31.03.2016		As on 31.03.2015	
	Number of Shares	Percentage of holding	Number of Shares	Percentage of holding
Shri D P Mangal	517500	25.39%	507500	27.61%
Shri Shubh Mangal	206000	10.11%	246000	13.38%
Lagnam Infotech Solutions Pvt. Ltd	888000	43.57%	948000	51.58%
Vijay Bapna & Jay Shri Bapna	200000	9.81%	200000	10.88%
Anand Mangal	166500	8.17%	86500	4.24%

**2. Reconciliation of shares**

Particulars	As on 31.03.2016	As on 31.03.2015
Opening	2038000	1838000
Issued during the year - Fully paidup	0	200000
Closing	2038000	2038000



	As at March 31,2016	(Rs in Lac ) As at March 31,2015
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>(a) Securities Premium Reserve</b>		
Opening Balance	90320000	82320000
Add : Received during the year	0	8000000
	<b>90320000</b>	<b>90320000</b>
<b>(b) Share forfeited Account</b>		
	2300000	2300000
<b>(c) Profit &amp; Loss Account</b>		
Opening Balance	28820419	16701177
Add : Profit during the year	23466200	12118945
	<b>52286618</b>	<b>28820122</b>
<b>Total Reserves &amp; Surplus</b>	<b>144906618</b>	<b>121440122</b>



(Rs in Lac)

As at March  
31,2016 As at March  
31,2015**Note 4 : Long-term borrowings****SECURED**

## (a) Term Loans

From Banks	367510200	287790208
From Other Parties (FIs)	0	0

**UNSECURED**

## (a) Vehicle loan from Bank

424230	744846
<b>367934430</b>	<b>288535054</b>

**Secured****Conditions of Term Loans are summarised below:**

Security - First pari passu charge on all immovable and movable assets of the company including equitable mortgage of factory land and building. The loans are further secured by equitable mortgage of personal assets of the relatives of the director.

Floating Rate - Carrying floating interest rate of Base Rate + 2.5% to 2.6% as on 31.03.16

Current Year

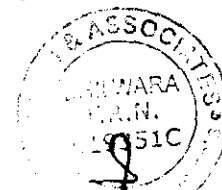
Date of Maturity	Outstanding as on 31.03.2016			
	Total Outstanding	Long term maturity	Current maturity	Installment due after 31.03.2016
01.01.2022	103586598	93050598	10536000	23
01.01.2022	73412000	65948000	7464000	23
01.01.2024	126251999	121835999	4416000	30
01.01.2024	89759603	86675603	3084000	30
<b>Total</b>	<b>393010200</b>	<b>367510200</b>	<b>25500000</b>	

The loans are further secured by personal guarantee of the director and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited.

Previous Year

Date of Maturity	Outstanding as on 31.03.2015			
	Total Outstanding	Long term maturity	Current maturity	Installment due after 31.03.2014
01.01.2022	116462599	107098599	9364000	27
01.01.2022	82536000	75900000	6636000	27
01.01.2024	63591609	63591609	0	32
01.01.2024	41200000	41200000	0	32
<b>Total</b>	<b>303790208</b>	<b>287790208</b>	<b>16000000</b>	

The loans are further secured by personal guarantee of the director and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited.



	(Rs In Lac)	
	As at March 31,2016	As at March 31,2015

**Note 5 : Deferred Tax Liability**

Deferred tax liability has been calculated as per Accounting Standard 22 "Accounting for Taxes on Income" of ICAI.  
Major components are as under:

**(A) Deferred Tax Liability**

Depreciation	47887436	33348103
<b>Total</b>	<b>47887436</b>	<b>33348103</b>

**(B) Deferred Tax Assets**

Unabsorbed Depreciation	27215210	20334103
<b>Total</b>	<b>27215210</b>	<b>20334103</b>
<b>Deferred Tax Liability (A-B)</b>	<b>20672226</b>	<b>13014000</b>
Less : MAT Credit	14664300	8311000
<b>Net Deferred Tax Liability</b>	<b>6007926</b>	<b>4703000</b>

Note : Deferred tax assets are recognised only to the extent adjustable against deferred tax liability and have been offset as they relate to the same governing taxation laws.

**Note 6 : Short-term borrowings**

**SECURED**

(a) Loan repayable on demand

From Banks	109664607	66858723
From Others	0	0
	<b>109664607</b>	<b>66858723</b>

**Conditions of Working Capital Loan are summarised below:**

Security - Hypothecation of stocks, book debts and other current assets of the company and second charge on fixed assets of the company on pari passu basis. Further collateral security of equitable mortgage of land of director/relative and corporate guarantee of M/s Lagnam Infotech Private Limited is given.

Floating Rate - Carrying floating interest rate of Base Rate + 2.5% to 2.7% as on 31.03.16



(Rs In Lac)

	As at March 31,2016	As at March 31,2015
<b>Note 7 : Trade Payables</b>		
(a) Trade Payable to Related Party	0	0
(b) Trade Payable Others	710645	3211110
	<b>710645</b>	<b>3211110</b>

The company has initiated the process of obtaining confirmations from the suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2016. Further during the year no interest has been paid to such parties or payable under the terms of the said Act.

**Note 8 : Other Current Liabilities**

(a) Current Maturities of long-term debt	25500000	16000000
(b) Security Deposits	0	0
(c) Advance from customers	0	0
(d) Liability towards staff and worker	1090877	805805
(e) Government dues	1034504	771433
(f) Other Payables	17245483	11027993
	<b>44870864</b>	<b>28605231</b>



NON-CURRENT ASSETS  
NOTE 9 : FIXED ASSETS

Sl. Particulars No. Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET CARRYING VALUE	
	As at 31.03.2015	Additions	Deductions	As at 31.03.2016	Up to 31.03.2015	Deductions	For the Year	Total Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
	2	3	4	5 = (2+3-4)	6	7	8	10 (5-6-7-8-9)	11 = (5-10)	12 (2-6)
<b>A) Tangible Assets</b>										
Land & Site development	4151155	110710	0	4251865	0	0	0	0	4251865	4151155
Buildings (Including Roads)	51509080	22454344	0	73963424	4556906	0	2052927	6509893	67353541	46952124
Plant and Equipments	310134452	135530108	0	445664560	31033765	0	13562208	44695973	400968587	279100687
Electric Fitting & Water Supply Installations										
Furniture and Fixture	1688911	7593943	0	9283854	397486	0	648971	1046457	8237397	1292425
Vehicles	2680333	0	0	2680333	552128	0	330066	882194	1798139	2128205
Office Equipments	1258465	894871	0	1953336	330204	0	333249	663453	1289883	928261
Electric Fitting and Water Supply Installation	9732894	13569032	294000	23007926	1932157	72084	1354936	3215009	19792917	7800737
<b>Total (A)</b>	<b>381156300</b>	<b>179953008</b>	<b>294000</b>	<b>560815308</b>	<b>38902706</b>	<b>72084</b>	<b>18382357</b>	<b>57112979</b>	<b>503702329</b>	<b>342353594</b>
<b>B) Intangible Assets (Acquired)</b>										
Computer Software	4024050	920550	0	5844600	1148823	0	813374	1962197	3882403	3775227
Non-competition Rights	0	0	0	0	0	0	0	0	0	0
Enabling Assets	0	0	0	0	0	0	0	0	0	0
<b>Total (B)</b>	<b>4924050</b>	<b>920550</b>	<b>0</b>	<b>5844600</b>	<b>1148823</b>	<b>0</b>	<b>813374</b>	<b>1962197</b>	<b>3882403</b>	<b>3775227</b>
<b>Total (A + B)</b>	<b>386080350</b>	<b>180873558</b>	<b>294000</b>	<b>566659908</b>	<b>39951529</b>	<b>72084</b>	<b>19195731</b>	<b>59075176</b>	<b>507584732</b>	<b>346128821</b>
<b>C) Capital Work in Progress :</b>										
Building Under Construction	11971154	9385000	21356154	0	0	0	0	0	0	21630248
Plant & Machinery Under Erection/Commissioning	0	126244000	126244000	0	0	0	0	0	0	0
Furniture, Equipments, Software & Other installation	7130350	10043000	17173350	0	0	0	0	0	0	0
Pre-operative Expenses pending allocation	2528744	6701000	9229744	0	0	0	0	0	0	0
<b>Total (C)</b>	<b>21630248</b>	<b>154379000</b>	<b>176003248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21630248</b>
<b>D) Intangible Assets under development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>Total</b>	<b>407710598</b>	<b>335246558</b>	<b>170297248</b>	<b>566659908</b>	<b>39951529</b>	<b>72084</b>	<b>19195731</b>	<b>59075176</b>	<b>507584732</b>	<b>367759069</b>
Previous Year	2798	1335	57	4077	209	6	136	400	3678	2794



i) No provision is required for impairment of assets according to AS-28 "Impairment of Assets" as the value in use, as estimated by the management, is higher than the carrying amount of assets as on Balance Sheet date. In order to arrive at the value in use, the company has reviewed the future earnings of the remaining useful life of all its cash generating units as at the Balance Sheet date which has been discounted at the average long term lending rate of the Company.

ii) a) Carrying amount of assets which are existed on 01.04.2014 are depreciated over the remaining useful life of the assets as on 01.04.2014.  
b) Assets which are acquired after 01.04.2014 i.e. after the date on which schedule II to the Companies Act, 2013 came into effect are depreciated as per useful lives defined in this schedule.



	(Rs in Lac)	
	As at March 31,2016	As at March 31,2015
<b>NOTE 10 : NON CURRENT INVESTMENT (AT COST)</b>		
<b>Unquoted Non-Trade</b>		
National Saving Certificates	20000	20000
SBI Life Insurance Co.	2250000	1600000
India First Life Insurance	750000	600000
<b>Total Value of unquoted Non-Trade Investments</b>	<b>3020000</b>	<b>2220000</b>

**NOTE 11 : LONG TERM LOANS & ADVANCES  
UNSECURED, CONSIDERED GOOD**

(a) Capital Advances	0	9955571
(b) Security Deposits	4941044	4566681
(c) Loans & Advances to Related Parties	0	0
(d) Other Loans & Advances		
- Directors of the company	0	0
- Officers & staff of the company	0	0
- Firm or company under the same management	0	0
- Others	0	0
	<b>4941044</b>	<b>14522252</b>

**NOTE 12 : OTHER NON CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

(a) Bank deposits with more than 12 months maturity	1379950	1036450
(b) Interest receivable on bank FDR	0	244172
(C) Misc. Expenses to be Written Off	16800	25200
	<b>1396750</b>	<b>1305822</b>



	(Rs in Lac)	
	As at March 31,2016	As at March 31,2015
<b>NOTE 13 : INVENTORIES (at lower of the Cost or Realisable Value - refer Accounting Policy - Note 1)</b>		
Raw Material		
- Cotton	33872604	40527713
Work in Prograss		
- Cotton	3533725	3345807
Finished Goods		
- Yarn	9794496	4916769
Stores & Spares	4939764	4965780
Others - Waste	712460	2314942
	<b>52853049</b>	<b>56071011</b>

**NOTE 14 : TRADE RECEIVABLES**

(Unsecured considered good)

Trade Receivable	92291427	67402342
Due by Directors	0	0
Due by Officers	0	0
Due by firms/companies under the same management	0	0
Due from Related Parties	0	0
	<b>92291427</b>	<b>67402342</b>

**NOTE 15 : CASH AND BANK BALANCE**

(a) Balance with bank

(i) Current accounts	52430	1729701
(b) Cheques, Drafts in hand	0	0
(c) Cash-in-hand	869947	1108417
	<b>922377</b>	<b>2838118</b>



	(Rs in Lac)	
	As at March 31,2016	As at March 31,2015
<b>NOTE 16 : SHORT- TERM LOANS &amp; ADVANCES</b>		
A Loans & Advances		
(a) Related Parties	0	0
(b) Directors	0	0
(c) Officers	0	0
(d) Director/Partners in Companies/Firms under the same management	0	0
	<b>0</b>	<b>0</b>
C. Other Loans & Advances (Unsecured considered good)		
(a) Security Deposit	0	0
(b) Advance tax	6151365	3055509
(c) Others	2802521	1794191
	<b>8953886</b>	<b>4849700</b>
	<b>8953886</b>	<b>4849700</b>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
(a) Duties, Claims and Other Receivables	6604675	3179217
(b) Advance against supply	2406826	3988802
(c) Subsidies Receivable	13491617	9588506
(d) Misc. Expenses to be Written Off	8400	8400
	<b>22511518</b>	<b>16764925</b>

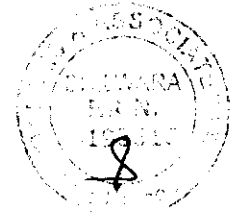


## LAGNAM SPINTEX PRIVATE LIMITED

	(Rs in Lac)	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>NOTE 18 : REVENUE FORM OPERATIONS</b>		
(A) Sales		
Manufactured Goods		
Cooton Yarn -VAT	31479341.00	63321618.00
Cotton Yarn - CST	462878945.00	392465694.00
Export Sales	54050193.00	27836209.00
Deemed Export Sales	0.00	1432447.00
Waste Sales	11730755.00	8797238.00
Less: Excise duty on above	(2016.00)	(11310.00)
	<b>560137218.00</b>	<b>493841896.00</b>

**NOTE 19 : OTHER INCOME**

(a) Interest Income	0.00	0.00
(b) Dividend Income	0.00	0.00
(c) Other non-operating income		
(i) Insurance and other claims received	1089844.00	0.00
(ii) Miscellaneous Receipts	107326.00	20468.00
	<b>1197170.00</b>	<b>20468.00</b>



	(Rs in Lac)	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>NOTE 20 : COST OF MATERIAL CONSUMED</b>		
<b>(A) Raw Materials</b>		
Opening Stock	40527712.00	22426513.00
Add: Purchses	385479326.00	372654334.00
	<u>426007038.00</u>	<u>395080847.00</u>
Less: Sales, Returns and Adjustments	21372710.00	12263255.00
	<u>404634328.00</u>	<u>382817592.00</u>
Less: Closing Stock	33872603.87	40527712.00
<b>Raw Material Consumed</b>	<b><u>370761724.13</u></b>	<b><u>342289880.00</u></b>
<b>Raw Material Consumption under broad heads:</b>		
<b>Natural Fibre</b>		
Cotton	370761724.13	342289880.00
	<b><u>370761724.13</u></b>	<b><u>342289880.00</u></b>
<b>NOTE 21 : PURCHASES OF TRADED GOODS</b>		
Trial Run - Production	7468046.00	0.00
	<b><u>7468046.00</u></b>	<b><u>0.00</u></b>
<b>NOTE 22 : CHANGE IN INVENTORY</b>		
<b>CLOSING INVENTORY</b>		
Finished Goods	9794495.86	4916768.00
Waste	712460.00	2314942.00
Stock in Process	3533725.00	3345807.00
	<b><u>14040680.86</u></b>	<b><u>10577517.00</u></b>
<b>OPENING INVENTORY</b>		
Finished Goods	4916768.00	13919853.00
Waste	2314942.00	1038677.00
Stock in Process	3345807.00	2811493.00
	<b><u>10577517.00</u></b>	<b><u>17770023.00</u></b>
<b>(Increase)/Decrease in Inventory</b>	<b><u>3463163.86</u></b>	<b><u>-7192506.00</u></b>



	(Rs in Lac)	
	Year ended 31st March 2016	Year ended 31st March 2015
<b>NOTE 23 : EMPLOYEE BENEFITS EXPENSES</b>		
(a) Salaries, Wages and Bonus	11505744.00	9104797.00
(b) Contribution to Provident, Gratuity and Other Funds	1073356.00	781958.00
(c) Workmen and Staff Welfare	183600.00	184121.00
	<b>12762700.00</b>	<b>10070876.00</b>
<b>NOTE 24 : FINANCE COST</b>		
(a) Interest Expenses	37430666.00	30858043.00
(b) Other borrowing costs	0.00	0.00
(c) Bank charges	1050029.00	661098.00
(d) Applicable net gain/loss on foreign currency translations & transactions	0.00	0.00
	<b>38480695.00</b>	<b>31519141.00</b>
<b>NOTE 25 : DEPRECIATION AND AMORTISATION EXPENSES</b>		
Tangible Assets	18382357.00	13102629.00
Intangible Assets	813374.00	539415.00
<b>TOTAL</b>	<b>19195731.00</b>	<b>13642044.00</b>

Depreciation has been provided on the basis of Continuous Process Plant as per Expert Technical Advice.

**NOTE 26 : OTHER EXPENSES**

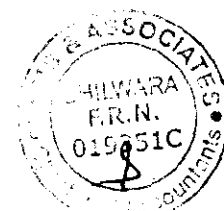
**A. Manufacturing Expenses**

(a) Stores and Spare parts Consumed (Net of scrap sales Rs. 3.06 lac, Previous Year Rs. 2.89 lac)	4410033.42	2153264.52
(b) Power and Fuel	36493886.00	33898928.00
(c) Packing Expenses	10729603.17	8892012.04
(d) Research and Development	979658.00	1192667.00
(e) Repairs to Building	45186.00	0.00
(f) Repairs to Machinery	2491039.00	771706.00
	<b>55149405.59</b>	<b>46908577.56</b>



(Rs in Lac)

	Year ended 31st March 2016	Year ended 31st March 2015
<b>B. Administrative Expenses</b>		
(a) Rent	1196306	1172321
(b) Insurance Expenses	678385	681590
(c) Directors' Remuneration and Fees	1995000	1680000
(d) Directors' Travelling	1059886	926775
(g) Charity and Donations	31500	119800
(h) Audit Fees	61830	50562
(i) Other miscellenous expenses	5485986	4537090
	<b>10508893</b>	<b>9168138</b>
<b>C. Selling Expenses</b>		
(a) Commission	5747108	5126410
(b) Incentives and Discounts	881212	79125
(c) Freight, Forwarding and Octroi	8674015	6583873
(d) Expenses on Export Sales:		
Ocean Freight	1613488	1298587
Commission	1735672	409391
Others	0	0
(e) Foreign Travelling Expenses	169594	185417
(f) Other Selling Expenses	443271	216590
	<b>19264360</b>	<b>13899393</b>
<b>D. Other expenses</b>		
(a) Loss on sale/discarding of Fixed Assets	36916	1571466
(b) Misc. expenses written off	8400	8400
	<b>45316</b>	<b>1579866</b>
	<b>84967975</b>	<b>71555975</b>



**LAGNAM SPINTEX PVT.LTD.**  
(CIN No.-U17119R2010PTC032089)

**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

27. In the opinion of the management, the value in realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet and provision for all known liabilities have been made.

28. During the year, Company has transferred interest cost of Rs. 52.12 lacs which is incurred on funds utilized in expansion programme as per AS-16 of ICAI.

29. Related party disclosure in accordance with the accounting standard 18 issued by the ICAI is given below :

i. Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprises (this includes holding companies, subsidiaries and fellow subsidiaries).

None

ii. Associate

None

iii. Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprises that gives them control or significant influence over the enterprise, and relatives of any such individual.

None

iv. Key management personnel and their relatives

- a. Shri D. P. Mangal
- b. Shri Anand Mangal

v. Enterprises over which any person described in (i) or (iv) is also to exercise Significant influence.

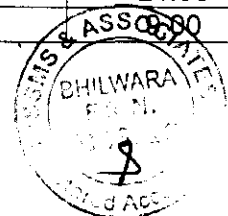
Name of Company	Nature of Interest
Lagnam Inafotech Soluation Pvt. Ltd.	Relatives of management personal is director in company

vi. Transaction with related parties : The following transactions were carried out with the related parties in the ordinary course of business:

For the parties referred to in item (iv) above

(Rs.in Lacs)

Particulars	This Year	Previous Year
a) Remuneration to Managing Director		
Salary	19.80	16.80
Contribution to provident fund, gratuity & superannuation fund	2.38	2.01
Other perquisites	0.15	3.15
<b>Total</b>	<b>22.33</b>	<b>21.96</b>
b) Rent Paid to Director	11.50	





**LAGNAM SPINTEX PVT.LTD.**  
(CIN No.-U17119R2010PTC032089)

**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

For the parties referred to in item (iv) & (v) above

(In lacs)

Particulars	This Year	Previous Year
Personal guarantee of the director and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited against term Loan.	<b>3930.10</b>	3037.90

**30. Earning Per Share**

The basic and diluted earnings per share have been calculated as per AS-20 by dividing net profit for the year attributable to equity shareholder by the weighted average number of equity share as under:

Rs. in Lacs

Particulars	This Year	Previous Year
Net Profit after tax	<b>234.66</b>	12118944
Net Profit available to equity shareholders	<b>234.66</b>	12118944
Average No. of Equity Share outstanding during the year (Nos.)	<b>2038000</b>	1841288
Basic and Dilutive earning per share (In Rupees)	<b>11.51</b>	6.58

**31. Contingent Liabilities not provided for in respect of :**

Rs. in Lacs

Particulars	This Year	Previous Year
Bank guarantees given by Company's Bankers.	<b>87.83</b>	53.48
Export Bills Send for Collection	<b>192.24</b>	62.53

**32. Previous year figures regrouped and rearranged wherever found necessary to make those comparable the same with current year.**

**33. Details of Installed Capacity:**  
Capacity

(As Certified by the Management)

	<b>Installed Capacity</b>	
	<b>31.3.2016</b>	<b>31.3.2015</b>
Rotors	<b>1920</b>	<b>1440</b>



**LAGNAM SPINTEX PVT.LTD.**  
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**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

**34. Production, Purchases, Turnover and Stocks**

Particulars	This Year		Previous Year	
	Quantity in Kg.	Value in Rs.	Quantity in Kg.	Value in Rs.
Opening Stock	44055	4916769	101525	13919853
Production	4610242	-	3771781	-
Sales / Adjustments	4561311	560137218	3829251	493841896
Closing Stock	92986	979496	44055	4916769

**35. Raw material consumed**

	This Year		Previous Year	
	MT	(Rs.in Lacs)	MT	(Rs.in Lacs)
Cotton	5224	3707.662	4180	3422.90

**36. Additional information pursuant to Part II of Schedule III of the Companies Act, 2013, to the extent applicable:**

(a) Details of imported & indigenous raw material and spare parts and components consumed:

	This Year		Previous Year	
	(Rs.in Lacs)	Value%	(Rs.in Lacs)	Value%
(i) Raw Material-				
Imported	-		-	
Indigenous	5099	100%	3422.90	100%
(ii) Stores & spares				
Imported	10.78	27%	1.95	9%
Indigenous	29.73	73%	19.58	91%

(b) FOB Value of export (In lacs)      **532.32**      264.61

(c) Value of imports calculated on CIF basis in respect of:

	(Rs. in Lacs)
- Machinery	662.17
- Spare parts	23.63
- Raw Material	-




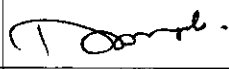

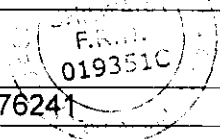
**LAGNAM SPINTEX PVT.LTD.**  
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**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

(d) Other expenditure in foreign currency:

(Rs. in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	<b>Traveling Expenses</b>	1.70	1.85
2	<b>Commission/Claims/Ocean Freight</b>		
	a) Commission	17.36	4.09
	b) Ocean Freight	8.91	10.98
	<b>Sub total</b>	<b>26.27</b>	<b>15.07</b>
	<b>Total (1+2)</b>	<b>27.97</b>	<b>16.92</b>

As per our report of even date		
For SSMS & Associates. Chartered Accountants Firm Reg. No. 019351C	For and on behalf of the Board	
 <b>Satish Somani</b> Partner	 <b>(D. P. Mangal)</b> Director	 <b>(Anand Mangal)</b> Managing Director
 Membership No. 076241		
Place : Bhilwara Date : 10 <sup>th</sup> April 2016		

**LAGNAM SPINTEX PVT.LTD.**  
**(CIN No.-U17119R2010PTC032089)**  
**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**A. Accounting Conventions**

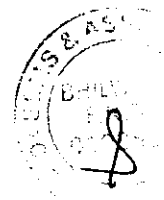
The financial statements are prepared on historical cost convention and on the accounting principles of going concern, in accordance with Generally Accepted Accounting Principles ('GAAP'), comprising of the mandatory Accounting Standards, Guidance Notes, etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, on accrual basis, as adopted consistently by the company.

**B. Revenue Recognition**

- a. Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty, if any.
- b. Promotional benefits, export incentives and export growth incentives are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- c. Claims and refunds due from government authorities and parties, though receivable / refundable are not recognized in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the company.
- d. Claims lodged with insurance companies are recognized as Income on acceptance by the Insurance company. the excess / shortfall of claims passed are adjusted in the year of receipt.
- e. Interest Subsidy under TUFS are recognized on accrual basis and adjusted against the respective expenses.

**C. Inventory Valuation**

- (a) Inventories are valued at cost and net realizable value whichever is lower.
- (b) Cost is determined on FIFO/Weighted average method.
- (c) Cost of raw materials is net of cenvat claims, wherever applicable.
- (d) The cost of inventories comprises all cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.



**LAGNAM SPINTEX PVT.LTD.**  
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**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

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**D. Fixed Assets**

- a. Fixed assets are stated at their original cost of acquisition including freight, incidental expenses and other non refundable taxes or levies related to acquisition and installation of the concerned assets, interest on borrowed funds attributable to acquisition/construction of fixed assets and related pre-operative expenses up to the date of commencement of commercial production, are also capitalized wherever appropriate. Cenvat availed has been deducted from the cost of respective assets.
- b. Expenditure incurred on acquisition of intangibles are accounted for as intangible assets on completion, being identifiable non-monetary assets without physical substance. at the acquisition cost, in accordance with AS-26 on intangible assets.

**E. Preoperative Expenses**

Trial run costs and other preoperative expenses incurred during construction / implementation period, including interest on borrowings (Net of subsidy) to finance qualifying assets as per AS-16, are capitalized upto the date of commissioning of the respective asset.

**F. Depreciation & Amortisation**

- a. Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule II of the companies Act, 2013.
- b. Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
- c. Residual value of the assets are determined at the rate of 5% of original cost
- d. Acquired intangible assets are amortised over their estimated useful life as determined by the management at following rates on straight-line basis.

Computer Software - 6 Year.

**G. Impairment of Fixed Assets**

Impairment of assets is being measured on factors giving rise to any indication of impairment. by comparing the recoverable amount, higher of value in use and net selling price of an asset. with carrying amount of an asset as per the Accounting Standard 28 "Impairment of Assets" issued by ICAI.

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**LAGNAM SPINTEX PVT.LTD.**  
**(CIN No.-U17119R2010PTC032089)**  
**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

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**H. Foreign Exchange Transaction /Translation**

- a. Foreign currency transactions arising during the year are recorded at the exchange rates prevailing on the dates of transactions.
- b. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- c. All foreign exchange assets/Liabilities on the closing day are converted at closing exchange rate.

**I. Taxes on Income**

**a. Current year charge**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

**b. Deferred Tax**

Deferred tax is recognized, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting years' timing differences, subject to the consideration of prudence.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**J. Miscellaneous Expenditure**

- a. Expenses incurred on increase in share capital are amortized over a period of five years.

**K. Provisions, Contingent Liability & Contingent Assets**

- a. Provisions involving substantial degree of estimation in measurement, are recognized when the present obligation of or past events gives rise to a probable outflow embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
- b. Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- c. Contingent assets are neither recognized nor disclosed in financial statements.
- d. Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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**LAGNAM SPINTEX PVT.LTD.**  
**(CIN No.-U17119R2010PTC032089)**  
**Notes to Financial Statements for the Year Ended 31<sup>st</sup> March 2016**

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**L. Earning per Share**

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, among the weighted average number of equity shares outstanding during the period.

**M. Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank, Cash in hand, cheques in hand and other permissible instruments as per AS 3.

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