

**LAKHOTIA POLYESTERS (INDIA) LIMITED**

**19 th ANNUAL REPORT - 2023-24**



**ANNUAL REPORT 2023-24**



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## TABLE OF CONTENTS

| SR. NO. | PARTICULARS  | PAGE NO. |
|---------|--|----------|
| 1       | Corporate Information  | 02       |
| 2       | Notice of the Annual General Meeting   | 03       |
| 3       | Board's Report   | 12       |
| 4       | Secretarial Audit Report   | 18       |
| 5       | Management Discussion and Analysis Report  | 23       |
| 6       | Corporate Governance Report  | 24       |
| 7       | Certificate of Non-Disqualification of Directors   | 33       |
| 8       | Declaration by the CEO under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding adherence code of conduct | 34       |
| 9       | Certificate on Corporate Governance  | 36       |
| 10      | Independent Auditor's Report along with Balance Sheet, Profit & Loss Account & Cash Flow Statement   | 37       |
| 11      | CEO/CFO Certification  | 76       |



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

- |                             |   |                                      |
|-----------------------------|---|--------------------------------------|
| • Mr. Madhusudan Lakhotiya  | : | Managing Director                    |
| • Ms. Jayshri Lakhotiya     | : | Chairman & Executive Director        |
| • Mr. Ashok Kumar Khajanchi | : | Executive Director                   |
| • Mr. Nikunj Shrawan Bihani | : | Non – Executive Independent Director |
| • Mr. Kanhaiya Lal Sharma   | : | Non – Executive Independent Director |
| • Mr. Vashishtha Pandiya    | : | Non – Executive Independent Director |

### **KEY MANAGERIAL PERSONNEL**

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

### **BOARD COMMITTEES**

- **AUDIT COMMITTEE**

|                           |   |          |
|---------------------------|---|----------|
| Mr. Nikunj Shrawan Bihani | : | Chairman |
| Mr. Kanhaiya Lal Sharma   | : | Member   |
| Mr. Vashishtha Pandiya    | : | Member   |
| Mr. Madhusudan Lakhotiya  | : | Member   |
- **NOMINATION AND REMUNERATION COMMITTEE**

|                           |   |          |
|---------------------------|---|----------|
| Mr. Vashishtha Pandiya    | : | Chairman |
| Mr. Nikunj Shrawan Bihani | : | Member   |
| Mr. Kanhaiya Lal Sharma   | : | Member   |
- **STAKEHOLDERS RELATIONSHIP COMMITTEE**

|                         |   |          |
|-------------------------|---|----------|
| Mr. Vashishtha Pandiya  | : | Chairman |
| Mrs. Jayshri Lakhotiya  | : | Member   |
| Mr. Kanhaiya Lal Sharma | : | Member   |

### **BANKERS**

- Central Bank of India

### **STATUTORY AUDITORS**

M/s Sharp Aarth & Co. LLP (FRN No. 132748W/W100823), 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.

Tele No. 022-49186270 ; Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) • Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### **REGISTERED OFFICE**

Lakhotia Polyesters (India) Limited

158/159 Samartha Sahkariudyogik Vasahat Ltd.,

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

Tel: +91 2550-252300 ; Website: [www.lakhotiapoly.in](http://www.lakhotiapoly.in) ; Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in) ; CIN: L17120MH2005PLC155146



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## **NOTICE OF THE 19TH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 19th (Nineteenth) Annual General Meeting of the Members of **Lakhotia Polyesters (India) Limited** will be held on Thursday, September 26, 2024 at 3:30 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

### **Ordinary Business:**

#### **1. Adoption of the Audited Financial Statements of the Company**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2024 including Audited Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon.

#### **2. Re-appointment of Director**

To appoint Mr. AshokKumar Khajanchi (DIN: 01532044), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers himself for re-appointment as Director of the Company.

### **Special Businee:**

#### **3. Appointment of Mr. Vashishtha Mohan Pandiya (DIN: 08475997) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, **Mr. Vashishtha Mohan Pandiya (DIN: 08475997)**, be and is hereby re-appointed as a Non-Executive, Independent Director of the Company for a second term of five years effective from September 29, 2024 to September 28, 2029, not liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

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

**sd/-  
Madhusudan Lakhotiya  
(Managing Director)  
DIN: 00104576  
Email id: info@lakhotiapoly.in**

Place: Nashik

Dated: August 12, 2024

### **Registered Office:**

158/159 Samarth Sakhari Audyogik Vasahat Ltd.,  
Pimpal- Gaon (Baswant), Tal Niphad,  
District Nashik, Maharashtra - 422209.



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## NOTES – FORMING PART OF THE NOTICE

1. Details of the Directors seeking appointment/re-appointment in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable are annexed to this Notice.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 3/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued from time to time ("MCA Circulars"), physical attendance of the Members to the AGM venue is not required and General Meeting can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

In compliance with the Companies Act, 2013, the SEBI Listing Regulations and the MCA Circulars, the 19th Annual General Meeting of the Company (AGM) is being held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

The detailed procedure for participating in the AGM through VC/OAVM is annexed herewith (Refer serial no. 15) and is also available at the Company's website i.e., [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 of the Notice, is annexed hereto.
4. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories".
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.
6. Institutional shareholders/corporate shareholders (i.e., other than Individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Institutional shareholders (i.e., other than Individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
7. 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 for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

### 10. Book Closure

- The Register of Members and the Share Transfer Books of the Company will be closed from Friday, September 20, 2024 to Thursday, September 26, 2024 (both days inclusive) for the purpose of this AGM for the financial year ended March 31, 2024.
  - Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP").
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e., Thursday, September 26, 2024. Members seeking to inspect such documents can send an email to [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in).



12. The Members are requested to:

- a) Intimate change in their registered address, if any, to LINK INTIME at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083 or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in respect of their holdings in physical form.
- b) Notify immediately any change in their registered address to their Depository Participants (DPs) in respect of their holdings in electronic form.
- c) Non-Resident Indian Members are requested to inform LINK INTIME immediately of the change in residential status on return to India for permanent settlement.

13. 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 as on the cut-off date will be entitled to vote during the AGM.

14. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

15. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

#### 16. Green Initiative

The MCA and the SEBI have encouraged paperless communication as a contribution to greener environment.

In compliance with the aforesaid MCA Circulars and the SEBI Circular dated January 05, 2023, the copy of the Annual Report for the financial year 2023-24 including Audited Financial Statements, Board's Report etc., and Notice of the 19th Annual General Meeting of the Company, inter-alia, indicating the process and manner of remote e-Voting is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants (DPs).

Members who have not registered their email address and holding shares in physical mode are requested to register their e-mail IDs with LINK INTIME and Members holding shares in Demat mode are requested to register their e-mail IDs with the respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to LINK INTIME in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

Members may also note that the Notice of the 19th AGM and the Annual Report for the financial year 2023-24 of the Company are also available on the Company's website [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

#### 17. IEPF Disclosures

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of Unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

#### 18. Voting

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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members 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 (CSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by CSDL.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and is also available on the website of CSDL (agency for providing the Remote e-Voting facility) i.e., [www.evotingindia.com](http://www.evotingindia.com).

19. The Instructions for shareholders voting electronically are as under:

- i. The remote e-Voting period begins on Monday, September 23, 2024 (9.00 a.m.) and ends on Wednesday, September 25, 2024 (5.00 p.m.). The remote e-Voting module shall be disabled by CSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Thursday, September 19, 2024 may cast their vote electronically.

The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 19, 2024.

If a person was a Member as on the date of dispatch of the notice but has ceased to be a member as on the cut-off date i.e. Thursday, September 19, 2024, he/she shall not be entitled to vote. Such person should treat this Notice for information purpose.



- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are 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 (DPs). 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 (DPs). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- v. 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:

| Type of Shareholders   | Login Method   |
|--|--|
| Individual shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <ol style="list-style-type: none"> <li>1) 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi</li> <li>2) 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 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. 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.</li> </ol> |
| Individual shareholders holding securities in Demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) 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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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</li> </ol>   |





| Type of Shareholders  | Login Method   |
|---|--|
|   | (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 & voting during the meeting.  |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | 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 website for casting your vote during the remote e-Voting period or joining virtual meeting & 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 | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000                  |

**Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

|  |   |
|--|---|
|  | For Shareholders holding shares in Demat Form other than individual and Physical Form   |
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| 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"> <li>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.</li> </ul>                 |





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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
  - (viii) 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.
  - (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (xi) 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.
  - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiii) 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.
  - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xvi) 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.
  - (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
  - (xviii) **Additional Facility for Non – Individual Shareholders and Custodians - For Remote Voting only.**
    - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
    - 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; [info@lakhotiapolym.in](mailto:info@lakhotiapolym.in). (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## 20. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 7 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 10 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.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. 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.
10. 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.

**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) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), 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](mailto:helpdesk.evoting@cdslindia.com). or call toll free no. 1800 21 09911.

21. Mr. Manoj Mimani, Partner R M Mimani & Associates LLP, Practicing Company Secretary (Membership No. ACS 17083 and Certificate of Practice No. 11601) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and voting at AGM, in a fair and transparent manner and he has communicated willingness to be appointed and shall be available for the same purpose.
22. 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 a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing. The voting results along with the consolidated Scrutinizer's Report shall be submitted to the Stock Exchange i.e., BSE Limited within two working days of conclusion of the AGM by the Company.
23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal.
24. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the 19th Annual General Meeting i.e., Thursday, September 26, 2024.

**Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ('the Act'), sets out all material facts relating to the businesses mentioned at Item No. 3 of the accompanying Notice.**

Mr. Vashishtha Mohan Pandiya was appointed as Non-Executive, Independent Director of the Company by the members at the 14th AGM of the Company held on September 29, 2019 for a period of five years ended on September 28, 2024. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV, and any other applicable provisions of the Act, BSE Ltd Notice no. 20220408-45 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vashishtha Mohan Pandiya, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from September 29, 2024 to September 28, 2029.



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

In the opinion of the Board, Mr. Vashishtha Mohan Pandiya fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as Non-Executive, Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vashishtha Mohan Pandiya as Non-Executive, Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vashishtha Mohan Pandiya as an Independent Director.

Accordingly, the Board recommends the Special Resolution in relation to re-appointment of Mr. Vashishtha Mohan Pandiya as an Independent Director for another term of five consecutive years with effect from September 29, 2024 to September 28, 2029, for the approval of the shareholders of the Company.

Except Mr. Vashishtha Mohan Pandiya, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are interested in the said resolution.

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

**sd/-  
Madhusudan Lakhotiya  
(Managing Director)  
DIN: 00104576  
Email id: info@lakhotiapolym.in**

Place: Nashik

Dated: August 12, 2024

Registered Office:

158/159 Samarth Sahkari Audyogik Vasahat Ltd.,  
Pimpal- Gaon (Baswant), Tal Niphad,  
District Nashik, Maharashtra - 422209.



**Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India**

|   |  |  |
|---|--|--|
| Name of the Director  | Mr. AshokKumar Khajanchi   | Mr. Vashishtha Mohan Pandiya   |
| DIN   | 01532044   | 08475997   |
| Date of Birth   | 29/01/1964   | 26/01/1996   |
| Nationality   | Indian   | Indian   |
| Age   | 60 years   | 28 years   |
| Designation/Category of Director  | Executive Director   | Non-Executive Independent Director   |
| Date of the first appointment on the Board  | August 17, 2016  | May 31, 2019   |
| Qualification   | Law Graduate and completed L.L.B. from Dungar College (Autonomous), Bikaner  | Bachelor in Commerce   |
| Brief Profile, Experience, and Expertise in specific functional areas / Brief Resume  | Day to day management of a business organization   | -  |
| Directorships held in other companies including listed companies and excluding foreign companies as of the date of this Notice                              | Nil  | Nil  |
| Name of listed entities from which the person has resigned in the past three years  | Nil  | Nil  |
| Memberships / Chairmanships of committees of other companies including listed companies and excluding foreign companies as of the date of this Notice       | Nil  | Nil  |
| Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company  | Nil  | Nil  |
| Shareholding in the Company including shareholding as a beneficial owner  | Nil  | Nil  |
| Terms and Conditions of appointment / re-appointment  | Liable to retire by rotation   | Non-Executive Independent Director not liable to retire by rotation  |
| Details of Remuneration sought to be paid   | He shall be paid remuneration in the capacity of Executive Director, by way of fee for attending Meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and other meetings, and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013, as may be decided by the Board from time to time | He shall be paid remuneration in the capacity of Non-Executive, Independent Director, by way of fee for attending Meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and other meetings, and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013, as may be decided by the Board from time to time. |
| In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Not applicable   | Not applicable   |



## BOARD'S REPORT

To  
The Members  
Lakhotia Polyesters (India) Limited  
Nasik

Your directors are pleased to present the 19<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2024.

### 1. **FINANCIAL RESULTS**

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

(Rs. in Lakhs)

| Particulars  | FINANCIAL YEAR |                 |
|--|----------------|-----------------|
|  | 2023-24        | 2022-23         |
| <b>Total Income</b>  | 2847.91        | 1515.83         |
| Less: Expenditure  | 2757.99        | 1635.41         |
| Profit Before Finance Cost, Depreciation & Tax               | 89.92          | (119.58)        |
| Less: Finance Cost   | 49.31          | 50.54           |
| Less: Depreciation   | 1.26           | 9.59            |
| <b>Net Profit/(Loss) Before Tax &amp; Extraordinary Item</b> | <b>39.35</b>   | <b>(179.71)</b> |
| Less: Extraordinary Item                                     | -              | -               |
| Less: Tax Expense  | 32.68          | (11.93)         |
| <b>Net Profit/(Loss) After Tax</b>                           | <b>6.67</b>    | <b>(191.64)</b> |

### 2. **RESULTS OF OPERATIONS & STATE OF COMPANY'S AFFAIRS**

During the financial year ended on March 31, 2024, there was gross revenue of Rs. 2847.91 Lakhs as against Rs. 1515.83 Lakhs in the Financial Year 2022-23. Your Company has earned a profit of Rs. 6.67 Lakhs during the year under review as against loss of Rs. 191.64 Lakhs in Financial Year 2022-23.

### 3. **CHANGES IN THE NATURE OF BUSINESS, IF ANY**

During the year the Company is in the business of manufacturing of Yarns, Packaging Films, Printing Films, Chemicals and many more to come. There is no change in nature of the business of the Company. The Company has its registered office at Nashik.

### 4. **DIVIDENDS AND RESERVES**

The Board of Directors do not recommend dividend to its shareholders during the FY 2023-24, keeping in view of further requirement of the funds for growth.

### 5. **SHARE CAPITAL**

The authorised share capital of the Company is Rs. 10,50,00,000 (Rupees Ten Crores and Fifty Lakhs only) comprising 1,05,00,000 equity shares of face value of Rs. 10/- each.

The paid-up equity share capital as at March 31, 2024 stood at Rs.10,47,39,880/- (Rupees Ten Crores Forty-Seven Lacs Thirty-Nine Thousand and Eight Hundred and Eighty Only).

There is no change in the share capital of the Company during the financial year ended on March 31, 2024.

The Company has not issued any equity shares with or without differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

### 6. **PUBLIC DEPOSITS**

The Company has neither invited nor accepted any public deposits during the period under review. No such deposits were outstanding at the beginning or end of the financial year.

### 7. **SUBSIDIARY AND ASSOCIATE COMPANIES**

As on March 31, 2024, Company does not have any subsidiary or associate or joint venture company.



## **8. CONSOLIDATED FINANCIAL STATEMENT**

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

## **9. CORPORATE GOVERNANCE**

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

## **10. 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, 2024 is available on the website of the Company at [www.lakhotiapoly.in](http://www.lakhotiapoly.in) under Investor Information tab.

## **11. 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 loss 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;

## **12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- a) Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. As on March 31, 2024, Mr. Nikunj Bihani, Mr. Vashishtha Mohan Pandiya and Mr. Kanhaiya Lal Sharma are Independent Directors of the Company. Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.
- b) The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.
- c) Mr. Ashok Kumar Khajanchi retires by rotation at the ensuing 19th Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the 19th Annual General Meeting.
- d) 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.

## **13. MEETINGS**

A calendar of Board Meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to the Directors of your Company. During the Financial Year 2023-2024, the Board of Directors of the Company met 4(Four) times on 15-05-2023, 09-08-2023, 06-11-2023 and 09-02-2024. The details of these Meetings are provided in the Corporate Governance Section of the Annual Report. The maximum time gap between any two consecutive Meetings did not exceed one hundred and twenty days.

## **14. BOARD COMMITTEES**

The Board had constituted/re-constituted various Committees in compliance with the provisions of the Act and the SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of reference/role of the Committees are taken by the Board.





The details of the role and composition of these Committees, including the number of Meetings held during the financial year and attendance at these Meetings are provided in the Corporate Governance Section of the Annual Report.

#### **15. BOARD EVALUATION, INDUCTION AND TRAINING OF BOARD MEMBERS**

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Independent Directors and the working of its committees based on the evaluation criteria specified by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including, inter-alia, the structure of the Board, Meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment, and delineation of responsibilities to various Committees and effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings.

As mentioned earlier, the performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate Meeting of Independent Directors. The same was also discussed in the Board Meeting. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### **16. CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

The Nomination and Remuneration Committee has laid down well-defined criteria, in the Nomination and Remuneration Policy, for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel.

The said Policy is available on the Company's website and can be accessed by weblink [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

#### **17. FAMILIARIZATION PROGRAM OF INDEPENDENT DIRECTORS**

In compliance with the requirements of the SEBI Listing Regulations, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, Business overview etc.

The details of the familiarization program are explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by weblink [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

#### **18. INDEPENDENT DIRECTORS' MEETING**

In terms of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company are required to hold at least 1 (One) meeting in a financial year without the attendance of Non-Independent Directors and Members of Management.

During the year under review, Independent Directors met separately on February 09, 2024, inter-alia; for

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole;
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors; and
- 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;

#### **19. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE, AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. In the opinion of the Board, they fulfil the condition for appointment/re-appointment as Independent Directors on the Board and possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014.

#### **20. 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.

#### **21. WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of





the mechanism and provides for direct access to the Chairman of the Audit Committee. It is affirmed that no person has been denied access to the Audit Committee.

The said Policy is available on the Company's website and can be accessed at [www.lakhotiapoly.in](http://www.lakhotiapoly.in)

## **22. REMUNERATION AND NOMINATION POLICY**

The Nomination and Remuneration Committee has laid down the framework for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by it and approved by the Board of Directors. The Policy, inter-alia, defines Key Managerial Personnel and Senior Management Personnel of the Company and prescribes the role of the Nomination and Remuneration Committee. The Policy lays down the criteria for identification, appointment and retirement of Directors and Senior Management. The Policy broadly lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy also provides for the criteria for determining qualifications, positive attributes and independence of Director and lays down the framework on Board diversity.

The said Policy is available on the Company's website and can be at [www.lakhotiapoly.in](http://www.lakhotiapoly.in)

## **23. 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-a-vis the Company.

The Company has not entered into any material related party transactions, which needs to be given in form AOC-2 in terms of the provision of section 188(1) including certain arm's length transactions.

## **24. 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.

## **25. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s Sharp Aarth & Co. LLP, Chartered Accountants, (Firm Registration No. 132748W/W100823) was appointed as the Statutory Auditors of the Company to hold office from the conclusion of 17th AGM till the conclusion of 22nd AGM of the Company.

The Auditors' Report is unmodified i.e., it does not contain any qualification, reservation or adverse remark.

## **26. DETAILS OF FRAUD REPORTED BY AUDITOR**

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder

## **27. COST AUDIT AND COST RECORDS**

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 under review.

## **28. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed R M Mimani & Associates LLP, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure – 1**" and forms an integral part of this report.

The Secretarial Auditor's observations are self-explanatory.

## **29. SECRETARIAL STANDARD**

The Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## **30. TRANSFER OF UNCLAIMED DIVIDEND AND EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of Unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.



### **31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorized, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management along with documented policies, guidelines and procedures.

As per Section 138 of the Companies Act, 2013, the Company has appointed Mr. V. B. Rathi., as an internal auditor for the year 2023-24 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through periodical checks and internal audit.

### **32. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

### **33. RISK MANAGEMENT**

During the financial year under review, the Company has identified and evaluates elements of business risk. Consequently, a Business Risk Management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. The framework has different risk models which help in identifying risk trends, exposure and potential impact analysis at a Company level as also separately for business.

### **34. PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. The Company has a well formulated Policy on Prevention and Redressal of Sexual Harassment. The objective of the Policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This Policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The Policy covers all employees, irrespective of their nature of employment and is also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year 2023-24, no case of Sexual Harassment was reported.

### **35. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Provision of Schedule VII of the Companies Act, 2013 read with Companies Corporate Social Responsibility Policy(CSR) Rules, 2014 are not applicable to the Company during the year under review.

### **36. ENVIRONMENT AND SAFETY**

Your Company is committed to ensure sound Safety, Health and Environmental (SHE) performance related to its activities, products and services. Your Company is taking continuous steps to develop Safer Process Technologies and Unit Operations and has been investing heavily in areas such as Process Automation for increased safety and reduction of human error element.

The Company is committed to continuously take further steps to provide a safe and healthy environment.

### **37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company during the financial year under review.

### **38. PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION**

The information required under section 197 of the Companies Act, 2013 read with Rule 5 (1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in "Annexure – 2 and 3" to this report.



### **39. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year 2023-24 as stipulated under SEBI (LODR), Regulations, 2015 has annexed as “Annexure - 4” of this Report.

### **40. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

The Business Responsibility Reporting as required under SEBI (LODR), 2015 is not applicable to your Company for the financial year under review.

### **41. CAUTIONARY STATEMENT**

Statements in this Report, Management Discussion and Analysis, Corporate Governance, notice to the Shareholders or elsewhere in this Annual Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the Market conditions and circumstances.

### **42. DISCLOSURE OF AGREEMENTS**

Disclosure as required under para-F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company during the financial year.

### **43. STATEMENT PURSUANT TO SEBI LISTING REGULATIONS**

The Company's shares are listed with BSE Ltd. Your Company has paid the respective annual listing fees and there are no arrears.

### **44. ACKNOWLEDGEMENT AND APPRECIATION**

Your directors would like to acknowledge and place on record their sincere appreciation to all Stakeholders, Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued Investors and all other Business Partners, for their continued co-operation and support extended during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to promote its development.

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

sd/-  
Jayshri Lakhotiya  
Director  
DIN: 05357609

sd/-  
Madhusudan Lakhotiya  
Managing Director  
DIN: 00104576

**Place: Nashik**

**Dated: August 12, 2024**

### **Registered office**

158/159 Samarth Sahkari Audyogik Vasahat Ltd.,  
Pimpal- Gaon (Baswant), Tal Niphad,  
District Nashik, Maharashtra - 422209



## Form No. MR-3

**Secretarial Audit Report for the financial year ended on March 31, 2024**

[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 Samarth Sahkari Audyogik Vasahat Ltd.,

Pimpal- Gaon (Baswant), Tal Niphad,

District Nashik, Maharashtra - 422209

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and Shareholders.
- (b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

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 under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

During the audit period under review, provisions of the following regulations were not applicable to the Company:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 dealing with client.

**We further report that:**

- The Board of Directors of the Company is duly constituted as on March 31, 2024 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 period under review.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance has no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the Meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.
- ***There was a delay in disclosure of related party transactions for the half year ended on March 31, 2023 and September 30, 2023 for which fine was imposed by BSE under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.***
- ***There were few instances of delay in recording the information shared, in structured digital database maintained by the Company.***
- ***The demat accounts of the promoters of the Company was frozen by Stock Exchange during the review period on account of non-payment of fine/penalties imposed by Stock Exchange.***

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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For R M Mimani & Associates LLP**  
**[Company Secretaries]**  
**[Firm Registration No. L2015MH008300]**

Sd/-

**Ranjana Mimani**  
**(Partner)**  
**FCS : 6271**  
**CP No.: 4234**  
**PR No.: 1065/2021**  
**UDIN: F006271F000971565**

Place: Mumbai

Dated: August 12, 2024

**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.**



**To**

The Members

**Lakhotia Polyesters (India) Limited**

[CIN: L17120MH2005PLC155146]

158/159 Samarth Sahkari Audyogik Vasahat Ltd.,

Pimpal - Gaon (Baswant), Tal Niphad,

District Nashik, Maharashtra - 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]**

**Sd/-**

**Ranjana Mimani**

**(Partner)**

**FCS : 6271**

**CP No.: 4234**

**PR No.: 1065/2021**

**UDIN: F006271F000971565**

Place: Mumbai

Dated: August 12, 2024



**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2023-24

| Sr. No. | Name of the Director     | Designation        | Ratio of remuneration of each Director to median remuneration of employees |
|---------|--------------------------|--------------------|--|
| 1.      | Mr. Madhusudan Lakhotiya | Managing Director  | 2.63   |
| 2.      | Mrs. Jayshri Lakhotiya   | Executive Director | 1.57   |
| 3.      | Mr. Ashokkumar Khajanchi | Executive Director | 0  |

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2023-24.

| Sr. No. | Name of the Director     | Designation             | Percentage increase in remuneration |
|---------|--------------------------|-------------------------|-------------------------------------|
| 1.      | Mr. Madhusudan Lakhotiya | Managing Director       | 4.44                                |
| 2.      | Mrs. Jayshri Lakhotiya   | Executive Director      | 55.55                               |
| 3.      | Mr. Ashokkumar Khajanchi | Executive Director      | 0                                   |
| 4.      | Mr. Vivek Vijay Rathi    | Chief Financial officer | 0.02                                |
| 5.      | Mrs. Shannu Chaturvedi   | Company Secretary       | 0.02                                |

- iii) The Company has 3 permanent employees on the rolls of Company as on March 31, 2024.

- iv) **Relationship between average increase in remuneration and Company's performance:**

As compared to Company's increase in performance, increase in remuneration is reasonable considering present market scenario and also considering reduction in remuneration in respect of surplus staff.

- v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

| Sr. | Particulars             | (2023 – 2024)<br>(Rs. In lakhs) | (2022 – 2023)<br>(Rs. In lakhs) | % of increase/ decrease |
|-----|-------------------------|---------------------------------|---------------------------------|-------------------------|
| 1   | Sales / Revenue         | 2774.81                         | 1408.03                         | 97.07                   |
| 2   | Profit before tax       | 39.34                           | -179.71                         | 121.89                  |
| 3   | Remuneration of the KMP | 15.00                           | 12.60                           | 19.05                   |

- vi) **Market capitalization and price earnings ratio details are asunder:**

| Particulars                           | As on<br>31.03.2024 | As on<br>31.03.2023 | Increase / (Decrease)<br>(%) |
|---------------------------------------|---------------------|---------------------|------------------------------|
| Price Earnings Ratio                  | 308.45              | 25.41               | 1127.00                      |
| Market Capitalization ( Rs. in crore) | 40.33               | 29.23               | 37.98                        |

- vii) Average percentage increase in the salaries of employees other than the managerial personnel in the financial year is 0.02% whereas the increase in the managerial remuneration was 2.10%

- viii) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.

| Sr. No. | Name of KMP              | Designation             | % increase in remuneration | % of increase in performance |
|---------|--------------------------|-------------------------|----------------------------|------------------------------|
| 1.      | Mr. Madhusudan Lakhotiya | Managing Director       | 2.63                       | 97.07                        |
| 2.      | Mr. Vivek Vijay Rathi    | Chief Financial Officer | 0.02                       | 97.07                        |
| 3.      | Mrs. Shannu Chaturvedi   | Company Secretary       | 0.02                       | 97.07                        |

- ix) The key parameter for any variable component of remuneration availed by Managing Directors: Not applicable being there is no variable component is paid to Managing Director.

- x) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: **Not Applicable.**





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xi) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

sd/-  
Jayshri Lakhotiya  
Director  
DIN: 05357609

sd/-  
Madhusudan Lakhotiya  
Managing Director  
DIN: 00104576

**Place: Nashik  
Dated: August 12, 2024**

**Registered office**

158/159 Samarth Sahkari Audyogik  
Vasahat Ltd.,  
Pimpal- Gaon (Baswant), Tal Niphad,  
District Nashik, Maharashtra- 422209

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**ANNEXURE 3**

**Details of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014-**

Not applicable as no employees or managerial personnel draw salary equal to or exceeding Rs.10,200,000 p.a. or Rs.8,50,000 per month.

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

sd/-  
Jayshri Lakhotiya  
Director  
DIN: 05357609

sd/-  
Madhusudan Lakhotiya  
Managing Director  
DIN: 00104576

**Place: Nashik  
Dated: August 12, 2024**

**Registered office**

158/159 Samarth Sahkari Audyogik Vasahat Ltd.,  
Pimpal- Gaon (Baswant), Tal Niphad,  
District Nashik, Maharashtra- 422209



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This report covers the operations and financial performance of the Company for the year ended March 31, 2024 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**

The revenue from operations of your Company for the year ended March 31, 2024 stood at Rs. 2847.91 Lakhs as against Rs. 1515.83 Lakhs in the financial year 2022-23. Your Company has earned a profit of Rs. 6.67 Lakhs during the year under review as against loss of Rs. 191.64 Lakhs in financial year 2022-23.

### **Risk and 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**

sd/-  
**Jayshri Lakhotiya**  
Director  
DIN: 05357609

sd/-  
**Madhusudan Lakhotiya**  
Managing Director  
DIN: 00104576

Place: Nashik

Dated: August 12, 2024



## **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

**Lakhotia Polyesters (India) Limited** ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons and the Charter– Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees;

### **THE BOARD OF DIRECTORS**

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework.

The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. As on March 31, 2024, the Company's Board consists of six Directors. The Board comprises of 2 (Two) Executive Directors, 1 (One) Executive, Non-Independent Director and 3 (Three) Non- Executive Independent Directors. Fifty per cent of the Board comprised of Independent Directors. The details of the Board of Directors as on March 31, 2024 are given below:

| Name of the Director         | Designation                         | Date of Joining | No. of Directorships / Committee Memberships/ Chairmanships |   |                       |                         |
|------------------------------|-------------------------------------|-----------------|---|---|-----------------------|-------------------------|
|                              |                                     |                 | Public Limited Companies (including this                    | Private Limited and Section 8 Companies | Committee Memberships | Committee Chairmanships |
| Ms. Jayshri Lakhotiya        | Executive Director                  | 24/07/2012      | 01  | Nil                                     | 01                    | Nil                     |
| Mr. Madhusudan Lakhotiya     | Managing Director                   | 03/09/2015      | 01  | Nil                                     | 01                    | Nil                     |
| Mr. AshokKumar Khajanchi     | Executive Director                  | 17/08/2016      | 01  | Nil                                     | Nil                   | Nil                     |
| Mr. Vashishtha Mohan Pandiya | Non- Executive Independent Director | 31/05/2019      | 01  | Nil                                     | 01                    | 02                      |
| Mr. Nikunj Shrawan Bihani    | Non- Executive Independent Director | 16/12/2022      | 01  | Nil                                     | 01                    | 01                      |
| Mr. Kanhaiya Lal Sharma      | Non- Executive Independent Director | 16/12/2022      | 01  | Nil                                     | 03                    | Nil                     |



As on March 31, 2024, Shareholding of Directors are as under;

| Name of the Director         | Designation                        | No. of shares held |
|------------------------------|------------------------------------|--------------------|
| Mr. Madhusudan Lakhotiya     | Managing Director                  | 46,67,745          |
| Ms. Jayshri Lakhotiya        | Non-Executive Director             | 1,55,064           |
| Mr. Ashok Kumar Khajanchi    | Executive Director                 | Nil                |
| Mr. Nikunj Shrawan Bihani    | Non-Executive Independent Director | Nil                |
| Mr. Vashishtha Mohan Pandiya | Non-Executive Independent Director | Nil                |
| Mr. Kanhaiya Lal Sharma      | Non-Executive Independent Director | Nil                |

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("the Act") and SEBI (LODR), Regulations, 2015.

### Board Meetings

The Board/Committee meetings are pre-scheduled and proper notices of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

During the Financial Year 2023-2024, the Board of Directors of the Company met 4 (four) times on 15-05-2023, 09-08-2023, 06-11-2023 and 09-02-2024. The gap between two Board meetings was in compliance with the provisions contained in the Act, MCA General Circular no. 11/2020 and the SEBI (LODR), Regulations, 2015. Details of Directors as on March 31, 2024 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2024 are given here-in-below:

### Attendance of Directors at Board meetings and Annual General Meeting

| Name of the Directors        | Attendance at the Board meetings held on |            |            |            | Attendance at the AGM held on 25/09/2023 |
|------------------------------|--|------------|------------|------------|--|
|                              | 15-05-2023                               | 09-08-2023 | 16-11-2023 | 09-02-2024 |  |
| Mr. Madhusudan Lakhotiya     | ✓  | ✓          | ✓          | ✓          | ✓  |
| Ms. Jayshri Lakhotiya        | ✓  | ✓          | ✓          | ✓          | ✓  |
| Mr. Ashok Kumar Khajanchi    | ✓  | ✓          | ✓          | ✓          | ✓  |
| Mr. Nikunj Shrawan Bihani    | ✓  | ✓          | ✓          | ✓          | ✓  |
| Mr. Vashishtha Mohan Pandiya | ✓  | ✓          | ✓          | ✓          | ✓  |
| Mr. Kanhaiya Lal Sharma      | ✓  | ✓          | ✓          | ✓          | ✓  |

### Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

### Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.



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## Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

## Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

## Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.

The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one-to-one discussion with the newly appointed Director to familiarize him/her with the Company's operations.

Further, on an ongoing basis as a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates' businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website, i.e., [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

## GOVERNANCE CODES

### Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm semi-annual Compliance of this Code. A declaration signed by the Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website i.e., [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

### Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

### Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

### Committees of the Board

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting. The Company has 03 (three) Board Level Committees:

- Audit Committee,
- Nomination and Remuneration Committee, and
- Stakeholders' Relationship Committee.

### Audit Committee

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. 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 the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics and Risk etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.



## Meetings and Attendance

The Audit Committee met 4 (Four) times during the Financial Year 2023-24. The maximum gap between two Meetings was less than one hundred and twenty days. During the Financial Year 2023-24, Audit Committee met 4 (Four) times on 15-05-2023, 09-08-2023, 06-11-2023 and 09-02-2024. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 25, 2023.

### 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.

Constitution of the Audit Committee and attendance at their Meetings during the financial year ended March 31, 2024 are given below:

| Name of Directors            | Designation | Nature of Directorship    | Number Meetings Held during the Year | Meetings Attended by the Member |
|------------------------------|-------------|---------------------------|--------------------------------------|---------------------------------|
| Mr. Nikunj Shrawan Bihani    | Chairman    | Non Executive Independent | 4                                    | 4                               |
| Mr. Vashishtha Mohan Pandiya | Member      | Non Executive Independent | 4                                    | 4                               |
| Mr. Madhusudan Lakhotiya     | Member      | Non Executive Independent | 4                                    | 4                               |
| Mr. Kanhaiya Lal Sharma      | Member      | Non Executive Independent | 4                                    | 4                               |

## Nomination & Remuneration Committee

As per Section 178 (1) of the Companies Act, 2013, Our Company has constituted a Nomination & Remuneration Committee.

### 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 Companies Act, 2013.

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 operation.
- 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 diversify.
- To develop a succession plan for the Board and to regularly review the plan.

During the year ended 31st March, 2024, 1 (One) Nomination & Remuneration Committee Meeting were held on 09-08-2023. The requisite quorum was present at all the Meetings. Constitution of the Committee and attendance at their Meetings during the financial year ended March 31, 2024 are given below:

| Name of Directors            | Designation | Nature of Directorship    | Number Meetings Held during the Year | Meetings Attended by the Member |
|------------------------------|-------------|---------------------------|--------------------------------------|---------------------------------|
| Mr. Vashishtha Mohan Pandiya | Chairman    | Non-Executive Independent | 1                                    | 1                               |
| Mr. Nikunj Shrawan Bihani    | Member      | Non-Executive Independent | 1                                    | 1                               |
| Mr. Kanhaiya Lal Sharma      | Member      | Non-Executive Independent | 1                                    | 1                               |

## 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".



Constitution of the Committee and attendance at their Meetings during the financial year ended March 31, 2024 are given below:

| Name of Directors            | Designation | Nature of Directorship | Number Meetings Held during the Year | Meetings Attended by the Member |
|------------------------------|-------------|------------------------|--------------------------------------|---------------------------------|
| Mr. Vashishtha Mohan Pandiya | Chairman    | Independent Director   | 4                                    | 4                               |
| Ms. Jayshri Lakhotiya        | Member      | Executive Director     | 4                                    | 4                               |
| Mr. Kanhaiya Lal Sharma      | Member      | Independent Director   | 4                                    | 4                               |

The Stakeholders Relationship Committee met 4 (four) times during the financial year ended 15-05-2023, 09-08-2023, 06-11-2023 and 09-02-2024.

#### Details of Shareholders' / Investors' Complaints during the FY ended 31st March 2024.

|   |     |
|---|-----|
| Number of Shareholders' Complaints at the beginning of the year   | Nil |
| 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.

#### Independent Directors' Meeting

During the year under review, the Independent Directors met on February 09, 2024 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 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](http://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.

#### Policy on Disclosure and Internal procedure for prevention of Insider Trading

Ms. Shannu Chaturvedi, Company Secretary & 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.





## SHAREHOLDER INFORMATION

### GENERAL BODY MEETINGS:

The details of date, time and location of Annual General Meetings and Extra-Ordinary General Meeting held in the last three years are as under:

| Year    | Date of AGM | Day      | Time      | Venue   |
|---------|-------------|----------|-----------|---|
| 2022-23 | 24.02.2023  | Friday   | 11:00A.M. | through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |
| 2022-23 | 25.09.2023  | Monday   | 2.30 P.M. | through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |
| 2021-22 | 05.11.2022  | Saturday | 2.30 P.M. | through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |
| 2020-21 | 30.09.2021  | Thursday | 3.00 P.M. | through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") |

### Annual General Meeting for the financial year 2023-24

**Date** September 26, 2024

**Venue** The Company is conducting meeting through VC/OAVM as such there is no requirement to have a venue for the AGM

**Time** 3:30 P.M.

### Calendar of financial year ended 31st March 2025

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

**First Quarter** By 2nd week of August 2024

**Second Quarter** By 2nd week of November 2024

**Third Quarter** By 2nd week of February 2025

**Fourth Quarter** By 4th week of May 2025

### Bifurcation of shares held in physical and demat form as on 31st March 2024.

| Particulars         | No. of Shares     | % (Percentage) |
|---------------------|-------------------|----------------|
| Physical Shares     | NIL               | NIL            |
| <b>Demat Shares</b> |                   |                |
| NSDL (A)            | 4,02,682          | 3.84           |
| CDSL (B)            | 1,00,71,306       | 96.16          |
| <b>TOTAL (A+B)</b>  | <b>10,473,988</b> | <b>100.00</b>  |

### Listing Details

| Name and Address of Stock Exchange  | Stock Code   |
|---|--------------|
| BSE Limited<br>Floor 25, Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001 | 535387       |
| ISIN  | INE191001010 |

The listing fee for the financial year 2023-24 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, 2024 are as under:

| Month          | High Price | Low Price | No. of Shares |
|----------------|------------|-----------|---------------|
| April 2023     | 57.40      | 29.30     | 69,865        |
| May 2023       | 46.82      | 24.32     | 2,65,156      |
| June 2023      | 34.61      | 27.13     | 34,452        |
| July 2023      | 32.00      | 27.07     | 5,294         |
| August 2023    | 36.31      | 30.89     | 23,234        |
| September 2023 | 44.45      | 31.50     | 17,239        |
| October 2023   | 41.48      | 34.79     | 22,749        |
| November 2023  | 46.43      | 37.53     | 16,675        |
| December 2023  | 39.58      | 34.30     | 11,618        |
| January 2024   | 55.30      | 35.15     | 52,937        |
| February 2024  | 50.26      | 41.25     | 64,740        |
| March 2024     | 45.85      | 36.79     | 1,40,231      |

## Share holding pattern of the Company as on 31.03.2024

| Sr. No. | Category                                       | No. of Shares      | % (Percentage) |
|---------|--|--------------------|----------------|
| 1.      | Promoters (Including Promoters Body Corporate) | 75,71,693          | 72.29          |
| 2.      | Body Corporate (Public)                        | 11,29,721          | 10.79          |
| 3.      | Resident Individuals and HUF (Public)          | 17,72,574          | 16.92          |
|         | <b>TOTAL</b>                                   | <b>1,04,73,988</b> | <b>100.00</b>  |

## Distribution of Shareholding as on 31.03.2024

| No. of Shares held | No. of Shareholders | %             | No. of Shares   | % of Issued Capital |
|--------------------|---------------------|---------------|-----------------|---------------------|
| 1 to 5000          | 98                  | 64.05         | 7059            | 0.07                |
| 5001 to 10000      | 5                   | 3.27          | 4226            | 0.04                |
| 10001 to 20000     | 5                   | 3.27          | 7100            | 0.07                |
| 20001 to 30000     | -                   | -             | -               | -                   |
| 30001 to 40000     | 2                   | 1.30          | 7600            | 0.07                |
| 40001 to 50000     | -                   | -             | -               | -                   |
| 50001 and 100000   | 3                   | 1.96          | 25217           | 0.24                |
| 100001 onwards     | 40                  | 26.15         | 10422786        | 99.51               |
| <b>Total</b>       | <b>153</b>          | <b>100.00</b> | <b>10473988</b> | <b>100.00</b>       |

## 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.

## 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



### **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 Exchange and are published in 'Free press General' (English newspaper) and 'Navshakti' (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](http://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 SEBI.
- The Company has designated the email id: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in). exclusively for investor relation, and the same is prominently displayed on the Company's website i.e., [www.lakhotiapoly.in](http://www.lakhotiapoly.in).

### **Name, Designation and Address of the Compliance Officer:**

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

### **AFFIRMATIONS AND DISCLOSURES**

#### **Details of non-compliance by the Company, penalties, and restrictions 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 financials year are as under:

| Sr. No. | Date of order | Amount of Penalty | Reason   | Authority   |
|---------|---------------|-------------------|--|-------------|
| 1.      | 14-12-2023    | 11,800            | Non-compliance of regulation 23(9) of the SEBI (LODR), 2015 for the Quarter ended September 30, 2023 | 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](http://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 and listed 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 Atatutory Auditor is a part :** 1,50,000

**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, 2024 is given in the Board's report.

#### **Non-mandatory requirements**

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

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- 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 of 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**

sd/-  
Jayshri Lakhotiya  
Director  
DIN: 05357609

sd/-  
Madhusudan Lakhotiya  
Managing Director  
DIN: 00104576

Place: Nashik

Dated: August 12, 2024



## 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]

The Members of

**Lakhotia Polyesters (India) Limited**

[CIN: L17120MH2005PLC155146]

158/159 Samarth Sahkariaudyogik Vasahat Ltd,

Pimpal- Gaon (Baswant),

Tal Niphad Dist. Nashik, Maharashtra - 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](http://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 ended on March 31, 2024 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:

| DID      | Name of the Board Member            | Designation                        | Date of Appointment |
|----------|-------------------------------------|------------------------------------|---------------------|
| 00104576 | Mr. Madhusudan Shamsundar Lakhotiya | Managing Director                  | 03/09/2015          |
| 01532044 | Mr. Ashokkumar Gulabchand Khajanchi | Director                           | 17/08/2016          |
| 09773768 | Mr. Nikunj Shrawan Bihani           | Non-Executive Independent Director | 16/12/2022          |
| 05357609 | Mrs. Jayshri Madhusudhan Lakhotiya  | Executive Director                 | 24/07/2012          |
| 08475997 | Mr. Vashishtha Mohan Pandiya        | Non-Executive Independent Director | 31/05/2019          |
| 09773823 | Mr. Kanhaiya Lal Sharma             | Non-Executive Independent Director | 16/12/2022          |

Ensuring the eligibility 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]**

**Sd/-**

**Ranjana Mimani**

**(Partner)**

**FCS : 6271**

**CP No.: 4234**

**PR No.: 1065/2021**

**UDIN: F006271F000971587**

Place: Mumbai

Dated: August 12, 2024



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**DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO 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, 2024.

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

**sd/-**  
**Madhusudan Lakhotiya**  
Managing Director  
DIN: 00104576  
Email Id: info@lakhotiapoly.in

**Place: Nashik**  
**Dated: August 12, 2024**



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## Corporate Governance Compliance Certificate

To

The Members of

**Lakhotia Polyesters (India) Limited**

[CIN: L17120MH2005PLC155146]

158/159 Samarth Sahkariaudyogik Vasahat Ltd,

Pimpal- Gaon (Baswant),

Tal Niphad Dist. Nashik, Maharashtra - 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, 2024, 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, 2024, except that of Regulation 17 of the LODR, with regard to constitution of Board and Committees.

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]**

**Sd/-**

**Ranjana Mimani**

**(Partner)**

**FCS : 6271**

**CP No.: 4234**

**PR No.: 1065/2021**

**UDIN: F006271E000773831**

Place: Mumbai

Dated: August 12, 2024





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## **INDEPENDENT AUDITOR'S REPORT**

To

The Members of

**Lakhotia Polyesters (India) Limited**

**Report on the Audit of Ind AS Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS Standalone Financial Statements of **Lakhotia Polyesters (India) Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS & accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2024; and
- b) in the case of the statement of profit and loss, of the profit including other comprehensive income for the year ended on that date.
- c) in the case of the statement of cash flows, of the cash flows for the year ended on that date.
- d) in the case of the statement of changes in equity, of the changes in equity share capital and other equity for the year ended on that date.

### **Basis for Opinion**

We have conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Ind AS financial statements' section of our report. We are independent of the company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI 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 Ind AS financial statements.

### **Other Information**

The Company's Board of Directors are responsible for the other information. The other information comprises the Board of Directors' Report, but does not include the Ind AS financial statements and our Auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 Ind AS 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 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) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring



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

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

### **Auditors Responsibility for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraph 3 and 4 of the order.
2. (A) As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) the balance sheet, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flows, and statement of changes in equity dealt with by this report are in agreement with the books of account.
- d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) on the basis of written representations received from the directors as on 31st March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- (B) With respect to the other matters to be included in Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:
- a) The Company does not have any pending litigations which would impact its financial position;
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c) The Company was not required to transfer any amount to Investor Education and Protection Fund;
- d) i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company; or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Fund Parties”) with the understanding, whether recorded in writing or otherwise that the Company shall:
- Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
  - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause d (i) and d (ii) contain any material misstatement.
- e) During the year, the Company has not declared or paid any dividend.
- (C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:
- 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 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.
- The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For M/S. SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W / W100823

sd/-

**CA Praveen Purohit**

Partner

Membership No.: 429231

UDIN : 244298231BKDZKW3038

Place: Nashik

Date: May 27, 2024



**Referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of Intangible Assets;
- (b) 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 a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- ((d) 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 revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Accordingly, the reporting requirements of clause i (d) of paragraph 3 of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) 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 sanctioned working capital limits in excess of five crore rupees, in the aggregate, hence reporting under this clause is not required.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. The Company has not made investments during the year.
- (b) In our opinion and according to the information and explanation given to us, the investments made during the year are not prejudicial to the interest of the Company. Accordingly, the reporting requirements of clause iii (b) of paragraph 3 of the Order is not applicable to the Company.
- (c) Based on the records examined by us and the information and explanations given to us, the Company has not given any loans secured or unsecured, to any companies, firms, limited liability partnerships or other parties hence the reporting requirement of clause iii (c), (d), (e),(f) of paragraph 3 of the Order is not applicable to the Company.
- (iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.



- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and / or services provided by it). Accordingly, clause 3(vi) of the order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales Tax, Service Tax, Duty of Excise and Value Added Tax during the year since effective 1st July, 2017, these statutory dues have been subsumed into GST.
- According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees State Insurance, Income Tax, Duty of Customs, cess or other material statutory dues have generally been regularly deposited (except as described below) with the appropriate authorities.
- According to the information and explanations given to us, there are no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess, and other material statutory dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to information and explanations given to us by the management, the term loans availed by the company were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been utilised for long term.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints are received by the Company during the year.



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- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, as per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has an Internal Audit System that commensurates with the size and nature of its business.
- (b) The Internal Audit Reports of the company issued till date of the audit report, for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted non banking financial/housing finance activities during the year. Accordingly, the reporting requirement of clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of the audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditor during the year. Accordingly, the reporting requirement of the clause (xviii) of paragraph 3 of the order is not applicable to the Company
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The requirements of reporting on consolidated financial statements are not applicable to the Company. Accordingly, the requirements of clause 3(xxi) are not applicable.

**For M/S. SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W / W100823

**CA Praveen Purohit**

Partner

Membership No.: 429231

UDIN:24429231BKDZKW3038

Place: Nashik

Date: May 27, 2024





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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Lakhotia Polyesters (India) Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

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 31st March, 2024, based on the criteria for internal financial control over financial reporting 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 (ICAI).

**Managements and Board of Directors' 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 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 (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

**Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India (ICAI).

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 with reference to standalone financial statements.

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

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 (GAAP). 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;





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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP), and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Standalone Financial Statements**

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 M/S. SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 24429231BKDZKW3038

sd/-

**CA Praveen Purohit**

Partner

Membership No.: 429231

UDIN:24429231BKDZKW3038

Place: Nashik

Date: May 27, 2024



**LAKHOTIA POLYESTERS (INDIA) LIMITED**

CIN - L17120MH2005PLC155146

**Balance Sheet as on March 31, 2024**

INR (In Lakhs)

| Particulars                               | Note | As at<br>March 31 <sup>st</sup> , 2024 | As at<br>March 31 <sup>st</sup> , 2023 |
|---|------|--|--|
| <b>ASSETS</b>                             |      |  |  |
| <b>Non-Current Assets</b>                 |      |  |  |
| (a) Property, Plant and Equipment         | 3    | 40.24                                  | 9.01                                   |
| (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) | -                                      | -                                      |
| (iii) Trade Receivables                   |      | -                                      | -                                      |
| (iv) Other Financial Assets               | 4(c) | 46.91                                  | 61.91                                  |
| (f) Deferred Tax Assets                   |      | 1.15                                   | 2.90                                   |
| (g) Other Non-Current Assets              | 5    | -                                      | -                                      |
| <b>Total Non-Current Assets</b>           |      | <b>88.32</b>                           | <b>73.83</b>                           |
| <b>Current Assets</b>                     |      |  | -                                      |
| (a) Inventories                           | 6    | 208.46                                 | 260.66                                 |
| (b) Financial Assets                      |      | -                                      | -                                      |
| (i) Investments                           | 4(a) | -                                      | 226.61                                 |
| (ii) Trade Receivables                    | 4(d) | 1,389.74                               | 1,746.45                               |
| (iii) Cash and Cash Equivalents           | 4(e) | 14.09                                  | 9.11                                   |
| (iv) Bank balances other than (iii) above |      | -                                      | -                                      |
| (v) Loans & Advances                      | 4(b) | -                                      | 20.56                                  |
| (vi) Other Financial Assets               | 4(c) | 2.58                                   | 8.22                                   |
| (c) Current Tax Assets (Net)              | 4(f) | 23.20                                  | 41.21                                  |
| (d) Other Current Assets                  | 5    | 1.30                                   | 0.22                                   |
| <b>Total Current Assets</b>               |      | <b>1,639.36</b>                        | <b>2,313.06</b>                        |
| <b>Total Assets (1+2)</b>                 |      | <b>1,727.68</b>                        | <b>2,386.89</b>                        |
| <b>EQUITY AND LIABILITIES</b>             |      |  |  |
| <b>EQUITY</b>                             |      |  |  |
| (a) Equity Share Capital                  | 7(a) | 1,047.40                               | 1,047.40                               |
| (b) Other Equity                          | 7(b) | (163.41)                               | (176.48)                               |
| <b>Total Equity</b>                       |      | <b>883.99</b>                          | <b>870.92</b>                          |
| <b>LIABILITIES</b>                        |      |  |  |
| <b>Non-Current Liabilities</b>            |      |  |  |
| (a) Financial Liabilities                 |      |  |  |
| (i) Borrowings                            | 8(a) | 14.97                                  | 6.26                                   |
| (ii) Trade Payables                       |      | -                                      | -                                      |
| (iii) Other Financial Liabilities         |      | -                                      | -                                      |
| (b) Other Non-Current Liabilities         |      | -                                      | -                                      |
| (c) Provisions                            | 9    | 2.88                                   | 2.63                                   |
| (d) Deferred Tax Liabilities              |      | -                                      | -                                      |
| <b>Total Non-Current Liabilities</b>      |      | <b>17.86</b>                           | <b>8.89</b>                            |



**LAKHOTIA POLYESTERS (INDIA) LIMITED**

**CIN - L17120MH2005PLC155146**

**Balance Sheet as on March 31, 2024**

INR (In Lakhs)

| Particulars  | Note | As at<br>March 31 <sup>st</sup> , 2024 | As at<br>March 31 <sup>st</sup> , 2023 |
|--|------|--|--|
| <b>Current Liabilities</b>   |      |  |  |
| (a) Financial Liabilities  |      |  |  |
| (i) Borrowings   | 8(a) | 589.70                                 | 775.41                                 |
| (ii) Trade Payables  |      |  | -                                      |
| - Total Outstanding Dues of Micro Enterprises and Small Enterprises                      | 10   |  | 120.19                                 |
| - Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 10   | 216.14                                 | 598.19                                 |
| (iii) Other Financial Liabilities  |      | -                                      | -                                      |
| (b) Provisions   | 9    | 16.19                                  | 0.91                                   |
| (c) Current Tax Liabilities (Net)  | 11   | -                                      | 6.04                                   |
| (d) Other Current Liabilities  | 12   | 3.80                                   | 6.34                                   |
| <b>Total Current Liabilities</b>   |      | <b>825.83</b>                          | <b>1,507.80</b>                        |
| <b>Total Equity &amp; Liabilities (1+2+3)</b>  |      | <b>1,727.68</b>                        | <b>2,386.89</b>                        |

**M/S SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W/W100823

**For and on behalf of the Board  
Lakhotia Polysters(India) Limited**

sd/-

**Madhusudan S Lakhotiya**

Managing Director

DIN: 00104576

sd/-

**Jayshri M Lakhotiya**

Chairperson

DIN: 05357609

sd/-

**Vivek Rathi**

Chief Financial Officer

sd/-

**Shannu Chaturvedi**

Company Secretary

**CA Praveen Purohit**

Partner

MRN : 429231

UDIN: 24429231BKDZKW3038

Date: 27.05.2024

Place: Nashik



**LAKHOTIA POLYESTERS (INDIA) LIMITED**  
**CIN - L17120MH2005PLC155146**  
**Profit and Loss Statement for the year ended March 31, 2024**

INR (In Lakhs) except EPS

| Particulars   | Note | 31st March 2024 | 31st March 2023 |
|---|------|-----------------|-----------------|
| <b>Income</b>   |      |                 |                 |
| (a) Revenue from Operations   | 13   | 2,774.81        | 1,408.03        |
| (b) Other Income  | 14   | 73.10           | 107.80          |
| <b>Total Income</b>   |      | <b>2,847.91</b> | <b>1,515.83</b> |
| <b>Expenses</b>   |      |                 |                 |
| (a) Cost of Material Consumed   | 15   | 2,500.59        | 1,429.74        |
| (b) Changes in inventories of work-in-progress, stock-in-trade and finished goods             | 16   | 8.22            | 98.94           |
| (c) Employee Benefits Expenses  | 17   | 35.40           | 30.91           |
| (d) Finance Costs   | 18   | 49.31           | 50.54           |
| (e) Depreciation and Amortization Expenses  | 3    | 1.26            | 9.59            |
| (f) Other Expenses  | 19   | 213.78          | 75.82           |
| <b>Total Expenses</b>   |      | <b>2,808.56</b> | <b>1,695.54</b> |
| <b>Profit Before Tax for the period / year (1-2)</b>  |      | <b>39.34</b>    | <b>(179.71)</b> |
| <b>Tax Expense Charge / (Credit)</b>  |      |                 |                 |
| (a) Current Tax   |      | 26.26           | -               |
| (b) Previous Tax  |      | 4.67            |                 |
| (c) Deferred Tax  |      | 1.75            | 11.93           |
| <b>Total Tax Expenses</b>   |      | <b>32.67</b>    | <b>11.93</b>    |
| <b>Profit after Tax for the period (3-4)</b>  |      | <b>6.67</b>     | <b>(191.64)</b> |
| <b>Other Comprehensive Income for the period / year</b>                                       |      |                 |                 |
| Net changes in fair values of investments in equity shares carried at fair values through OCI |      | 6.76            | 238.09          |
| Profit/(Loss) on Sale of Equity Shares held as Investment                                     |      | (0.36)          | 75.88           |
| Less: Tax related to OCI items  | -    |                 | 6.04            |
| <b>Total Comprehensive Income / (Loss) for the period / year (5+6)</b>                        | -    | <b>13.07</b>    | <b>116.28</b>   |
| <b>Earning per Equity Share (EPS)* (Face value of Rs. 10 each)</b>                            |      |                 |                 |
| Basic EPS   |      | 0.12            | 1.11            |
| Diluted EPS   |      | 0.12            | 1.11            |

**M/S SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W/W100823

**For and on behalf of the Board**  
**Lakhotia Polysters(India) Limited**

sd/-  
**Madhusudan S Lakhotiya**  
Managing Director  
DIN: 00104576

sd/-  
**Jayshri M Lakhotiya**  
Chairperson  
DIN: 05357609

**CA Praveen Purohit**  
Partner  
MRN : 429231  
UDIN: 24429231BKDZKW3038

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

sd/-  
**Shannu Chaturvedi**  
Company Secretary

Date: 27.05.2024

Place: Nashik



**LAKHOTIA POLYESTERS (INDIA) LIMITED**  
**CIN - L17120MH2005PLC155146**  
**Statement of Cash Flow as on March 31, 2024**

INR (In Lakhs)

| Particulars   | 31st March 2024 | 31st March 2023 |
|---|-----------------|-----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                 |                 |
| Profit before Income Tax  | 39.34           | (179.71)        |
| <u>Adjustments for:</u>   |                 |                 |
| Depreciation & Amortization Expenses                            | 1.26            | 9.59            |
| Interest Income   | (1.31)          | (2.82)          |
| Finance Cost  | 49.31           | 50.54           |
| Adjustment of Other Comprehensive Income                        | 6.40            |                 |
| Operating Profit before Working Capital Changes                 | <b>95.00</b>    | <b>(122.39)</b> |
| <b>Changes in Operating Assets &amp; Liabilities:</b>           |                 |                 |
| (Increase) / Decrease in Financial Assets                       | 397.92          | (277.81)        |
| (Increase) / Decrease in Non Financial Assets                   | 18.68           | (22.75)         |
| Increase / (Decrease) in Financial Liabilities                  | (502.24)        | 188.86          |
| Increase / (Decrease) in Non Financial Liabilities              | 6.70            | (0.12)          |
| (Increase) / Decrease in Inventories                            | 52.20           | 166.61          |
| <b>Cash Generated from Operations</b>                           | <b>68.26</b>    | <b>(67.60)</b>  |
| Income Taxes Paid   | 32.67           |                 |
| <b>Net Cash Flows from Operating Activities</b>                 | <b>35.84</b>    | <b>(67.60)</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                 |                 |
| Purchase of Property, Plant & Equipments                        | (32.49)         | (0.96)          |
| Proceeds from Sale of Investments                               | 226.61          | 75.88           |
| Sale of Property, Plant & Equipments                            | -               | -               |
| Interest Income   | 1.31            | 2.82            |
| <b>Net Cash Flows from Investing Activities</b>                 | <b>195.43</b>   | <b>77.74</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                 |                 |
| Proceeds from Long Term Borrowings                              | 8.71            | (27.37)         |
| Proceeds from Short Term Borrowings                             | (185.70)        | 66.71           |
| Finance Cost  | (49.31)         | (50.54)         |
| <b>Net Cash Inflows from Financing Activities</b>               | <b>(226.30)</b> | <b>(11.20)</b>  |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b> | <b>4.97</b>     | <b>(1.07)</b>   |
| <b>Cash &amp; Cash Equivalents at the Beginning of the Year</b> | <b>9.11</b>     | <b>10.18</b>    |
| <b>Cash &amp; Cash Equivalents at the End of the Year</b>       | <b>14.09</b>    | <b>9.11</b>     |

**M/S SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W/W100823

**For and on behalf of the Board**  
**Lakhotia Polysters(India) Limited**

sd/-

**Madhusudan S Lakhotiya**  
Managing Director  
DIN: 00104576

sd/-

**Jayshri M Lakhotiya**  
Chairperson  
DIN: 05357609

sd/-

**Vivek Rathi**  
Chief Financial Officer

sd/-

**Shannu Chaturvedi**  
Company Secretary

**CA Praveen Purohit**

Partner

MRN : 429231

UDIN: 24429231BKDZKW3038

Date: 27.05.2024

Place: Nashik



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**LAKHOTIA POLYESTERS (INDIA) LIMITED****CIN: L17120MH2005PLC155146****FOR THE YEAR ENDING 31 MARCH 2024****ACCOUNTING POLICY****Note 1: GENERAL CORPORATE INFORMATION**

Lakhotia Polyesters (India) Limited ("the Company") having CIN: L17120MH2005PLC155146 is a public listed company, incorporated and domiciled in having its registered office at 158-159, Shree Samarth Sahakari Audyogik Vasahat Limited, Pimpal gaon (Baswant), Tal. – Nashik, Maharashtra 422209, India. The Company is primarily engaged in the manufacture and selling of metallic yarn & textile fabrics for catering to the domestic and international markets including merchant exports. The yarn produced by the company is used for the made-ups in apparel, hosiery, and garment industry. The equity shares of the company are listed on The Bombay Stock Exchange Limited (BSE).

**Note 2: SIGNIFICANT ACCOUNTING POLICIES****(I) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS****a) Compliance with Ind AS**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**b) Historical cost convention**

The financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value at the end of each reporting period; and
- defined benefit plans (plan assets measured at fair value at the end of each reporting period)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Operating Cycle**

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

**1. CRITICAL ESTIMATES & JUDGEMENT**

The estimates and judgements used in the preparation of the Ind AS Financial Information are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Examples of such estimates include the useful lives of property, plant, and equipment, defined benefit obligation, etc. Differences between actual results and estimates are recognized in the period in which the results are known / materialized. The said estimates are based on the facts and events, that existed as of the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The preparation of the financial statements in conformity with Ind AS except where specifically stated in financial statements and notes to accounts of the non-conformity with the relevant Accounting Standard requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expense for the year. The estimates and assumptions used in the accompanying financial statements are based upon management's



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evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates will be recognized prospectively in the current and future periods.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- **Useful lives of property, plant, and equipment**

Property, plant, and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each period end.

- **Defined benefit obligation**

The cost and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. 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.

- **Leases**

**The company as a lessor**

Rental income from operating lease is recognized on a straight-line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease is recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

## **2. CURRENT/NON-CURRENT CLASSIFICATION**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in the entity's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the balance sheet date;
- d. It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the entity's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the balance sheet date;
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

## **3. INVESTMENTS**

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income) and those measured at amortized cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows.





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#### 4. REVENUE RECOGNITION

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and it is reasonable to expect ultimate collection. The following specific recognition criteria must also be met before revenue is recognized:

##### **Sale of products:**

Revenue from sale of products is recognized upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the Incoterms. In determining the transaction price for the sale of a product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

##### **Interest:**

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the Statement of profit and loss.

##### **Dividend:**

Dividend income is accounted as and when right to receive dividend is established. Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 5. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The financial statements are presented in INR, which is the Company's functional currency.

Foreign currency transactions are initially recorded at functional currency's spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates prevailing at the reporting date.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

#### 6. CURRENT AND DEFERRED TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **i. Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

##### **ii. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary



differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets arising from deductible temporary differences associated with such interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### **iii. Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **7. FINANCIAL INSTRUMENTS**

### **i. Classification**

The Company classifies its financial assets under the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

### **ii. Initial recognition and measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Ind AS Statement of Profit and Loss

#### **- Financial Assets**

### **iii. Amortized cost:**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the



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financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iv. Fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognized in the Statement of Profit and Loss. The net gain or loss recognized in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

**v. Measurement of equity instruments**

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. For equity instruments, the Company may make an irrevocable election to present the subsequent fair value changes in Other Comprehensive Income (OCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

There is no recycling of the amounts from OCI to profit or loss, even on the sale of an investment. Equity instruments included within the FVTPL (fair value through profit or loss) category are measured at fair value with all changes in fair value recognized in the profit or loss.

**vi. Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss.

**vii. De-recognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Company continues to recognize the asset to the extent of the Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

**- Financial Liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

**viii. Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**ix. Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled or have expired.

**x. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices (unadjusted) 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 (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 8. PROPERTY, PLANT & EQUIPMENT

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Freehold land is not depreciated. Leasehold land is amortized over the remaining period of the lease.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2017 measured as per previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on other items of property, plant and equipment has been provided on the straight-line method as per the useful life as estimated by the Management. The estimate of the useful life of the assets has been based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these property, plant and equipment is mentioned below:

| Class of Assets      | Useful Lives |
|----------------------|--------------|
| Buildings            | 30 years     |
| Plant & Equipment    | 15-45 years  |
| Furniture & Fixtures | 10 years     |
| Computers            | 3 years      |
| Office Equipment     | 5 years      |
| Vehicles             | 8 years      |

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

The useful lives are reviewed by the management at each period end and revised, if appropriate.



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## 9. INTANGIBLE ASSETS

### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### Useful lives of intangible assets

Computer Software are amortized on straight-line basis over the estimated useful life ranging between 3-5 years.

### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

## 10. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

## 11. INVENTORIES

Inventories (Raw material, Work-In-Progress, Finished Goods) are stated at the lower of cost and net realizable value. The cost of purchased material is determined on a weighted average basis. The net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The cost of work-in-progress and finished goods includes material cost, labor cost, and manufacturing overheads absorbed on the basis of the normal capacity of production.

## 12. EMPLOYEE BENEFITS

### Short term employee benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognized as expenses at the undiscounted amounts in the Ind AS Statement of Profit and Loss of the period in which the related service is rendered.

### Post-employment benefits

#### Defined contribution plan

Contributions to defined contribution schemes such as provident fund and employees' state insurance (ESIC) are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees' provident fund contribution is made to a government-administered fund and charged as an expense to the Ind AS Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.



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### **Defined benefit plan**

The Company provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognized in the OCI, in the period in which they occur. Re-measurement recognized in OCI are not reclassified to the Ind AS Statement of Profit and Loss in subsequent periods. Past service cost is recognized in the Ind AS Statement of Profit and Loss in the period of plan amendment or curtailment. The classification of the obligation into current and non-current is as per the actuarial valuation report.

## **13. PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits are remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

## **14. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax are adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **15. SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting, nature of the products / process, organisation structure as well as differential risks and returns, provided to the board of directors and chief financial officer, all of them constitute as chief operating decision maker ('CODM'). The chief operating decision maker (CODM) has identified two primary business segments viz. Cylinders and Windmill. These segments have been identified and reported taking into account the nature of the products / services, the differing risks and returns, the organizational structure and internal business reporting system. The Company caters mainly the needs of the Indian Market hence separate geographical segmental information has not been given.

## **16. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue and share split that have changed the number of equity shares outstanding, without a corresponding change in resources.



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For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **17. CASH AND CASH EQUIVALENTS**

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

#### **18. CONTINGENCIES**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also given in the normal course of business. There are certain obligations which management has concluded based on all available facts and circumstances are treated as contingent liabilities and disclosed in the Notes but are not provided for in the financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the company is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.





# LAKHOTIA POLYESTERS (INDIA) LIMITED

Notes to the Financial Statements for the year ended March 31, 2024.

## Note 3: Property, Plant and Equipment Assets

| Particulars                      | Useful Life | SLM Rate | GROSS BLOCK          |                           |                             |                    |                    | DEPRECIATION        |                                 |  |                   |                   | NET BLOCK          |                    |
|----------------------------------|-------------|----------|----------------------|---------------------------|-----------------------------|--------------------|--------------------|---------------------|---------------------------------|--|-------------------|-------------------|--------------------|--------------------|
|                                  |             |          | As at 01 April, 2023 | Additions during the year | Deductio ns during the year | As at Mar 31, 2024 | As at Mar 31, 2023 | Upto 01 April, 2023 | For the year ended Mar 31, 2024 | Deductions for the year ended Mar 31, 2024 | Upto Mar 31, 2024 | Upto Mar 31, 2023 | As at Mar 31, 2024 | As at Mar 31, 2023 |
| a) Plant Property & Equipment    |             |          |                      |                           |                             |                    |                    |                     |                                 |  |                   |                   |                    |                    |
| Land                             |             |          | 1.87                 |                           | -                           | 1.87               | 1.87               | -                   | -                               | -  | -                 | 1.87              | 1.87               |                    |
| Buildings                        | 30          | 3.17%    | 12.89                |                           | -                           | 12.89              | 12.89              | 6.65                | 0.41                            | -  | 7.06              | 5.65              | 5.83               | 6.24               |
| Plant and Machinery              | 15          | 6.33%    | 122.11               |                           | -                           | 122.11             | 122.11             | 122.11              | -                               | -  | 122.11            | 122.11            | -                  | -                  |
| Furniture & Fixtures             | 10          | 9.50%    | 1.62                 |                           | -                           | 1.62               | 1.62               | 1.62                | -                               | -  | 1.62              | 1.62              | -                  | -                  |
| Office Equipments                | 5           | 19.00%   | 15.35                | 0.77                      | -                           | 16.11              | 14.39              | 14.45               | 0.28                            | -  | 14.73             | 14.45             | 1.38               | 0.90               |
| Vehicles                         | 8           | 11.88%   | -                    | 31.73                     | -                           | 31.73              | -                  | -                   | 0.57                            | -  | 0.57              | -                 | 31.16              | -                  |
| Total Plant Property & Equipment |             |          | 153.83               | 32.49                     |                             | 186.33             | 152.88             | 144.83              | 1.26                            | -  | 146.08            | 144.83            | 40.24              | 9.01               |



**Note 4: Financial Assets****4 (a) Non Current Investments**

INR (In Lakhs)

| Particulars  | 31.03.2024  | 31.03.2023  |
|--|-------------|-------------|
| A) Investment in Fully paid-up Equity Instruments (Unquoted) |             |             |
| B) Unquoted shares of co-operative society                   | 0.01        | 0.01        |
| <b>Total Non Current Investments (A+B)</b>                   | <b>0.01</b> | <b>0.01</b> |

**4 (a) Current Investments**

| Particulars                                   | 31.03.2024 | 31.03.2023    |
|---|------------|---------------|
| Investment in Fully Paid Quoted Equity Shares | -          | 226.61        |
| <b>Total</b>                                  | <b>-</b>   | <b>226.61</b> |

Valuation of quoted equity shares were done on the closing market price on 31/03/2024, and any changes in fair value of its investment was shown as Other Comprehensive Income in the Statement of Profit and Loss.

**4 (b) Non-Current Loans and Advances**

| Particulars     | 31.03.2024 | 31.03.2023 |
|-----------------|------------|------------|
| Loans to Others | -          | -          |
| <b>Total</b>    | <b>-</b>   | <b>-</b>   |

**4 (b) Current Loans and Advances**

| Particulars                                  | 31.03.2024 | 31.03.2023   |
|--|------------|--------------|
| Loans to Related Parties                     | -          | 0.56         |
| Loans to Others - Unsecured, Considered Good | -          | 20.00        |
| <b>Total</b>                                 | <b>-</b>   | <b>20.56</b> |

**4 (c) Other Financial Assets - Non Current**

| Particulars            | 31.03.2024   | 31.03.2023   |
|------------------------|--------------|--------------|
| Shares Deposits        | 0.15         | 0.15         |
| Security Deposits      | 0.94         | 0.94         |
| Rent Deposits          | 44.93        | 59.93        |
| Customs Duty (Advance) | 0.90         | 0.90         |
| <b>Total</b>           | <b>46.91</b> | <b>61.91</b> |

**Footnote:**

1. Balances with banks in margin money and fixed deposits are kept as security for guarantees / other facilities.

**4 (c) Other Financial Assets - Current**

| Particulars                                  | 31.03.2024  | 31.03.2023  |
|--|-------------|-------------|
| Loans to Others - Unsecured, Considered Good |             | -           |
| Duty Drawback Receivable                     | 1.32        | 8.22        |
| Dividend Receivable                          | 1.26        | -           |
| <b>Total</b>                                 | <b>2.58</b> | <b>8.22</b> |



**4 (d) Trade Receivables**  
**For the year ended 31.03.2024**

INR (In Lakhs)

| Name of the Directors   | Outstanding for following periods from due date of payment |                   |             |             |                   | Total           |
|---|--|-------------------|-------------|-------------|-------------------|-----------------|
|   | Less than 6 months   | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |                 |
| Undisputed trade receivables - considered good                                | 1,140.08   | 5.45              | 0.88        | 2.16        | 241.17            | 1,389.74        |
| Undisputed trade receivables - which have significant increase in credit risk | -  | -                 | -           | -           | -                 | -               |
| Undisputed trade receivables - credit impaired                                | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - considered good                                  | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - which have significant increase in credit risk   | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - credit impaired                                  | -  | -                 | -           | -           | -                 | -               |
| Less: Allowance for doubtful trade receivables                                | -  | -                 | -           | -           | -                 | -               |
| <b>TOTAL</b>  |  |                   |             |             |                   | <b>1,389.74</b> |

**For the year ended 31.03.2023**

| Name of the Directors   | Outstanding for following periods from due date of payment |                   |             |             |                   | Total           |
|---|--|-------------------|-------------|-------------|-------------------|-----------------|
|   | Less than 6 months   | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |                 |
| Undisputed trade receivables - considered good                                | 1,333.95   | 60.85             | 101.49      | 20.31       | 229.85            | 1,746.45        |
| Undisputed trade receivables - which have significant increase in credit risk | -  | -                 | -           | -           | -                 | -               |
| Undisputed trade receivables - credit impaired                                | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - considered good                                  | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - which have significant increase in credit risk   | -  | -                 | -           | -           | -                 | -               |
| Disputed trade receivables - credit impaired                                  | -  | -                 | -           | -           | -                 | -               |
| Less: Allowance for doubtful trade receivables                                | -  | -                 | -           | -           | -                 | -               |
| <b>TOTAL</b>  |  |                   |             |             |                   | <b>1,746.45</b> |

Note: There are no unbilled and not due trade receivables, hence the same has not been disclosed in ageing schedule



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

| Particulars                | 31.03.2024   | 31.03.2023  |
|----------------------------|--------------|-------------|
| <b>Balances with Banks</b> |              |             |
| Current Accounts           | 0.34         | 0.43        |
|                            | -            | -           |
| Cash on Hand               | <b>13.74</b> | <b>8.69</b> |
| <b>Total</b>               | <b>14.09</b> | <b>9.11</b> |

**4 (f) Current Tax Assets**

| Particulars                                 | 31.03.2024   | 31.03.2023   |
|---|--------------|--------------|
| <b>Balances with Government Authorities</b> |              |              |
| Advance Tax & Tax Deducted at Source        | 10.61        | -            |
| Less: Provision for Taxation                | 10.61        | -            |
| Balance                                     | -            | -            |
| Tax Collected at Source                     | -            | 0.24         |
| Excess Credit Balances of GST & Service Tax | 23.20        | 40.78        |
| GST Recievable                              | -            | 0.19         |
|   | <b>23.20</b> | <b>41.21</b> |

**Note 5 : Other Non-Financial Assets**

| Particulars                 | 31.03.2024  | 31.03.2023  |
|-----------------------------|-------------|-------------|
| <b>Other Current Assets</b> |             |             |
| Prepaid Expenses            | 1.30        | 0.17        |
| Other Receivables           | -           | 0.05        |
| <b>Total</b>                | <b>1.30</b> | <b>0.22</b> |

**Note 6 : Inventories**

| Particulars                      | 31.03.2024    | 31.03.2023    |
|----------------------------------|---------------|---------------|
| Raw Material                     | 76.78         | 175.66        |
| Work in Progress                 | -             | -             |
| Finished Goods                   | 131.67        | 85.01         |
| Stock in trade                   | -             | -             |
| Closing stock (Contract) - Asset | -             | -             |
| <b>Total</b>                     | <b>208.46</b> | <b>260.66</b> |

**Footnote:**

- Refer Note 16 for cost of inventories recognised as an expense during the period.
- No amount of inventories were written down to net realisable value during the current and comparable periods. Similarly, no 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 (a) : Equity Share Capital**

INR (In Lakhs)

| Particulars   | 31.03.2024 | 31.03.2023 |
|---|------------|------------|
| <b>Authorised Share Capital</b>   |            |            |
| 1,050.00 (As at 31st March, 24: 1050.00; As at 1st April, 2023 1,050.00)<br>Equity Shares of Rs.10/- each                       | 1,050.00   | 1,050.00   |
| <b>Issued and subscribed capital comprises:</b>   |            |            |
| 1047.39880 (As at 31st March, 2024: 1047.3988; As at<br>1st April, 2023: 1047.3988) 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**

| Particulars                                | 31.03.2024      | 31.03.2023      |
|--|-----------------|-----------------|
| <b>Fully paid equity shares (in Lakhs)</b> | <b>1,047.40</b> | <b>1,047.40</b> |
| Add : Issued during the year               | -               | -               |
| Less: Bought back during the year          | -               | -               |
| <b>Balance at 31st March, 2023</b>         | <b>1,047.40</b> | <b>1,047.40</b> |
| Add : Issued during the year               | -               | -               |
| Less: Bought back during the year          | -               | -               |
| <b>Balance at 31st March, 2024</b>         | <b>1,047.40</b> | <b>1,047.40</b> |

**2. 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 shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Board of Directors have not declared dividend for the year ending 31st March, 2024.

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.

**3. Details of shares held by each shareholder holding more than 5% shares as on 31.03.2024**

| Particulars                                   | Number of Shares | % of Holding<br>31.03.2024 |
|---|------------------|----------------------------|
| <b>Fully paid up equity shares (In Lakhs)</b> |                  |                            |
| Shreyas Surana                                | 6.21             | 5.93%                      |
| Intensive Finance Private Limited             | 11.18            | 10.67%                     |
| Mukesh Kumar Jain HUF                         | 5.60             | 5.35%                      |
| Shyamsunder Lakhotia                          | 8.67             | 8.28%                      |
| Madhusudan Lakhotia                           | 46.68            | 44.57%                     |
| Kanchandevi Lakhotia                          | 11.87            | 11.33%                     |

**3. Details of shares held by each shareholder holding more than 5% shares as on 31.03.2023**

| Particulars                                   | Number of Shares | % of Holding<br>31.03.2023 |
|---|------------------|----------------------------|
| <b>Fully paid up equity shares (In Lakhs)</b> |                  |                            |
| Shreyas Surana                                | 6.21             | 5.93%                      |
| Sanjoyog Trade Link Private Limited           | 9.68             | 9.24%                      |
| Giza Estates Private Limited                  | 10.95            | 10.45%                     |
| Arrowspace Advisors Private Limited           | 9.02             | 8.61%                      |
| Mukesh Kumar Jain HUF                         | 5.60             | 5.35%                      |
| Shyamsunder Lakhotia                          | 5.53             | 5.28%                      |
| Madhusudan Lakhotia                           | 14.09            | 13.45%                     |
| Kanchandevi Lakhotia                          | 7.37             | 7.04%                      |



#### 4. Details of Shares held by the promoters as on 31.03.2024

| Particulars  | Number of Shares<br>31.03.2024 | % of Holding |
|--|--------------------------------|--------------|
| Shyamsunder Lakhota  | 8.28%                          | 56.82%       |
| Madhusudan Lakhota   | 44.57%                         | 231.13%      |
| Kanchandevi Lakhota  | 11.33%                         | 61.17%       |
| Madhusudan Lakhota (HUF)   | 4.05%                          | 0.00%        |
| c)The company has availed the Car Loan from Central Bank of India with an EMI of Rs.0.49 Lakhs starting from 29.02.2024. It secured by the primary securities. | 2.59%                          | 0.00%        |
| Jayashree Lakhota  | 1.48%                          | 0.00%        |

#### 4. Details of Shares held by the promoters as on 31.03.2023

| Particulars               | Number of Shares<br>31.03.2023 | % of Holding |
|---------------------------|--------------------------------|--------------|
| Shyamsunder Lakhota       | 5.28%                          | 0            |
| Madhusudan Lakhota        | 13.46%                         | 0            |
| Kanchandevi Lakhota       | 7.03%                          | 0            |
| Madhusudan Lakhota (HUF)  | 4.05%                          | 0            |
| Shyamsunder Lakhota (HUF) | 2.59%                          | 0            |
| Jayashree Lakhota         | 1.48%                          | 0            |

#### Note 7 (b) : Other Equity

| DIC Subsidy                           | 31.03.2024   | 31.03.2023   |
|---------------------------------------|--------------|--------------|
| Balance at the beginning of the year  | 10.00        | 10.00        |
| Add / (Less) :                        |              |              |
| Amount transferred to general reserve |              |              |
| <b>Balance at the end of the year</b> | <b>10.00</b> | <b>10.00</b> |

| General Reserve                                  | 31.03.2024      | 31.03.2023      |
|--|-----------------|-----------------|
| Balance at the beginning of the year             | (186.48)        | (302.77)        |
| Add / (Less) :                                   |                 |                 |
| Profit attributable to the owners of the company | 13.07           | 116.28          |
| Excess / (Short) Provision of Income Tax         | -               | -               |
| Income Tax Expenses                              | -               | -               |
| Dividend Paid                                    | -               | -               |
| <b>Balance at the end of the year</b>            | <b>(173.41)</b> | <b>(186.48)</b> |
| <b>Total</b>                                     | <b>(163.41)</b> | <b>(176.48)</b> |
| <b>Total</b>                                     | <b>(163.41)</b> | <b>(176.48)</b> |

#### Note 8: Financial Liabilities

##### Note 8 (a) Borrowings - Non Current

| Particulars                                      | 31.03.2024   | 31.03.2023   |
|--|--------------|--------------|
| <b>Secured</b>                                   |              |              |
| <b>(a) Term loans</b>                            |              |              |
| (From Banks & Financial Institutions - Car loan  | 19.40        | -            |
| From Banks & Financial Institutions - Rupee loan | 4.78         | 34.76        |
|  | <b>24.18</b> | <b>34.76</b> |
| <b>Unsecured</b>                                 |              |              |
| <b>(a) Other Loans</b>                           |              |              |
| Loans from Others                                | -            | -            |
| <b>Total Non-Current Borrowings</b>              | <b>24.18</b> | <b>34.76</b> |
| Less: Transferred to Current Maturities          | (9.21)       | (28.50)      |
| <b>TOTAL</b>                                     | <b>14.97</b> | <b>6.26</b>  |



**Note 8 (a) Borrowings - Current**

| Particulars                                   | 31.03.2024    | 31.03.2023    |
|---|---------------|---------------|
| <b>Secured</b>                                |               |               |
| <b>(a) Loan against Construction Projects</b> |               |               |
| Working Capital Loan / Cash Credit from Banks | 63.54         | (17.84)       |
| Packing Credit facility from bank             | 446.50        | 449.90        |
|   | <b>510.04</b> | <b>432.06</b> |
| <b>Unsecured</b>                              |               |               |
| <b>(a) Other Loans - Repayable on Demand</b>  |               |               |
| From Others                                   | -             | -             |
| From Related Parties                          | 70.45         | 314.84        |
|   | <b>70.45</b>  | <b>314.84</b> |
| <b>Current Maturities of Long Term Debt</b>   | <b>9.21</b>   | <b>28.50</b>  |
| <b>Total</b>                                  | <b>589.70</b> | <b>775.41</b> |

Footnote:

- a) The Company has availed Term Loan under GECL Scheme from Central Bank of India at 7.50% with an EMI of Rs. 2.50 Lakhs starting from 30.06.2021. It is secured by primary and collateral securities.
- b) The Company has also availed Bank Overdraft of Rs. 450 Lakhs with Sub-limit of Export Packing Credit (EPC) Facility of similar amount from Central Bank of India at 9.00% p.a.
- c) The company has availed the Car Loan from Central Bank of India at with an EMI of Rs.0.49 Lakhs starting from 29.02.2024. It is secured by the securities.

Primary SecurityHypothecation of Stocks/Inventory & Book Debts/Receivable.Collateral Security

- Land and Building at P No. 11,12,13 & 14, S. No. 329/2, Malegaon Dist. Nashik Owned by Mr. Madhusudan Lakhotia

**Note 9: Provisions****Non Current Provisions**

| Particulars              | 31.03.2024  | 31.03.2023  |
|--------------------------|-------------|-------------|
| <b>Employee Benefits</b> |             |             |
| Provision for Gratuity   | 2.88        | 2.63        |
| <b>Total</b>             | <b>2.88</b> | <b>2.63</b> |

**Current Provisions**

| Particulars                     | 31.03.2024   | 31.03.2023  |
|---------------------------------|--------------|-------------|
| <b>Employee Benefits</b>        |              |             |
| Employee Provident Fund Payable | 0.07         | 0.06        |
| <b>Other Provisions</b>         |              |             |
| Audit Fees Payable              | 0.38         | 0.75        |
| Professional Tax Payable        | 0.09         | 0.09        |
| Provision for Income Tax        | 26.26        | -           |
| LESS: Advance Tax/ TDS          | (10.61)      | -           |
| Net Provision for Income Tax    | 15.65        | -           |
| <b>Total</b>                    | <b>16.19</b> | <b>0.91</b> |





**Note 10: Trade Payables**

| Trade Payables            | As at 31st March 2024<br>Outstanding for following periods from due date of payment |             |           |                   | Total         |
|---------------------------|---|-------------|-----------|-------------------|---------------|
|                           | Less than 1 Year  | 1-2 Years   | 2-3 Years | More than 3 Years |               |
| (a) MSME*                 | -   | -           | -         | -                 |               |
| (b) Others                | 184.29  | 0.16        | -         | 31.70             | 216.14        |
| (c) Disputed Dues- MSME   | -   | -           | -         | -                 | -             |
| (d) Disputed Dues- Others | -   | -           | -         | -                 | -             |
| <b>Total</b>              | <b>184.29</b>   | <b>0.16</b> | <b>-</b>  | <b>-</b>          | <b>216.14</b> |

  

| Trade Payables            | As at 31st March 2023<br>Outstanding for following periods from due date of payment |           |             |                   | Total         |
|---------------------------|---|-----------|-------------|-------------------|---------------|
|                           | Less than 1 Year  | 1-2 Years | 2-3 Years   | More than 3 Years |               |
| (a) MSME*                 | 91.32   | -         | -           | -                 | 91.32         |
| (b) Others                | 587.05  | -         | 0.41        | 10.72             | 598.19        |
| (c) Disputed Dues- MSME   | -   | -         | -           | -                 | -             |
| (d) Disputed Dues- Others | -   | -         | -           | -                 | -             |
| <b>Total</b>              | <b>678.37</b>   | <b>-</b>  | <b>0.41</b> | <b>-</b>          | <b>689.50</b> |

**Footnotes:**

- a) The average credit period on purchases is 1 to 6 months.
- b) The above figures of Trade Payables are shown as net of advances paid to the local/foreign suppliers.
- Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :**
- c) Trade payables include Rs. Nil as at 31st March, 2024 due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- d) No interest was 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.

**Note 11: Current Tax Liabilities**

| Particulars              | 31.03.2024 | 31.03.2023  |
|--------------------------|------------|-------------|
| Provision for Income Tax | -          | 6.04        |
| <b>Total</b>             | <b>-</b>   | <b>6.04</b> |

**Note 12: Other Current Liabilities**

| Particulars           | 31.03.2024  | 31.03.2023  |
|-----------------------|-------------|-------------|
| <b>Other Payables</b> |             |             |
| Statutory Dues        | 3.80        | 6.34        |
| <b>Total</b>          | <b>3.80</b> | <b>6.34</b> |



**Note 13: Revenue from Operations**

| Particulars                      | 31.03.2024      | 31.03.2023      |
|----------------------------------|-----------------|-----------------|
| Sale of Products                 |                 |                 |
| (a) Manufactured Goods           |                 |                 |
| Export                           | 1900.16         | 1,256.11        |
| Domestic                         | 759.62          | 48.98           |
| (b) Exempt Sale -MEIS Liscence   | -               | 1.68            |
| (C) Exempt Sale -ROSCTL Liscence | 105.21          | 4.53            |
| (d) Exempt Sale -RODTEP Liscence | 9.81            | 85.34           |
| <b>Branch Sale</b>               | <b>-</b>        | <b>11.41</b>    |
| <b>Total</b>                     | <b>2,774.81</b> | <b>1,408.03</b> |

**Note 14: Other Income**

| Particulars                       | 31.03.2024   | 31.03.2023    |
|-----------------------------------|--------------|---------------|
| (a) Duty Drawback                 | 30.42        | 19.07         |
| (b) Discount Received             | 1.41         | 0.31          |
| (c) Foreign Exchange Gain         | 38.59        | 85.54         |
| (d) Dividend                      | 1.34         | 0.06          |
| (e) Interest Received             | 1.31         | 2.82          |
| (f) Interest on Income Tax Refund | 0.02         | -             |
| <b>Total</b>                      | <b>73.07</b> | <b>107.80</b> |

**Note 15: Cost of Material Consumed**

| Particulars   | 31.03.2024      | 31.03.2023      |
|---|-----------------|-----------------|
| Raw Materials and Packing material at the beginning of the period | 175.66          | 243.33          |
| Add: Purchases of Raw Materials                                   | 2456.61         | 1,362.07        |
| Less: Raw material and Packing material at the end of the year    | (131.68)        | (175.66)        |
| <b>Total cost of materials consumed</b>                           | <b>2,500.59</b> | <b>1,429.74</b> |

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

| Particulars  | 31.03.2024   | 31.03.2023    |
|--|--------------|---------------|
| Opening balance  |              |               |
| Work-in Progress   |              |               |
| Finished Goods   | 85.01        | 183.94        |
| Stock in Trade   |              |               |
| <b>Total Opening Balance</b>   | <b>85.01</b> | <b>183.94</b> |
| Closing balance  |              |               |
| Work-in Progress   |              |               |
| Finished Goods   | 76.78        | 85.01         |
| Stock in Trade   |              |               |
| <b>Total Closing Balance</b>   | <b>76.78</b> | <b>85.01</b>  |
| <b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b> | <b>8.22</b>  | <b>98.94</b>  |



**Note 17: Employee Benefit Expenses**

| Particulars            | 31.03.2024   | 31.03.2023   |
|------------------------|--------------|--------------|
| Salary & wages         | 19.69        | 16.44        |
| Directors Remuneration | 15.00        | 12.60        |
| Provident Fund         | 0.46         | 0.48         |
| Miscellaneous Expenses | 0.00         | 1.39         |
| Gratuity               | 0.25         | -            |
| <b>Total</b>           | <b>35.40</b> | <b>30.91</b> |

**Note 18: Finance costs**

| Particulars                | 31.03.2024   | 31.03.2023   |
|----------------------------|--------------|--------------|
| Bank Interest              | 39.28        | 42.58        |
| Interest on Statutory Dues | -            | 0.04         |
| Interest - Others          | 4.57         | 0.42         |
| Bank Charges & Commission  | 3.33         | 3.97         |
| ECGC Premium               | 0.78         | 3.53         |
| Loan Processing Fees       | 1.35         | -            |
| <b>Total</b>               | <b>49.31</b> | <b>50.54</b> |

**Note 19: Other Expenses**

| Particulars   | 31.03.2024    | 31.03.2023   |
|---|---------------|--------------|
| <b>Direct Expenses</b>                                |               |              |
| Power & Fuel  | -             | 1.81         |
| Factory Expenses                                      | 1.38          | 1.07         |
| Freight, Packing, Loading & Unloading Expenses        | 14.91         | 3.87         |
| Export Related Expenses - C & F, Transport & Job Work | 44.50         | 22.03        |
| Rent Expenses   | -             | -            |
| Import Expnses  | 47.65         | -            |
| Audit Fees  | 1.50          | 1.50         |
| Advertisement Expenses                                | 0.67          | 0.65         |
| BSE, NSDL & ROC Charges                               | 5.44          | 3.56         |
| Commission Expenses                                   | 65.64         | 22.62        |
| Discount Expenses                                     | -             | 0.01         |
| Donation  | 1.25          | 0.51         |
| DGFT Charges  | -             | 0.01         |
| Export Expenses                                       | 13.32         | 6.26         |
| Insurance   | 0.56          | 0.49         |
| Misc. Expenses  | 0.85          | -            |
| Municipal Taxes                                       | -             | 0.81         |
| Office Expenses                                       | 0.21          | 0.59         |
| DP Charges  | 0.02          | -            |
| Postage & Couriers                                    | 0.84          | 0.79         |
| Printing & Stationery                                 | 0.17          | -            |
| Professional Charges                                  | 7.83          | 4.85         |
| Rates & Taxes   | 1.88          | 0.12         |
| Travelling & Conveyance                               | 3.84          | 4.08         |
| Website Charges                                       | 0.07          | 0.20         |
| Demat Charges   | 0.19          | -            |
| Wifi Expenses   | 0.03          | -            |
| Transit Pass  | 0.01          | -            |
| Duties and Taxes                                      | 0.76          | -            |
| Other Charges   | 0.26          | -            |
| <b>Total</b>  | <b>213.78</b> | <b>75.82</b> |



**Note 20: Payment to Auditor**

| Particulars  | 31.03.2024  | 31.03.2023  |
|--------------|-------------|-------------|
| As Auditor   |             | -           |
| - Audit Fees | 1.50        | 1.50        |
| <b>Total</b> | <b>1.50</b> | <b>1.50</b> |

**Note 21: Earning per Share**

| Particulars                                | 31.03.2024 | 31.03.2023 |
|--|------------|------------|
| Profit attributable to Equity Shareholders | 13.07      | 116.28     |
| Weighted Average number of shares          | 104.74     | 104.74     |
| Nominal Value of Shares                    | INR 10/-   | INR 10/-   |
| Basic EPS                                  | 0.12       | 1.11       |
| Diluted EPS                                | 0.12       | 1.11       |

**Note 22: Fair Value Measurement****i) Fair Value of Financial assets and Financial liabilities**

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

INR (In Lakhs)

| Particulars  | March 31, 2024  |                 | March 31, 2023  |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | Carrying Amount | Fair Value      | Carrying Amount | Fair Value      |
| <b><u>Financial assets designated as fair value through other comprehensive income</u></b> | -               | -               | -               | -               |
| <b><u>Financial assets designated at amortised cost.</u></b>                               |                 |                 |                 |                 |
| <b><u>Non Current</u></b>  |                 |                 |                 |                 |
| Loans  | -               | -               | -               | -               |
| Investments  | 0.01            | 0.01            | 0.01            | -               |
| Other Financial Assets   | 46.91           | 46.91           | 61.91           | -               |
| <b><u>Current</u></b>  |                 |                 |                 |                 |
| Loans  | -               | -               | 20.56           | 20.56           |
| Trade receivables  | 1,389.74        | 1,389.74        | 1,746.45        | -               |
| Cash and cash equivalents  | 14.09           | 14.09           | 9.11            | 9.11            |
| Other Bank Balances  | -               | -               | -               | -               |
| Investments  | -               | -               | 226.61          | 226.61          |
| Other Financial Asset  | 2.58            | 2.58            | 8.22            | -               |
|  | <b>1,453.33</b> | <b>1,453.33</b> | <b>2,072.88</b> | -               |
| <b><u>Financial liabilities designated at amortised cost</u></b>                           |                 |                 |                 |                 |
| <b><u>Non Current</u></b>  |                 |                 |                 |                 |
| Borrowings   | 14.97           | 14.97           | 6.26            | -               |
| <b><u>Current</u></b>  |                 |                 |                 |                 |
| Borrowings   | 589.70          | 589.70          | 775.41          | 775.41          |
| Trade payables   | 216.14          | 216.14          | 718.38          | 718.38          |
| Other Financial Liabilities  | -               | -               | -               | -               |
|  | <b>820.81</b>   | <b>820.81</b>   | <b>1,500.04</b> | <b>1,493.78</b> |

**(ii) Valuation technique used to determine fair value**

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

a) Fair value for financial investments are valued using closing NAV.



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

**(iii) Fair value hierarchy**

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

| Financial assets and liabilities measured “at fair value-recurring fair value measurements | March 31, 2024 |             |         |       |
|--|----------------|-------------|---------|-------|
|  | Level 1        | Level 2     | Level 3 | Total |
| <b>Financial assets at amortised Cost</b><br>Non Current Investment                        |                | 0.01        |         | 0.01  |
| <b>Financial investments at FVTOCI</b><br>Current Investment                               | -              | -           | -       | -     |
| <b>Total financial assets</b>  | -              | <b>0.01</b> | -       | -     |

| Financial assets and liabilities measured “at fair value-recurring fair value measurements | March 31, 2023 |             |         |               |
|--|----------------|-------------|---------|---------------|
|  | Level 1        | Level 2     | Level 3 | Total         |
| <b>Financial assets at amortised Cost</b><br>Non Current Investment                        |                | 0.01        |         | 0.01          |
| <b>Financial investments at FVTOCI</b><br>Current Investment                               | 226.61         | -           | -       | 226.61        |
| <b>Total financial assets</b>  | <b>226.61</b>  | <b>0.01</b> | -       | <b>226.61</b> |

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

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

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

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

**Note 23 : Financial Risk Management**

**Financial Risk Factors**

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

**i) Credit Risk**

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

Expected credit loss for trade receivables



## ii) Market Risk

| Particulars   | As at March<br>31.03.2024 | As at March<br>31.03.2023 |
|---|---------------------------|---------------------------|
| <b>Trade Receivables</b>  |                           |                           |
| Gross carrying amount   | 1389.74                   | 1,746.45                  |
| Expected loss rate  | 0.00%                     | 0.00%                     |
| Expected credit losses (Loss allowance provision)               |                           |                           |
| <b>Carrying amount of trade receivables (net of impairment)</b> | <b>1,389.74</b>           | <b>1,746.45</b>           |

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

### (a) Foreign Exchange Risk

The company is engaged in exports business and imports are very minimal for which hedging instruments are not required.

### Earnings in Foreign Exchange

## iii) Liquidity Risk

| Particulars     | As at March<br>31.03.2024 | As at March<br>31.03.2023 |
|-----------------|---------------------------|---------------------------|
| Export of Goods | 1,900.16                  | 1,256.11                  |
| <b>Total</b>    | <b>1,900.16</b>           | <b>1,256.11</b>           |

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations subject to the compliance with loan facilities. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

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

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

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

## Note 24 : Capital Management

| Particulars                 | As at March 31, 2024 |               |            |                |              |
|-----------------------------|----------------------|---------------|------------|----------------|--------------|
|                             | Carrying Amount      | On Demand     | < 6 months | 6 to 12 months | > 1 year     |
| Borrowings - Non Current    | 14.97                |               | -          | -              | 14.97        |
| Borrowings - Current        | 589.70               | 559.70        | -          | -              | 30.00        |
| Trade Payables              | 216.14               | 216.14        | -          | -              | -            |
| Other Financial Liabilities | -                    | -             | -          | -              | -            |
| <b>Total</b>                | <b>820.81</b>        | <b>775.84</b> | <b>-</b>   | <b>-</b>       | <b>44.97</b> |



| Particulars                 | As at March 31, 2023 |                 |            |                |              |
|-----------------------------|----------------------|-----------------|------------|----------------|--------------|
|                             | Carrying Amount      | On Demand       | < 6 months | 6 to 12 months | > 1 year     |
| Borrowings - Non Current    | 6.26                 |                 |            | -              | 6.26         |
| Borrowings - Current        | 775.41               | 745.41          | -          | 15.00          | 15.00        |
| Trade Payables              | 718.38               | 718.38          | -          | -              | -            |
| Other Financial Liabilities | -                    | -               | -          | -              | -            |
| <b>Total</b>                | <b>1,500.04</b>      | <b>1,463.78</b> | <b>-</b>   | <b>15.00</b>   | <b>21.26</b> |

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

The Company's objectives when managing capital are to:

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by equity capital. No changes were made in objectives, policies or processes during the year ended March 31, 2024 and March 31, 2023.

| Particulars                           | As at March<br>31.03.2024 | As at March<br>31.03.2023 |
|---------------------------------------|---------------------------|---------------------------|
| Borrowings                            | 604.67                    | 781.66                    |
| Current Maturities of Long Term Debts | 9.21                      | 28.50                     |
| Less: Cash and cash equivalents       | 14.09                     | 9.11                      |
| <b>Net Debt (a)</b>                   | <b>627.97</b>             | <b>819.28</b>             |
| Total Equity                          | 883.99                    | 870.92                    |
| <b>Total capital (b)</b>              | <b>883.99</b>             | <b>870.92</b>             |
| <b>Net Debt to Equity ratio (a/b)</b> | <b>0.71</b>               | <b>0.94</b>               |

#### Note 25 : Disclosures of Financial Instruments

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

| Particulars                         | As at March 31, 2024 |                |   |   |                      |                  |
|-------------------------------------|----------------------|----------------|---|---|----------------------|------------------|
|                                     | Fair Value Hierarchy | Amortised cost | Fair value through Other Comprehensive Income | Fair Value through statement of profit and loss | Total carrying value | Total Fair value |
| <b><u>Financial Assets</u></b>      |                      |                |   |   |                      |                  |
| (i) Trade Receivables               | Level - 3            | 1,389.74       | -   | -   | 1,389.74             | 1,389.74         |
| (ii) Cash and Cash Equivalents      | Level - 3            | 14.09          | -   | -   | 14.09                | 14.09            |
| (iii) Loans                         | Level - 3            | -              | -   | -   | -                    | -                |
| (iv) Other Financial Assets         | Level - 3            | 49.49          | -   | -   | 49.49                | 49.49            |
| <b><u>Financial Liabilities</u></b> |                      |                |   |   |                      |                  |
| (i) Borrowings                      | Level - 3            | 604.67         | -   | -   | 604.67               | 604.67           |
| (ii) Trade Payables                 | Level - 3            | 216.14         | -   | -   | 216.14               | 216.14           |
| (iii) Other financial Liabilities   | Level - 3            | -              | -   | -   | -                    | -                |





**Note 26 : Related Party Transactions**

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

**a) List of the related party**

| Name of the party                    | Relationship                                      | (% of holding)      |                     |
|--------------------------------------|---|---------------------|---------------------|
|                                      |   | As at March 31,2024 | As at March 31,2023 |
| Shyamsunder Lakhotia                 | Relative of Director                              | 8.28%               | 5.28%               |
| Madhusudan Lakhotia                  | Director & KMP                                    | 44.57%              | 13.46%              |
| Kanchandevi Lakhotia                 | Director & KMP                                    | 11.33%              | 7.03%               |
| Madhusudan Lakhotia (HUF)            | HUF of Director or KMP                            | 4.05%               | 4.05%               |
| Shyamsunder Lakhotia (HUF)           | HUF of Director or KMP                            | 2.59%               | 2.59%               |
| Jayashri Lakhotia                    | Director & KMP                                    | 1.48%               | 1.48%               |
| Shannu Chaturvedi Vinayak            | KMP   | -                   | -                   |
| Vivek Vijay Rathi                    | KMP   | -                   | -                   |
| S C Threads Private Limited          | Enterprises owned or signifi                      | -                   | -                   |
|                                      | cantly influenced by Director or their relatives" |                     |                     |
| Rajiv Mundra                         | Relative of Director                              | -                   | -                   |
| Sujata Mundara                       | Relative of Director                              | -                   | -                   |
| Madhusudan Shamsunder Lakhotia (HUF) | Relative of Director                              | -                   | -                   |
| Gopi Krishna Mundra HUF              | Relative of Director                              | -                   | -                   |
| Laxmi Devi Mundra                    | Relative of Director                              | -                   | -                   |
| Deepak Mundra HUF                    | Relative of Director                              | -                   | -                   |
| Jayprakash Mundra HUF                | Relative of Director                              | -                   | -                   |
| Shri Gopal Mundra HUF                | Relative of Director                              | -                   | -                   |
| Shamsunder Lakhotia HUF              | Relative of Director                              | -                   | -                   |
| Santosh Devi Mundra                  | Relative of Director                              | -                   | -                   |

**b) Transactions during the year with related parties**

INR (In Lakhs)

| Name of the Party                  | Nature of transactions      | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-----------------------------|----------------------|----------------------|
| Madhusudan Lakhotia                | Remuneration                | 9.40                 | -                    |
| Madhusudan Lakhotia                | Receipt of Unsecured Loans  | 67.27                | -                    |
| Madhusudan Lakhotia                | Repayment of Unsecured Loan | 116.32               | 112.35               |
| Jayashree Lakhotia                 | Remuneration                | 5.60                 | 3.60                 |
| Jayashree Lakhotia                 | Receipt of Unsecured Loans  | 40.87                | -                    |
| Jayashree Lakhotia                 | Repayment of Unsecured Loan | 138.08               | -                    |
| Madhusudan Lakhotia (HUF)          | Receipt of Unsecured Loans  | 38.25                | 224.70               |
| Madhusudan Lakhotia (HUF)          | Repayment of Unsecured Loan | 136.37               | 154.25               |
| Shannu Chaturvedi Vinayak          | Remuneration                | 3.88                 | 3.58                 |
| Vivek Vijay Rathi                  | Remuneration                | 4.61                 | 3.56                 |
| S C Threads Private Limited        | Trade Receivables           | 6.10                 | 31.50                |
| Shyamsunder Lakhotia               | Receipt of Unsecured Loans  | -                    | 16.20                |
| Shyamsunder Lakhotia               | Repayment of Unsecured Loan | -                    | 16.20                |
| Rajiv Mundra                       | Repayment of Unsecured Loan | 15.00                | 6.01                 |
| Sujata Mundara                     | Payment of Commission       | 7.88                 | 16.28                |
| Madhusudan Shamsunder Lakhotia Huf | Payment of Commission       | 12.00                | -                    |
| Gopi Krishna Mundra HUF            | Payment of Commission       | 4.11                 | -                    |
| Laxmi Devi Mundra                  | Payment of Commission       | 7.76                 | -                    |
| Deepak Mundra HUF                  | Payment of Commission       | 8.71                 | -                    |
| Jayprakash Mundra HUF              | Payment of Commission       | 9.01                 | -                    |
| Shri Gopal Mundra HUF              | Payment of Commission       | 5.35                 | -                    |
| Shamsunder Lakhotia HUF            | Payment of Commission       | 5.72                 | -                    |
| Santosh Devi Mundra                | Payment of Commission       | 5.10                 | -                    |



**c) Balance outstanding of related parties**

| Name of the Party           | Receivable/(Payable)       | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|----------------------------|----------------------|----------------------|
| Madhusudan Lakhota          | Remuneration               | 0.66                 | 0.30                 |
| Madhusudan Lakhota          | Receipt of Unsecured Loans | 39.38                | 88.44                |
| Jayashree Lakhota           | Remuneration               | -                    | -                    |
| Jayashree Lakhota           | Receipt of Unsecured Loans | 13.52                | 110.73               |
| Madhusudan Lakhota (HUF)    | Receipt of Unsecured Loans | 17.55                | 115.66               |
| Shannu Chaturvedi Vinayak   | Remuneration               | 0.89                 | 0.60                 |
| Vivek Vijay Rathi           | Remuneration               | 2.34                 | 0.43                 |
| S C Threads Private Limited | Trade Receivables          | 163.99               | 170.09               |
| Rajiv Mundra                | Unsecured Loan             | -                    | 5.71                 |
| Sujata Mundara              | Unsecured Loan             | -                    | 5.01                 |

**d) Key Management Personnel Compensation**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------|----------------------|----------------------|
| NIL         |                      |                      |

**Note 27: Contingent Liabilities**

| Particulars | Contingent Liability not provided in the books of accounts (Rs. In Lakh) |                      |
|-------------|--|----------------------|
|             | As at March 31, 2024   | As at March 31, 2023 |
| NIL         | -  | -                    |

**Note 28 : Commitments**

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

| Particulars | Capital Commitments  |                      |
|-------------|----------------------|----------------------|
|             | As at March 31, 2024 | As at March 31, 2023 |
| NIL         | -                    | -                    |

**b) Commitments against lease arrangement:**

| Particulars                                    | Lease Commitments    |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 |
| - Not later than 1 year                        | -                    | -                    |
| - Later than 1 year but not later than 5 years | -                    | -                    |
| - Later than 5 years                           | -                    | -                    |

**Note 29 : Income Taxes**

The company has realized deferred tax asset of Rs. 11.85 Lacs in the Profit and Loss Account, the details of which are as under:

| Particulars  | Deferred Tax         |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 |
| Opening Balance of Deferred Tax Asset                        | 2.89                 | 14.83                |
| -Due to difference in WDV as per Income Tax and as per Books | (1.75)               | (11.93)              |
| <b>Closing Balance</b>                                       | <b>1.14</b>          | <b>2.89</b>          |



**Note 30 : Segment Reporting**

The company is operating in single segment as per IND AS 108. Hence segment reporting is not applicable.

**Note 31 : Disclosure pursuant to Indian Accounting Standard (Ind-AS) 19 Employees Benefits****(i) Defined Benefit Plan**

Contribution to defined benefit plans recognized as an expense during the year.

| Particulars                              | As at March<br>31,2024 | As at March<br>31, 2023 |
|--|------------------------|-------------------------|
| Employers Contribution to Provident Fund | 0.40                   | 0.42                    |
| <b>Total</b>                             | <b>0.40</b>            | <b>0.42</b>             |

**Note 32 : Additional Regulatory Information**

| Ratio                                       | Numerator   | Denominator  | As at March<br>31, 2024 | As at March<br>31, 2023 | Change in<br>in the Ratio |
|---|---|--|-------------------------|-------------------------|---------------------------|
| Current Ratio (in times)                    | Total Current Assets  | Total Current Liabilities  | 1.99                    | 1.53                    | -29.34%                   |
| Debt-Equity Ratio (in times)                | Debt consists of borrowings & liabilities   | Total Equity   | 0.68                    | 0.90                    | 23.79%                    |
| Debt Service Coverage Ratio (in times)      | Earning for Debt Service = Net Profit after taxes + Non cash operating expenses + Interest + Other Non Cash Adjustments | Debt Service = Interest and lease payments +Principal repayments           | 0.31                    | -1.97                   | 115.64%                   |
| Return on Equity Ratio (in %)               | Profit for the year   | Average Total Equity   | 1.48%                   | 13.35%                  | 88.92%                    |
| Inventory Turnover Ratio (in times)         | Cost of Goods Sold  | Average Inventory  | 10.70                   | 5.86                    | -82.38%                   |
| Trade Receivables Turnover Ratio (in times) | Revenue from operations   | Average Trade Receivables  | 1.77                    | 0.90                    | -97.06%                   |
| Trade Payables Turnover Ratio (in times)    | Purchases + Other Direct Expenses   | Average Trade Payables   | 5.35                    | 4.51                    | -18.71%                   |
| Net Capital Turnover Ratio (in times)       | Revenue from operations   | Working capital (i.e. Total Current Assets less Total Current Liabilities) | 3.41                    | 1.75                    | -95.24%                   |
| Net Profit Ratio (in %)                     | Profit for the year   | Revenue from operations  | 0.47%                   | 8.26%                   | 94.30%                    |
| Return on Capital Employed (in %)           | Profit before tax and finance cost  | Capital Employed = NetWorth + Lease Liabilities + Deferred Tax Liabilities | 10.04%                  | -14.88%                 | 167.48%                   |

**Reasons for the change in the ratio above 25%:-**

1. In the current period the amount of both Current Assets and Current Liabilities has reduced significantly.
2. In the current year, the company has a profit for the year as compared to the loss in the last year. Also the amount of depreciation has significantly recorded less as compared to last one.The borrowings also of the company has reduced as compared to previous.
3. In the previous year,the company has reported more total comprehensive income as compared to the current year as in last year the company has a share of income from Fair Value of Investment in Equity Shares.
4. Tha cost of material consumed has incresed significantly in the current period.The Inventory held by the company in the current year has reduced in comparision to the previous year.
5. The revenue from opertions has increased from the previous year as compared to the current year. The trade payable by the company has reduced as compared to the last year.
6. The revenue from operations has increased from the previous year as compared to the current year. The amount of the both Current Assets and Current Liabilities has significantly reduced in the current period.



7. The profit reported in the current period is less than the profit reported in the previous year, as in the current period the Company has sold of its investment held in the equity shares and Fair value of investment recorded in the last year is the reason of the increased in profit last year. The Company reported increased in its revenue from operations as compared to the last period.
8. The Profit before tax reported by the company in the current period is greater than the last year. The net worth of the company has also increased in the current period.

**Note 33 : Rounding Off**

Figures of Current and Previous year are rounded off to nearest thousand, as per the requirements of Schedule III.

**Note 34 :**

Figures of Previous year have been regrouped / reclassified in order to make them comparable with current year figures, wherever necessary.

**Note 35 : Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**Note 36 : Corporate Social Responsibility (CSR)**

As per the provisions of section 135 of the Companies Act 2013, the company is not mandatorily required to constitute a Corporate Social Responsibility Committee and spend funds for the Corporate Social Responsibility (CSR) activities. Accordingly, disclosure requirement is not applicable.

**Note 37 : Undisclosed Income**

The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, disclosure requirement is not applicable.

**Note 38: Other Statutory Information**

**a) Relationship with Struck Off Companies**

| Name of struck off Company   | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|--|--|---------------------|---|
| There are no transactions and balance outstanding with struck off Company during the year. |  |                     |   |

**b) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:**

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**c) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:**

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

As per our report of even date

**M/S SHARP AARTH & CO. LLP**

Chartered Accountants

FRN: 132748W/W100823

**For and on behalf of the Board  
Lakhotia Polysters(India) Limited**

sd/-  
**Madhusudan S Lakhotiya**  
Managing Director  
DIN: 00104576

sd/-  
**Jayshri M Lakhotiya**  
Chairperson  
DIN: 05357609

**CA Praveen Purohit**

Partner

MRN : 429231

UDIN: 24429231BKDZKW3038

Date: 27.05.2024

Place: Nashik

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

sd/-  
**Shannu Chaturvedi**  
Company Secretary



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## 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 Lakhotiya, Managing Director and Mr. Vivek Rathie – 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, 2024 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee that
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no changes in accounting policies during the year requiring disclosure in the notes to financial statements; and
  - iii. There are no instances of significant fraud in the company's internal control system over financial reporting.

For Lakhotia Polyesters (India) Limited

sd/-

Vivek Rathie  
Chief Financial Officer

sd/-

Madhusudan Lakhotiya  
Managing Director  
DIN: 00104576

Place: Nashik

Dated: May 27, 2024



[illegible]

**Lakhotia Polyesters (India) Limited**

158/159 Samartha Sahkari Audyogik Vasahat Ltd.,  
Pimpal - Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra - 422 209  
Tel: +91 2550-252300; Fax: +91 2550-252300  
Website: [www.lakhotiapoly.in](http://www.lakhotiapoly.in) ; Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)