

LAKHOTIA POLYESTERS (INDIA) LIMITED

16th ANNUAL REPORT
2020-21



TABLE OF CONTENTS

SR NO	PARTICULARS	PAGE NO.
1	Corporate Information	3-4
2	Notice of The Annual General Meeting	5-16
3	Director's Report and Management Discussion and Analysis	17-24
5	Secretarial Audit Reports	25-29
6	Management Discussion and Analysis Report	30-31
7	Corporate Governance Report	32-43
8	CEO/CFO Certification	44
9	Compliance Certificate on Corporate Governance	45
10	Independent Auditor's Report along with Balance Sheet, Profit & Loss Account & Cash Flow Statement	46-100



CORPORATE INFORMATION**BOARD OF DIRECTORS**

- | | | |
|--------------------------------|---|--------------------------------------|
| ▪ Mr. Madhusudan Lakhotia | : | Managing Director |
| ▪ Mrs. Jayshree Lakhotia | : | Chairman & Non-Executive Director |
| ▪ Mr. Ashok Kumar Khajanchi | ; | Executive Director |
| ▪ Mr. Srigopal Mundra | : | Non – Executive Independent Director |
| ▪ Mr. Vashishtha Mohan Pandiya | : | Non – Executive Independent Director |

KEY MANAGERIAL PERSONNEL

- | | | |
|---------------------------|---|--|
| ▪ Mr. Madhusudan Lakhotia | : | Managing Director |
| ▪ Mr. Vivek Rath | : | Chief Financial Officer |
| ▪ Ms. Shannu Chaturvedi | : | Company Secretary & Compliance Officer |

BOARD COMMITTEES

- **AUDIT COMMITTEE**

Mr. Srigopal Mundra	:	Chairman
Mr. Vashishtha Pandiya	:	Member
Mr. Madhusudan Lakhotia	:	Member
- **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Srigopal Mundra	:	Chairman
Mrs. Jayshree Lakhotia	:	Member
Mr. Vashishtha Pandiya	:	Member
- **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Srigopal Mundra	:	Chairman
Mrs. Jayshree Lakhotia	:	Member
Mr. Vashishtha Pandiya	:	Member

BANKERS

- Union Bank of India
- Central Bank of India

STATUTORY AUDITORS

M/s Jain Chhajer & Associates., Chartered Accountants

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

Mr. V B Rath

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai-400083, Mumbai



Tele No. 022-49186270, Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

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 02554-232000; Fax: +91 02554-232000
Website: www.lakhotiapoly.in; Email: info@lakhotiapoly.in
CIN: L17120MH2005PLC155146



NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of the members of **LAKHOTIA POLYESTERS (INDIA) LIMITED** will be held on Thursday, September 30, 2021 at 3.00 p.m. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) 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, 2021 including audited Balance Sheet as at March 31, 2021 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 re-appoint Mrs. Jayshree Lakhotia (DIN: 05357609), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for re-appointment.
3. ***To consider and, if thought fit, to pass, the following resolution as an ordinary resolution;***
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s Jain Chhajer & Associates., Chartered Accountants, (ICSI Firm Registration No. 132748W), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting to be held in the year 2026

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, and to do or perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution to the said Auditors.”

SPECIAL BUSINESS

4. ***To consider and, if thought fit, to pass, the following resolution as an ordinary resolution***

RESOLVED THAT pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee and the Board of Directors and pursuant to Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification of the resolutions passed by the Members at the 14th Annual General Meeting of the Company held on September 29, 2019, consent of the Members of the Company be and is hereby accorded to revise the terms of remuneration payable to Mr. Madhusudhan Lakhotia (DIN: 00104576), as Managing Director of the Company with effect from October 01, 2021 as follows:



- Salary in the range of Rs. 900,000 (Rupees Nine lac only) per annum to Rs. 1,200,000 (Rupees Twelve lac only) per annum, and can be paid as basic salary and through various allowances like Leave Travel Allowance, Commutation Allowance, House Rent Allowance, which one can plan as per the Company policy.
- contribution to Provident Fund, Pension Fund, and Superannuation as per Company policy and Gratuity in accordance with the provisions of the Payment of Gratuity Act.
- **Other Perquisites and Benefits:** a) Furniture & Equipment: As per Company policy. b) Club Fees c) Personal Accident Insurance, Group Life Insurance: Personal accident cover and group life insurance cover as per Company policy. d) Medical: Reimbursement of self, spouse and dependent children up to maximum of one month's basic pay as per the Company policy. In addition, he will be entitled to medical insurance and annual health check-up as per Company policy. e) Leave with full pay and allowance: Leave with full pay and allowance as per Company's policy. f) Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company's policy.
- **Minimum remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Executive Chairman, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013.
- **Sitting Fees:** The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any committees thereof.

RESOLVED FURTHER THAT the overall remuneration payable to Mr. Madhusudhan Lakhotia shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT apart from the aforesaid revision in remuneration, the other terms and conditions of appointment of Mr. Madhusudhan Lakhotia, as previously approved by the shareholders at the 14th Annual General Meeting of the Company held on September 29, 2019, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Board Governance, Nomination and Compensation Committee subject to the applicable provisions of the Companies Act, 2013 and the overall remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions."

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Madhusudan Lakhotia
(Managing Director)
DIN: 00104576
Email id: info@lakhotiapolym.in



Place: Nashik
Dated; September 06, 2021

Registered Office:

158/159 Samarthta Sahkariaudyogik
Vasahat Ltd, Pimpal – Gaon (Baswant)
Tal Niphad Dist. Nashik – 422209

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to rmimani@csrma.in/mmimani@csrma.in with a copy marked to evoting@cdslindia.com.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 25, 2021 to Thursday, September 30, 2021, (both days inclusive) for the purpose of Annual General Meeting of the Company.
6. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with **Link Intime India Private Limited** in case the shares are held by them in physical form.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to **Link Intime India Private Limited** in case the shares are held by them in physical form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.



10. Members desiring any clarification on accounts are requested to write to the Company at an early date through email on info@lakhotiapolym.in so as to enable the Company to keep the information ready.
11. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website at www.lakhotiapolym.in websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com, and on the website of CDSL: <https://www.evotingindia.com>
12. If you have shares registered in the same name or in the same order of names but in multiple Folios, you are requested to send to the Company or **Link Intime India Private Limited**, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.

13. Instructions for e-voting and joining the AGM are as follows:

- (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to all the members of the Company.
- (c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- (d) The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Monday, September 27, 2021 at 9.00 a.m. and ends on Wednesday, September 29, 2021 at 5.00 pm. During this period shareholders of the Company, holding shares as on the cut-off date (record date) i.e., Friday September 24, 2021 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) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars, the Company is required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level. Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to



register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

- (iv) In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforementioned SEBI Circular, login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:

(a) Individual Shareholders holding securities in Demat mode with CDSL

- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
- After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL / NSDL / LINKTIME, so that the user can visit the e-Voting service providers' website directly.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page or click on [https://evoting.cdslindia.com/Evoting/Evoting Login](https://evoting.cdslindia.com/Evoting/EvotingLogin). The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

(b) Individual Shareholders holding securities in demat mode with NSDL

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the



remote e-Voting period or joining virtual meeting and voting during the meeting.

- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select Register Online for IDeAS Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting

(c) Individual Shareholders (holding securities in demat mode) login through their Depository Participants

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL.

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free No.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on “Shareholders” module.



- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both 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 (v).

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 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.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 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.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.



- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESSES FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES/MOBILE NUMBER ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders - please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16-digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) +Update Email ID/Mobile Number to Company/RTA email id.
- (iii) The Company/RTA shall co-ordinate with CDSL and provides the login credentials to the above-mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Shareholder will be provided with a facility to attend the 16th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 16TH AGM ARE AS UNDER: -

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (vii) Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 linked in the login 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
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rmimani@csrma.in/ mmimani@csrma.in; info@lakhotiapolym.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.lakhotiapolym.in and on the website of CDSL



<https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the share of the Company is listed.

14. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of meeting.
15. The statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith.

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Madhusudan Lakhotia

(Managing Director)

DIN: 00104576

Email id: info@lakhotiapolym.in

Place: Nashik

Dated: September 06, 2021

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE FOR ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 03

M/s Jain Chhajed & Associates., Chartered Accountants, (ICSI Firm Registration No. 132748W) was appointed as Statutory Auditor of the Company by the shareholders of the Company thorough postal ballot resolution dated January 21, 2021 to fill the casual vacancy, would hold the office till the date of the ensuing Annual General Meeting.

M/s Jain Chhajed & Associates., Chartered Accountants, have given their consent and confirmed that they are eligible for re-appointment.

Accordingly, the Board of Directors recommend to re-appoint M/s Jain Chhajed & Associates., Chartered Accountants for a period of 5 years from the conclusion of the ensuing 16th Annual General Meeting till the conclusion the 21st Annual General Meeting held in the year 2026.

Accordingly, ordinary resolution is being submitted for the approval of members at item no. 3 of the notice.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned interested in the said resolution.

ITEM NO. 04

Mr. Madhusudhan Lakhotia was appointed as Managing Director of the Company with effect from April 01, 2019, to hold office for a term up to March 31, 2024. The terms of appointment and remuneration were approved by the Members vide resolution passed at the 14th Annual General Meeting of the Company held on September 29, 2019.

In recognition of the leadership and strategic guidance provided by Mr. Madhusudhan Lakhotia to the Company as Managing Director over the last couple of years, and to ensure that the overall remuneration payable to him shall not exceed the limits of remuneration approved by the Members of the Company, the Board Governance, Nomination and Compensation Committee and the Board of Directors have, at the meeting held on September 06, 2021, approved revision in the terms of remuneration



payable to Mr. Madhusudhan Lakhota, in accordance with the provisions contained in Section 196, 197, 198 and 203 of the Companies Act, 2013, subject to the approval of Members of the Company.

In this regard, it is proposed to revise the remuneration payable to Mr. Madhusudhan Lakhota and increase the range of salaries to Rs. 900,000 (Rupees Nine lacs only) per annum to 1,200,000 (Rupees Twelve lacs only) per annum.

Members may note that the proposed revision is only enabling in nature and for the purpose of providing absolute clarity, if any, within the proposed overall range of remuneration as may be approved by the Board of Directors based on the recommendation of the Nomination and Compensation Committee from time to time.

The revision in terms of remuneration shall be effective from October 01, 2021 and apart from the revision in terms of remuneration stated in the resolutions at Item No. 4, the other terms and conditions of appointment of Mr. Madhusudhan Lakhota, as previously approved by the shareholders at the 14th Annual General Meeting of the Company held on September 29, 2019 shall remain unchanged and continue to be effective.

In accordance with the provisions contained in Section 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V and applicable rules, approval of the Members is requested by way of an Ordinary Resolution for the revised terms of remuneration of Mr. Madhusudhan Lakhota as stated in the resolution at Item No. 4.

Except Mr. Madhusudhan Lakhota and Mrs. Jayashree Lakhota, and/or their relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the resolution proposing the revision in the terms of remuneration of Mr. Madhusudhan Lakhota, as set out in Item No. 4 for approval of the Members by way of an Ordinary Resolution.

**By Order of the Board of Directors
of Lakhota Polyesters (India) Limited**

Madhusudan Lakhota
(Managing Director)

DIN: 00104576

Email id: info@lakhotiapoly.in

Place: Nashik

Dated; September 06, 2021



PROFILE OF DIRECTOR

(Seeking Appointment / Re-appointment)

(As per Regulation 36 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 and Secretarial Standards – 2)

ANNEXURE TO ITEM NOS. 2 OF THE NOTICE

Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting

Name of Director	Mrs. Jayshree Lakhotia
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, 2021)	155,064
List of Directorships held in other Companies	Nil
Chairman/Member in the Committee of the Boards of Companies in which she is a director	Two (2), including this Company
Terms and Conditions of Appointment/re- appointment	Directors liable to retire by rotation in terms of the provisions of section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	240,000/-
Relationship with other Directors	Wife of Mr. Madhusudhan Lakhotia, Managing Director
No. of Board Meetings attended in financial year 2020-21	Six (06)



DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

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

Your Directors are pleased to present the 16th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

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.

(Rs. in Lakhs)

Particulars	FINANCIAL YEAR	
	2020-21	2019-2020
Total Income	1,634.22	1639.27
Less: Expenditure	1,684.80	1651.62
Net Profit/(Loss) Before Tax	(50.58)	(12.35)
Less: Extraordinary Item	Nil	Nil
Less: Tax Expense	(2.27)	0.32
Net Profit/(Loss) After Tax	(48.31)	(12.67)

2. COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activities. The Company's operations and revenue during FY21 were impacted due to COVID-19. The manufacturing operations of the Company at its plant remained temporarily suspended during major part of first quarter of FY21 as per the directives of the Government, keeping in mind the paramount need of safety of the employees. The ongoing pandemic and partial lockdown during the year in different parts of the country further restricted the logistic arrangement coupled with slowdown of overall demand and weakening of the various commodities. The manufacturing operations of the Company are conducted in compliance with the relevant guidelines / advisory issued by the central government and state authorities, for taking necessary measures for the containment of COVID-19, including measures like maintaining social distancing.

In this context, your Company delivered an overall top-line of **1,634.22 lacs** as against Rs. 1639.27 lacs in the previous year and incurred a loss of Rs. **48.31 lacs** as against Rs. 12.67 lacs.

The Company continues to have a clear price and product leadership in its segment During second quarter of FY21, your Company resumed manufacturing operation at its Plant at Nasik in a gradual manner under the guidelines of central government and state authorities.

The year was marked by gradual improvement in capacity utilization and volume recovery after the plunge in the year 2020 and management is hopeful that performance should improve in the current year.

3. DIVIDENDS

In view of the losses incurred during the financial year, your directors do not recommend any dividend for the financial year ended on March 31, 2021

4. SHARE CAPITAL

The paid-up Share Capital of the Company as at March 31, 2021 was at Rs.10,47,39,880 (Rupees Ten Crores Forty-Seven Lakh Thirty-Nine Thousand and Eight Hundred and Eighty Only). There is no change in the share capital of the Company during the financial year.



5. TRANSFER TO RESERVES

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

6. PUBLIC DEPOSITS

The Company has neither invited nor accepted any public deposits during the financial year ended on March 31, 2021.

7. SUBSIDIARY AND ASSOCIATE COMPANIES

As on March 31, 2021, the Company has no Subsidiary or Associates or Joint Venture Company. There are no companies which have become or ceased to be the Subsidiary or Associates or Joint Venture of the Company during the financial year ended on March 31, 2021.

8. CONSOLIDATED FINANCIAL STATEMENT

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have 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 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a) All Independent Directors have furnished to the Company a declaration under Section 149(7) of the Companies Act, 2013 stating that they meet criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulation.
- b) In terms of the provision of section 152 of the Companies Act, 2013 and of Articles of Association of the Company, Mrs. Jayshree Lakhota (DIN: 05357609), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re- appointment.
- c) During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

11. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Six (6) meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

12. 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.

13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on appointment of directors is available on www.lakhotiapoly.in. The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on www.lakhotiapoly.in.

14. 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. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

15. 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.

16. 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.

17. 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.

18. 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.

19. RELATED PARTY TRANSACTIONS

The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of transactions with the related parties.



The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis- d-vis the Company.

The details of transactions entered into with the related parties are given in form AOC- 2 in terms of the provision of section 188(1) ad forming the part of this report as annexure -1

20. CORPORATE SOCIAL RESPONSIBILITY

The Company does not exceed the threshold limits mentioned in Section 135 (1) of the Companies Act, 2013. Therefore, the provisions pertaining to Corporate Social Responsibility are not applicable to the Company.

21. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return for the financial year ended on March 31, 2021 is available on the website of the Company at www.lakhotiapoly.in under Investor Information tab.

22. PARTICULAR OF EMPLOYEES

Particulars of employees as required u/s 134 of the Companies Act, 2013 are not annexed since the executive directors are not drawing any salary till date during the year under review and the independent directors are getting sitting fees.

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.

23. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis Report are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

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

(A) Conservation of Energy

Your company is taking 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.



25. WHISTLE BLOWER POLICY

The Company has adopted a 'Whistle Blower Policy' with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct and Ethics.

The Whistle Blower Policy has been posted on the website of the Company www.lakhotiapoly.in.

26. 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 and available at www.lakhotiapoly.in.

27. 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.

28. 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 i.e., www.lakhotiapoly.in

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, 2021

29. 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 and available on the website of the Company i.e., www.lakhotiapoly.in

30. STATUTORY AUDITOR

M/s R. R. Gujrathi & Co., Chartered Accountants, Statutory Auditors of the Company has resigned October 21, 2021 and M/s Jain Chhajer & Associates., Chartered Accountants, (ICSI Firm Registration No. 132748W) was appointed as Statutory Auditor of the Company by the shareholders of the Company through postal ballot resolution dated January 21, 2021 to fill the casual vacancy, would hold the office till the date of the ensuing Annual General Meeting.

M/s Jain Chhajer & Associates., Chartered Accountants, have given their consent and confirmed that they are eligible for re-appointment.

Accordingly, the Board of Directors recommend to re-appoint M/s Jain Chhajer & Associates., Chartered Accountants for a period of 5 years from the conclusion of the ensuing 16th Annual General Meeting till the conclusion the 21st Annual General Meeting held in the year 2026.

There is no audit qualification, reservation or adverse remark for the financial year under review. No fraud has been reported during the year under review.

31. SECRETARIAL AUDITOR

The Board of Directors have appointed M/s. R. M. Mimani & Associates LLP as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2020-21.



The Secretarial Audit Report for the financial year ended on March 31, 2021, issued by M/s. R. M. Mimani & Associates LLP, Company Secretaries in Practice is self-explanatory and does not call for further comments. The Secretarial Audit Report forms a part of Directors Report and attached as **Annexure 2**.

32. 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.

33. MANAGEMENT DISCUSSION AND ANALYSIS

In compliance with the Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a separate section on the Management Discussion and Analysis Report giving details of overall industry structure, developments, performance and state of affairs of Company's business forms an integral part of this Report.

34. CORPORATE GOVERNANCE

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report.

35. 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.

36. 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.

37. 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).



38. COST AUDIT

Provision of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company during the financial year ended on March 31, 2021.

39. LISTING WITH STOCK EXCHANGE

The Company is listed on Main Board of BSE Limited. The Company confirms that it has paid the Annual Listing Fees for the year 2021-2022 to BSE Limited where the Company's Shares are listed.

40. APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors wish to express their appreciation and gratitude to all the employees at all levels for their hard work, dedication and cooperation during the year. Your Directors wish to express their sincere appreciation for the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers, regulatory and government authorities and all other stakeholders.

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Jayshree Lakhotia
Chairman
DIN: 05357609

Madhusudan Lakhotia
Managing Director
DIN: 00104576

Place: Nashik
Dated; September 06, 2021

Registered Office:

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



ANNEXURE 1**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:

Sr. No.	Name of the related party	Nature of transaction	Duration	Salient terms	Amount (In lac)
1	Madhusudan Lakhotia (HUF)	Intermediatory and broking services	NA	NA	6.57

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Jayshree Lakhotia
Chairman
DIN: 05357609

Madhusudan Lakhotia
Managing Director
DIN: 00104576

Place: Nashik
Dated; September 06, 2021



Form No. MR-3

Secretarial Audit Report for the financial year ended on March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Lakhotia Polyesters (India) Limited
[CIN: L17120MH2005PLC155146]
158/159 Samarthia 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”) for the financial year ended 31st March, 2021 [‘Audit Period’]. 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 Company’s books, papers, minute books, forms and returns filed and other records as maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, explanation and clarification given and representation made during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period 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, minutes’ book, forms and returns filed and other records as maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the “Act”) and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), to the extent applicable:
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
 - 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 Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of 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.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above except the following;

- (i) The Company had delayed in submitting the financial results of the quarter ended on June 30, 2021 as required in terms of the provisions of Regulation 33 of SEBI (LODR) Regulation, 2015 and penalty of Rs. 140,000 has been imposed by the BSE Limited.**
- (ii) The Company has not submitted the compliance certificate for the half year ended on September 30, 2021 as required in terms of regulation 7(3) of SEBI (LODR) Regulation, 2015.**
- (iii) The Company has not fully complied with clause 4 of the Schedule B of PIT Regulation, 2015 read with circular No. LIST/ COMP/ 01/ 2019-20 dated April 2, 2019 of BSE.**

During the audit period, 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, 1998;
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the Audit period.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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 the Board or Committee thereof were carried out with requisite majority, while there were no recorded instances of dissent in Board or Committee meetings.

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 during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **R M MIMANI & ASSOCIATES LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021

UDIN: F006271C000872510

Place: Mumbai

Dated: September 06, 2021

Note:

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an 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. L2015MH008300]

Ranjana Mimani
(Partner)

FCS No: 6271
CP No: 4234
PR No.: 1065/2021

UDIN: F006271C000872510

Place: Mumbai
Dated: September 06, 2021



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lakhotia Polyesters (India) Limited (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

DIN	Name of the Board Member	Designation	Date of Appointment
00104576	Mr. Madhusudan Shamsundar Lakhotiya	Managing Director	03/09/2015
01532044	Mr. Ashokkumar G. Khajanchi	Director	17/08/2016
02360552	Mr. Sri Gopal Mundra	Independent Director	31/05/2019
05357609	Mrs. Jayshree Madhusudhan Lakhotia	Non-Executive Director	24/07/2012
08475997	Mr. Vashishtha Mohan Pandiya	Independent Director	31/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For **R M MIMANI & ASSOCIATES LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021

UDIN: F006271C000872391

Place: Mumbai
Dated: September 06, 2021



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report covers the operations and financial performance of the Company for the year ended 31st March, 2021 and forms part of the Annual Report.

Overview of the Economy:

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

The process of metalizing Polyesters 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. Polyesters 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 Polyesters films which cater primarily to the needs of the flexible packaging industry.

Operational Performance

During the current period of operation, your company have loss of Rs. 48.31 lac as against Rs. 12.67 lacs.

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.

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Jayshree Lakhotia
Chairman
DIN: 05357609

Madhusudan Lakhotia
Managing Director
DIN: 00104576

Place: Nashik
Dated; September 06, 2021

Registered Office:

158/159 Samarth Sahkariaudyogik
Vasahat Ltd, Pimpal – Gaon (Baswant)
Tal Niphad Dist. Nashik – 422209



CORPORATE GOVERNANCE REPORT

Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, 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

Effective corporate governance practices constitute the strong foundation on which successful enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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 endeavour 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.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

Details of board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

2. BOARD OF DIRECTORS

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short term and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

Composition



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 5 (Five) as on March 31, 2021, whose composition and category are given below:

- Two - Executive Directors
- Two - Independent Directors
- One - Non-Executive Director

The composition of the Board also complies with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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	Date of joining the Board/ Reappointment	Directorship in Other Companies #	No. of Other Committee positions held in other companies		No. of Committee positions held in Lakhotia Polyester's India Limited as on the date	
					Member	Chairman	Member	Chairman
1	Mr. Madhusudan Lakhotia	Managing Director	01.04.2019	0	0	0	1	0
2	Mrs. Jayshree Lakhotia	Non-Executive Director	14.11.2019	0	0	0	2	0
6	Mr. Ashok Kumar Khajanchi	Executive Director	25.09.2020	0	0	0	0	0
7	Mr. Srigopal Mundra	Independent Director	29.09.2019	0	0	0	0	3
8	Mr. Vashishtha Mohan Pandiya	Independent Director	29.09.2019	0	0	0	3	0

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

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.

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.

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 at Nashik. 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 2019-20, the Board of Directors of the Company met Six times on 27-06-2020, 29-07-2020, 27-08-2020, 13-10-2020, 21-10-2020 and 01-02-2021

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
1	Mr. Madhusudan Lakhotia	Managing Director	6	Present
2	Mrs. Jayshree Lakhotia	Non- Executive Director	6	Present
5	Mr. Ashok Kumar Khajanchi	Executive Director	6	Absent
6	Mr. Srigopal Mundra	Independent Director	6	Absent
7	Mr. Vashishtha Mohan Pandiya	Independent Director	6	Present

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.

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.

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.

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	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Sri Gopal Mundra	Chairman	Independent Director	6	6
Mr. Vashishtha Pandiya	Member	Independent Director	6	6
Mr. Madhusudan Lakhotia	Member	Managing Director	6	6

During the Financial Year 20-21, Audit Committee met 6 (six) times on 27-06-2020, 29-07-2020, 27-08-2020, 13-10-2020, 21-10-2020 and 01-02-2021.

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

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, 2021 are:

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Srigopal Mundra	Chairman	Independent Director	2	2
Mrs. Jayshree Lakhotia	Member	Non- Executive Director	2	2
Mr. Vashishtha Pandiya	Member	Independent, Non-executive	2	2



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:

- To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management
- 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
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan.

During the year ended 31st March, 2021, 2 (Two) Nomination & Remuneration Committee Meeting was held on 27-08-2020 and 01-02-2021

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, 2021 are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Srigopal Mundra	Chairman	Independent Director
Mrs. Jayshree Lakhotia	Member	Non-Executive Director
Mr. Vashishtha Pandiya	Member	Independent Director

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.

The Stakeholders Relationship Committee met 2 times during the financial year ended 27-08-2020 and 01-02-2021.

Details of Shareholders' / Investors' Complaints during the FY ended 31st March 2021.

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

Risk Management Committee

Forming Risk Management Committee is not applicable to our Company.

Policy on material subsidiary



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

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.

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.

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.

4. SHAREHOLDER INFORMATION

General Body Meetings:

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

Year	Date of AGM	Day	Time	Venue
2019-20	25.09.2020	Friday	3.00 P.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
2018-19	29.09.2019	Sunday	10.00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal-Gaon (Baswant), Tal- Niphad, Nashik - 422209, Maharashtra, India
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

Postal Ballot



One Meeting was held through postal ballot on January 21, 2021 to appoint the Auditor to fill the casual vacancy of the Statutory Auditor of the Company.

Annual General Meeting for the financial year 2020-21

Date	Thursday, September 30, 2021
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020 and as such there is no requirement to have a venue for the AGM
Time	3.00 P.M.

Calendar of financial year ended 31st March 2022

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

First Quarter	By 14 th August, 2021
Second Quarter	By 14 th November, 2021
Third Quarter	By 14 th February, 2021
Fourth Quarter	By 29 th May, 2021

Bifurcation of shares held in physical and demat form as on 31st March 2021

Particulars	No. of Shares	%
Physical Shares	0	0
Demat Shares		
NSDL (A)	93,655	0.89
CDSL (B)	1,03,80,333	99.11
TOTAL (A+B)	10,473,988	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 ISIN	LAKHOTIA INE191O01010

The listing fee for the financial year 2021-22 has been paid to the above Stock Exchange.

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, 2021 are as under:

Month	High Price	Low Price	No. of Shares
April 2020	NA	NA	Nil
May 2020	NA	NA	Nil
June 2020	NA	NA	Nil
July 2020	8.88	8.88	54
August 2020	NA	NA	Nil
September 2020	NA	NA	Nil
October 2020	NA	NA	Nil
November 2020	NA	NA	Nil
December 2020	9.05	8.88	551,076
January 2021	8.88	8.33	92,920
February 2021	8.49	8.33	13,011
March 2021	8.30	8.00	48,960



Share holding pattern of the Company as on 31.03.2021

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	3,549,388	33.89
2.	Body Corporate (Public)	5,354,437	51.12
3.	Resident Individuals and HUF (Public)	1,570,163	14.99
	TOTAL	10,473,988	100.00

Distribution of Shareholding as on 31.03.2021:

No. of Shares held	No. of Shareholders	%	No. of Shares	% of Total Capital
1 to 5000	54	53.46	13,768	0.13
5001 to 10000	2	1.98	18,616	0.18
10001 to 20000	14	13.87	165,214	1.58
20001 to 30000	1	0.99	22,450	0.21
30001 to 40000	4	3.96	154,000	1.48
40001 to 50000	3	2.97	146,000	1.39
50001 and 100000	4	3.96	293,450	2.80
100001 onwards	19	18.81	9,660,490	92.23
Total	101	100.00	10,473,988	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). Link Intime 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.

Unclaimed Dividend/ Shares

The Company was not required to transfer any amount of unclaimed Dividend to Investor Education and Protection Fund (‘the IEPF’) pursuant to the provisions of Section 124(5) of the Companies Act, 2013.

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
---	---------------------------

Means of Communication to Shareholders

- The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in 'Financial Express' (English newspaper) and 'Mumbai Lakshadeep' (local language (Marathi) newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately. The Company's financial results and official press releases are displayed on the Company's Website i.e. www.lakhotiapoly.in
- Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre
- SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEB
- The Company has designated the email id: info@lakhotiapoly.in. exclusively for investor relation, and the same is prominently displayed on the Company's website i.e., www.lakhotiapoly.in.

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 02554-232000 Fax: +91 02554-232000
Website: www.lakhotiapoly.in Email: info@lakhotiapoly.in
CIN: L17120MH2005PLC155146

Name, Designation and address of the Compliance Officer:

Mrs. Shannu Chaturvedi

158/159 Samaratha Sahkari Audyogik Vasahat Ltd.
Pimpal- Gaon (Baswant), Tal Niphad, District Nashik,
Maharashtra – 422209; Tel: +91 02554-232000
Fax: +91 02554-232000 Email: info@lakhotiapoly.in

Registrar and Share Transfer Agent:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W), Mumbai-400083, Mumbai
Tele No. 022-49186270, Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in



5. AFFIRMATIONS AND DISCLOSURES

Related Party Transaction:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company and is as mentioned in Form AOC 2 which forms part of Directors Report.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three financial years;

The Company has generally complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. Details of the non-compliance and penalties during the last three financial years are as under;

Sr. No.	Date of order	Amount of Penalty	Reason	Authority
1.	16-10-2020	140,000	Non-compliance of regulation 33 of the SEBI (LODR), 2015 for the Quarter ended June 2020	BSE Limited
2.	14-05-2019	90,000	Non-compliance of Regulation 6(1) SEBI (LODR), 2015 for March 2019	BSE Limited

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.

Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website i.e., www.lakhotiapoly.in.

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.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year. Not Applicable

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Not Applicable

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 is given in the Directors' report.

Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to time.

Details of Adoption of Non-Mandatory (Discretionary) Requirements

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations. The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- The Board
No separate office was maintained for Chairman and/or Managing Director of the Company
- Shareholders rights
The Company has not adopted the practice of sending out quarterly or half-yearly declaration of financial performance to shareholders. Quarterly results as



approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

- Modified opinion(s) in audit report
There are no modified opinions in audit report
- Reporting of Internal Auditor
In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action

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

The Company has complied with the mandatory requirements 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.

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.

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Jayshree Lakhotia
Chairman
DIN: 05357609

Madhusudan Lakhotia
Managing Director
DIN: 00104576

Place: Nashik
Dated; September 06, 2021

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, 2021.

**By Order of the Board of Directors
of Lakhotia Polyesters (India) Limited**

Madhusudan Lakhotia
(Managing Director)
DIN: 00104576
Email info@lakhotiapolym.in

Place: Nashik
Dated; September 06, 2021



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

We, Mr. Madhusudhan Lakhotia, Managing Director and Mr. Vivek Rathi – Chief Financial Officer of the Company, 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, 2021 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

Vivek Rathi
Chief Financial Officer

Madhusudhan Lakhotia
Managing Director
DIN: 00104576

Dated June 12, 2021
Place: Nashik



Corporate Governance Compliance Certificate

The Members of

Lakhotia Polyesters (India) Limited

[CIN: L17120MH2005PLC155146]

158/159 Samarthta Sahkariaudyogik Vasahat Ltd,

Pimpal- Gaon (Baswant),

Tal Niphad Dist. Nashik 422209

We have examined the compliance of conditions of Corporate Governance by Lakhotia Polyesters (India) Limited ("the Company") for the financial year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para-C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the LODR.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR during the financial year ended March 31, 2021.

We 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 M MIMANI & ASSOCIATES LLP**

[Company Secretaries]

[Firm Registration No. L2015MH008300]

Ranjana Mimani

(Partner)

FCS No: 6271

CP No: 4234

PR No.: 1065/2021

UDIN: F006271C000881453

Place: Mumbai

Dated: September 06, 2021



INDEPENDENT AUDITORS' REPORT

To The Members of Lakhotia Polysters (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of LAKHOTIA POLYSTERS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")..

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 Companies Act, 2013 ("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 31 March 2021, and profit (including other comprehensive income), 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 Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities* 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 standalone financial statements under the provisions of the Act 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 audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 35 of the statement, as regards to the management's evaluation of COVID - 19 impact on the future performance of the Company. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit
1. Revenue Recognition	
<p>Revenue is measured net of discounts, rebates and incentives earned by customers on the Company's sales.</p> <p>Revenue is recognized when the control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to fraud resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts, rebates and incentives by comparing with applicable Ind AS. Performing substantive testing (including year- end cutoff testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices/contracts and shipping documents. Assessing manual journals posted to revenue to identify unusual items. Considered the adequacy of the Company's disclosures in respect of revenue.
2. Valuation of Inventories	
<p>Inventories are held at the lower of cost and net realizable value (NRV).</p> <p>Due to high volume and nature of products, the company is dealing with and the absence of adequate records, valuation of inventory may be misstated.</p> <p>Also NRV is being based on the assumptions / judgment of the management. Inappropriate assumptions of NRV can impact the assessment of the carrying value of inventories.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the inventory valuation method followed by the management and by comparing with applicable Ind AS. Performing substantive testing (including year – end cut off testing) by selecting samples of inward and outward movement of inventory during the year by verifying the underlying documents, which included sales invoices / purchase invoice and bill of entry. Evaluating the design and implementation of



	<p>the Company's internal controls over the Net Realizable Value (NRV) assessment.</p> <ul style="list-style-type: none"> • Considered the valuation certificate provided by the management.
3. Tax Assessments	
Review, effect and presentation of completed tax assessments	<p><u>Principle Audit Procedures</u></p> <ul style="list-style-type: none"> • Verification of details of completed tax assessments and demands as at 31st March, 2021, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure's to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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.



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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements 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 standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard (Ind AS) 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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



g) With respect to the other matters to be included in the Auditors' 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 21 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;

h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in excess of the limits prescribed under Section 197 of the Act by Rs. 7.40 Lakhs, which is subject to the approval of the shareholders. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Jain Chhajed & Associates
Chartered Accountants
Firm Registration No – 127911W

CA Dinesh Burad
Partner
Membership No.151551
UDIN: 21151551AAAACY7121

Place: Nasik
Date: June 12, 2021



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT – 31 MARCH 2021

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

(i) In respect of Property, Plant and Equipments

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by the management. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed in respect of assets verified during the year. However, the record relating to physical verification has not been maintained by the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of Inventories

The inventories at all the 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) Compliance under section 189 of the Companies Act, 2013

As informed by the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (a) Company has not granted such loan during the period.
- (b) As informed to us the Company has not granted any loans, secured or unsecured, hence the question of repayment of loans does not arise. Consequently the said sub clause of the



Order is not applicable to the Company.

- (c) As informed to us the Company has not granted any loans, secured or unsecured, during the year under audit, hence the question of overdue amount of loans does not arise. Consequently the said sub clause of the Order is not applicable to the Company

(iv) Compliance under section 185 and 186 of The Companies Act, 2013

In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

(v) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits

In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) Maintenance of cost records

As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act.

(vii) Deposit of Statutory Dues

- (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Goods and Service Tax, Labour Cess, Income-Tax (TDS) Professional Tax, Property tax, Cess and other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax.



According to the information and explanations given to us, following undisputed amounts payable as at 31 March 2021 were due for the period more than six months from the date they became payable.

(INR in Lakhs)

Sr. No.	Particulars	Amount
1	TDS – Late Fees & Interest	10.28
2	Provident Fund	1.07

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) Repayment of Loans and Borrowings

In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.

(ix) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the company has raised money by way of term loans during the year. In our opinion and according to the information and explanations given to us, the proceeds of term loans have been applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) Reporting of Fraud During the Period

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.



(xi) Managerial Remuneration

According to the information and explanations given to us and based on our examination of records of the Company, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

(xii) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) Related party compliance with Section 177 and 188 of Companies Act, 2013

In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) Compliance under section 42 of the Companies Act, 2013 regarding private placement of Shares or Debentures

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) Compliance under section 192 of Companies Act, 2013

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.



(xvi) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Jain Chhajed & Associates
Chartered Accountants
Firm Registration No – 127911W

CA Dinesh Burad
Partner
Membership No.151551
UDIN: 21151551AAAACY7121

Place: Nasik
Date: June 12, 2021



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting **LAKHOTIA POLYSTERS (INDIA) LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 issued by the Institute of Chartered Accountants of India".

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 its 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 Companies Act, 2013.



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 system 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 statements, 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 generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that 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 management and directors of the company; and

3. 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.

For Jain Chhajed & Associates
Chartered Accountants
Firm Registration No – 127911W

CA Dinesh Burad
Partner
Membership No.151551
UDIN: 21151551AAAACY7121

Place: Nasik
Date: June 12, 2021



LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2021

(INR in Lakhs)

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2021	March 31, 2020
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	28.25	42.15
	(b) Capital work-in-progress		-	-
	(c) Investment Properties		-	-
	(d) Intangible Assets		-	-
	(e) Financial Assets		-	-
	(i) Investments	4(a)	0.01	0.01
	(ii) Loans & Advances	4(b)	2.19	2.19
	(iii) Trade Receivables		-	-
	(iv) Other Financial Assets	4(c)	121.66	127.74
	(d) Deferred Tax Assets (Net)	5	12.56	10.29
	(d) Other Non-Current Assets		-	-
	Total Non-Current Assets		164.68	182.38
2	Current Assets			
	(a) Inventories	6	564.97	489.07
	(b) Financial Assets			
	(i) Investments	4(a)	62.64	87.65
	(ii) Trade Receivables	4(d)	872.02	1,275.75
	(iii) Cash and Cash Equivalents	4(e)	11.98	10.30
	(iv) Loans & Advances		-	-
	(v) Other Financial Assets	4(c)	4.33	5.30
	(c) Current Tax Assets (Net)	7	33.53	26.19
	(d) Other Current Assets		-	-
	Total Current Assets		1,549.47	1,894.25
	Total Assets (1+2)		1,714.15	2,076.63
	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	8(a)	1,047.40	1,047.40
	(b) Other Equity	8(b)	(296.05)	(246.60)
	Total Equity		751.35	800.80
	LIABILITIES			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	68.07	-
	(ii) Other Financial Liabilities		-	-
	(b) Other Non-Current Liabilities		-	-
	(c) Provisions	10	2.25	-
	(d) Deferred Tax Liabilities		-	-
	Total Non-Current Liabilities		70.32	-
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9(a)	469.10	547.86
	(ii) Trade Payables	9(b)		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-



	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		387.51	711.60
	(iii) Other Financial Liabilities	9(c)	22.50	-
	(b) Provisions	10	1.67	0.09
	(c) Current Tax Liabilities (Net)	11	-	5.03
	(d) Other Current Liabilities	12	11.70	11.26
	Total Current Liabilities		892.49	1,275.84
	Total Equity & Liabilities (1+2+3)		1,714.15	2,076.63
	Significant Accounting Policies	1		

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our report of even date

For Jain Chhajer & Associates
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Lakhotia Polysters (India) Limited
CIN – L17120MH2005PLC155146

CA DINESH BURAD
Partner
Membership No.151551

M S LAKHOTIA
Chairman & MD
DIN: 00104576

J M LAKHOTIA
Whole Time Director
DIN : 05357609

VIVEK V RATHI
Chief Financial Officer

SHANNU CHATURVEDI
Company Secretary

Place : Nashik
Date: 12 June, 2021

Place : Nashik
Date: 12 June, 2021



LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(INR in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2021	March 31, 2020
1	INCOME			
	(a) Revenue from Operations	13	1,593.93	1,585.07
	(b) Other Income	14	40.29	54.20
	Total Income		1,634.22	1,639.27
2	EXPENSES			
	(a) Cost of Material Consumed	15	1,572.55	1,423.07
	(b) Changes in inventories of work-in-progress, stock-in-trade and finished good	16	(51.51)	55.55
	(b) Employee Benefits Expense	17	29.60	32.12
	(c) Finance costs	18	32.65	59.29
	(d) Depreciation and amortization expense	3	14.44	15.06
	(e) Other Expenses	19	87.07	66.52
	Total Expenses		1,684.80	1,651.62
3	Profit Before Tax (1-2)		(50.58)	(12.35)
4	Tax Expense			
	(a) Current Tax		-	-
	(b) Deferred Tax Charge / (Credit)		(2.27)	0.32
	Total Tax Expenses		(2.27)	0.32
5	Profit for the year (3-4)		(48.31)	(12.67)
6	Other Comprehensive Income			
	Items that will not be subsequently reclassified to profit or loss – Re measurement of defined benefit plan		(0.42)	(59.82)
	Profit/(Loss) on Sale of Equity Shares held as Investment		(0.72)	7.24
7	Total Comprehensive Income for the year (5+6)		(49.45)	(65.25)
8	Earning per Equity Share (EPS) (Face value of INR 10 each)			
	Basic EPS		(0.47)	(0.62)
	Diluted EPS		(0.47)	(0.62)
	Significant Accounting Policies	1		

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our report of even date

For Jain Chhajer & Associates
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Lakhotia Polysters (India) Limited
CIN – L17120MH2005PLC155146

CA DINESH BURAD
Partner
Membership No.151551

Place : Nashik
Date: 12 June, 2021

M S LAKHOTIA
Chairman & MD
DIN: 00104576

VIVEK V RATHI
Chief Financial Officer

Place : Nashik
Date: 12 June, 2021

J M LAKHOTIA
Whole Time Director
DIN : 05357609

SHANNU
CHATURVEDI
Company Secretary



LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	1,047.40	1,047.40
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,047.40	1,047.40

B. OTHER EQUITY

(INR in Lakhs)

Particulars	Reserves and Surplus		Total
	DIC Subsidy	General Reserve	
Balance as at 1st April, 2019	10.00	(191.35)	(181.35)
Changes in accounting policy or prior period errors	-	-	-
Total Comprehensive Income for the year	-	(65.25)	(65.25)
Excess / (Short) Provision for Income Tax	-	-	-
Balance at 31 st March, 2020	10.00	(256.60)	(246.60)
Balance as at 1 st April, 2020	10.00	(256.60)	(246.60)
Changes in accounting policy or prior period errors	-	-	-
Total Comprehensive Income for the year	-	(49.45)	(49.45)
Excess / (Short) Provision for Income Tax	-	-	-
Dividend Paid	-	-	-
Balance at 31st March, 2021	10.00	(306.05)	(296.05)

The accompanying notes are an integral part of the financial statements

(a) DIC Subsidy

DIC Subsidy is the long term capital incentive received from the District Industries Centre (DIC), Nashik.

(b) General Reserves

The general reserve is created from time to time to transfer profits from retained earnings for appropriation purposes.

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our report of even date

For Jain Chhajed & Associates

Chartered Accountants

(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of

Lakhotia Polysters (India) Limited

CIN – L17120MH2005PLC155146

M S LAKHOTIA

Chairman & MD

DIN: 00104576

J M LAKHOTIA

Whole Time Director

DIN : 05357609

CA DINESH BURAD

Partner

Membership No.151551

VIVEK V RATHI

Chief Financial Officer

SHANNU CHATURVEDI

Company Secretary

Place : Nashik

Date: 12 June, 2021

Place : Nashik

Date: 12 June, 2021



LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(INR in Lakhs)

Sr. No.	Particulars	As at	As at
		March 31, 2021	March 31, 2020
		Audited	Audited
1	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Income Tax	(50.58)	(12.35)
	<u>Adjustments for:</u>		
	Depreciation & Amortization Expenses	14.44	15.06
	Interest Income	-	-
	Finance Cost	32.65	59.29
	Adjustment for Deferred Taxes	(2.27)	-
	Adjustment of Other Comprehensive Income	1.14	
	Operating Profit before Working Capital Changes	(4.62)	62.00
	Changes in Operating Assets & Liabilities:		
	(Increase) / Decrease in Financial Assets	410.78	369.94
	(Increase) / Decrease in Non Financial Assets	(7.35)	(3.68)
	Increase / (Decrease) in Financial Liabilities	(301.60)	(334.55)
	Increase / (Decrease) in Non Financial Liabilities	4.27	(39.25)
	(Increase) / Decrease in Inventories	(75.90)	31.98
	Cash Generated from Operations	25.59	86.43
	Income Taxes Paid	5.03	-
	Net Cash Flows from Operating Activities	20.56	86.43
2	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipments	(0.54)	-
	Proceeds from Sale of Investments	25.00	4.87
	Sale of Property, Plant & Equipments	-	-
	Interest Income	-	-
	Net Cash Flows from Investing Activities	24.46	4.87
3	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Long Term Borrowings	68.07	(6.33)
	Proceeds from Short Term Borrowings	(78.76)	(37.84)
	Finance Cost	(32.65)	(59.29)
	Net Cash Inflows from Financing Activities	(43.34)	(103.46)
	Net Increase / (Decrease) in Cash & Cash Equivalents	1.68	(12.16)
	Cash & Cash Equivalents at the Beginning of the Year	10.30	22.46
	Cash & Cash Equivalents at the End of the Year	11.98	10.30

The accompanying notes 1 to 35 form an integral part of the Financial Statements.

As per our report of even date

For Jain Chhajed & Associates
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Lakhotia Polysters (India) Limited
CIN – L17120MH2005PLC155146

M S LAKHOTIA
Chairman & MD
DIN: 00104576

J M LAKHOTIA
Whole Time Director
DIN : 05357609

CA DINESH BURAD
Partner
Membership No.151551

VIVEK V RATHI
Chief Financial Officer
Place : Nashik
Date: 12 June, 2021

SHANNU CHATURVEDI
Company Secretary

Place : Nashik
Date: 12 June, 2021



I. Company Overview

Lakhotia Polysters (India) Limited ("the Company") having CIN: L17120MH2005PLC155146 is a public listed company, incorporated and domiciled in India having its registered office at 158-159, Shree Samartha Sahakari Audyogik Vasahat Limited, Pimpalgaon (Baswant), Tal – Niphad, Dist – Nashik Maharashtra 422209 India. The Company is primarily engaged in the manufacturing and selling of Metallic Yarn & Textile Fabrics for catering to the domestic and international markets including merchant exports. The yarns produced by the company are used for the made ups in apparels, hosiery and garment industry. The equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE).

II. Summary of Significant Accounting Policies

(a) Basis of preparation and measurement

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions and amendments, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

The financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 12, 2021.

(b) Operating cycle

The normal operating cycle in respect of operation relating to manufacturing of textile fabrics depends on procurement of raw materials, manufacturing / processing activity, selling and realisation of cash and cash equivalents. Accordingly, assets and liabilities have been classified into current and non-current based on company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

(c) Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the



reporting period during which the change has occurred.

(d) Revenue Recognition

Revenue from sales and services is recognized when the significant risks and rewards of the ownership of the goods have been passed and services are provided to the customers.

Interest income is recognized on accrual basis at effective interest rate.

Dividend income is accounted when right to receive is established.

(e) Property, Plant and Equipment:

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property; plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Subsequent expenditures

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation / Amortisation on property, plant & equipment of the Company has been provided using the straight line method based on the useful life specified in Schedule II to the Companies Act, 2013.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.

The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



(f) Investments:

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current and Non – Current investments are stated at fair market value.

(g) Foreign currency transactions:

Transactions in foreign currencies are translated into the Company's functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognized in the standalone statement of profit and loss in the period in which they arise.

(h) Government Grants and Subsidies:

Government grants and subsidies are recognized when there is a reasonable assurance that the conditions attached to them will be complied, and grant / subsidy will be received.

Government grants of the nature of promoter's contribution are credited to the reserves and treated as a part of the shareholder's fund.

(i) Inventories:

Inventories are valued at the lower of cost or the net realizable value after providing for the obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including taxes and other levies, transit insurance and receiving charges. Inventories at all places are taken and valued by the management.

(j) Income Tax:

The tax expense comprises current and deferred tax. Tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or in OCI.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit



will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax (MAT)

MAT credit is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(k) Employee benefits:

Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Defined contribution plans

The Company's contribution to Provident Fund, Pension, Superannuation Fund and Employees State Insurance Fund are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the Statement of Profit and Loss. Remeasurement gain and losses arising from experience adjustments, changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI). They are included in retained earnings in the Statement of Change in Equity and in the Balance Sheet.

Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity



benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

(l) Leases:

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Operating lease payments/income are recognized as an expense/income in the standalone statement of profit and loss on a straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease.

(m) Borrowing Costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects till the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

(n) Earnings per share:

Basic earnings per share is calculated by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(o) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(p) Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or



more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

(q) Dividend:

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

(r) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(t) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

i. Evaluation of Net Realisable Value (NRV) of Inventories

Inventories comprising of raw materials & finished goods are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the standalone financial statements for the period in which such changes are determined.

ii. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet



cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Any changes in the aforesaid assumptions will affect the fair value of financial instruments.

iv. Impairment losses on investment

The Company reviews its carrying value of investments carried at amortised cost annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v. Deferred taxes

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

vi. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

vii. Estimation of uncertainties relating to the global health pandemic from COVID-19 ("COVID-19")

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.



LAKHOTIA POLYSTERS (INDIA) LIMITED
Notes to the Financial Statements for the year ended 31 March 2021
Note 3: Property, Plant and Equipment and Capital work-in-progress
(INR in Lakhs)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2020	Additions during the year	Deductions during the year	As at 31 March, 2021	Upto March 31, 2020	For the year	Deductions	Upto 31 March, 2021	As at 31 March, 2021	As at March 31, 2020
a) Plant Property & Equipment										
Land	1.87	-	-	1.87	-	-	-	-	1.87	1.87
Buildings	12.89	-	-	12.89	5.40	0.43	-	5.83	7.06	7.49
Plant & Machinery	149.30	0.29	-	149.59	120.49	12.88	-	133.38	16.22	28.81
Furniture & Fixtures	1.62	-	-	1.62	1.62	-	-	1.62	-	-
Office Equipments	12.26	0.25	-	12.51	8.37	1.03	-	9.41	3.10	3.89
Vehicles	15.32	-	-	15.32	15.22	0.10	-	15.32	-	0.10
Total Plant Property & Equipment	193.25	0.54	-	193.80	151.11	14.44	-	165.55	28.25	42.15
b) Intangible Assets									-	-
c) Capital Work-in-Progress									-	-

(INR in Lakhs)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 1, 2019	For the year	Deductions	Upto 31 March, 2020	As at 31 March, 2020	As at March 31, 2019
a) Plant Property & Equipment										
Land	1.87	-	-	1.87	-	-	-	-	1.87	1.87
Buildings	12.89	-	-	12.89	4.98	0.43	-	5.40	7.49	7.91
Plant & Machinery	142.04	7.26	-	149.30	107.61	12.88	-	120.49	28.81	41.69
Furniture & Fixtures	1.62	-	-	1.62	1.62	-	-	1.62	-	-
Office Equipments	11.74	0.52	-	12.26	7.35	1.02	-	8.37	3.89	4.90
Vehicles	15.32	-	-	15.32	14.49	0.73	-	15.22	0.10	0.83
Total Plant Property & Equipment	185.47	7.78	-	193.25	136.04	15.06	-	151.11	42.15	57.21
b) Intangible Assets									-	-
c) Capital Work-in-Progress									-	-



Lakhotia Polysters (India) Limited

Notes to the Financial Statements for the year ended 31 March 2021

Note 4: Financial Assets

4 (a) Non Current Investments

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
A) Investment in Fully paid-up Equity Instruments (Unquoted)		
Shri Samarth Sahakari, Pimpalgaon	0.01	0.01
100 (As at 31 Mar, 2020: 100) Equity shares of INR 10/- each		
Total	0.01	0.01

4 (a) Current Investments

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
A) Investment in Equity Shares (Quoted) (Market Value)		
Svaraj Trading & Agencies Limited (2,74,573 Shares at Rs.5.15/- each)	14.14	49.40
Kavita Fabrics Limited (2,14,191 Shares at Rs.22.55/- each)	48.30	38.13
Reliance Industries Limited (10 Shares at Rs.2,003.20/- each)	0.20	0.11
Total	62.64	87.65

Footnote:

1. Valuation of quoted equity shares were done on the closing market price as on 31/03/2021, and any changes in fair value of its investment was shown as Other Comprehensive Income in the Statement of Profit & Loss.



Note 4: Financial Assets**4 (b) Non-Current Loans and Advances***(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Loans to Related Parties	-	-
Loans to Others – Unsecured		
(a) Advance to MGK Metallic	2.19	2.19
Total	2.19	2.19

Note 4: Financial Assets**4 (c) Other Financial Assets - Non Current***(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Shares Deposit – Shree Samarth Industrial Estates	0.15	0.15
Security Deposit – MSEB, Other Utilities	0.94	0.94
Office Deposit – Bhairav Eractors Limited	118.92	125.00
Office Deposit – Vijay Narang	0.75	0.75
Deposit – Custom Duty under protest	0.90	0.90
Total	121.66	127.74

Footnote:

1. Security Deposits are paid by the company for office/other utilities and for immovable properties.

4 (c) Other Financial Assets - Current*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Duty Drawback Receivable	4.33	-
Other Advances to Related Parties	-	5.30
Total	4.33	5.30



Note 4: Financial Assets**4 (d) Trade Receivables***(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Non-current		
Related Party	270.56	251.20
Unsecured, considered good	-	-
Total	-	-
Current		
Related Party	-	-
Unsecured, considered good		
(a) Receivables from Customers – Local	43.98	155.33
(b) Receivables from Customers – Exports	557.48	869.22
Total	872.02	1,275.75
Less: Allowance for doubtful debts	-	-
Total	872.02	1,275.75

Footnote:

a) Trade receivables due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member is Rs.270.56 Lakhs (As at 31, Mar 2020 – Rs.251.20 Lakhs)

b) As per the management, there is no uncertainty in recovering dues receivable from trade debtors and thus no provision has been made for doubtful debts.

Note 4: Financial Assets**4 (e) Cash and Cash Equivalents***(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Balances with Banks		
Current Accounts	5.41	1.87
Cash on Hand	6.57	8.43
Total	11.98	10.30



Note 5: Deferred Tax Assets / (Liabilities)*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Opening Balance	10.29	10.61
Temporary difference on account of depreciation on Property, Plant and Equipment	2.27	(0.32)
Deferred Tax Assets / (Deferred Tax Liabilities) – (Net)	12.56	10.29

Note 6: Inventories*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Inventories (lower of cost or net realizable value)		
Raw Materials	373.66	349.27
Work-in-Progress	-	17.59
Finished Goods	191.31	122.21
Total	564.97	489.07

Footnote:

- Nil amount of inventories were written down to net realizable value during the current and comparable periods. Similarly, Nil amount of reversal of write down was accounted during the current and comparable periods
- Mode of valuation of inventories is stated in Note 2

Note 7: Current Tax Assets*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Balances with Government Authorities		
Advance Tax & Income Tax Payment	-	-
Tax Deducted at Source	0.01	-
Excess Credit Balances of GST & Service Tax	33.52	26.19
Total	33.53	26.19

Footnote:

- Excess Credit Balance of GST is subject to reconciliation and confirmation with the Electronic Credit Ledger on GSTN portal and with GSTR – 2A statement. Mismatches, if any, will be reconciled and adjusted at the time of GST annual return filing and GST audit.



Lakhotia Polysters (India) Limited

Notes to the Financial Statements for the year ended 31 March 2021

Note 8 (a): Equity Share Capital

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Authorized Share Capital		
1,05,00,000 (As at 31st March, 2020: 1,05,00,000) Equity Shares of Rs.10/- each	1,050.00	1,050.00
Issued and subscribed capital comprises:		
1,04,73,988 (As at 31st March, 2020: 1,04,73,988) Equity Shares of Rs.10/- each fully paid-up	1,047.40	1,047.40

1. Reconciliation of number of shares outstanding at the beginning and at the end of the year

(INR in Lakhs)

Particulars	31 March 2021		31 March 2020	
	Number of Equity Shares	Share Capital (INR)	Number of Equity Shares	Share Capital (INR)
Fully paid equity shares (in Lakhs)				
Shares outstanding at the beginning of the year	104.74	1,047.40	104.74	1,047.40
Add : Issued during the year (Bonus Issue)	-	-	-	-
Add : Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	104.74	1,047.40	104.74	1,047.40

1. Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Board of Directors has not declared any dividend for the year ending 31st March, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.



2. Details of shares held by each shareholder holding more than 5% shares

Particulars	As on 31 March 2021		As on 31 March 2020	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid up equity shares (In Lakhs)				
Sanjyog Trade Link Private Limited	20.49	19.57%	20.49	19.57%
Intensive Finance Private Limited	3.49	3.33%	9.00	8.60%
Giza estates Private Limited	10.95	10.46%	10.95	10.46%
Arrowspace Advisors Private Limited	9.02	8.62%	9.02	8.62%
Shyamsundra D Lakhotia	5.53	5.28%	5.53	5.28%
Madhusudan S Lakhotia	14.09	13.46%	14.09	13.46%
Kanchandevi S Lakhotia	7.37	7.03%	7.37	7.03%

Footnote:

a) Information regarding issue of shares in the last five years:

- The Company has not declared any dividend for the year
- The Company has not issued any shares without payment being received in cash.
- The Company has not issued bonus shares during the year
- The Company has not undertaken any buy-back of shares.



8(b): Other Equity*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
DIC Subsidy		
Balance at the beginning of the year	10.00	10.00
Add / (Less) :		
Subsidy received during the year	-	-
Balance at the end of the year (A)	10.00	10.00

(INR in Lakhs)

General Reserve	31 March 2021	31 March 2020
Balance at the beginning of the year	(256.60)	(191.35)
Add / (Less) :		
Profit attributable to the owners of the company	(49.45)	(65.25)
Items of OCI recognized directly in retained earnings	--	--
Excess / (Short) Provision of Income Tax	--	--
Dividend Paid	--	--
Balance at the end of the year (B)	(306.05)	(256.60)
Total (A+B)	(296.05)	(246.60)



Note 9: Financial Liabilities

9(a) Borrowings - Non Current

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Secured		
(a) Term loans		
From Banks & Financial Institutions - Rupee loan	90.57	-
	90.57	-
Unsecured	-	-
Total Non-Current Borrowings	90.57	-
Less: Transferred to Current Maturities	22.50	-
Total	68.07	-

9(a) Borrowings - Current

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Secured		
(a) Loan against Construction Projects		
Working Capital Loan / Cash Credit from Banks	(0.48)	164.28
Packing Credit facility from bank	448.00	251.99
	447.52	416.27
Unsecured		
(a) Other Loans - Repayable on Demand		
From Others – Star Fincap	3.57	3.57
From Related Parties	18.01	128.02
	21.58	131.59
Total	469.10	547.86

Footnote:

- a) The Company has availed Term Loan of Rs.90.00 Lakhs under GECL Scheme from Central Bank of India at 7.50% p.a payable in 36 EMI of Rs.2.50 Lakhs starting from 30-06-2021. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on primary and collateral securities given for existing credit facilities by



Central Bank of India.

b) The company has also availed Bank Overdraft of Rs. 450.00 Lakhs with Sub – Limit of Export Packing Credit (EPC) Facility of similar amount from Central Bank of India at 11.05% p.a. The facility from bank is secured against the following securities:

- Hypothecation of Stock & Book Debts
- Collateral Security of Factory Building belonging to the Company
- Additional Collateral Security owned by the Directors & their relatives
- Personal Guarantee of Directors & Relatives

c) Loans from related parties are unsecured and repayable on demand. No Interest has been provided on the same. Also, no written agreements have been executed between the company and the related parties.

Note 9: Financial Liabilities

9(b) Trade Payables - Current

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Trade Payables		
Dues to MSME	-	-
Dues to Others	387.51	711.60
Total	387.51	711.60

Footnotes:

a) The above figures of Trade Payables are shown as net of advances paid to the local suppliers.

b) The average credit period on purchases is 1 to 6 months.

Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006:

c) 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. The Company has not received any declaration from the vendors regarding their classification into MSME.

d) Company has not made any provision for interest to be paid / payable to micro and small



enterprises during the year.

- e) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.
- f) Trade payables include INR 7.24 Lakhs (31st March, 2020: INR 4.20 Lakhs) due to related parties. Kindly refer Note 22.

Note 9: Financial Liabilities

9(c) Other Financial Liabilities - Current

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Current Maturities of Long Term Debts	22.50	-
Total	22.50	-

Note 10: Provisions

Non Current Provisions

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Employee Benefits		
Provision for Gratuity	2.25	-
	2.25	2.25

Footnote:

- (a) The provision for Gratuity is non fund based provision and is made on the basis of management estimates.

Current Provisions

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Employee Benefits		
Salary Payable	-	-
Other Provisions	-	-
Audit Fees Payable	1.40	0.09
Electricity Charges Payable	0.27	-
Total	1.67	0.09



Note 11: Current Tax Liabilities*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Provision for Income Tax	-	5.03
Total	-	5.03

Note 12: Other Current Liabilities*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Other Payables – Statutory Dues		
Employee Provident Fund Payable	1.07	0.27
Professional Tax Payable	-	0.03
TDS Payable (<i>Refer Footnote</i>)	10.62	10.96
TCS Payable	0.01	-
Total	11.70	11.26

Footnote:

- (a) TDS Payable includes amount of Rs.10.28 Lakhs payable against the demand notice from the Income Tax Department for Shortfall in TDs Deduction, Interest on Delayed Payment, Late Fees, etc.

Note 13: Revenue from Operations*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Sale from operations		
(a) Sale of Manufactured Goods - Exports	1,500.41	1,282.77
(b) Sale of Manufactured Goods - Domestic	76.29	300.31
(c) Exempt Sale - MEIS License	12.41	-
(d) Exempt Sale - ROSCTL License	4.82	-
(e) Sale of Services – Job Work	-	1.99
Total	1,593.93	1,585.07



Note 14: Other Income*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
(a) Interest Income		
- On Bank Deposits	-	-
(b) Duty Drawback / MEIS	36.66	8.22
(c) Foreign Exchange Gain / (Loss)	3.25	39.13
(d) Discount Received	0.38	6.85
Total	40.29	54.20

Note 15: Cost of Material Consumed*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Raw Materials and Packing material at the beginning of the year	349.27	325.70
Add: Purchases of Goods & Services	1596.94	1446.65
Less: Raw material and Packing material at the end of the year	(373.66)	(349.27)
Total cost of materials consumed	1,572.55	1,423.07

Note 16: Changes in inventories of work-in-progress, stock-in-trade and finished goods*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Opening Balance		
Work-in Progress	17.59	20.28
Finished Goods	17.88	37.36
Stock in Trade	104.33	137.71
Total Opening Balance	139.80	195.35
Closing Balance		
Work-in Progress	-	17.59
Finished Goods	191.31	17.88
Stock in Trade	-	104.33
Total Closing Balance	191.31	139.80
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(51.51)	55.55



Note 17: Employee Benefit Expenses*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Salaries, wages and bonus	12.30	9.74
Salary - Directors	7.40	7.35
Sitting Fees	-	-
Contribution to Provident Fund	0.44	0.44
Staff Welfare Expenses	-	-
Total	29.60	32.12

Footnote:

- a) Salary to Directors is the managerial remuneration paid to the directors and the same is in excess of the limits prescribed under section 197 & 198 of the Companies Act, 2013, and is subject to the approval of the shareholders.

Note 18: Finance costs*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Interest Expenses on Borrowings	25.61	53.08
Interest on Others	-	0.68
Bank Charges & Processing Fees	7.05	5.53
Total	32.65	59.29

Note 19: Other Expenses*(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
Direct Expenses:		
Power & Fuel	4.86	7.98
Factory Expenses	0.29	3.09
Freight, Packing, Loading & Unloading Charges	5.78	13.68
Export Related Expenses – C&F, Transport, Job Work	45.59	3.18
Indirect Expenses:		
Advertisement Expenses	1.38	0.85
BSE / NSDL / ROC Charges	4.71	4.05
Commission Expenses	7.72	2.27
Discount Expenses	0.14	8.29
Donation Expenses	1.00	-
Insurance Charges	0.48	0.93



Office Expenses	0.77	1.07
Postage & Courier Charges	0.37	0.37
Professional Fees	7.84	3.85
Repairs & Maintenance	-	0.33
Rent, Rates & Taxes	3.89	13.51
Software Charges	-	0.12
Travelling Expenses	0.23	2.55
Corporate Social Responsibility (CSR)	-	-
Payments to Auditors (Refer Note 19a)	2.02	0.40
Total	87.07	66.52

Note 19 (a): Details of Payments to Auditors

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Payment to Auditors		
As Auditor:		
Audit Fees	1.90	0.40
Other Matters in Professional Capacity	0.12	0.07
Total	2.02	0.47

Note 20: Earnings Per Share:

(a) Basic Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

(INR in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit attributable to equity shareholders of the Company	(49.45)	(65.25)
Weighted average number of equity shares	104.74	104.74
Nominal Value of Equity Shares	INR 10/-	INR 10/-
Basic EPS	(0.47)	(0.62)
Diluted EPS	(0.47)	(0.62)

For calculation of Earnings Per Share, in case of bonus issue the number of equity share outstanding before the bonus issue is adjusted for proportionate change in number of equity shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported.



Note 21: Commitments and Contingencies**Contingent Liabilities & Commitments (Not Provided For)***(INR in Lakhs)*

Particulars	31 March 2021	31 March 2020
(A) Claims against the Company not acknowledged as debts on account of :		
1. Income Tax and MVAT matters under appeal	-	-
2. TDS liability on account of short deduction, short payment and interest thereon as per TRACES	-	-
3. Towards pending legal cases	-	-
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against)	-	-
Total	-	-
(C) Payments under Employees State Insurance Act – Registration obtained but employees contribution has not been deducted and not amount has been paid till date	Amount cannot be quantified	

Footnote:

- a) Interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.
- b) Contingent liabilities include corporate guarantees issued by the Company and relied upon by the Auditors.



Note 22: Disclosure pursuant to Indian Accounting Standard (Ind-AS) 24 Related Party Disclosures

Related parties have been identified on the basis of representation and information given by the Key Management Personnel.

Sr. No.	Key Management Personnel	Nature of Relation
1	Madhusudan Lakhotia	Managing Director
2	Jayashree Lakhotia	Director
3	Shyamsunder Lakhotia	Family Member of Director
4	Jagdish Fabrics (Prop Mr. Shyamsundar Lakhotia)	Concern significantly influenced by family members of Director
5	Shyamsunder Lakhotia (HUF)	
6	Dhanraj Lakhotia	Family Member of Director
7	Kanchandevi Lakhotia	
8	Sujata Lakhotia	
9	Madhusudan Lakhotia (HUF)	Concern significantly influenced by Director
10	Web Zone Digital Solutions	
11	Enfinite Etail Enterprises	
12	The Lakhotia Textiles Private Limited	Concern significantly influenced by family members of Director
13	S C Threads Private Limited	
14	Ashok Kumar Khajanchi	Independent Director
15	Shannu Chaturvedi Vinayak	Compliance Officer, CS
16	Vivek Rathi	CFO

Footnote:

- The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.
- No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.



Transactions entered during the year with related parties:
(INR in Lakhs)

Sr. No.	Name of the Party	Nature of Transactions	31 March 2021	31 March 2020
1	Madhusudan Lakhotia	Director Remuneration	4.80	4.80
		Unsecured Loans	1.49	-
2	Jayashree Lakhotia	Director Remuneration	2.40	2.40
		Repayment of Unsecured Loans	36.38	-
3	Kanchandevi Lakhotia	Rent	-	0.45
4	Sujata Lakhotia	Salary	-	0.75
5	Madhusudan Lakhotia (HUF)	Repayment of Unsecured Loans	75.13	-
		Sales Commission	6.57	-
6	Web Zone Digital Solutions	Receipt of Repayment of Advances	5.30	-
7	S C Threads Private Limited	Sales	-	-
8	Shannu Chaturvedi Vinayak	KMP - Remuneration	3.30	2.70
9	Ashok Kumar Khajanchi	KMP – Remuneration	-	0.15
10	Vivek Vijay Rathi	KMP – Remuneration	4.20	4.20

Balances outstanding at the end of the year
(INR in Lakhs)

Sr. No.	Name of the Party	Receivable / Payable	31 March 2021	31 March 2020
1	Madhusudan Lakhotia	Unsecured Loans	4.11	2.62
2	Madhusudan Lakhotia (Director's Remuneration)	Remuneration Payable	0.12	(0.19)
3	Jayashree Lakhotia	Unsecured Loans	12.57	48.95
4	Jayashree Lakhotia (Director's Remuneration)	Remuneration Payable	0.80	0.24
5	Madhusudan Lakhotia (HUF)	Unsecured Loans	1.32	76.45
6	Madhusudan Lakhotia (HUF) - Sales Commission	Payable	6.32	-
7	Kanchandevi Lakhotia	Receivable	-	0.64
8	Sujata Lakhotia	Payable	-	4.15
9	Vivek Rathi	Salary Payable	-	4.57
10	Shannu Chaturvedi Vinayak	Salary Payable	0.31	0.55
11	Web Zone Digital Solutions	Advance Receivable	-	5.30
12	S C Threads Pvt Ltd	Trade Receivables	270.56	251.20



Note 23: Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

(a) Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate and thus interest rate risk is limited for the Company.

(b) Foreign currency risk

The Company is engaged exports business and the imports made by the company are very minimal for which hedging instruments are not required. The Company does not have any foreign currency financial instruments and therefore is not exposed to foreign exchange risk.

(c) Equity price risk

The Company's equity securities are not majorly susceptible to market price risk. However, the Company's Board of Directors reviews and approves all equity investment decisions after exercising due diligence which may affect the market related risk.

2. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets is contributed by trade receivables, cash and cash equivalents, etc.



3. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks, and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Note 24:

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximize shareholders value and to ensure the company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by total capital of the Company.



Gearing Ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows:

(INR in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Borrowings including current maturities	559.67	547.86
Interest accrued and due/and but not due	-	-
Unpaid matured debentures and interest accrued thereon	-	-
Total Debt	559.67	547.86
Less : Cash & Cash Equivalents	-	-
Net Debt (A)	559.67	547.86
Equity Share Capital	1,047.40	1,047.40
Other Equity	(296.05)	(246.60)
Total Equity (B)	751.35	800.80
Debt Equity Ratio (A/B)	0.74	0.68



Note 25: Categories of Financial Instruments

Fair Value Measurement

(INR in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Fair Value	Amortised Cost	Fair Value	Amortised Cost
Financial Assets				
Investments	62.64	0.01	87.65	0.01
Trade Receivables	-	872.02	-	1,275.75
Cash and Cash equivalents	-	11.98	-	10.30
Loans & Advances	-	2.19	-	2.19
Other Financial Assets	-	125.99	-	133.04
Total	62.64	1,012.19	87.65	1,421.27
Financial Liabilities				
Borrowings	-	537.17	-	547.86
Trade Payables	-	387.51	-	711.60
Other Financial Liabilities	-	22.50	-	-
Total	-	947.18	-	1,259.46

Footnote:

- (a) Investments in Equity Shares (Quoted) are shown at Fair Value in the Financial Statements & Unquoted shares at amortized cost.



Note 26: Employee Benefits

a) Defined Contribution Plans:

Contribution to Defined Contribution Plans recognized as expense for the year are as under:

(INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Employer's Contribution to Provident Fund (Gross before Allocation)	0.44	0.44
Employer's Contribution to ESIC	NIL	NIL

Footnote:

Payments under Employees State Insurance Act – Registration obtained but employee's contribution has not been deducted and not amount has been paid till date

b) Defined Benefit Plans:

Contribution to Gratuity Fund (Non-Funded)

Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Note 27: Leases

The company has entered into cancellable operating leasing arrangements for commercial premises and office premises:

(INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Operating lease expenses recognised in profit and loss account	-	5.34

The lease term do not contain any exceptional / restrictive covenants nor are there any options given by the lesser to purchase the properties. The agreement provide for changes in the rentals along with taxes leviable.

Note 28: Disclosure Pursuant To Indian Accounting Standard (Ind-AS) 12 Income Taxes:

The company has recognized Deferred Tax Assets of Rs.6.34 Lakhs in the Profit and Loss Account, the details of which are as under:

(INR in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Assets (Opening balance)	10.29	10.61
Income Tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	2.27	(0.32)
Deferred Tax Assets (Net)	12.56	10.29

Note 29:

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realizable, as the case may be.



Note 30: Segment Reporting

a) Basis of Segmentation

Factors used to identify the entity's reportable segments, including the basis of organization

For management purposes, the Company's business activity falls within only one business segment viz. 'Manufacturing and Selling of Metallic Yarn & Textile Fabrics', the financial statements are reflective of the information required by Ind AS 108 "Operating Segments". The Managing Director of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

b) Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Textile Business in India, it has only one reportable geographical segment.

c) Information about major customers

None of the customers for the years ended March 31, 2021 and March 31, 2020 constituted 10% or more of the total revenue of the Company.



Note 31 : Corporate Social Responsibility

The Company does not fulfill the Networth, Turnover & Net Profit criteria as per Section 135 of the Companies Act, 2013, accordingly provisions of CSR is not applicable to the Company. The Company has spent Rs. NIL during the year (Previous Year 2020: Rs. NIL) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

(a) Gross amount required to be spend by the Company during the year is Rs. NIL (Previous Year 2020: Rs. NIL).

(b) Amount spent during the year on:

(INR in Lakhs)

Particulars	Amount Spent in Cash	Amount yet to be paid in Cash	Total Amount
Year ended March 31, 2021			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
Year ended March 31, 2020			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

Note 32 :

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2021 and March 31, 2020 to Micro, Small and Medium Enterprises on account of principal or interest.

Note 33 :

The financial statements for the year ended 31 March, 2021 were approved by the Board of Directors and authorized for issue on 12 June, 2021.



Note 34:

Previous period figures have been regrouped and reclassified wherever necessary, to confirm with current years' presentation.

Note 35:

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

As per our report of even date

For Jain Chhajed & Associates
Chartered Accountants
(Firm Registration No. 132748W)

For and on behalf of the Board of Directors of
Lakhotia Polysters (India) Limited
CIN – L17120MH2005PLC155146

CA DINESH BURAD
Partner
Membership No.151551

M S LAKHOTIA
Chairman & MD
DIN: 00104576

J M LAKHOTIA
Whole Time Director
DIN : 05357609

VIVEK V RATHI
Chief Financial Officer

SHANNU CHATURVEDI
Company Secretary

Place : Nashik
Date: 12 June, 2021

Place : Nashik
Date: 12 June, 2021



FOR NOTES

[illegible]