

LAKHOTIA POLYESTERS (INDIA) LIMITED

14th ANNUAL REPORT
2018-19



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14th ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-2019

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|--------------------------------|--------------------------------------|
| ▪ Mr. Madhusudan Lakhotia | Managing Director |
| ▪ Mrs. Jayshree Lakhotia | Executive Director |
| ▪ Mr. Ashok Kumar Khajanchi | Executive Director |
| ▪ Mr. Shailesh Mistry | Non – Executive Independent Director |
| ▪ Mr. SriGopal Mundra | Non – Executive Independent Director |
| ▪ Mr. Vashishtha Mohan Pandiya | Non – Executive Independent Director |

KEY MANAGERIAL PERSONNEL

- | | |
|---------------------------|--|
| ▪ Mr. Madhusudan Lakhotia | Chairman and Managing Director |
| ▪ Mr. Vivek Rathi | Chief Financial Officer |
| ▪ Ms. Shannu Chaturvedi | Company Secretary and Compliance Officer |

BOARD COMMITTEES

- **AUDIT COMMITTEE**
Mr. SriGopal Mundra - Chairman
Mr. Shailesh Mistry - Member
Mr. Madhusudan Lakhotia - Member
- **NOMINATION AND REMUNERATION COMMITTEE**
Mr. Shailesh Mistry - Chairman
Mr. SriGopal Mundra - Member
Mr. Vashishtha Pandiya - Member
- **STAKEHOLDERS RELATIONSHIP COMMITTEE**
Mr. Shailesh Mistry - Chairman
Mr. SriGopal Mundra - Member
Mr. Vashishtha Pandiya - Member

BANKERS

- Union Bank of India
- ICICI Bank

STATUTORY AUDITORS

M/s R R Gujrathi & Co., Chartered Accountants



SECRETARIAL AUDITORS

M/s. R.M. Mimani & Associates, Company Secretaries

INTERNAL AUDITORS

Mr. V B Rathi

REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Private Limited

Registered Office: Unit -1 Luthra Ind. Premises,

1st Floor, 44-E, M Vasant Marg,

Andheri Kurla Road, Safed Pool,

Andheri (East) Mumbai- 400072

Branch Office: C 101,247 Park, LBS Marg, Vikhroli West Mumbai 400083

Contact No: +9122 28515644/5606 Fax No.: +9122 8512885

Email id.: sharexindia@vsnl.com, Website: www.sharexindia.com

REGISTERED OFFICE AND CONTACT DETAILS AND WEBSITE

Lakhotia Polyesters (India) Limited

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.,

Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209

Tel: +91 2550-252300; Fax: +91 2550-252300

Website: www.lakhotiapoly.in; Email: info@lakhotiapoly.in

CIN: L17120MH2005PLC155146



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2018-19 for **LAKHOTIA POLYESTERS (INDIA) LIMITED**.

While Your Company is in its 14th year of operations, the outlook for 2019-20 is positive. I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business and look forward to the same in the next fiscal year.

Best Regards

Madhusudan Lakhota
Chairman



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting of the members of **LAKHOTIA POLYESTERS (INDIA) LIMITED** will be held on 29th September, 2019 at 10.00 a.m. at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal – Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
2. **To appoint as director Mrs. Jayshree Madhusudhan Lakhotia (holding DIN: 05357609), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for reappointment.**

SPECIAL BUSINESS:

3. **Re-Appointment of Mr. Madhusudhan Lakhotia as Managing Director**

To consider and, if thought fit, to pass the following resolution as an Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Madhusudhan Lakhotia as Managing Director of the Company for a period of 5 Years with effect from April 01, 2019 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 5 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”



4. Re-Appointment of Mr. Shailesh Mistry as an Independent Non-Executive Director

To consider and, if thought fit, to pass the following resolution as an Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shailesh Mistry (DIN: 06419213), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

5. Regularisation of Mr. Sri Gopal Mundra as Independent Non-Executive Director

To consider and, if thought fit, to pass the following resolution as an Special Resolution:-

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 31/05/2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sri Gopal Mundra (DIN 02360552) whose was liable to hold office upto the date of ensuing AGM and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, is proposed to be regularised as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. September 29, 2019 to September 28, 2024”.

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”



6. Regularisation of Mr. Vashishtha Mohan Pandiya as Independent Non-Executive Director

To consider and, if thought fit, to pass the following resolution as an Special Resolution:-

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 31/05/2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Vashishtha Mohan Pandiya (DIN 08475997) whose was liable to hold office upto the date of ensuing AGM and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, is proposed to be regularised as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. September 29, 2019 to September 28, 2024.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.



3. The Register of Members and the Share Transfer books of the Company will remain closed from September 22, 2019 to September 29, 2019 (both days inclusive) for the purpose of the Annual General Meeting.
4. Details as required in Regulation 36(3) of the Listing Regulations, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Requisite declarations have been received from the Directors seeking appointment / re-appointment.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means by Central Depository Services (India) Limited (CDSL).
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22nd September, 2019, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).
9. The remote e-voting period will commence at 9 a.m. on 26th September, 2019 and will end at 5 p.m. on 28th September, 2019. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.
10. The Company has appointed Mrs. Monika Kothari (M. S. Kothari & Associates) Practising Chartered Accountant (Membership No. 137777), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
11. Notice of the 14th Annual General Meeting and the Annual Report will also be available on the Company's website www.lakhotiapoly.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on



working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@lakhotiapoly.in

12. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. The Results declared along with the Scrutinizer's report shall be placed on the company's website www.lakhotiapoly.in immediately after the declaration of result by Chairman of the Company and the same will be communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

15. VOTING BY ELECTRONIC MEANS

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 26, 2019 (9:00 am) and ends on September 28, 2019 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for “Lakhotia Polyesters (India) Limited” on which you choose to vote.

(xiii) **EVSN No. for E-voting is 190905054**

(xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.



- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Sd/-

Madhusudan Lakhotia

(Managing Director)

Place: Nashik

Date: September 5, 2019

Regd. Office: 158/159 Samarth Sankaradyogik

Vasahat Ltd, Pimpal – Gaon (Baswant)

Tal Niphad Dist. Nashik – 422209



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND REGULATION 36 (5) OF THE SEBI ((LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No.3

Re-Appointment of Mr. Madhusudhan Lakhotia as Managing Director

Mr. Madhusudhan Lakhotia, aged 37 years is presently designated as Chairman and Managing Director of the Company.

He is a Commerce Graduate from Pune University. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in the Industry we operate. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

During the financial year 2018-9, Six Board Meetings of the Board of Directors had been held and all the meetings were attended by Madhusudhan Lakhotia.

As on 31 March, 2019, he holds 14,09,380 (13.46%) equity shares in the Company.

He doesnot holds any other directorship in any other company public or private apart from Lakhotia Polyster India Limited.

Mr. Madhusudhan Lakhotia had been re-appointed as the Chairman and Managing Director of the Company for a period of 5 (Five) years w.e.f. 03/09/2015 in the Annual General Meeting and has been drawing the minimum remuneration of Rs. 4,80,000 p.a. w.e.f. 01 October, 2015 as per the then prevailing Section II of Part II of Schedule V of the Companies Act, 2013. He will be drawing the same remuneration from the company on the same terms and conditions.

Item No. 4

Re-Appointment of Mr. Shailesh Mistry as an Independent Non-Executive Director

Mr. Shailesh Mistry was appointed as an Independent Non-Executive Director of the Company on 12/10/2012. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shailesh Mistry, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Shailesh Mistry fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Shailesh Mistry as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Shailesh Mistry as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Shailesh Mistry as an Independent Director for another term of five consecutive years with effect from 1st April 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Shailesh Mistry, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Shailesh Mistry is not related to any Director of the Company.

Item No. 5

Regularisation of Mr. Sri Gopal Mundra as Independent Non-Executive Director

The Board of Directors ("Board"), upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Sri Gopal Mundra as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective 31/05/2019. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Sri Gopal Mundra will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company.

The Company has received from Mr. Sri Gopal Mundra (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Sri Gopal Mundra as an Independent Director of the Company for a period commencing from September 29, 2019 to September 28, 2024. Mr. Sri Gopal Mundra, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Sri Gopal Mundra is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Sri Gopal Mundra as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM. The profile and specific areas of expertise of Mr. Sri Gopal Mundra are provided as annexure to this Notice. None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sri Gopal Mundra, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice. The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.



Item No 6

Regularisation of Mr. Vashishtha Mohan Pandiya as Independent Non-Executive Director

The Board of Directors (“Board”), upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Vashishtha Mohan Pandiya as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective 31/05/2019. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Vashishtha Mohan Pandiya will hold office up to the date of the ensuing Annual General Meeting (“AGM”) and is eligible to be appointed a Director of the Company.

The Company has received from Mr. Vashishtha Mohan Pandiya (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Vashishtha Mohan Pandiya as an Independent Director of the Company for a period commencing from September 29, 2019 to September 28, 2024. Mr. Vashishtha Mohan Pandiya, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Vashishtha Mohan Pandiya is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Vashishtha Mohan Pandiya as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM. The profile and specific areas of expertise of Mr. Vashishtha Mohan Pandiya are provided as annexure to this Notice. None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Vashishtha Mohan Pandiya, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice. The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.



PROFILE OF DIRECTOR
(Seeking Appointment / Re-appointment)

ANNEXURE TO ITEM NOS. 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General meeting

Name of Director	Mrs. Jayshree Madhusudhan Lakhota
Date of Birth	October 03, 1982
Nationality	Indian
Date of First Appointment on the Board	July 24, 2012
Qualifications	Bachelor of Commerce from Maharshi Dayanand Saraswati University, Ajmer.
Expertise in specific functional Areas	Day to day Management Process
No. of Shares held in the Company (as on March 31, 2019)	1,55,064
List of Directorships held in other Companies	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	-
Terms and Conditions of Appointment/re-appointment	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	Rs. 2,40,000/-
Relationship with other Directors	Wife of Madhusudhan Lakhota, Managing Director
No. of Board Meetings attended in FY 2018-19	<p>Six Board Meetings were attended by Mrs. Jayshree Lakhota as mentioned below:</p> <ol style="list-style-type: none"> 1. April 12, 2018 2. June 5, 2018 3. September 3, 2018 4. September 7, 2018 5. November 14, 2018 6. February 14, 2019



Name of Director	Mr. Madhusudhan Lakhotia
Date of Birth	September 04, 1981
Nationality	Indian
Date of First Appointment on the Board	03/09/2015
Qualifications	Bachelor of commerce from Pune University
Expertise in specific functional Areas	Day to day Management Process
No. of Shares held in the Company (as on March 31, 2019)	14,09,380
List of Directorships held in other Companies	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	<u>Lakhotia Polyester India Limited</u> Audit Committee
Terms and Conditions of Appointment/re-appointment	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	Rs. 4,80,000/-
Relationship with other Directors	Husband of Jayshree Lakhotia Executive Director
No. of Board Meetings attended in FY 2018-19	Six Board Meetings were attended by Madhusudhan Lakhotia as mentioned below: 1. April 12, 2018 2. June 5, 2018 3. September 3, 2018 4. September 7, 2018 5. November 14, 2018 6. February 14, 2019



Name of Director	Mr. Shailesh Mistry
Date of Birth	21/05/1968
Nationality	Indian
Date of First Appointment on the Board	12/10/2012
Qualifications	Passed Higher Secondary Examination
Expertise in specific functional Areas	He has served many organizations as Head Accounts
No. of Shares held in the Company (as on March 31, 2019)	-
List of Directorships held in other Companies	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	<u>Lakhotia Polyester India Limited</u> Audit Committee Nomination and Remuneration Committee Stakeholder Relationship Committee
Terms and Conditions of Appointment/re-appointment	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	-
Relationship with other Directors	-
No. of Board Meetings attended in FY 2018-19	Six Board Meetings were attended by Madhusudhan Lakhotia as mentioned below: 1. April 12, 2018 2. June 5, 2018 3. September 3, 2018 4. September 7, 2018 5. November 14, 2018 6. February 14, 2019



Name of Director	Mr. Sri Gopal Mundra
Date of Birth	10/04/1980
Nationality	Indian
Date of First Appointment on the Board	31/05/2019
Qualifications	Passed Higher Secondary Examination
Expertise in specific functional Areas	He has been in business since past many years
No. of Shares held in the Company (as on March 31, 2019)	-
List of Directorships held in other Companies	1. M/s. Nikhil Metal Private Limited 2. M/s. Singhal Tradelinks Private Limited
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	<u>Lakhotia Polyster India Limited</u> Audit Committee Nomination and Remuneration Committee Stakeholder Relationship Committee
Terms and Conditions of Appointment/re-appointment	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	-
Relationship with other Directors	-
No. of Board Meetings attended in FY 2018-19	NIL



Name of Director	Mr. Vashishtha Mohan Pandiya
Date of Birth	26/01/1996
Nationality	Indian
Date of First Appointment on the Board	31/05/2019
Qualifications	Bachelor in Commerce
Expertise in specific functional Areas	-
No. of Shares held in the Company (as on March 31, 2019)	-
List of Directorships held in other Companies	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	<u>Lakhotia Polyster India Limited</u> Nomination and Remuneration Committee Stakeholder Relationship Committee
Terms and Conditions of Appointment/re-appointment	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	-
Relationship with other Directors	-
No. of Board Meetings attended in FY 2018-19	NIL



ROUTE MAP TO THE AGM VENUE



Address:

LAKHOTIA POLYESTERS (INDIA) LIMITED

158/159 Samartha Sahkariaudyogik Vasahat Ltd,
Pimpal- Gaon (Baswant) Tal Niphad Dist Nashik,
Maharashtra – 422209



DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

**To,
The Shareholders,
Lakhotia Polyesters India Limited**

Your Directors are pleased to present the 14th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

The Board's Report shall be prepared based on the standalone financial statements of the Company.

Particulars	FINANCIAL YEAR	
	2018-19	2017-18
<u>Total Income</u>	203,096,109	21,23,95,601
Less: Expenditure	193,599,407	20,48,85,108
Profit Before Finance Cost, Depreciation & Tax	94,96,702	75,10,493
Less: Finance Cost	72,26,854	66,63,584
Less: Depreciation	15,72,984	15,21,412
<u>Net Profit Before Tax & Extraordinary Item</u>	696,864	(674,503)
Less: Extraordinary Item	0	0
Less :Tax Expense	479,983	(17,16,984)
<u>Net Profit After Tax</u>	2,16,881	10,42,481

2. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR

During the current period of operation, your company have profits of Rs. 2,16,881.

3. FINANCIAL YEAR

This report of Directors along with its Annexure, Management Discussion and Analysis, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 1, 2018 to March 31, 2019 (a period of 12 months). Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, a 'financial year' in relation to the Company means the period ending on the 31st day of March every year, in respect whereof financial statement of the Company is made. Your Company is in compliance with the provisions of the Companies Act, 2013.

4. DIVIDENDS

The Company has decided to sustain the growth in line with the long-term growth objectives of the Company by retaining the profits and utilizing the same for opportunities in hand, therefore the company does not recommend any dividend.

5. SHARE CAPITAL

During the period April 1, 2018 to March 31, 2019, during the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity and there is no change in the Issued, Subscribed and paid up share Capital of Company. The Share Capital Audit as per the directives of the Securities and Exchange Board of India (SEBI) is being conducted by Ranjana Mimani & Associates, Practicing Company Secretaries. The paid-up Share Capital of the Company stands at Rs.10,47,39,880/- (Rupees Ten Crores Forty-Seven Lakh Thirty-Nine Thousand and Eight Hundred and Eighty Only).



6. RESERVES

No amount has been transferred by the Company to Reserves during the year.

7. PUBLIC DEPOSITS

The Company has neither invited nor accepted any public deposits during the period under review.

8. SUBSIDIARY AND ASSOCIATE COMPANIES

As on March 31, 2019, Company does not have any Associate Company.

9. CONSOLIDATED FINANCIAL STATEMENT

The Company is not required to consolidate its financial statements in terms of provisions of Companies Act, 2013 and rules thereunder.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a. In accordance with the provisions of the Section 152 Companies Act, 2013 read with applicable Rules, if any, Mrs. Jayshree Madhusudhan Lakhota (DIN: 05357609), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- b. In accordance with the provisions of the Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act Mr. Madhusudhan Lakhota is appointed as the Managing Director of the Company with effect from April 01, 2019.
- c. In accordance with the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shailesh Mistry (DIN: 06419213), Independent Non-Executive Director of the Company have offered himself for reappointment for the second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation.
- d. In accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) Mr. Sri Gopal Mundra whose was liable to hold office upto the date of ensuing AGM is proposed to be regularised as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. September 29, 2019 to September 28, 2024”
- e. In accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) Mr. Vashishtha Mohan Pandiya whose was liable to hold office upto the date of ensuing AGM is proposed to be regularised as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. September 29, 2019 to September 28, 2024”



- f. Mr. Madhusudhan Lakhota is the Managing Director of the Company and Mr. Vivek Rathi is the Chief Financial Officer, Ms. Shannu Chaturvedi is the Compliance Officer of the Company.
- g. The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.
- h. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company confirm that —

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year viz. March 31, 2019 and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, the Board of Directors of the Company met on April 12, 2018, June 5, 2018, September 3, 2018, September 7, 2018, November 14, 2018 and February 14, 2019.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015 entered into by the company with the Stock Exchanges. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2019.

13. COMMITTEES OF THE BOARD

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

Details of Committee and their meetings are detailed in Corporate Governance Report.



14. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (if any) are given in the notes to the Financial Statements.

16. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING:

(A) Conservation of Energy

Your company is continuously taking initiatives to ensure optimum utilization of energy available in day to day operations. Your company uses energy efficient lighting devices, light fittings to save energy, capacitor bank/devices to maintain power factor which are environment and power efficient.

(B) Technology Absorption

Your company is doing its business by ensuring optimum utilisation of its available resources. Your company has not taken any research & development activity so far.

(C) Foreign Exchange Earnings and Outgo

The Company has not incurred in foreign currency during the financial year 2018-19.

17. VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company www.lakhotiapoly.in.

18. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

19. CORPORATE SOCIAL RESPONSIBILITY:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

21. ADEQUACY OF INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management



information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

22. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company. The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March 31, 2019.

23. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

All the Independent Non-Executive Directors of the Company viz. Mr. Sri Gopal Mundra, Mr. Shailesh Mistry, and Mr. Vashishtha Pandiya have submitted the declaration of independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019. Mr. Anil Devidutt Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04/02/2019. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

24. STATUTORY AUDITORS

M/s R R Gujrathi & Co., Chartered Accountants were appointed as Statutory Auditors of your Company in 2017 for a term of five consecutive years.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

25. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **Annexure I**.

26. NOMINATION AND REMUNERATION COMMITTEE

The Company follows a policy on "Nomination and Remuneration of Directors, Key managerial Personnel and Senior Management". The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in **Annexure II**.

27. RELATED PARTY TRANSACTIONS

Form AOC-2 as required under the Companies Act, 2013 for related party transaction is annexed as **Annexure III** to the Directors Report.

28. SECRETARIAL AUDITORS

The Board of Directors have appointed M/s. R. M. Mimani & Associates as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2018-19.

The Secretarial Audit Report issued by M/s. R. M. Mimani & Associates, Company Secretaries in Practice is self-explanatory and does not call for further comments. The Secretarial Audit Report and



Management reply on the qualifications stated in the said Report forms a part of Directors Report in **Annexure IV**.

29. AUDIT COMMITTEE

The composition of Audit Committee is as follows:

Name of Directors	Designation in Committee	Category
Mr. Sajjan Chaudhary*	Chairman	Non-Executive and Independent
Mr. Shailesh Mistry	Member	Non-Executive and Independent
Mr. Madhusudan Lakhotia	Member	Chairman & Managing Director

* Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019

During the Financial Year 2018-19, Audit Committee met 5 times on May 27, 2018, September 1, 2018, September 5, 2018, November 13, 2018 and February 13, 2019. All the recommendations made by the audit committee were accepted by the board.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges.

30. BUSINESS RISK MANAGEMENT

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted risk management policy.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices.

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received by the company during the year for sexual harassment.

In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

32. PARTICULAR OF EMPLOYEES

Particulars of employees as required u/s 134 of the Companies Act, 2013 are not annexed since there are no employees drawing remuneration of more than Rs. 60,00,000/- per annum during the year under review, if employed for full year or more than Rs. 5,00,000/- per month, if employed for part of the year.



Further the information required pursuant to Section 197 of the Companies Act, 2013 (the Act) read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Compliance Officer in this regard.

33. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report under requirements of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, forms part of this Annual Report for the year ended 31st March, 2019.

34. CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance and adhere to corporate governance requirement set out by SEBI. The report of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of the report. The Compliance certificate from the auditors or practicing Company Secretaries regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be annexed with the report.

35. VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the Company's Website i.e. www.lakhotiapoly.in

36. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

37. INTERNAL FINANCIALS CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested, and no reportable material weaknesses were observed.

38. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an on-going basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.



39. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

40. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

41. APPRECIATIONS AND ACKNOWLEDGMENTS

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Regulatory Authorities, Company's Bankers, Customers, Shareholders and other business constituents during the year under review. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. The Directors also wish to place on record their appreciation for all round co-operation and contribution made by employees at all levels.

The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

**For and on behalf of the Board
LAKHOTIA POLYESTERS (INDIA) LIMITED**

**Date: September 05, 2019
Place: Nashik**

**Sd/-
Madhusudhan Lakhotia
(Managing Director)**

**Sd/-
Jayshree Lakhotia
(Executive Director)**



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

[As on financial year ended on 31.03.2019]

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17120MH2005PLC155146
2.	Registration Date	05/08/2005
3.	Name of the Company	LAKHOTIA POLYESTERS (INDIA) LIMITED
4.	Category / Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered Office and Contact details	158/159 Samaratha Sahkari Audyogik Vasahat Ltd. Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 Tel: +91 2550-252300, Fax: +91 2550-252300 Website: www.lakhotiapoly.in , Email: info@lakhotiapoly.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of The Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Private Limited Luthra Ind Premises, Unit-1, Safeed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 Contact No: 022 - 28515606, 28515644 Email: sharexindia@vsnl.com , Website: http://www.sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr No	Name and Description of Product or Service	NIC Code of Product/Service	% of Total Turnover of the Company
1.	17297	Mfg. Metallized Yarn	80%
2.	17121	Gery Cloth Manuf.	20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

There are no Holding and Subsidiary company of Lakhotia Polyester India Limited till date.

Sr No	Name and Address of Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
Nil					



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

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. Of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	33,28,388	-	33,28,388	31.78	33,28,388	-	33,28,388	31.78	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	33,28,388	-	33,28,388	31.78	33,28,388	-	33,28,388	31.78	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. Of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Market Maker	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	63,60,982	-	63,60,982	60.73	63,59,903	-	63,59,903	60.72	(0.01)
(i) Indian									
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,38,022	-	1,38,022	1.32	139,101	-	139,101	1.33	0.01
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4,06,380	-	4,06,380	3.88	4,06,580		4,06,580	3.88	0
c) Others – NRI	-	-	-	-	-	-	-	-	-
d) Others –	2,40,216	-	2,40,216	2.29	2,40,016	-	2,40,016	2.29	-



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. Of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members									
Sub-total (B) (2)	71,45,600	-	71,45,600	68.22	71,45,600	-	71,45,600	68.22	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	71,45,600	-	71,45,600	68.22	71,45,600	-	71,45,600	68.22	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,04,73,988	-	1,04,73,988	100	1,04,73,988	-	1,04,73,988	100	-



i. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2018			Shareholding at the end of the year i.e March 31, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Madhusudan Shyamsunder Lakhota HUF	203000	1.94	-	203000	1.94	-	-
2.	Shymasunder Dhanraj Lakhota HUF	271376	2.59	-	271376	2.59	-	-
3.	Dhanraj Nihalchand Lakhota	193844	1.85	-	193844	1.85	-	-
4.	Madhusudan S Lakhota	1409380	13.46	-	1409380	13.46	-	-
5.	Shyamsunder D Lakhota	359100	3.43	-	359100	3.43	-	-
6.	Jayshree Lakhota	155064	1.48	-	155064	1.48	-	-
7.	Kanchandevi Shyamsunder Lakhota	736624	7.03	-	736624	7.03	-	-
	Total	33,28,388	31.78	-	33,28,388	31.78	-	-

ii. Change in Promoters' Shareholding (please specify, if there is no change)

There are no changes in the Promoter's shareholding during the Financial Year 2018-19.

iii. Change in Top Ten Shareholders (Other than Directors, Promoters and Holders of ADRs and GDRs)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e April 01, 2018		Cumulative Shareholding during the year i.e March 31, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjoyog Trade-Link Private Limited	20,49,500	19.57	20,49,500	19.57
2.	Intensive Finance Private Limited	0	0	20,40,192	19.48
3.	Giza Estates Private Limited	10,95,110	10.46	10,95,110	10.46
4.	Arrowspace Advisors Private Limited	0	0	9,02,490	8.62
5.	Bharat B Mishra HUF	2,07,765	1.98	2,07,765	1.98
6.	Vaishno Media Graphix Private Limited	0	0	1,90,000	1.81
7.	Vijaykumar Mukhiya	1,87,930	1.79	1,88,130	1.80



Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e April 01, 2018		Cumulative Shareholding during the year i.e March 31, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Pratibha Jain	89,000	0.85	89,000	0.85
9.	Santosh Bothra	71,000	0.68	71,000	0.68
10.	Sagun Ventures Pvt. Ltd.	60,000	0.57	60,000	0.57

iv. Shareholding of Directors and Key Managerial Personnel

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (April 01, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Madhusudan Lakhota	14,09,380	13.46	14,09,380	13.46
2.	Mrs. Jayshree Lakhota	1,55,064	1.48	1,55,064	1.48
3.	Mr. Ashok Kumar Khajanchi	-	-	-	-
4.	Mr. Vashishtha Pandiya	-	-	-	-
5.	Mr. Shailesh Mistry	-	-	-	-
6.	Sri Gopal Mundra	-	-	-	-
7.	Mr. Sajjan Chaudhary*	-	-	-	-
8.	Mr. Anil Patodia [#]	-	-	-	-

* Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019

[#] Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019.

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,51,37,660	94,39,997	-	5,45,77,657
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	4,51,37,660	94,39,997	-	5,45,77,657
Change in Indebtedness during				



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
the financial year				
- Addition	2,72,742	4,351,619	-	46,24,361
- Reduction	-	-	-	
Net Change	2,72,742	4,351,619	-	46,24,361
Indebtedness at the end of the financial year				
i) Principal Amount	4,54,10,402	13,791,616	-	5,92,02,018
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,54,10,402	13,791,616	-	5,92,02,018

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Madhusudan Lakhotia - Managing Director	Mrs. Jayshree Lakhotia - Executive Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	4,80,000.00 0.00 0.00 0.00	2,40,000.00 0.00 0.00 0.00	7,20,000.00 0.00 0.00 0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others specify...	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
5.	Others please specify (Int)	0.00	0.00	0.00
6.	Total (A)	4,80,000.00	2,40,000.00	7,20,000.00



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Vashishtha Pandiya (Independent Director)*	Mr. Shailesh Mistry (Independent Director)	Sri Gopal Mundra (Independent Director)*	Mr. Sajjan Chaudhary (Independent Director)#	Mr. Anil Patodia (Independent Director)\$	
1	Independent Directors - Fee for attending board committee meetings - Commission - Others please specify	-	-	-			-
2	Total(1)	-	-	-			-
3	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-			-
4	Total(2)	-	-	-			-
5	Total(B)=(1+2)	-	-	-			-
6	Total Managerial Remuneration	-	-	-			-

*Appointed as Independent Director w.e.f. 31.05.2019

Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019



\$ Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019

C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1	Gross salary				
	(a)Salary as per provisions contained n section 17 (1) of the Income-tax Act,1961	-	-	3,90,000	3,90,000
	(b)Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	-
	(c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	-others specify...				
5	Others, please specify	-	-	-	-
6	Total	-	-	3,90,000	3,90,000

D. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on behalf of the Board
LAKHOTIA POLYESTERS (INDIA) LIMITED**

**Date: September 05, 2019
Place: Nashik**

**Sd/-
Madhusudhan Lakhota
(Managing Director)**

**Sd/-
Jayshree Lakhota
(Executive Director)**



NOMINATION AND REMUNERATION POLICY OF THE COMPANY

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time.

The Board of Directors of **LAKHOTIA POLYESTERS (INDIA) LIMITED** ("the Company") re-constituted the "Nomination Committee" as "Nomination and Remuneration Committee" consisting of three (3) Non-Executive Directors of all are Independent Directors. The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. Objective and purpose of the Policy:

OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time). The Key Objectives of the Committee would be:

- I. To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To devise a policy on Board diversity,
- VII. To develop a succession plan for the Board and to regularly review the plan.

The Nomination and Remuneration Policy has been formulated to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13th August, 2017.



DEFINITIONS:

- I. “Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- II. “Board” means Board of Directors of the Company.
- III. “Directors” mean the Directors of the Company.
- IV. “Key Managerial Personnel” (KMP) means:
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary; and
 - Such other officer as may be prescribed under the Act.

“Senior Management” mean personnel of the company who are members of its core management team excluding the Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including Functional Heads.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of following Directors as on March 31, 2018:

Name of Directors	Designation in the Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent, Non-executive
Mr. Sajjan Chaudhary*	Member	Independent, Non-executive
Mr. Anil Patodia [#]	Member	Independent, Non-executive

* Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019

[#] Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

ROLE OF COMMITTEE:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key



Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

➤ **Appointment criteria and qualifications:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

a) Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

b) Independent Directors

For appointing any person as an Independent Director, he / she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014

c) Senior Management Personnel and KMP

The Company has a hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

➤ **Term / Tenure**

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made



earlier than one year before the expiry of term.

b) Independent Director:

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

➤ **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly)

a) Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b) Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

➤ **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

➤ **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

The remuneration to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration /



compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

SITTING FEES

Board is empowered to fix the sitting fees for the Directors; however, the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time per meeting of the Board or Committee.

COMMISSION

Commission may be paid within the monetary limit approved by shareholders; subject to the limit not exceeding 1% of the profits of the Company computed as per the provisions of Section 197 the Companies Act, 2013.

STOCK OPTIONS

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP, FREQUENCY OF MEETINGS

Chairperson of the Committee shall be an Independent Director. The Committee shall consist of a minimum 3 non-executive directors. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors. The meeting of the Committee shall be held at such regular intervals as may be required.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minutised and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

COMMUNICATION OF THIS POLICY

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and in the Annual Report of the Company.

AMENDMENT

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.



**For and on behalf of the Board
LAKHOTIA POLYESTERS (INDIA) LIMITED**

**Date: September 05,2019
Place: Nashik**

**Sd/-
Madhusudhan Lakhota
(Managing Director)**

**Sd/-
Jayshree Lakhota
(Executive Director)**



ANNEXURE III

Form No. AOC-2

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

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

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

- a. Name(s) of the related party and nature of relationship: N.A.
- b. Nature of contracts/arrangements/transactions: N.A.
- c. Duration of the contracts / arrangements/transactions: N.A.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- e. Justification for entering into such contracts or arrangements or transactions: N.A.
- f. Date(s) of approval by the Board: N.A.
- g. Amount paid as advances, if any: N.A.
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.



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

Name of the party	Nature of transactions	As at March 31, 2019	As at March 31, 2018
Madhusudan Lakhotia	Director Remuneration	480,000	480,000
	Rent	90,000	90,000
	Interest	31,600	36,400
Jayashree Lakhotia	Director Remuneration	240,000	240,000
	Interest	531,960	394,680
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhotia)	Rent	35,000	60,000
	Sales / Job Work	-	620,140
Kanchandevi Lakhotia	Rent	180,000	180,000
Sujata Lakhotia	Salary	300,000	300,000
Madhusudan Lakhotia (HUF)	Commission	-	134,828
	Interest	1,261,920	890,270
Web Zone Digital Solutions	Loan / Advance Given	1,750,000	944,000
	Loan / Advance repayment received	200,000	439,000
Enfinite Etail Enterprises	Loan / Advance Given	3,893,000	60,000
	Loan / Advance repayment received	10,000	-
The Lakhotia Textiles Pvt Ltd	Purchases	-	1,014,482
S C Threads Pvt Ltd	Sales	6,046,851	11,521,176
	Purchases	9,100,001	4,840,012



Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To,
The Members
Lakhotia Polyesters (India) Limited
[CIN: L17120MH2005PLC155146]
158/159 Samarth Sahkariaudyogik
Vasahat Ltd Pimpal- Gaon (Baswant)
Tal Niphad Dist Nashik-422209

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lakhotia Polyesters (India) Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made there-under;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there-under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
6. Other law applicable specifically to the Company, as detailed below;
 - A) Water (Prevention and control of Pollution) Act, 1981
 - B) Air (Prevention and Control of Pollution), Act, 1974



We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and listing agreement entered into by the Company with Stock Exchanges in India.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above, subject to the following:

- i. *The Company has not appointed the Company Secretary during the financial year as required under section 203 of the Companies Act, 2013 and has not fully complied with the regulation 6 (1) of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to appointment of compliance officer of the Company*
- ii. *The Company has granted loans and advances to a firm/Company, in which Directors of the Company are interested in contravention of the provisions of section 185 of the Companies Act, 2013.*
- iii. *The Compliance certificate submitted to the Exchange under regulation 7 (3) of SEBI (LODR), 2015 is signed by person other than Compliance officer.*
- iv. *The company has delayed in payment of Listing fee for the financial year 2018-19 as required under regulation 14 of SEBI (LODR), 2015 which was beyond April 30, 2018.*
- v. *The Company has delayed in submission of Voting Results of the AGM held on September 30, 2018 which are to be submitted within 48 hours of conclusion of AGM as per regulation 44 (3) of SEBI (LODR), 2015.*
- vi. *The Company has delayed in submission of Shareholding patterns for the quarter ended on June 30, 2018.*
- vii. *The Company has delayed in submission of Financial Results, as required under regulation 33(3) SEBI (LODR), 2015.*
- viii. *The Company has not complied with the provisions of section 149 of the Companies Act, 2013 with regard to appointment and re-appointment of Independent Directors of the Company.*

During the financial year under review, provisions of the following regulations were not applicable to the Company;

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- iii. The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008



- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We further report that:

- The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthen to commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that following specific event/action in pursuance of any of the above referred laws, rules, regulations, guidelines etc., may have major bearing on the Company affairs.

- i. *The SEBI has imposed a penalty and issued notice for non compliance of for non-compliance of Regulation 33 of SEBI (LODR), 2015 for the quarter ended on March 31, 2019 and warned to freeze the promoters holding if aforesaid default continues.*
- ii. *The SEBI has imposed a penalty and issued notice for non compliance of for non-compliance of Regulation 6(1) of SEBI (LODR), 2015 for the quarter ended on March 31, 2019 and warned to freeze the promoters holding if aforesaid default continues.*

For R M MIMANI & ASSOCIATES LLP
[Company Secretaries]
[Firm Registration No. I2001MH250300]

Ranjana Mimani
(Partner)



FCS No: 6271
CP No. : 4234

Place: Mumbai
Dated: September 05, 2019

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.



Annexure - "A"

To,
The Members
Lakhotia Polyesters (India) Limited
[CIN: L17120MH2005PLC155146]
158/159 Samarth Sahkariaudyogik
Vasahat Ltd Pimpal- Gaon (Baswant)
Tal Niphad Dist Nashik-422209

Our Secretarial Audit Report of even date is to be read along with this letter;

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

For R M MIMANI & ASSOCIATES LLP
[Company Secretaries]
[Firm Registration No. I2001MH250300]

Ranjana Mimani
(Partner)

FCS No: 6271
CP No. : 4234

Place: Mumbai
Dated: September 05, 2019



MANAGEMENT REPLY FOR QUALIFICATIONS MENTIONED IN THE SECRETARIAL AUDITORS' REPORT

Dear Members,

With Reference to the captioned subject matter, please find below the Management Reply to the qualifications mentioned in the Secretarial Auditors' Report.

- (i) *The Company has not appointed the Company Secretary during the financial year as required under section 203 of the Companies Act, 2013 and has not fully complied with the regulation 6 (1) of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to appointment of compliance officer of the Company.*

Management Reply: The Company was unable to find the suitable candidate for the post of Company Secretary and hence Mr. Vivek Rathi Chief Financial Officer of the Company was the Compliance Officer of the Company. The Company had given newspaper advertisement for "Requirement for the Post of Company Secretary" in the Financial Year 2018-19. Post the advertisement the company conducted many interviews of the candidates who applied for the post and selected Mrs. Shannu Chaturvedi Vinayak and appointed her as the Company Secretary and Compliance Officer of the Company w.e.f 01/07/2019.

- (ii) *The Company has granted loans and advances to a firm/Company, in which Directors of the Company are interested in contravention of the provisions of section 185 of the Companies Act, 2013.*

Management Reply: The Company have granted Advances for the procurement of raw material which is in ordinary course of business.

- (iii) *The Compliance certificate submitted to the Exchange under regulation 7 (3) of SEBI (LODR), 2015 is signed by person other than Compliance officer.*

Management Reply: The Company Secretary and Compliance Officer of the Company was appointed w.e.f 01/07/2019. Hence Mr. Vivek Rathi Chief Financial Officer of the Company was the Compliance Officer of the Company.

- (iv) *The company has delayed in payment of Listing fee for the financial year 2018-19 as required under regulation 14 of SEBI (LODR), 2015 which was beyond April 30, 2018.*

Management Reply: The Listing Fees for the financial year 2018-19 was paid by the company on 04.09.2018.

- (v) *The Company has delayed in submission of Voting Results of the AGM held on September 30, 2018 which are to be submitted within 48 hours of conclusion of AGM as per regulation 44 (3) of SEBI (LODR), 2015.*



Management Reply: The Company hereby states that the Outcome of AGM held on September 30, 2018 was submitted to the Stock Exchange on October 01, 2018.

- (vi) *The company has delayed in submission of Shareholding patterns for the quarter ended on June 30, 2018.*

Management Reply: The Company hereby states that the company was in discussion with NSDL CDSL in relation to the payment of fees to NSDL CDSL which was duly paid by us but was not updated in the records of NSDL CDSL due to which the benpose of our company was blocked by NSDL CDSL and further upon the resolution of the same we received the benpose details from RTA and then the shareholding pattern for the Quarter ended June 2018 was filed from our end which lead the company in filing the shareholding pattern late with BSE.

- (vii) *The Company has delayed in submission of Financial Results, as required under regulation 33(3) SEBI (LODR), 2015.*

Management Reply: The Company hereby states that the delay in submission of Financial Results under regulation 33(3) was due to unavoidable reasons.

- (viii) *The Company has not complied with the provisions of section 149 of the Companies Act, 2013 with regard to appointment and re-appointment of Independent Directors of the Company.*

Management Reply: The Company hereby state that the Independent Director of the Company Mr. Shailesh Mistry is being reappointed in the AGM to be held on 29th September 2019 and Mr. Sri Gopal Mundra and Mr. Vashishtha Mohan Pandiya was appointed as Additional Director on 31.05.2019 and Mr. Anil Patodia and Mr. Sajjan Chaudhary resigned from the Directorship on 04.02.2019 and 30.05.2019 respectively.

Specific Event/Action Reported

- i. *The SEBI has imposed a penalty and issued notice for non compliance of for non-compliance of Regulation 33 of SEBI (LODR), 2015 for the quarter ended on March 31, 2019 and warned to freeze the promoters holding if aforesaid default continues.*

Management Reply: The Company have made the payment of the penalty on 30th August, 2019.

- ii. *The SEBI has imposed a penalty and issued notice for non compliance of for non-compliance of Regulation 6(1) of SEBI (LODR), 2015 for the quarter ended on March 31, 2019 and warned to freeze the promoters holding if aforesaid default continues.*

Management Reply: The Company have made the payment of the penalty on 30th August, 2019.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview:

The company specializes in lacquered metallised polyester film which finds application primarily in the textile and apparel industry. The grade of coated polyester film produced is used extensively in the manufacture of metallic yarns.

The process of metalizing polyester or polymer films leads to a product that is glossy and shiny in its appearance. The process of metalizing involves the layering or coating of polymers with aluminium. The result is a reflective surface which reduces the vulnerability of the material to sunlight, moisture and air. Polyester coated films are available in different grades and specifications and find use across a varied number of industries from flexible packaging, shrink labels, cable insulation, and magnetic media to textiles and decorations.

Industry, Structure & Developments:

In the early days metallic yarns were limited to silver and gold variants. However, today every conceivable shade of colour is reproducible. The ability to read market trends and cater to unique shades, differentiates one company from another and determines the demand pull for metallic yarns. While the industry is fairly organized, there exist a large number of players within the metallic yarn segment. There are few companies that specialize solely in catering to the metallic yarn segment, with most players producing a large array of metallised polyester films which cater primarily to the needs of the flexible packaging industry.

Operational Performance

During the current period of operation, your company have profits of Rs. 2,16,881.

Risk & Concerns

The largest component of costs involved in making flexible packaging film is attributable to raw materials.

Given the volatile trend in polyesters and demand for polyesters for competing applications the pressure on input costs can be expected to fluctuate.

Adequacy of Internal Control System

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

Human Resource Development

The Company recognizes that its human resource is its strength in realizing its goals and objectives.

Cautionary Statement

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.



**For and on behalf of the Board
LAKHOTIA POLYESTERS (INDIA) LIMITED**

**Date: September 05, 2019
Place: Nashik**

**Sd/-
Madhusudhan Lakhota
(Managing Director)**

**Sd/-
Jayshree Lakhota
(Executive Director)**



CORPORATE GOVERNANCE REPORT

Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. Responsible corporate conduct is integral to the way we do our business. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The strength of Board of Directors is 6 (Six) as on March 31, 2019, whose composition and category is given below:

Three - Executive Directors

Three - Independent Directors

The composition of the Board also complies with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

A. The Constitution of the Board as on March 31, 2019

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

Sr. No.	Directors	Category	No. of Other Directorship [#]		No. of Other Committee positions	
			Public	Private	Member	Chairman
1	Mr. Madhusudan Lakhotia	Chairman and Managing Director	0	0	0	0
2	Mrs. Jayshree Lakhotia	Executive Director	0	0	0	0
3	Mr. Sajjan Chaudhary*	Independent Director	0	0	0	0
4	Mr. Anil Patodia [§]	Independent Director	0	0	0	0
5	Mr. Shailesh Mistry	Independent Director	0	0	0	0
6	Mr. Ashok Kumar Khajanchi	Executive Director	0	0	0	0

**Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019*



[§] Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019

[#] Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31st March 2019 in Lakhota Polyester India Limited

Sr. No.	Directors	Category	No. of other Directorship		No. of Committee positions held in the company	
			Public	Private	Member	Chairman
1	Mr. Madhusudan Lakhota	Chairman and Managing Director	0	0	1	0
2	Mrs. Jayshree Lakhota	Executive Director	0	0	0	0
3	Mr. Sajjan Chaudhary*	Independent Director	0	0	2	1
4	Mr. Anil Patodia [§]	Independent Director	0	0	2	0
5	Mr. Shailesh Mistry	Independent Director	0	0	1	2
6	Mr. Ashok Kumar Khajanchi	Executive Director	0	0	0	0

* Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019

[§]Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019.

Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on the date of AGM in Lakhota Polyester India Limited

Sr. No.	Directors	Category	No. of other Directorship		No. of Committee positions held in the company	
			Public	Private	Member	Chairman
1	Mr. Madhusudan Lakhota	Chairman and Managing Director	0	0	1	0
2	Mrs. Jayshree Lakhota	Executive Director	0	0	0	0
3	Mr. Sri Gopal Mundra*	Independent Director	0	0	2	1
4	Mr. Vashishtha Pandiya*	Independent Director	0	0	2	0
5	Mr. Shailesh Mistry	Independent Director	0	0	1	2
6	Mr. Ashok Kumar Khajanchi	Executive Director	0	0	0	0

*Appointed as Independent Director w.e.f. 31.05.2019

None of the Directors hold directorship in more than 20 Public Limited Companies nor is a member in more than ten committees or acts as chairman of more than 5 committees across all the companies in which they are Directors.



B. Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956/ Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

C. Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is set by the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the Financial Year 2018-19, the Board of Directors of the Company met on April 12, 2018, June 5, 2018, September 3, 2018, September 7, 2018, November 14, 2018 and February 14, 2019.

Attendance of Each Director at the Board Meetings and the Last Annual General Meeting:

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 30.09.2018
1	Mr. Madhusudan Lakhota	Chairman and Managing Director	6	Present
2	Mrs. Jayshree Lakhota	Executive Director	6	Present
3	Mr. Sajjan Chaudhary*	Independent Category	6	Present
4	Mr. Anil Patodia [§]	Independent Director	6	Present
5	Mr. Shailesh Mistry	Independent Director	6	Present
6	Mr. Ashok Kumar Khajanchi	Executive Director	6	Present

*Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019.

[§]Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019.



D. Board Procedure

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audiovisual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

E. Board Training and Familiarisation Program

At the time of appointing a Director, a formal letter of appointment is given. The Directors are familiarised with the History, Vision and Mission of the Company and also explained in details the compliances required from them under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other relevant regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director. The above initiative helps the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips them to effectively fulfil his role as a Director of the Company.

F. Appointment of Directors

Mr. Sri Gopal Mundra, who retires at the AGM as per the provisions of Section 161, offers himself to be appointed as Independent Non-Executive Director.

Mr. Vashishtha Mohan Pandiya, who retires at the AGM as per the provisions of Section 161, offers himself to be appointed as Independent Non-Executive Director.

G. Reappointment of Directors

Mrs. Jayshree Madhusudhan Lakhotia retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment at the Annual General Meeting.

Mr. Madhusudhan Lakhotia retires as Managing Director of the company, otherwise than by rotation, and offers himself for reappointment as the Managing Director at the ensuing Annual General Meeting.

Mr. Shailesh Mistry retires as Independent Director of the company, otherwise than by rotation, and offers himself for reappointment as the Independent Director at the Annual General Meeting for the second term of 5 years.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory and non-statutory Committees.



a. Audit Committee

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015. The Audit Committee of the Company acts as a supervisor to the Accounting system of the Company which it reports to the Board of Directors of the Company. Members of the committee at present are:

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Sajjan Chaudhary*	Chairman	Independent Director	5	5
Mr. Shailesh Mistry	Member	Independent Director	5	5
Mr. Madhusudan Lakhota	Member	Managing Director	5	5

**Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019*

During the Financial Year 2018-19, Audit Committee met on 27th May 2018, 1st September 2018, 5th September 2018, 13th November 2018, and 13th February 2019.

Terms of reference of the audit committee are broadly defined as under:

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015

b. Nomination & Remuneration Committee

As per Section 178 (1) of the Companies Act, 2013, Our Company has constituted a Nomination & Remuneration Committee. The members of the said committee as on March 31, 2018 are:

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Shailesh Mistry	Chairman	Independent Director	1	1
Mr. Sajjan Chaudhary*	Member	Independent Director	1	1
Mr. Anil Patodia [#]	Member	Independent Director	1	1

** Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019*

[#] Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019.

Terms of reference of the Nomination & Remuneration Committees are broadly defined as under:

The Committee's terms of reference powers, role and functions are as stipulated under Section 178 of The Companies Act, 2013 and Regulation 19 of the Listing Regulation, which are as followed:

- I. To guide the Board and lay down criteria in relation to appointment and removal of Directors,



- Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
 - IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
 - V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
 - VI. To devise a policy on Board diversity,
 - VII. To develop a succession plan for the Board and to regularly review the plan.

During the year ended 31st March, 2019, 1 Nomination & Remuneration Committee Meeting was held on 13th February 2019.

c. Stakeholders Relationship Committee –

As Companies Act, 2013 ('the Act') have come into force w.e.f. April 01, 2014; pursuant to Section 178 of the Act, your Company has re-constituted Shareholders / Investors Grievances & Share Transfer Committee to "Stakeholders Relationship Committee".

The members of the committee as on March 31, 2018 are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajjan Chaudhary*	Member	Independent Director
Mr. Anil Patodia [#]	Member	Independent Director

* Mr. Sajjan Chaudhary the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 30/05/2019

[#] Mr. Anil Patodia the Independent Director of the Company resigned from the post of Independent Directorship w.e.f. 04.02.2019.

Terms of reference of the Stakeholders Relationship Committee are broadly defined as under:

To resolve the complaints and grievances of the investors/stakeholders and to function in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

Name, Designation and address of the Compliance Officer:

Mrs. Shannu Chaturvedi*

158/159 SamarathaSahkariAudyogikVasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra – 422209

Tel: +91 2550-252300

Fax: +91 2550-252300

Email: info@lakhotiapoly.in

*Appointed w.e.f. 01/07/2019



Details of Shareholders' / Investors' Complaints during the FY ended 31st March 2019.

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

During the year ended 31st March, 2019, 1 Committee Meeting were held on the following dates: 5th September 2018, 13th February, 2019.

d. Risk Management Committee

Forming Risk Management Committee is not applicable to our Company.

e. Policy on material subsidiary

Company does not have a material subsidiary and hence the Company is not required to formulate policy on material subsidiary

f. Policy on Related party transactions

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations. The details of the policy have been disclosed on company's website www.lakhotiapoly.in. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

g. Independent Directors' Meeting

During the year under review, the Independent Directors met inter alia, to discuss and review:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

4. Policy on Disclosure and Internal procedure for prevention of Insider Trading

Ms. Shannu Chaturvedi, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.



5. SHAREHOLDER INFORMATION

• GENERAL BODY MEETINGS:

The details of date, time and location of annual general meetings held in the last two years are as under:

Year	Date of AGM	Day	Time	Venue
2017-18	30.09.2018	Sunday	3.00 PM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2016-17	30.09.2017	Saturday	11.30 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India

• Postal Ballot

One resolution relating to consider and approve the Appointment of Statutory Auditors arising out of Casual Vacancy.

• Annual General Meeting for the financial year 2018-19

Date	Sunday, 30 th September, 2019,
Venue	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal - Niphad, Nashik – 422209
Time	10.00 a.m.

• Calendar of financial year ended 31st March 2019

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2019 were held on the following dates:

First Quarter	September 03, 2018
Second Quarter	November 14, 2018
Third Quarter	February 14, 2019
Fourth Quarter	May 31, 2019

• Bifurcation of shares held in physical and demat form as on 31st March 2019

Particulars	No. of Shares	%
Physical Shares	0	0
Demat Shares		
NSDL (A)	1,05,203	1.00
CDSL (B)	1,03,68,785	99.00
TOTAL (A+B)	1,04,73,988	100.00

• Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)* Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	LAKHOTIA



ISIN	INE191O01010
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The listing fee for the financial year 2019-20 has been paid to the above Stock Exchanges.

• **Share Price Data**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2019 are as under:

Month	High Price (Rs.)	Low Price (Rs.)	Volume
Apr-18	8.7	8.7	250010
Jul-18	9.04	8.87	17
Aug-18	9.22	9.04	510
Sep-18	9.28	9.28	30
Oct-18	9.20	9.20	200
Nov-18	9.20	9.02	201
Jan-19	9.02	9.02	1

• **Share holding pattern of the Company as on 31.03.2019**

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	33,28,388	31.78
2.	Body Corporate (Public)	63,59,903	60.72
3.	Resident Individuals and HUF (Public)	7,85,697	7.50
	TOTAL	1,04,73,988	100.00

• **Share Transfer System:**

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Sharex Dynamic (India) Private Limited handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

• **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:**

Nil

• **Plant Locations:**

Location	Activity
Plot 158, 159, 160, 161, 162, Shree Samartha Sahakari Audyogik Vasahat Ltd., Pimpalgaon Baswant, Taluka - Niphad, District Nashik, Maharashtra	Metallic Film Manufacturing, Lacquer Coated Metallic Yarn Manufacturing, Chemical Resistant Films Manufacturing
S. No 329/2, Plot No 11 (Part) + 12+13+14 (Part), Near Rajasthani School, Malegaon, (Nashik) – 423203	Grey Fabric Manufacturing



• **ADDRESS FOR CORRESPONDENCE:**

LAKHOTIA POLYESTERS (INDIA) LIMITED

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.

Pimpal – Gaon (Baswant), Tal Niphad,

District Nashik, Maharashtra – 422209

Tel: +91 2550-252300 Fax: +91 2550-252300

Website: www.lakhotiapoly.in Email: info@lakhotiapoly.in

CIN: L17120MH2005PLC155146

• **REGISTRAR AND SHARE TRANSFER AGENT:**

Registered Office: Sharex Dynamic (India) Private Limited

Unit-1, Luthra Ind Premises,

1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road,

Safeed Pool, Andheri East,

Mumbai, Maharashtra 400072

Branch Office: C 101,247 Park, LBS Marg, Vikhroli West Mumbai 400083

1. Disclosures:

a) Related Party Transaction:

Details are as mentioned in Form AOC 2 which forms part of Directors Report.

b) Statutory Compliance, Penalties and Strictures:

The Company has complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules 2006 and relevant provisions of the Companies Act, 2013 while preparing its financial statements.

c) Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

d) Reconciliation of Share Capital Audit:

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.



e) Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015

The Company has complied with the mandatory requirements SME Listing Agreement / Clause 49 of Listing Agreement / Regulation 27 of SEBI (LODR) Regulations, 2015 and submits on quarterly/yearly basis the Corporate Governance reports to the concerned Stock Exchanges.

The provisions of regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR), Regulations, 2015 are fully complied with, to the extent applicable to the Company. All the mandatory disclosure as required in term of the provisions of SEBI (LODR), Regulations, 2015 are disclosed in this report.

f) CEO / CFO CERTIFICATE:

Appropriate certification as required under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

g) Means of Communication

Quarterly, and Annual results of the Company are published in newspapers such as Times of India (Nashik) and Maharashtra Times (Nashik). These results are promptly submitted to the BSE Limited. The Company's results and press releases are available on the Company's website www.lakhotiapoly.in

a) Further the company adopted the following discretionary requirements under Regulation 27 (1) of SEBI (LODR), Regulations, 2015

i. The Board:

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

ii. Nomination and Remuneration Committee:

Details regarding Nomination and Remuneration Committee are provided and forms part of this report.

iii. Shareholders' Right:

Quarterly or half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. The Company has posted its half yearly and annual financial results on its website i.e. www.lakhotiapoly.in Quarterly, Half-Yearly and Annual results of the Company are published in newspapers such as Times of India (Nashik) and Maharashtra Times (Nashik).

iv. Audit Qualification:

There are no audit qualifications in the financial statements for the financial year 2018-19

v. Reporting of Internal Auditors

The Internal Auditors directly reported to the Audit Committee



DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE CODE OF CONDUCT

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2019.

For Lakhotia Polyesters (India) Limited

Date: May 31, 2019
Place: Nashik

Sd/-
Madhusudhan Lakhotia
Managing Director



CEO / CFO CERTIFICATION

**CEO / CFO certification for Preparation of Financial Statements on Standalone Basis
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

**To,
The Board of Directors,
Lakhotia Polyesters (India) Limited**

CEO / CFO certification for Preparation of Financial Statements on Standalone & Consolidated Basis

I, Madhusudhan Lakhotia – Managing Director and Vivek Rathi – Chief Financial Officer, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31st March, 2019 and that to the best of our knowledge and belief:

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee that

- (i) There are no significant changes in internal control over financial reporting during the year;
- (ii) There are no changes in accounting policies during the year requiring disclosure in the notes to financial statements; and
- (iii) There are no instances of significant fraud in the company's internal control system over financial reporting.

For Lakhotia Polyesters (India) Limited

**Sd/-
Vivek Rathi
Chief Financial Officer**

**Sd/-
Madhusudhan Lakhotia
Managing Director**

Date : May 31, 2019

Place : Nashik



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members of
Lakhotia Polyesters India Ltd.**

We have examined the compliance of conditions of Corporate Governance by Lakhotia Polyesters India Ltd. for the period ended March 31st, 2019, as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulations.

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

For R R GUJRATHI & Co.
Chartered Accountants
FRN - 103382W

Nashik
31.05.2019

Rohit Rajmal Bafna, FCA
Membership No. 113955



INDEPENDENT AUDITOR'S REPORT

To the Members of -
Lakhotia Polyesters (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Lakhotia Polyesters (India) Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also -

- ✓ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ✓ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid standalone 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) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :



1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1(13) to the financial statements.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable.
3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **R R GUJRATHI & CO.**
Chartered Accountants
Firm Registration No. 103382W

Nashik
31.05.2019

Rohit Rajmal Bafana, Partner
Membership No. 113955



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph "**Report on Other Legal and Regulatory Requirements**" of Our Report of even date to the members of Lakhota Polyesters (India) Limited on the accounts of the company for the year ended 31st March, 2019.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that-

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. But the record relating to physical verification of fixed assets has not been maintained;
- (c) The title deeds of the immovable properties are held in the name of the company.
- (ii) The inventories at all business places have been physically verified by the management from time to time. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the books of accounts. But the record relating to physical verification of inventories has not been maintained.
- (iii) (a) The company has granted loans to the 2 parties covered in the register maintained under section 189 of the Companies Act, 2013. Based upon the management representations as made to us, we report that these advances are towards business transactions and in the normal course of business activity of the company.
- (b) These loans are repayable on demand and hence, no schedule of repayment is prepared. Interest has not been charged on these loans / advances.
- (c) The due date for repayment of these advances is not fixed and hence, the loan is not overdue.
- (iv) The company has complied with the provisions of section 186 of the Act. But has not complied with the provisions of section 185 by advancing a sum to 2 parties having substantial interest of the Managing Director of the company.
- (v) The Company has accepted deposits from its directors and relatives and has complied with the provisions of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax (TDS), Profession Tax, as applicable, with the appropriate authorities in India. Following are the amounts due for more than six months but not paid –

Particulars	Amount `
-------------	----------



Profession Tax	78,875/-
Service Tax	5,038/-
Income Tax - TDS	10,33,570/-
GST - Reverse Charge	20,030/-
TDS - Late Fees & Interest	6,40,810/-

- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are following disputed unpaid amounts –

Particulars	Amount ` in Lakhs	Forum where dispute is pending
Customs Duty	220.91	CESTAT, Mumbai

- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues to the banks. No debentures have been issued by the company and hence, compliance with the said clause is not applicable.
- (ix) In our opinion, and according to the information and explanations given to us, the company has neither raised any term loan nor collected money by way of initial or further public offer during the financial year.
- (x) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- (xi) The company has paid managerial remuneration in accordance with the provisions of section 197 of the Act.
- (xii) The company is not a nidhi company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 178 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv) 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 non - cash transactions with directors or persons related to them in the nature prescribed under section 192 of the Act.
- (xvi) The company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

For R R GUJRATHI & Co.
Chartered Accountants
FRN - 103382W

Nashik
31.05.2019

Rohit Rajmal Bafna, FCA
Membership No. 113955



Annexure B to the Independents Auditor's Report of even date on the standalone financial statements of M/s. Lakhotia Polyester (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Grainotch Industries Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting



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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For R R GUJRATHI & Co.
Chartered Accountants
FRN - 103382W

Nashik
31.05.2019

Rohit Rajmal Bafna, FCA
Membership No. 113955



LAKHOTIA POLYESTERS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A. ASSETS			
(1) Non-Current Assets			
Property , Plant and Equipment	2	5,720,578	6,515,457
Financial Assets			
Investments	3	14,510,003	22,231,000
Other Financial Assets	4	21,165,720	15,732,720
Deferred Tax Assets (net)	14	1,061,465	896,926
Other Non-Current Assets	5	-	421,446
(2) Current Assets			
Inventories	6	52,104,478	57,090,774
Financial Assets			
Trade receivables	7	156,706,612	124,608,403
Cash and cash equivalents	8	2,246,402	1,574,723
Loans	9	219,400	219,400
Other current assets	10	2,960,438	4,950,016
Total Assets		256,695,096	234,240,865
B. EQUITY AND LIABILITIES			
(1) EQUITY			
Equity Share Capital	11	104,739,880	104,739,880
Other Equity	12	(18,135,368)	(10,671,707)
LIABILITIES			
(2) Non-current Liabilities			
Financial Liabilities			
Borrowings	13	13,791,616	9,439,997
Deferred Tax Liabilities	14	-	-
(3) Current Liabilities			
Financial Liabilities			
Borrowings	15	45,410,402	45,137,660
Trade Payable	16	102,852,603	81,600,215
Provisions	17	8,035,963	3,994,820
Total Equity and Liabilities		256,695,096	234,240,865

See accompanying notes to the financial statements

As per our report of even date
For **R R GUJRATHI & CO.**
Chartered Accountants
FRN - 103382W

For & on behalf of the Board of Directors
LAKHOTIA POLYESTERS (INDIA) LIMITED

Rohit R Bafna, FCA
Partner
Membership No. 113955

M S Lakhota
Managing Director
DIN - 00104576

J M Lakhota
Director
DIN - 05357609

Nashik
31.05.2019

Vivek V Rathi
CFO



LAKHOTIA POLYESTERS (INDIA) LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rupees)

Sr. No	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue From Operations	18	196,854,358	207,400,453
II	Other Income	19	6,241,751	4,995,148
III	Total Income (I+II)		203,096,109	212,395,601
IV	Expenses:			
	Cost of materials consumed	20	177,984,297	160,721,171
	Changes in inventory of finished goods, work in progress and stock in trade	21	814,637	22,546,983
	Employee Benefit Expense	22	4,414,187	7,476,396
	Finance Cost	23	7,226,854	6,663,584
	Depreciation and Amortization Expense	2	1,572,984	1,521,412
	Other Expenses	24	10,386,286	13,000,558
	Total expenses (IV)		202,399,245	211,930,104
V	Profit / (loss) before tax (III-IV)		696,864	465,497
VI	Tax Expense	25		
	Current tax		527,620	357,159
	Deferred Tax		(164,539)	(2,076,653)
	Current tax Expense relating to prior years		116,902	2,510
	Total Tax Expense(VIII)		479,983	(1,716,984)
VII	Profit / (Loss) for the period (VII-VIII)		216,881	2,182,481
VIII	Other Comprehensive Income (Net of Tax)			
	A (i) Items that will not be reclassified to profit or loss		-	-
	Net changes in fair values of investments in equity shares carried at fair values through OCI		(4,123,293)	(1,140,000)
	Loss on Sale of Equity Shares held as Investment		(3,557,249)	-
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	Total Comprehensive Income for the year (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		(7,463,661)	1,042,481
X	Earning per equity share (of Rs. 10/- each)	33		
	- Basic		(0.71)	0.10
	- Diluted		(0.71)	0.10

See accompanying notes to the financial statements

As per our report of even date
For R R GUJRATHI & CO.
Chartered Accountants
FRN - 103382W

For & on behalf of the Board of Directors
LAKHOTIA POLYSTERS (INDIA) LIMITED

Rohit R Bafna, FCA
Partner
Membership No. 113955

M S Lakhotia
Managing Director
DIN - 00104576

J M Lakhotia
Director
DIN - 05357609

Nashik
31.05.2019

Vivek V Rathie
CFO



LAKHOTIA POLYESTERS (INDIA) LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from Operating Activities		
Net Profit before tax expense	696,864	465,497
Adjustment for Non Cash expenses		
- Depreciation	1,572,984	1,521,412
- Finance Cost	7,226,854	6,663,584
Operating Profit before changes in Working Capital	9,496,702	8,650,493
Adjustment for Working Capital Changes	211,651	(8,768,124)
Cash generated from operations	9,708,353	(117,631)
Less : Direct Taxes Paid	644,522	359,669
Add : Balance with Revenue Authority	421,446	544,024
Net cash flow from Operating Activities	9,485,277	66,724
B Cash flow from Investing Activities		
Acquisition of Fixed Assets	(778,105)	(130,667)
Net cash flow from Investing Activities	(778,105)	(130,667)
C Cash flow from Financing Activities		
Finance Cost	(7,226,854)	(6,663,584)
Proceeds from Short Term Loans	4,624,361	7,892,292
Increase in Other Financial Assets	(5,433,000)	(499,000)
Net cash flow from Financing Activities	(8,035,493)	729,708
Net increase / (decrease) in cash and cash equivalents	671,679	665,765
Cash and cash equivalents as at beginning of the year	1,574,723	908,958
Cash and cash equivalents as at the end of the year	2,246,402	1,574,723

As per our report of even date
For **R R GUJRATHI & CO.**
Chartered Accountants
FRN - 103382W

For & on behalf of the Board of Directors
LAKHOTIA POLYSTERS (INDIA) LIMITEE

Rohit R Bafna, FCA
Partner
Membership No. 113955

M S Lakhotia J M Lakhotia
Managing Director Director
DIN - 00104576 DIN - 05357609

Nashik
31.05.2019



LAKHOTIA POLYSTERS (INDIA) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED March 31, 2019

A: Equity Share Capital

(Amount in Rupees)

As at April 1, 2017	Changes in equity share capital during 2017-18	As at March 31,2018	Changes in equity share capital during 2018-19	As at March 31,2019
104,739,880	-	104,739,880	-	104,739,880

B : Other Equity

Particulars	Retained earnings
Balance as at April 1, 2017	(11,714,188)
Profit / (loss) for the year	2,182,481
Other Comprehensive Income	-1,140,000
Total Comprehensive Income	1,042,481
Balance as at March 31,2018	-10,671,707
Profit / (loss) for the year	216,881
Other Comprehensive Income	(7,680,542)
Total Comprehensive Income	-7,463,661
Balance as at March 31,2019	-18,135,368

See accompanying notes to the financial statements.

As per our report of even date
For R R GUJRATHI & CO.
Chartered Accountants
FRN - 103382W

For & on behalf of the Board of Directors
LAKHOTIA POLYSTERS (INDIA) LIMITED

Rohit R Bafna, FCA
Partner
Membership No. 113955

M S Lakhotia J M Lakhotia
MD Director
DIN - 00104576 DIN - 05357609

Nashik
31.05.2019

Vivek V Rathie
CFO



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

Note 2: Property, Plant and Equipment

(Amount in Rupees)

Particulars	Land	Buildings	Plant & Machinery	Vehicles	Office Equipment	Furniture & Fixture	Total
Gross Carrying Amount							
Year Ended March 31, 2018							
Cost as at April 1, 2017	186,620	1,288,998	14,203,945	1,531,838	1,043,644	161,666	18,416,711
Additions	-	-	-	-	130,667	-	130,667
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount	186,620	1,288,998	14,203,945	1,531,838	1,174,311	161,666	18,547,378
Year Ended March 31, 2018							
Opening gross carrying amount	186,620	1,288,998	14,203,945	1,531,838	1,174,311	161,666	18,547,378
Additions	-	-	726,442	-	51,663	-	778,105
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount	186,620	1,288,998	14,930,387	1,531,838	1,225,974	161,666	19,325,483
Accumulated Depreciation							
As at April 1, 2017	-	411,976	8,230,216	1,168,552	538,099	161,666	10,510,509
Depreciation charge during the year	-	42,768	1,243,291	140,204	95,149	-	1,521,412
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation at 31st March, 2018	-	454,744	9,473,507	1,308,756	633,248	161,666	12,031,921
Accumulated Depreciation							
Opening accumulated depreciation	-	454,744	9,473,507	1,308,756	633,248	161,666	12,031,921
Depreciation charge during the year	-	42,768	1,287,981	140,204	102,031	-	1,572,984
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation at 31st March, 2019	-	497,512	10,761,488	1,448,960	735,279	161,666	13,604,905
Net Carrying Amount							
As at April 1, 2017	186,620	877,022	5,973,729	363,286	505,545	-	7,906,202
As at March 31, 2018	186,620	834,254	4,730,438	223,082	541,063	-	6,515,457
As at March 31, 2019	186,620	791,486	4,168,899	82,878	490,695	-	5,720,578



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

Note 3 : Investments

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted shares of co-operative society	1,000	1,000
Investment in Quoted Equity Shares	29,278,175	38,000,000
Less: Provision for diminution in the value	(14,769,172)	(15,770,000)
Total	14,510,003	22,231,000

Total non current investments		
(a) Aggregate amount of quoted investments - at Cost	29,278,175	38,000,000
(b) Aggregate amount of quoted investments and market value thereof	14,509,003	22,230,000
(c) Aggregate amount of unquoted investments - at cost	1,000	1,000
(d) Aggregate amount of impairment in value of investments	14,769,172	15,770,000

Note 4 : Other financial assets

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits - Office, Other Utilities	12,668,720	12,668,720
Advances to Firms (Directors Interest)	5,932,000	499,000
Custom Duty under protest	2,550,000	2,550,000
Share Deposit with Shree Samarth Ind Estates	15,000	15,000
Total	21,165,720	15,732,720

Note 5 : Other Non Current Assets

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Revenue Authorities	-	421,446
Total	-	421,446

Note 6 : Inventories

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories		
- Raw material	32,569,592	36,741,251
- Work In Progress	2,028,260	12,401,961
- Finished Goods	3,735,983	7,776,680
- Stock in Trade	13,770,643	170,882
Total	52,104,478	57,090,774

Stock has been physically verified and valued by the management.



Note 7 : Trade Receivables**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
- More than six months due		
from related party	15,487,925	23,701,071
from others	82,562,101	26,407,273
- Others	-	-
from related party	8,822,951	1,669,454
from others	49,833,635	72,830,605
Less: Allowance for doubtful debts	-	-
Total	156,706,612	124,608,403

RBI approval for delay in recovery of export receivables beyond six months has not been obtained.

Note 8 : Cash and cash equivalents**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current Account Balance with Schedule Banks		
In Current accounts	269,663	220,413
Cash in hand	1,976,739	1,354,310
Total	2,246,402	1,574,723

Bank balances are subject to reconciliation. Cash balance has on balance sheet date has not been verified by the Auditors.

Note 9 : Loans**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured & Considered good	219,400	219,400
Total	219,400	219,400

Note 10 : Other Current Assets**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
GST Receivable	2,320,331	4,299,856
TDS Receivable	24,682	-
Advance for expenses	615,425	650,160
Total	2,960,438	4,950,016

GST Audit is yet to be completed and the balances stated above are subject to reconciliation.



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

Note 11 : Equity share capital (Amount in Rupees)

Authorised equity share capital

Particulars	No. of Shares	Amount
As at 1 April 2017	105,000,000	105,000,000
Increase during the year	-	-
As at 31 March 2018	105,000,000	105,000,000
Increase during the year	-	-
As at 31 March 2019	105,000,000	105,000,000

(i) Movements in equity share capital

Particulars	No. of Shares	Amount
Issued, Subscribed & Paid up		
As at 1 April 2017	104,739,880	104,739,880
Increase during the year	-	-
As at 31 March 2018	104,739,880	104,739,880
Increase during the year	-	-
As at 31 March 2019	104,739,880	104,739,880

Terms & conditions

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sanjoyog Trade Link Pvt. Ltd.	2,049,500	19.57%	2,049,500	19.57%
Intensive Finance Pvt. Ltd.	2,040,192	19.48%		
Giza Estates Pvt. Ltd.	1,095,110	10.46%	1,095,110	10.46%
Arrowspace Advisors Pvt. Ltd.	902,490	8.62%		
Madhusudan Lakhotiya	1,409,380	13.46%	1,409,380	13.46%
Kanchandevi S Lakhotia	736,624	7.03%	736,624	7.03%
Shatrunjay Estates Pvt. Ltd.			2,040,192	19.48%
Sanwaria Vincomm Pvt. Ltd.			1,152,500	11.00%

Note 12 : Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
DIC Subsidy		
Opening balance	1,000,000	1,000,000
Subsidy received during the year	-	-
Closing Balance	1,000,000	1,000,000
Retained earnings		
Opening balance	(11,671,707)	(12,714,188)
Total comprehensive income / (loss) for the period	(7,463,661)	1,042,481
Closing Balance	(19,135,368)	(11,671,707)
TOTAL	86	(18,135,368)



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 13 : Borrowings

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Loan		
-From Others	329,295	-
-From Related Party	13,462,321	9,439,997
Total	13,791,616	9,439,997

No written agreements has been executed between the company and the parties. Interest has been paid / provided @ 12%. Balance confirmation from other parties are awaited.

Note 14 : Deferred Tax Liabilities / (Asset)

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Tax on Depreciation Difference	501,554	745,813
Deferred tax assets		
Tax on Investment Losses	1,535,994	1,640,080
Tax on Disallowances (43B)	27,025	2,659
Total	-1,061,465	-896,926

Unpaid Statutory Dues as on date of signing of Balance Sheet has been ignored since the management has represented that the liabilities will be paid prior to filing of return of income under Income Tax Act, 1961.

Note 15 : Borrowings

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand from Bank	32,623,096	11,797,660
Packing Credit Facility from Bank	12,787,306	33,340,000
Total	45,410,402	45,137,660

Nature of Security : The facility from bank is secured against the following - (i) Hypothecation of stock and Debtors (ii) Collaterally Secured by Factory Land belonging to Company (iii) Additional Collateral Security Owned by Directors & Relatives (iv) Valuation of Total Collateral Security Rs. 468.84 Lakhs (v) Personal Guarantee of Directors & Relatives. Rate of Interest on the same is 8.30%



Note 16 : Trade Payables**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
Due to MSME	-	-
Due to Others	102,852,603	81,600,215
Total	102,852,603	81,600,215

Disclosure of payable to vendors as defined under the 'Micro, Small and Medium Enterprise Development Act, 2006' is based on the information available with the Company regarding the status of registration of such vendors under the Act, as per the information received from them on request made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payment to such vendors at Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or brought forward from previous years.

Note 17 : Provisions**(Amount in Rupees)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (Net of advances)	527,620	330,724
Statutory Liabilities	1,785,030	794,463
Cheques Issued but not cleared	3,382,527	-
Bank Interest Payable	-	78,830
Expenses Payable	2,340,786	2,790,803
Total	8,035,963	3,994,820



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

Note 18 : Revenue from operation

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Goods	196,716,756	206,216,627
Sale of Services	137,602	1,183,826
Total	196,854,358	207,400,453

Note 19 : Other Income

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Duty Drawback / MEIS	2,593,836	1,414,288
Transitional Credit in GST	-	2,418,025
Discount Received	392,324	-
Foreign Exchange Gain / (Loss)	3,255,591	1,162,835
Total	6,241,751	4,995,148

Note 20 : Cost of Material Consumed

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock of Raw Material	36,741,251	22,771,669
Purchases		
- Goods	150,954,174	172,422,843
- Services	22,858,464	2,267,910
Closing Stock of Raw Material	32,569,592	36,741,251
Total	177,984,297	160,721,171

**Note 21 : Changes in inventory of finished goods,
work in progress and stock in trade**

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Closing Stock</u>		
- Work In Progress	2028260	12401961
- Finished Goods	3735983	7776680
- Stock in Trade	13770643	170882
	19,534,886	20,349,523
<u>Opening Stock</u>		
- Work In Progress	12,401,961	10,752,396
- Finished Goods	7,776,680	32,144,110
- Stock in Trade	170,882	-
	20,349,523	42,896,506
Total	-814,637	-22,546,983

Note 22 : Employee benefit expenses

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries & Wages - Manufacturing	2,262,292	5,002,837
Salaries & Wages - Office	1,387,000	1,705,570
Directors Remuneration	720,000	720,000
Provident Fund	44,895	47,989
Total	4,414,187	7,476,396

Note 23 : Finance costs

(Amount in Rupees)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bank Interest	4,883,852	4,234,334
Interest on Statutory Dues	122,416	76,127
Interest - Others	1,854,924	1,423,286
Bank Charges	365,662	929,837
Total	7,226,854	6,663,584



Note 24 : Other expenses**(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Direct Expenses</u>		
Power & Fuel	1,342,429	3,792,716
Factory Expenses	474,002	1,120,329
Freight, Packing, Loading & Unloading Expenses	2,252,032	2,065,998
Processing Expenses	1,687,126	1,643,953
Export Related Expenses - C&F, Transport & Job Work	875,060	55,417
Rent Expenses	310,000	870,000
<u>Indirect Expenses</u>		
Audit Fees	41,800	95,000
Advertisement Expenses	81,734	118,476
BSE, NSDL & ROC Charges	376,476	548,633
Commission Expenses	624,946	134,828
Discount Expenses	26,558	189,572
GST Late Fees	4,000	5,600
Insurance	102,163	22,647
Misc. Expenses	163,124	170,606
Municipal Taxes	77,815	152,795
Office Expenses	179,926	97,823
Office & Staff Quarter Rent	324,000	471,000
Postage & Couriers	80,200	82,130
Petrol & Diesel	73,757	39,642
Printing and Stationery	8,987	15,202
Professional Charges	530,652	511,525
Profession Tax	4,000	2,000
Repairs & Maintenance	46,073	93,137
Software Charges	8,500	81,879
Penalties	28,291	-
TDS Demands	295,230	345,580
Telephone Expenses	10,789	109,843
Tea & Refreshment	2,907	41,791
Travelling & Conveyance	253,553	122,436
VAT Expenses	100,156	-
Total	10,386,286	13,000,558

Auditors Remuneration (inclusive of taxes)**(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment to Auditors		
Audit fee	41,800	59,000
Tax Audit Fee	29,500	47,200
Other service	-	5,900
Total	71,300	112,100



Note 25 : Income Tax expense**(Amount in Rupees)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income Tax expense		
Current tax	527,620	357,159
Less: MAT Credit Entitlement	-	-
Net Current Tax	527,620	357,159
Current tax relating to prior period	116,902	2,510
Deferred tax		
Decrease /(increase) in deferred tax assets	(79,720)	1,642,739
(Decrease) /increase in deferred tax liabilities	244,259	433,914
Net Deferred Tax Effect	164,539	2,076,653
Total	479,983	2,436,322

b) Reconciliation of tax expenses and the accounting loss multiplied by India's tax rate

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(Loss) before income tax expenses	696,864	(604,503)
Tax at the Indian tax rate of 26% (Last Year 25.75%)	181,185	(173,685)
Current Tax effect of :		
Depreciation	250,021	237,293
Fair value recognition of investment through FVTPL	(428,822)	293,550
Penalty	85,155	-
Disallowance u/s 40A(iii)	11,258	-
Deferred Tax effect of :		
Depreciation	(244,259)	(433,914)
Fair value recognition of investment through FVTPL	(1,535,994)	(1,640,080)
Disallowances u/s 43(B)	(27,025)	(2,659)
Total	-1,708,482	(1,719,495)
Adjustment in respect of current tax of previous year	116,902	2,510
Tax expense as per Statement of Profit and Loss	-1,591,580	(1,716,985)



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rupees)

Note 26 : Fair Value Measurement

i) Fair Value of Financial assets and Financial liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated as fair value through profit and loss				
Investments				
- Investments in wholly owned subsidiaries	-	-	-	-
- Investment in Shares	14,510,003	14,510,003	22,231,000	22,230,000
Financial assets designated at amortised cost				
Fixed Deposit with banks	-	-	-	-
Loans	219,400	219,400	219,400	219,400
Trade receivables	-	-	-	-
Cash and cash equivalents	1,976,739	1,976,739	1,354,310	1,354,310
Other Bank Balance	269,663	269,663	220,413	220,413
Security deposits	-	-	-	-
	16,975,805	16,975,805	24,025,123	24,024,123
Financial liabilities designated at amortised cost				
Trade payables	102,852,603	102,852,603	81,600,215	81,600,215
Capital creditors	-	-	-	-
	102,852,603	102,852,603	81,600,215	81,600,215

(ii) Valuation technique used to determine fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value for financial investments are valued using closing NAV.
- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Financial assets and liabilities measured at fair value-recurring fair value measurements	At March 31, 2019				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Investments in wholly owned subsidiaries		-	-	-	-
Investment in Shares	3	14,509,003	1,000	-	14,510,003
Total financial assets		14,509,003	1,000	-	14,510,003



Financial assets and liabilities measured at fair value-recurring fair value measurement	At March 31, 2018				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Investments in wholly owned subsidiaries		-	-	-	-
Investment in Shares	3	22,230,000	1,000	-	22,231,000
Total financial assets		22,230,000	1,000	-	22,231,000

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument are included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

The Company's policy is to recognise transfers into and transfer out in fair value hierarchy levels at the end of the reporting period.



Note 27 : Financial Risk Management

Financial Risk Factors

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, trade and other receivables, cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: Interest rate risk, Other price risks, such as Equity price risk and Commodity risk. Financial instruments affected by market risk include loans, borrowings, deposits and investments. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2019 and March 31, 2018.

ii) Credit Risk

Credit risk arises from cash and cash equivalents and deposits with bank(s) / other company, as well as credit exposure to counter party that will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

iv) Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) Foreign Exchange Risk

The Company transacts business in Indian National Rupee (INR). The Company does not have any foreign currency financial instruments and therefore is not exposed to foreign exchange risk.

(b) Price Risk

The business of the company is providing services in relation setting up of solar power project. The price volatility of the commodities in domestic and international markets does not generally affect the operating activity of the Company.

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations subject to the compliance with loan facilities.

Liquidity Risk

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

(Amount in Rupees)

Note 28 : Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves.

The Company's objectives when managing capital are to:

- (a) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- (b) Maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by equity capital. No changes were made in objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	59,202,018	54,577,657
Net Debt	59,202,018	54,577,657
Total Equity	86,604,512	94,068,173
Total capital	86,604,512	94,068,173
Net Debt to Equity ratio	0.68	0.58



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2019

(Amount in Rupees)

Note 29 : Related Party Disclosures

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

a) List of the related party

Particulars	Relationship	(% of holding)	
		As at March 31, 2019	As at March 31, 2018
Madhusudan Lakhota	Managing Director	13.46%	13.46%
Jayashree Lakhota	Director	1.48%	1.48%
Shyamsunder Lakhota	Family Member of Director		
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhota)	Concern significantly influenced by family members of Director	3.43%	3.43%
Shyamsunder Lakhota (HUF)		2.59%	2.59%
Dhanraj Lakhota	Family Member of Director	1.85%	1.85%
Kanchandevi Lakhota		7.03%	7.03%
Sujata Lakhota		0.00%	0.00%
Madhusudan Lakhota (HUF)	Concern significantly influenced by Director	1.94%	1.94%
Web Zone Digital Solutions	Concern significantly influenced by Director	-	-
Enfinite Etail Enterprises		-	-
The Lakhota Textiles Pvt Ltd	Concern significantly influenced by family members of Director	-	-
S C Threads Pvt Ltd		-	-



b) Key Management Personnel of Company

Name	Designation
Madhusudan Lakhota	Managing Director
Jayashree Lakhota	Director
Sujata Lakhota	Head, Administration
Vivek Rathi	Compliance officer and CFO

c) Transactions during the year with related parties

Name of the party	Nature of transactions	As at March 31, 2019	As at March 31, 2018
Madhusudan Lakhota	Director Remuneration	480,000	480,000
	Rent	90,000	90,000
	Interest	31,600	36,400
Jayashree Lakhota	Director Remuneration	240,000	240,000
	Interest	531,960	394,680
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhota)	Rent	35,000	60,000
	Sales / Job Work	-	620,140
Kanchandevi Lakhota	Rent	180,000	180,000
Sujata Lakhota	Salary	300,000	300,000
Madhusudan Lakhota (HUF)	Commission	-	134,828
	Interest	1,261,920	890,270
Web Zone Digital Solutions	Loan / Advance Given	1,750,000	944,000
	Loan / Advance repayment received	200,000	439,000
Enfinite Etail Enterprises	Loan / Advance Given	3,893,000	60,000
	Loan / Advance repayment received	10,000	-
The Lakhota Textiles Pvt Ltd	Purchases	-	1,014,482
S C Threads Pvt Ltd	Sales	6,046,851	11,521,176
	Purchases	9,100,001	4,840,012

d) Balance outstanding of related parties

Name of the Party	Receivable/(Payable)	As at March 31, 2019	As at March 31, 2018
Madhusudan Lakhota	Payable	45,000	321,069
Jayashree Lakhota	Payable	4,557,274	4,433,428
Madhusudan Lakhota (HUF)	Payable	8,721,364	4,873,470
Kanchandevi Lakhota	Payable	21,145	5,565
Sujata Lakhota	Payable	202,638	143,100
Vivek Rathi	Payable	585,800	368,700
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhota)	Receivable	691,008	4,283,608
Web Zone Digital Solutions	Receivable	1,989,000	439,000
Enfinite Etail Enterprises	Receivable	3,943,000	60,000
S C Threads Pvt Ltd	Receivable	24,310,876	22,210,917



e) Key Management Personnel Compensation

Particulars	As at March 31, 2019	As at March 31, 2018
Madhusudan Lakhotia	480,000	480,000
Jayashree Lakhotia	240,000	240,000
Sujata Lakhotia	300,000	300,000
Vivek Vijay Rathi	390,000	329,400
Total Compensation	1,410,000	1,349,400

Note 30 : Contingent Liabilities

Particulars	Contingent Liability not provided in the books of accounts (Rs. In Lakh)	
	As at March 31, 2019	As at March 31, 2018
Litigation with the customs departments for import of certain materials based upon alleged "misleading information". The matter is pending in Appeal before the Central Excise and Customs Appellate Tribunal, Mumbai.	220.91	220.91
Payments under Employees State Insurance Act - Registration obtained but employees contribution has not been deducted and no amount has been paid	Amount can not be quantified	

Note 31 : Commitments

a) Capital expenditure contracted at the end of the reporting period but not recognised as liability is

Particulars	Capital Commitment	
	As at March 31, 2019	As at March 31, 2018
NIL		

b) The lease arrangement for all premises taken on lease are on verbal commitment without any written agreements. Thus in absence of lease agreement the agewise classification of lease commitments cannot be provided

Particulars	Operating Lease commitments	
	As at March 31, 2019	As at March 31, 2018
- Not later than 1 year	-	-
- Later than 1 year but not later than 5 years	-	-
- Later than 5 years	-	-



Note 32 : Earning per Share

Particulars	As at March 31, 2019	As at March 31, 2018
Basic Earning Per Share		
Profit/(Loss) attributable to Equity	(7,463,661)	1,042,481
Weighted average number of equity	10,473,988	10,473,988
Face value per Share	10	10
Basic Earnings Per Share (in ₹)	(0.71)	0.10
Diluted Earnings per Share (in ₹)	(0.71)	0.10

As per our report of even date
For Lakhotia Polyester India Ltd

For R R GUJRATHI & CO.
CHARTERED ACCOUNTANTS
FRN: 103382W

M. S. LAKHOTIA
Director
DIN - 00104576

J.M. LAKHOTIA
Director
DIN - 05357609

V. V. RATHI
CFO

Rohit R Bafna, FCA
Partner
Membership No. 113955

Nashik
31.05.2019



**LAKHOTIA POLYESTERS (INDIA) LIMITED****CIN:** L17120MH2005PLC155146**Registered office:** 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant) Tal Niphad, District Nashik, Maharashtra- 422209, India.**Email Id:** info@lakhotiapoly.in, **Website:** www.lakhotiapoly.in**ATTENDANCE SLIP**

(Please fill the attendance slip and hand it over at the entrance of the meeting hall)

Regd. Folio

No.**.....

DP ID.....

No. of Shares held

Client ID

Name(s) and address of the shareholder in full

.....

.....

I/we hereby record my/our presence at the 14th Annual General Meeting will be held on 29th September, 2019 at 10.00 a.m. at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal- Niphad, Nashik – 422209, Maharashtra, India

 Signature of Shareholder /Proxy

**Applicable for investor holding shares in physical form





LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

Registered office: 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209, India.

Email Id: info@lakhotiapoly.in, **Website:** www.lakhotiapoly.in

Proxy form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company: Lakhotia Polyesters (India) Limited

Registered office: 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 on the 29th September, 2019 at 3.00 p.m.

Name of the Shareholder (s)

Registered Address

Email Id

Folio No./ Client Id

DP Id

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General meeting of the members of the company, to be held on the 29th September, 2019 at 10.00 a.m. at the registered office of the Company at 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Resolution	Optional	
Ordinary Business:		For	Against
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon		
2.	To appoint as director Mrs. Jayshree Madhusudhan Lakhota (holding DIN: 05357609), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for reappointment.		
Special Business:			
1.	Re-Appointment of Mr. Madhusudhan Lakhota as Managing Director		
2.	Re-Appointment of Mr. Shailesh Mistry as an Independent Non-Executive Director		
3.	Regularisation of Mr. Sri Gopal Mundra as Independent Non-Executive Director		
4.	Regularisation of Mr. Vashishtha Mohan Pandiya as Independent Non-Executive Director		

Signed this..... day of..... 2019

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

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



**If undelivered,
Please return to:
LAKHOTIA POLYESTERS (INDIA) LIMITED
158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.
Pimpal- Gaon (Baswant),
Tal Niphad, District Nashik,
Maharashtra- 422209**

