

LAKHOTIA POLYESTERS (INDIA) LIMITED

13th ANNUAL REPORT
2017-18



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13th ANNUAL REPORT FOR THE FINANCIAL YEAR 2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|-----------------------------|--|
| ▪ Mr. Madhusudan Lakhota | Managing Director |
| ▪ Mrs. Jayshree Lakhota | Executive Director |
| ▪ Mr. Ashok Kumar Khajanchi | Executive Director |
| ▪ Mr. Sajan Choudhary | Non – Executive & Independent Director |
| ▪ Mr. Shailesh Mistry | Non – Executive & Independent Director |
| ▪ Mr. Anil Patodia | Non – Executive & Independent Director |

KEY MANAGERIAL PERSONNEL

- | | |
|--------------------------|--|
| ▪ Mr. Madhusudan Lakhota | Chairman and Managing Director |
| ▪ Mr. Vivek Rathi | Chief Financial Officer and Compliance Officer |

BOARD COMMITTEES

▪ AUDIT COMMITTEE

Mr. Sajan Choudhary- Chairman
Mr. Shailesh Mistry- Member
Mr. Madhusudan Lakhota- Member

▪ NOMINATION AND REMUNERATION COMMITTEE

Mr. Shailesh Mistry- Chairman
Mr. Sajan Choudhary- Member
Mr. Anil Patodia - Member

▪ STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Shailesh Mistry- Chairman
Mr. Sajan Choudhary- Member
Mr. Anil Patodia - Member

BANKERS

- Union Bank of India
- ICICI Bank

STATUTORY AUDITORS

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



SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

Mr. V B Rathi

REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Private Limited

Luthra Ind Premises,

Unit-1, Safeed Pool,

Andheri Kurla Road, Andheri East,

Mumbai 400 072

Contact No: 022 - 28515606, 28515644

Email : sharexindia@vsnl.com, Website : <http://www.sharexindia.com>

REGISTERED OFFICE AND CONTACT DETAILS AND WEBSITE

LAKHOTIA POLYESTERS (INDIA) LIMITED

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.,

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

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

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

CIN: L17120MH2005PLC155146



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2017-18 for **LAKHOTIA POLYESTERS (INDIA) LIMITED**.

While Your Company is in its 13th year of operations, the outlook for 2018-19 is positive. I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business and look forward to the same in the next fiscal year.

Best Regards

Madhusudan Lakhotia
Chairman



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the members of **LAKHOTIA POLYESTERS (INDIA) LIMITED** will be held on 30th September, 2018 at 3.00 p.m. at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal – Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2018 including audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ashokkumar Gulabchand Khajanchi (holding DIN: 01532044), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for reappointment.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 23, 2018 to September 30, 2018 (both days inclusive) for the purpose of the Annual General Meeting.



4. Details as required in Regulation 36(3) of the Listing Regulations, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Requisite declarations have been received from the Directors seeking appointment / re-appointment.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means by Central Depository Services (India) Limited (CDSL).
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23rd September, 2018, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).
9. The remote e-voting period will commence at 9 a.m. on 27th September, 2018 and will end at 5 p.m. on 29th September, 2018. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.
10. The Company has appointed Mrs. Monika Kothari (M. S. Kothari & Associates) Practising Chartered Accountant (Membership No. 137777), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
11. Notice of the 13th Annual General Meeting and the Annual Report will also be available on the Company's website www.lakhotiapoly.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any



communication, the shareholders may also send requests to the Company's investor email id: info@lakhotiapoly.in

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

15. VOTING BY ELECTRONIC MEANS

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 27, 2018 (9:00 am) and ends on September 29, 2018 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “Lakhotia Polyesters (India) Limited” on which you choose to vote.
- (xiii) **EVSN No. for E-voting is 180908012**
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.



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

By Order of the Board of Directors
Sd/-
Madhusudan Lakhotia
(Managing Director)

Place: Nashik

Date: September 7, 2018

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



PROFILE OF DIRECTOR
(Seeking Appointment / Re-appointment)

ANNEXURE TO ITEM NOS. 2 OF THE NOTICE

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

Name of Director	Mr. Ashokkumar Gulabchand Khajanchi
Date of Birth	January 29, 1964
Nationality	Indian
Date of First Appointment on the Board	August 17, 2016
Qualifications	Law Graduate and completed his L.L.B. from Dungar College (Autonomous), Bikaner
Expertise in specific functional Areas	Day to day Management Process
No. of Shares held in the Company (as on March 31, 2018)	-
List of Directorships held in other Companies	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	-
Terms and Conditions of Appointment/re-appointment	Section 149, 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	Nil
Relationship with other Directors	Not Applicable
No. of Board Meetings attended in FY 2017-18	Six Board Meetings were attended by Mr. Ashokkumar Gulabchand Khajanchi as mentioned below: 1. May 22, 2017 2. August 14, 2017 3. September 04, 2017 4. November 14, 2017 5. November 23, 2017 6. February 14, 2018



ROUTE MAP TO THE AGM VENUE



Address:

LAKHOTIA POLYESTERS (INDIA) LIMITED

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



DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Shareholders,
Lakhotia Polyesters India Limited

Your Directors are pleased to present the 13th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY

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

Particulars	FINANCIAL YEAR	
	2017-18	2016-17
Total Income	21,23,95,601	17,19,33,082
Less: Expenditure	20,48,85,108	16,38,15,504
Profit Before Finance Cost, Depreciation & Tax	75,10,493	81,17,578
Less: Finance Cost	66,63,584	58,57,130
Less: Depreciation	15,21,412	15,23,009
Net Profit Before Tax & Extraordinary Item	(674,503)	7,37,439
Less: Extraordinary Item	0	0
Less :Tax Expense	(17,16,984)	3,67,095
Net Profit After Tax	10,42,481	3,70,344

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

During the current period of operation, your company has shown an increase in the revenue to the extent of from Rs.17.19 crores during FY 2016-17 to Rs. 21.24 crores during FY 2017-18. Profit after Tax of the company is Rs.10.42 lakhs during FY 2017-18 as compared to Rs. 3.70 Lakhs during FY 2016-17.

3. FINANCIAL YEAR

This report of Directors along with its Annexure, Management Discussion and Analysis, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 01, 2017 to March 31, 2018 (a period of 12 months). Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, a 'financial year' in relation to the Company means the period ending on the 31st day of March every year, in respect whereof financial statement of the Company is made. Your Company is in compliance with the provisions of the Companies Act, 2013.

4. DIVIDENDS

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

5. SHARE CAPITAL

During the period April 01, 2017 to March 31, 2018, during the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity and there is no change in the Issued, Subscribed and paid up share Capital of Company. The Share Capital Audit as per the directives of the Securities and Exchange Board of India (SEBI) is being conducted by



Ranjana Mimani & Associates, Practicing Company Secretaries. The paid-up Share Capital of the Company stands at Rs.10,47,39,880/- (Rupees Ten Crores Forty-Seven Lakh Thirty-Nine Thousand and Eight Hundred and Eighty Only).

6. RESERVES

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

7. PUBLIC DEPOSITS

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

8. SUBSIDIARY AND ASSOCIATE COMPANIES

As on March 31, 2018, Company does not have any Associate Company.

9. CONSOLIDATED FINANCIAL STATEMENT

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a. In accordance with the provisions of the Section 152 Companies Act, 2013 read with applicable Rules, if any, Mr. Ashokkumar Gulabchand Khajanchi (DIN: 01532044), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of five years and shall not be liable to retire by rotation. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.
- b. Mr. Madhusudhan Lakhotia is the Managing Director of the Company and Mr. Vivek Rathi is the Chief Financial Officer and Compliance Officer of the Company.
- c. The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.
- d. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the



state of affairs of the company at the end of the financial year viz. March 31, 2018 and of the profit and loss of the company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2017-18, the Board of Directors of the Company met on May 22, 2017, August 14, 2017, September 04, 2017, November 14, 2017, November 23, 2017 and February 14, 2018.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015 entered into by the company with the Stock Exchanges. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2018.

13. COMMITTEES OF THE BOARD

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

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

14. BOARD EVALUATION

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

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

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

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

(A) Conservation of Energy

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



(B) Technology Absorption

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

(C) Foreign Exchange Earnings and Outgo

The Company has not incurred in foreign currency during the financial year 2017-18.

17. VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

18. NOMINATION AND REMUNERATION POLICY

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

19. CORPORATE SOCIAL RESPONSIBILITY:

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

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

21. ADEQUACY OF INTERNAL CONTROL SYSTEM

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

22. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company. The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March 31, 2018.

23. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

All the Independent Non-Executive Directors of the Company viz. Mr. Sajan Choudhary, Mr. Shailesh Mistry, and Mr. Anil Patodia have submitted the declaration of independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

24. STATUTORY AUDITORS

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



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

25. EXTRACT OF ANNUAL RETURN

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

26. NOMINATION AND REMUNERATION COMMITTEE

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

27. RELATED PARTY TRANSACTIONS

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

28. SECRETARIAL AUDITORS

The Board of Directors have appointed M/s. R. M. Mimani & Associates as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2017-18.

The Secretarial Audit Report issued by M/s. R. M. Mimani & Associates, Company Secretaries in Practice is self-explanatory and does not call for further comments. The Secretarial Audit Report and Management reply on the qualifications stated in the said Report forms a part of Directors Report in **Annexure IV**.

29. AUDIT COMMITTEE

The composition of Audit Committee is as follows:

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

During the Financial Year 2017-18, Audit Committee met 5 times on May 20, 2017, August 10, 2017, November 10, 2017, November 23, 2017 and February 13, 2018. All the recommendations made by the audit committee were accepted by the board.

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

30. BUSINESS RISK MANAGEMENT

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



trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted risk management policy.

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

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

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

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

32. PARTICULAR OF EMPLOYEES

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

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

33. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report under requirements of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, forms part of this Annual Report for the year ended 31st March, 2018.

34. CORPORATE GOVERNANCE

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

35. VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be



made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the Company's Website i.e. www.lakhotiapoly.in

36. CAUTIONARY STATEMENT

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

37. INTERNAL FINANCIALS CONTROLS

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

38. HUMAN RESOURCES

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

39. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

40. DISCLOSURE ABOUT COST AUDIT

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

41. APPRECIATIONS AND ACKNOWLEDGMENTS

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

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

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

**Date: September 07, 2018
Place: Nashik**

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

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



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

[As on financial year ended on 31.03.2018]

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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



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

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. Of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	33,28,388	-	33,28,388	31.78	33,28,388	-	33,28,388	31.78	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	33,28,388	-	33,28,388	31.78	33,28,388	-	33,28,388	31.78	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. Of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Market Maker	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	67,23,102	-	67,23,102	64.19	63,60,982	-	63,60,982	60.73	(3.46)
(i) Indian									
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,69,529	-	1,69,529	1.62	1,38,022	-	1,38,022	1.32	(0.30)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2,24,600	-	2,24,600	2.14	4,06,380	-	4,06,380	3.88	1.74
c) Others – NRI	-	-	-	-	-	-	-	-	-
d) Others –	28,369	-	28,369	0.27	1,84,085	-	2,40,216	2.29	2.02



Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. Of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members									
Sub-total (B) (2)	71,45,600	-	71,45,600	68.22	71,45,600	-	71,45,600	68.22	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	71,45,600	-	71,45,600	68.22	71,45,600	-	71,45,600	68.22	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,04,73,988	-	1,04,73,988	100	1,04,73,988	-	1,04,73,988	100	-



i. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2017			Shareholding at the end of the year i.e March 31, 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Madhusudan Shyamsunder Lakhota HUF	203000	1.94	-	203000	1.94	-	-
2.	Shymasunder Dhanraj Lakhota HUF	271376	2.59	-	271376	2.59	-	-
3.	Dhanraj Nihalchand Lakhota	193844	1.85	-	193844	1.85	-	-
4.	Madhusudan S Lakhota	1409380	13.46	-	1409380	13.46	-	-
5.	Shyamsunder D Lakhota	359100	3.43	-	359100	3.43	-	-
6.	Jayshree Lakhota	155064	1.48	-	155064	1.48	-	-
7.	Kanchandevi Shyamsunder Lakhota	736624	7.03	-	736624	7.03	-	-
	Total	33,28,38	31.78	-	33,28,388	31.78	-	-

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

There are no changes in the Promoter's shareholding during the Financial Year 2017-18.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e April 01, 2017		Cumulative Shareholding during the year i.e March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjoyog Trade-Link Private Limited	17,50,500	16.71	2049500	19.568
2.	Shatrunjaya Estates Private Limited	24,98,992	23.86	2040192	19.479
3.	Giza Estates Private Limited	10,18,610	9.73	1095110	10.456
4.	Sanwaria Vincomm Private Limited	14,55,000	13.89	902490	8.616
5.	Bharat B Mishra Huf	1,24,150	1.18	207765	1.984
6.	Pantomath Stock Brokers	0	0.00	190000	1.814
7.	Vijaykumar Mukhiya	78,050	0.75	187930	1.794



Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e April 01, 2017		Cumulative Shareholding during the year i.e March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Pratibha Jain	0	0.00	89000	0.850
9.	Santosh Bothra	0	0.00	71000	0.678
10.	Sagun Ventures Pvt. Ltd.	0	0.00	60000	0.573

iv. Shareholding of Directors and Key Managerial Personnel

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (April 01, 2017)		Cumulative Shareholding during the year (March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Madhusudan Lakhotia	14,09,380	13.46	14,09,380	13.46
2.	Mrs. Jayshree Lakhotia	1,55,064	1.48	1,55,064	1.48
3.	Mr. Ashok Kumar Khajanchi	-	-	-	-
4.	Mr. Sajan Choudhary	-	-	-	-
5.	Mr. Shailesh Mistry	-	-	-	-
6.	Mr. Anil Patodia	-	-	-	-

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		87,86,792		87,86,792
i) Principal Amount	-		-	
ii) Interest due but not paid			-	
iii) Interest accrued but not			-	
Total (i+ii+iii)	-	87,86,792	-	87,86,792
Change in Indebtedness during the financial year				
- Addition	-	6,53,205	-	6,53,205
- Reduction			-	
Net Change	-	6,53,205	-	6,53,205
Indebtedness at the				



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
end of the financial year				
i) Principal Amount	-	94,39,997	-	94,39,997
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	94,39,997	-	94,39,997

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Sajan Choudhary (Independent Director)	Mr. Shailesh Mistry (Independent Director)	Mr. Anil Patodia (Independent Director)	
1	Independent Directors - Fee for attending board committee meetings - Commission - Others please specify	-	-	-	-
2	Total(1)	-	-	-	-
3	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-
4	Total(2)	-	-	-	-
5	Total(B)=(1+2)	-	-	-	-
6	Total Managerial Remuneration	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	3,29,400	3,29,400
2	Stock Option	-	-	-	-



Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit -others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
6	Total	-	-	3,29,400	3,29,400

D. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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

Date: September 07, 2018

Place: Nashik

Sd/-

Madhusudhan Lakhota

(Managing Director)

Sd/-

Jayshree Lakhota

(Executive Director)



NOMINATION AND REMUNERATION POLICY OF THE COMPANY

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

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

OBJECTIVE:

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

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

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

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

DEFINITIONS:

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

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

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

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

Name of Directors	Designation in the Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent, Non-executive
Mr. Sajan Choudhary	Member	Independent, Non-executive
Mr. Anil Patodia	Member	Independent, Non-executive

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

APPLICABILITY

The Policy is applicable to:

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

ROLE OF COMMITTEE:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

➤ Appointment criteria and qualifications:



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

a) Directors

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

b) Independent Directors

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

c) Senior Management Personnel and KMP

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

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

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

➤ **Term / Tenure**

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to



time. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

➤ **Evaluation**

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

a) Criteria for evaluating Non-executive Board members:

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

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

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

➤ **Removal**

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

➤ **Retirement**

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

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

The remuneration to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

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



SITTING FEES

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

COMMISSION

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

STOCK OPTIONS

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

MEMBERSHIP, FREQUENCY OF MEETINGS

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

MINUTES OF COMMITTEE MEETING

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

COMMUNICATION OF THIS POLICY

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

AMENDMENT

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

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

Date: September 07,2018
Place: Nashik

Sd/-
Madhusudhan Lakhotia
(Managing Director)

Sd/-
Jayshree Lakhotia
(Executive Director)



Form No. AOC-2

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

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

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

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

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

Name of the party	Nature of transactions	As at March 31, 2018	As at March 31, 2017
Madhusudan Lakhotia	Director Remuneration	480,000	480,000
	Rent	90,000	90,000
	Interest	36,400	-
Jayashree Lakhotia	Director Remuneration	240,000	240,000
	Interest	394,680	676,980
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhotia)	Rent	60,000	60,000
	Sales / Job Work	620,140	1,937,747
Kanchandevi Lakhotia	Rent	180,000	180,000
Sujata Lakhotia	Salary	300,000	300,000
Madhusudan Lakhotia (HUF)	Commission	134,828	492,220
	Interest	890,270	249,530
Web Zone Digital Solutions	Loan / Advance Given	944,000	2,095,770
	Loan / Advance repayment received	439,000	2,095,770
Enfinite Etail Enterprises	Loan / Advance Given	60,000	160,950
	Loan / Advance repayment received	-	160,950
The Lakhotia Textiles Pvt Ltd	Purchases	1,014,482	-
S C Threads Pvt Ltd	Sales	11,521,176	4,758,576
	Purchases	4,840,012	862,385



Form No. MR.3
Secretarial Audit Report for the financial year ended on March 31, 2018

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

To,
The Members
Lakhotia Polyesters (India) Limited
[CIN: L17120MH2005PLC155146]
Nasik

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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:

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2018 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, 2018 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made there-under;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there-under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;



- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
6. Other law applicable specifically to the Company, as detailed below;
- A) Water (Prevention and control of Pollution) Act, 1981
 - B) Air (Prevention and Control of Pollution), Act, 1974

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

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

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

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

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

- i. *The Company has not appointed the Company Secretary during the financial year as required under section 203 of the Companies Act, 2013 and has not fully complied with the regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to appointment of compliance officer of the Company*
- ii. *The Company has not filed the return of change in shareholding in form MGT-10, as required under section 93 of the Companies Act, 2013, which however no longer in force with effect from June 13 2018.*
- iii. *The Company has not complied with the provision of section 101(1) of the Companies Act, 2013, in issuing the notice of 12th Annual General Meeting of the Company.*
- iv. *The Company has granted loans and advances to a firm/Company, in which Directors of the Company are interested in contravention of the provisions of section 185 of the Companies Act, 2013.*
- v. *The company has not consolidated its financial statements, as required under section 129 of the companies Act, 2013.*
- vi. *The Company has not filed the for MGT-14 in respect of borrowing made, as required under section 117 of the Companies Act, 2013.*

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



- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iii. The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthened 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 there were no specific event/action in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

**For R M MIMANI & ASSOCIATES LLP
[COMPANY SECRETARIES]**

**RANJANA MIMANI
(PARTNER)**

FCS No: 6271

CP No : 4234

Place: Mumbai

Dated: September 07, 2018

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



To,
The Members
Lakhotia Polyesters (India) Limited
[CIN: L17120MH2005PLC155146]
Nasik

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]

RANJANA MIMANI
(PARTNER)

FCS No : 6271
CP No : 4234

Place: Mumbai
Dated: September 07, 2018



MANAGEMENT REPLY FOR QUALIFICATIONS MENTIONED IN THE SECRETARIAL AUDITORS' REPORT

Dear Members,

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

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

Management Reply: The Company is unable to find the suitable candidate for the post of Company Secretary. The Company has given newspaper advertisement for requirement of Company Secretary in the Financial Year 2017-18. The Company is in process of appointing Company Secretary.

- (ii) *The Company has not filed the return of change in shareholding in form MGT-10, as required under section 93 of the Companies Act, 2013, which however no longer in force with effect from June 13, 2018.*

Management Reply: The Return of shareholding in form MGT-10 have been done away in the Companies (Amendment) Act, 2017 vide their notification dated June 13, 2018. Hence the company is not be able to file the MGT-10 any longer.

- (iii) *There was a delay in dispatch of notice of 12th Annual General Meeting of the Company, as required under section 101(1) of the Companies Act, 2013.*

Management Reply: The Company have duly dispatched the Notice of 12th Annual General Meeting of the Company with a delay of 1 day on September 11, 2017 and the same was published in the Newspaper Times of India and Maharashtra Times on September 13, 2017.

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

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

- (v) *The company has not consolidated its financial statements, as required under section 129 of the companies Act, 2013.*

Management Reply: The Company hereby states Section 129 is not account to management and the shares have been sold till date and the same is under Current Investment.



- (vi) *The Company has not filed the for MGT-14 in respect of borrowing made, as required under section 117 of the Companies Act, 2013.*

Management Reply: The Company hereby states that the Company have duly filed the Form MGT-14 on 10.09.2018.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview:

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

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

Industry, Structure & Developments:

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

Operational Performance

During the current period of operation, your company has shown an increase in the revenue to the extent from Rs.17.19 crores during FY 2016-17 to Rs. 21.24 crores during FY 2017-18. Profit after Tax of the company is Rs.10.42 lakhs during FY 2017-18 as compared to Rs.3.70 Lakhs during FY 2016-17.

Outlook

The Indian textiles industry, currently estimated at around US\$ 120 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US\$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US\$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles#. The Government of India targets textile and garment sector exports at US\$ 45 billion for 2017-18. Your company is well poised to benefit from the revival of industrial activity in the Indian economy.

Risk & Concerns

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



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

Adequacy of Internal Control System

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

Human Resource Development

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

Cautionary Statement

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

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

Date: September 07, 2018
Place: Nashik

Sd/-
Madhusudhan Lakhotia
(Managing Director)

Sd/-
Jayshree Lakhotia
(Executive Director)



CORPORATE GOVERNANCE REPORT

Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The strength of Board of Directors is 6 (Six) as on March 31, 2018, whose composition and category is given below:

Three - Executive Directors

Three - Independent Directors

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

A. The Constitution of the Board as on March 31, 2018

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

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

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



Sr. No.	Directors	Category	No. of Other Directorship [#]		No. of Committee positions held in the company	
			Public	Private	Member	Chairman
1	Mr. Madhusudan Lakhotia	Chairman and Managing Director	0	0	1	0
2	Mrs. Jayshree Lakhotia	Executive Director	0	0	0	0
3	Mr. Anil Patodia	Additional Director Independent Category	0	0	2	0
4	Mr. Sajan Choudhary	Independent Director	0	0	2	1
5	Mr. Shailesh Mistry	Independent Director	0	0	1	2
6	Mr. Ashok Kumar Khajanchi	Executive Director	0	0	0	0

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

B. Appointment and Tenure

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

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

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

C. Board Meetings

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



During the Financial Year 2017-18, the Board of Directors of the Company met on May 22, 2017, August 14, 2017, September 04, 2017, November 14, 2017, November 23, 2017 and February 14, 2018.

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

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 30.09.2017
1	Mr. Madhusudan Lakhota	Chairman and Managing Director	9	Present
2	Mrs. Jayshree Lakhota	Executive Director	9	Present
3	Mr. Anil Patodia	Additional Director Independent Category	9	Present
4	Mr. Sajjan Choudhary	Independent Director	9	Present
5	Mr. Shailesh Mistry	Independent Director	9	Present
6	Mr. Ashok Kumar Khajanchi	Executive Director	9	Present

D. Board Procedure

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

E. Board Training and Familiarisation Program

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

F. Appointment of Directors

G. Reappointment of Directors

Mr. Ashokkumar Gulabchand Khajanchi retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment at the ensuing Annual General Meeting.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs



the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

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

a. Audit Committee

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

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr.Sajan Choudhary	Chairman	Independent Director	5	5
Mr. Shailesh Mistry	Member	Independent Director	5	5
Mr. Madhusudan Lakhotia	Member	Managing Director	5	5

During the Financial Year 2017-18, Audit Committee met on 20th May 2017, 10th August 2017, 10th November 2017, 23rd November 2017, and 13th February 2018.

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

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

b. Nomination & Remuneration Committee

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

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Shailesh Mistry	Chairman	Independent Director	1	1
Mr. Sajan Choudhary	Member	Independent Director	1	1
Mr.Anil Patodia	Member	Independent Director	1	1

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

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

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



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

During the year ended 31st March, 2018, 1 Nomination & Remuneration Committee Meeting were held on the following dates : 13 August 2017

c. Stakeholders Relationship Committee –

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

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

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajan Choudhary	Member	Independent Director
Mr. Anil Patodia	Member	Independent Director

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

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

Name, Designation and address of the Compliance Officer:

Mr. Vivek Rathi

158/159 SamarathaSahkariAudyogikVasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra – 422209

Tel: +91 2550-252300

Fax: +91 2550-252300

Email: info@lakhotiapoly.in

Details of Shareholders' / Investors' Complaints during the FY ended 31st March 2018.

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



During the year ended 31st March, 2018, 1 Committee Meeting were held on the following dates: 13th August, 2017.

d. Risk Management Committee

Forming Risk Management Committee is not applicable to our Company.

e. Policy on material subsidiary

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

f. Policy on Related party transactions

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

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

g. Independent Directors' Meeting

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

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

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

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

5. SHAREHOLDER INFORMATION

• GENERAL BODY MEETINGS:

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

Year	Date of AGM	Day	Time	Venue
2016-17	30.09.2017	Saturday	3.00 AM	158/159 Samaratha Sahkari Audyogik



				Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2015-16	30.09.2016	Friday	10.00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India

- **Postal Ballot**

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

- **Annual General Meeting for the financial year 2017-18**

Date	Sunday, 30 th September, 2018
Venue	Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209
Time	3.00 p.m.

- **Calendar of financial year ended 31st March, 2018**

The Company follows April-March as the financial year. The company is listed on BSE SME Platform and hence the Financial Results of the company is announced half yearly as per Regulation 33(5) of SEBI (LODR) Regulations, 2015. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2018 were held on the following dates:

First Quarter	14 th August 2017
Second Quarter	14 th November 2017
Third Quarter	14 th February 2018
Fourth Quarter	05th June 2018

- **Bifurcation of shares held in physical and demat form as on 31st March, 2018**

Particulars	No. of Shares	%
Physical Shares	0	0
Demat Shares		
NSDL (A)	104235	1.00
CDSL (B)	10369753	99.00
TOTAL (A+B)	10473988	100.00

- **Listing Details**

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)* Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	LAKHOTIA
ISIN	INE191O01010

The listing fee for the financial year 2018-19 has been paid to the above Stock Exchanges.

- **Share Price Data**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2018 are as under:



Month	High Price (Rs.)	Low Price (Rs.)	Volume
Aug-17	7.8	7.65	11
Sep-17	7.8	7.8	40
Nov-17	8.3	7.95	500631
Dec-17	8.4	8.3	206530
Jan-18	8.76	8.32	302655
Mar-18	8.76	8.76	11000

• **Share holding pattern of the Company as on 31.03.2018**

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	33,28,388	31.78
2.	Body Corporate (Public)	63,60,982	60.73
3.	Resident Individuals and HUF (Public)	7,84,618	7.49
	TOTAL	1,04,73,988	100.00

• **Share Transfer System:**

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

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

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

Nil

• **Plant Locations:**

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

• **ADDRESS FOR CORRESPONDENCE:**

LAKHOTIA POLYESTERS (INDIA) LIMITED

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd. Pimpal – Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra – 422209

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

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

CIN: L17120MH2005PLC155146



- **REGISTRAR AND SHARE TRANSFER AGENT:**

Sharex Dynamic (India) Private Limited
Unit-1, Luthra Ind Premises,
1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road,
Safeed Pool, Andheri East,
Mumbai, Maharashtra 400072

1. Disclosures:

a) Related Party Transaction:

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

b) Statutory Compliance, Penalties and Strictures:

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

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

c) Whistle Blower Policy:

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

d) Reconciliation of Share Capital Audit:

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

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

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

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



f) CEO / CFO CERTIFICATE:

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

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

g) Means of Communication

For the Financial Year 2017-18, the Company was listed on SME Platform of BSE Limited and hence it was not required to publish notice of Board Meeting and Financial Results in the newspapers. These financial results are posted on our official Website www.lakhotiapoly.in. Our means of communication are transparent and timely. In addition to the financial results, we publish the other information too, as required to be published under the Companies Act, 2013 or the SEBI (LODR) Regulations, 2015 or any other laws applicable or as may be required in the public interest. We provide and update from time to time various information about our Company at our official website www.lakhotiapoly.in related with investors, customers, etc. and all other person dealing with your Company

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

i. The Board:

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

ii. Nomination and Remuneration Committee:

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

iii. Shareholders' Right:

The Company has posted its half yearly and annual financial results on its website i.e. www.lakhotiapoly.in

iv. Audit Qualification:

There are no audit qualifications in the financial statements for the financial year 2017-18

v. Reporting of Internal Auditors

The Internal Auditors directly reported to the Audit Committee



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

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2018.

For Lakhotia Polyesters (India) Limited

Date: June 05, 2018
Place: Nashik

Sd/-
Madhusudhan Lakhotia
Managing Director



CEO / CFO CERTIFICATION

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

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

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

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

(a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31st March, 2018 and that to the best of our knowledge and belief:

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

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

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

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

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

For Lakhotia Polyesters (India) Limited

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

**Sd/-
Madhusudhan Lakhotia
Managing Director**

Date : June 05, 2018

Place : Nashik



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Lakhotia Polyesters India Ltd.

We have examined the compliance of conditions of Corporate Governance by Lakhotia Polyesters India Ltd. for the period ended March 31st 2018, as stipulated in Clause No. 49 of the Listing Agreement of the said company with Stock Exchange.

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

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

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

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

Nashik
05.06.2018

Rohit Rajmal Bafna, FCA
Membership No. 113955



Independent Auditor's Report

To the Members of M/s. Lakhotia Polyester (India) Limited
Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of M/s. Lakhotia Polyester (India) Limited ("the Company"), which comprise the balance sheet as at 31st March 2018, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

- A) *The company has not prepared Consolidated Financial Statements to include financial of its associate to comply with the provisions of section 129(3) of the Companies Act, 2013; and*
- B) *The company has not made provision for gratuity payable; and*
- C) *The company has not provided the copies of the agreement for the premises taken on rent and therefore, liability on account of operating leases could not be worked out.*

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of



accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –
The company, promoters, directors and certain group promoted entities are a party to litigation with the customs departments for import of certain materials based



upon alleged “misleading information”. The matter is pending in Appeal before the Central Excise and Customs Appellate Tribunal, Mumbai and before the High Court, Mumbai. The total demand in the matter raised by the adjudicating authorities is to the tune of ` 220.91 Lakhs against company and ` 42.00 Lakhs against Shri M.S. Lakhota, the Managing Director of the company. The amounts as stated are ex interest thereon.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Nashik
05.06.2018

Rohit Rajmal Bafna, FCA
Membership No. 113955



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 7 Our Report of even date to the members of Lakhotia Polyesters (India) Limited on the accounts of the company for the year ended 31st March, 2018.

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) The title deeds of the immovable properties are held in the name of the company.
- (ii) The inventories at all business places have been physically verified by the management from time to time. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the books of accounts. But the record relating to physical verification of inventories has not been maintained.
- (iii) (a) The company has granted loans to the other parties covered in the register maintained under section 189 of the Companies Act, 2013. Based upon the management representations as made to us, we report that these advances are towards business transactions and in the normal course of business activity of the company.
- (b) These loans are repayable on demand and hence, no schedule of repayment is prepared. Interest has not been charged on these loans / advances.
- (c) The loan amounts are not overdue.
- (iv) The company has complied with the provisions of section 186 of the Act. But has not complied with the provisions of section 185 by advancing a sum to 2 parties having substantial interest of the Managing Director of the company. Maximum outstanding amount on these ledgers is ` 4,99,000/-
- (v) The Company has accepted deposits from its directors and relatives and has complied with the provisions of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax (TDS), Profession Tax, as applicable, with the appropriate authorities in India. Following are the amounts due for more than six months but not paid –



Particulars	Amount `
Profession Tax	59,625/-
Service Tax	5,038/-
Income Tax - TDS	3,42,330/-
GST - Reverse Charge	34,558/-
TDS - Late Fees & Interest	3,45,580/-

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

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

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



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

Nashik
05.06.2018

Rohit Rajmal Bafna, FCA
Membership No. 113955



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

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

We have audited the internal financial controls over financial reporting of Grainotch Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Nashik
05.06.2018

Rohit Rajmal Bafna, FCA
Membership No. 113955



MANAGEMENT REPLY FOR QUALIFICATIONS MENTIONED IN THE INDEPENDENT AUDITORS' REPORT

Dear Members,

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

- i. *The company has not prepared Consolidated Financial Statements to include financial of its associate to comply with the provisions of section 129(3) of the Companies Act, 2013.*

Management Reply: The Company hereby states Section 129 is not account to management and the shares have been sold till date and the same is under Current Investment.

- ii. *The company has not made provision for gratuity payable.*

Management Reply: The Company hereby states that there are no employee in the company for more than 5 years till date.

- iii. *The company has not provided the copies of the agreement for the premises taken on rent and therefore, liability on account of operating leases could not be worked out.*

Management Reply: The Company hereby states that the same is yet to be renewed and the same will be done in due course.

Rest all the observations are self-explanatory.



LAKHOTIA POLYESTERS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A. ASSETS			
(1) Non-Current Assets			
Property , Plant and Equipment	2	6,515,457	7,906,202
Financial Assets			
Investments	3	22,231,000	23,371,000
Other Financial Assets	4	15,732,720	15,233,720
Deferred Tax Assets (net)	14	896,926	-
Other Non-Current Assets	5	421,446	965,470
(2) Current Assets			
Inventories	6	57,090,774	65,668,175
Financial Assets			
Trade receivables	7	124,608,403	73,455,289
Cash and cash equivalents	8	1,574,723	908,958
Loans	9	219,400	125,000
Other current assets	10	8,647,104	729,486
Total Assets		237,937,953	188,363,300
B. EQUITY AND LIABILITIES			
(1) EQUITY			
Equity Share Capital	11	104,739,880	104,739,880
Other Equity	12	(10,671,707)	(11,714,188)
LIABILITIES			
(2) Non-current Liabilities			
Financial Liabilities			
Borrowings	13	9,439,997	8,786,792
Deferred Tax Liabilities	14	-	1,179,727
(3) Current Liabilities			
Financial Liabilities			
Borrowings	15	45,137,660	37,898,573
Trade Payable	16	85,297,303	43,632,222
Provisions	17	3,994,820	3,840,294
Total Equity and Liabilities		237,937,953	188,363,300
See accompanying notes to the financial statements		-	-
As per our report of even date For R R GUJRATHI & CO. Chartered Accountants FRN - 103382W		For & on behalf of the Board of Directors LAKHOTIA POLYESTERS (INDIA) LIMITED	
Rohit R Bafna, FCA Partner Membership No. 113955 Nashik 05.06.2018	M S Lakhotia Managing Director DIN - 00104576	J M Lakhotia Director DIN - 05357609	



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Sr. No	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue From Operations	18	207,400,453	169,716,823
II	Other Income	19	4,995,148	2,216,259
III	Total Income (I+II)		212,395,601	171,933,082
IV	Expenses:			
	Cost of materials consumed	20	160,721,171	148,655,688
	Changes in inventory of finished goods, work in progress and stock in trade	21	22,546,983	-13,707,936
	Employee Benefit Expense	22	7,476,396	10,051,493
	Finance Cost	23	6,663,584	5,857,130
	Depreciation and Amortization Expense	2	1,521,412	1,523,009
	Other Expenses	24	13,000,558	18,816,259
	Net fair value loss on investment in equity instrument through FVTPL		1,140,000	-
	Total expenses (IV)		213,070,104	171,195,643
V	Profit / (loss) before tax (III-IV)		(674,503)	737,439
VI	Tax Expense	25		
	Current tax		357,159	530,303
	Deferred Tax		(2,076,653)	(228,562)
	Current tax Expense relating to prior years		2,510	65,354
	Total Tax Expense(VIII)		(1,716,984)	367,095
VII	Profit (Loss) for the period (VII-VIII)		1,042,481	370,344
VIII	Other Comprehensive Income (Net of Tax)			
	A (i) Items that will not be reclassified to profit or loss			
	Net changes in fair values of investments in equity shares carried at fair values through OCI		-	-
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX	Total Comprehensive Income for the year (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		1,042,481	370,344
X	Earning per equity share (of Rs. 10/- each)	33		
	(1) Basic		0.10	0.04
	(2) Diluted		0.10	0.04

See accompanying notes to the financial statements

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

Rohit R Bafna, FCA
Partner
Membership No. 113955

Nashik
05.06.2018

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

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

Vivek V Rathi
CFO



STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A <u>Cash flow from Operating Activities</u>		
Net Profit before tax expense	(674,503)	737,439
Adjustment for Non Cash expenses		
- Depreciation	1,521,412	1,523,009
- Provision for permanent decrease in value of investment	1,140,000	-
- Finance Cost	6,663,584	5,857,130
- Deferred taxes		
Operating Profit before changes in Working Capital	8,650,493	8,117,578
Adjustment for Working Capital Changes	(8,768,124)	(8,712,219)
Cash generated from operations	(117,631)	(594,641)
Less : Direct Taxes Paid	359,669	595,657
Add : Balance with Revenue Authority	544,024	2,000
Net cash flow from Operating Activities	66,724	(1,188,298)
B <u>Cash flow from Investing Activities</u>		
Acquisition of Fixed Assets	(130,667)	(261,393)
Net cash flow from Investing Activities	(130,667)	(261,393)
C <u>Cash flow from Financing Activities</u>		
Finance Cost	(6,663,584)	(5,857,130)
Proceeds from Short Term Loans	7,892,292	3,469,387
Increase in Other Financial Assets	(499,000)	-
Net cash flow from Financing Activities	729,708	(2,387,743)
Net increase / (decrease) in cash and cash equivalents	665,765	(3,837,434)
Cash and cash equivalents as at beginning of the year	908,958	4,746,392
Cash and cash equivalents as at the end of the year	1,574,723	908,958

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

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

Rohit R Bafna, FCA
Partner
Membership No. 113955

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

Nashik
05.06.2018

Vivek V Rathi
CFO



LAKHOTIA POLYSTERS (INDIA) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A: Equity Share Capital

(Amount in Rupees)

As at April 1, 2016	Changes in equity share capital during 2016-17	As at March 31,2017	Changes in equity share capital during 2017-18	As at March 31,2018
104,739,880	-	104,739,880	-	104,739,880

B : Other Equity

Particulars	Retained earnings
Balance as at April 1, 2016	(12,084,532)
Profit / (loss) for the year	370,344
Other Comprehensive Income	-
Total Comprehensive Income	370,344
Balance as at March 31,2017	370,344
Profit / (loss) for the year	1,042,481
Other Comprehensive Income	-
Total Comprehensive Income	1,042,481
Balance as at March 31,2018	1,412,825

See accompanying notes to the financial statements

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

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

Rohit R Bafna, FCA
Partner
Membership No. 113955

M S Lakhotia J M Lakhotia Vivek V Rath
MD Director CFO
DIN - 00104576 DIN - 05357609

Nashik
05.06.2018



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 2: Property, Plant and Equipment

(Amount in Rupees)

Particulars	Land	Buildings	Plant & Machinery	Vehicles	Office Equipment	Furniture & Fixture	Total
Gross carrying amount							
Year Ended March 31, 2017							
Cost as at April 1, 2016	186,620	1,288,998	13,942,552	1,531,838	1,043,644	161,666	18,155,318
Additions	-	-	261,393	-	-	-	261,393
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount	186,620	1,288,998	14,203,945	1,531,838	1,043,644	161,666	18,416,711
Year Ended March 31, 2018							
Opening gross carrying amount	186,620	1,288,998	14,203,945	1,531,838	1,043,644	161,666	18,416,711
Additions	-	-	-	-	130,667	-	130,667
Disposals	-	-	-	-	-	-	-
Closing Gross carrying amount	186,620	1,288,998	14,203,945	1,531,838	1,174,311	161,666	18,547,378
Accumulated Depreciation							
As at April 1, 2016	-	369,208	6,986,866	1,028,348	449,495	153,583	8,987,500
Depreciation charge during the year	-	42,768	1,243,350	140,204	88,604	8,083	1,523,009
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation at 31st March, 2017	-	411,976	8,230,216	1,168,552	538,099	161,666	10,510,509
Accumulated Depreciation							
Opening accumulated depreciation	-	411,976	8,230,216	1,168,552	538,099	161,666	10,510,509
Depreciation charge during the year	-	42,768	1,243,291	140,204	95,149	-	1,521,412
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation at 31st March, 2018	-	454,744	9,473,507	1,308,756	633,248	161,666	12,031,921
Net Carrying Amount							
As at April 1, 2016	186,620	919,790	6,955,686	503,490	594,149	8,083	9,167,818
As at March 31, 2017	186,620	877,022	5,973,729	363,286	505,545	-	7,906,202
As at March 31, 2018	186,620	834,254	4,730,438	223,082	541,063	-	6,515,457



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 3 : Investments

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted shares of co-operative society	1,000	1,000	1,000
Investment in Quoted Equity Shares	38,000,000	38,000,000	38,000,000
Less: Provision for diminution in the value	(15,770,000)	(14,630,000)	(14,630,000)
Total	22,231,000	23,371,000	23,371,000

Total non current investments			-
(a) Aggregate amount of quoted investments - at Cost	38,000,000	38,000,000	38,000,000
(b) Aggregate amount of quoted investments and market value thereof	22,230,000	28,414,500	23,370,000
(c) Aggregate amount of unquoted investments - at cost	1,000	1,000	1,000
(d) Aggregate amount of impairment in value of investments	15,770,000	14,630,000	14,630,000

The market value of Investment in Quoted Equity Instruments as on 31.03.2017 is 28414500.
However, the same has not been recognized at FMV and notional gain on the same has not been recognized based on the consideration of prudence.

Note 4 : Other financial assets

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits - Office, Other Utilities	12,668,720	12,668,720	12,668,720
Advances to Firms (Directors Interest)	499,000	-	
Custom Duty under protest	2,550,000	2,550,000	2,550,000
Share Deposit with Shree Samarth Ind Estates	15,000	15,000	15,000
Total	15,732,720	15,233,720	15,233,720

Note 5 : Other Non Current Assets

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Revenue Authorities	421,446	965,470	967,470
Total	421,446	965,470	967,470

Note 6 : Inventories

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Inventories			
- Raw material	36,741,251	22,771,669	20,781,584
- Work In Progress	12,401,961	10,752,396	11,060,386
- Finished Goods	7,776,680	32,144,110	18,128,184
- Stock in Trade	170,882	-	-
Total	57,090,774	65,668,175	49,970,154

Stock has been physically verified and valued by the management.



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

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, considered good)			
- More than six months due			
from related party	23,701,071	16,120,347	15,809,843
from others	26,407,273	18,719,812	3,502,786
- Others	-		
from related party	1,669,454	5,107,143	3,212,959
from others	72,830,605	33,507,987	33,275,381
Less: Allowance for doubtful debts	-	-	-
Total	124,608,403	73,455,289	55,800,969

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

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

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Current Account Balance with Schedule Banks			
In Current accounts	220,413	785,618	2,894,834
Cash in hand	1,354,310	123,340	1,851,558
Total	1,574,723	908,958	4,746,392

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

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

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured & Considered good	219,400	125,000	607,341
Total	219,400	125,000	607,341

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

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
GST on RCM receivable	51,055	-	-
IGST Receivable	523,377	-	-
GST Credit C/f	3,725,424	-	-
Advance to Suppliers	3,697,088	643,573	5,544,413
Advance for expenses	650,160	85,913	239,471
Total	8,647,104	729,486	5,783,884

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



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 11 : Equity share capital (Amount in Rupees)

Authorised equity share capital

Particulars	No. of Shares	Amount
As at 1 April 2016	105,000,000	105,000,000
Increase during the year	-	-
As at 31 March 2017	105,000,000	105,000,000
Increase during the year	-	-
As at 31 March 2018	105,000,000	105,000,000

(i) Movements in equity share capital

Particulars	No. of Shares	Amount
Issued, Subscribed & Paid up		
As at 1 April 2016	104,739,880	104,739,880
Increase during the year	-	-
As at 31 March 2017	104,739,880	104,739,880
Increase during the year	-	-
As at 31 March 2018	104,739,880	104,739,880

Terms & conditions

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

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

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Shatrunjay Estates Pvt. Ltd.	2,040,192	19.48%	2,498,992	23.86%	2,498,992	23.86%
Sanwaria Vincomm Pvt. Ltd.	1,152,500	11.00%	1,455,000	13.89%	2,380,000	22.72%
Sanjoyog Trade Link Pvt. Ltd.	2,049,500	19.57%	1,750,500	16.71%	1,704,800	16.28%
Giza Estates Pvt. Ltd.	1,095,110	10.46%	1,018,610	9.73%	-	0.00%
Madhusudan Lakhotiya	1,409,380	13.46%	1,409,380	13.46%	1,409,380	13.46%
Kanchandevi S Lakhotia	736,624	7.03%	736,624	7.03%	736,624	7.03%

Note 12 : Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at 1 April, 2016
DIC Subsidy			
Opening balance	1,000,000	1,000,000	1,000,000
Subsidy received during the year	-	-	-
Closing Balance	1,000,000	1,000,000	1,000,000
Retained earnings			
Opening balance	(12,714,188)	(13,084,532)	1,140,814
Total comprehensive income / (loss) for the period	1,042,481	370,344	(14,225,346)
Closing Balance	(11,671,707)	(12,714,188)	(13,084,532)
TOTAL	(10,671,707)	(11,714,188)	(12,084,532)



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 13 : Borrowings

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured Loan			
-From Related Party	9,439,997	8,786,792	8,464,503
Total	9,439,997	8,786,792	8,464,503

No written agreements has been executed between the company and the parties. Interest has been paid / provided @ 12%

Note 14 : Deferred Tax Liabilities / (Asset)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities			
Tax on Depreciation Difference	745,813	1,179,727	1,408,289
Deferred tax assets			
Tax on Investment Losses	1,640,080		
Tax on Disallowances (43B)	2,659	-	-
Total	-896,926	1,179,727	1,408,289

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

Note 15 : Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans repayable on demand from Bank	11,797,660	37,898,573	34,751,475
Packing Credit Facility from Bank	33,340,000	-	-
Total	45,137,660	37,898,573	34,751,475

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

Note 16 : Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to MSME	-	-	-
Due to Others	85,297,303	43,632,222	25,829,521
Total	85,297,303	43,632,222	25,829,521

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

Note 17 : Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for taxation (Net of advnces)	330,724	496,492	205,972
Statutory Liabilities	794,463	143,913	221,822
Bank Interest Payable	78,830	-	78,628
Expenses Payable	2,790,803	3,199,889	2,033,190
Total	3,994,820	3,840,294	2,539,612



LAKHOTIA POLYESTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 18 : Revenue from operation

(Amount in Rupees)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Goods	206,216,627	168,184,873
Sale of Services	1,183,826	1,531,950
Total	207,400,453	169,716,823

Note 19 : Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Duty Drawback	1,414,288	2,768,258
Transitional Credit in GST	2,418,025	-
Foreign Exchange Gain / (Loss)	1,162,835	(558,539)
Interest on I T Refund	-	6,540
Total	4,995,148	2,216,259

Note 20 : Cost of Material Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock of Raw Material	22,771,669	20,781,584
Purchases		
- Goods	172,422,843	150,489,424
- Services	2,267,910	156,349
Closing Stock of Raw Material	36,741,251	22,771,669
Total	160,721,171	148,655,688

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<u>Closing Stock</u>		
- Work In Progress	12401961	10752396
- Finished Goods	7776680	32144110
- Stock in Trade	170882	0
	20,349,523	42,896,506
<u>Opening Stock</u>		
- Work In Progress	10,752,396	11,060,386
- Finished Goods	32,144,110	18,128,184
- Stock in Trade	-	-
	42,896,506	29,188,570
Total	-22,546,983	13,707,936

Note 22 : Employee benefit expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries & Wages - Manufacturing	5,002,837	7,333,365
Salaries & Wages - Office	1,705,570	1,947,644
Directors Remuneration	720,000	720,000
Provident Fund	47,989	50,484
Total	7,476,396	10,051,493

Note 23 : Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Bank Interest	4,234,334	4,441,954
Interest on Statutory Dues	76,127	9,731
Interest - Others	1,423,286	1,008,785
Bank Charges	929,837	396,660
Total	6,663,584	5,857,130



Note 24 : Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Direct Expenses		
Power & Fuel	3,792,716	7,475,340
Factory Expenses	1,120,329	1,664,990
Freight, Packing, Loading & Unloading Expenses	2,065,998	1,430,221
Processing Expenses	1,643,953	893,338
Export Related Expenses - C & F, Transport & Job Work	55,417	1,297,230
Rent Expenses	870,000	3,030,000
Indirect Expenses		
Audit Fees	95,000	115,000
Advertisement Expenses	118,476	45,480
BSE, NSDL & ROC Charges	481,229	354,481
Commission Expenses	134,828	492,220
Discount Expenses	189,572	49,693
Directors Sitting Fees	-	30,000
GST Late Fees	5,600	-
Insurance	22,647	36,360
Misc. Expenses	165,568	104,771
Municipal Taxes	152,795	19,139
Office Expenses	97,823	138,806
Office & Staff Quarter Rent	471,000	768,000
Postage & Couriers	82,130	60,041
Petrol & Diesel	39,642	57,889
Printing and Stationery	15,202	57,267
Professional Charges	511,525	394,631
Profession Tax	2,000	2,000
Repairs & Maintenance	93,137	43,976
ROC Fees	67,404	-
Software Charges	81,879	-
Service Tax	5,038	56,160
Service Tax - Penalty	-	17,650
TDS Demands	345,580	-
Telephone Expenses	109,843	130,644
Tea & Refreshment	41,791	25,539
Travelling & Conveyance	120,761	13,483
Vehicle Expenses	1,675	11,910
Total	13,000,558	18,816,259

Auditors Remuneration (inclusive of taxes)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to Auditors		
Audit fee	59,000	69,000
Tax audit fee	47,200	46,000
Other service	5,900	-
Total	112,100	115,000



Note 25 : Income Tax expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Income Tax expense		
Current tax	357,159	530,303
Less: MAT Credit Entitlement	-	-
Net Current Tax	357,159	530,303
Current tax relating to prior period	2,510	65,354
Deferred tax		
Decrease /(increase) in deferred tax assets	1,642,739	
(Decrease) /increase in deferred tax liabilities	433,914	(228,562)
Net Deferred Tax Effect	2,076,653	(228,562)
Total	(1,716,984)	367,095

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) before income tax expenses	(674,503)	737,439
Tax at the Indian tax rate of 25.75% (March 31, 2017- 30.9%)	(173,685)	227,869
Current Tax effect of:		
Depreciation	237,293	228,562
Fair value recognition of investment through FVTPL	293,550	-
Penalty		5,454
Disallowance u/s 40A(iii)		68,419
Deferred Tax effect of:		
Depreciation	(433,914)	(228,562)
Fair value recognition of investment through FVTPL	(1,640,080)	-
Disallowances u/s 43(B)	(2,659)	-
Total	-1,719,494	301,741
Adjustment in respect of current tax of previous year	2,510	65,354
Tax expense as per Statement of Profit and Loss	-1,716,984	367,095



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Note 26 : Fair Value Measurement

i) Fair Value of Financial assets and Financial liabilities

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

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated as fair value through profit and loss						
Investments						
- Investments in wholly owned subsidiaries	-	-	-	-	-	-
- Investment in Shares	22,231,000	22,231,000	23,371,000	28,414,500	23,371,000	23,371,000
Financial assets designated at amortised cost						
Fixed Deposit with banks	-	-	-	-	-	-
Loans	219,400	219,400	125,000	125,000	607,341	607,341
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	1,354,310	1,354,310	123,340	123,340	1,851,558	1,851,558
Other Bank Balance	220,413	220,413	785,618	785,618	2,894,834	2,894,834
Security deposits	-	-	-	-	-	-
	24,025,123	24,025,123	24,404,958	29,448,458	28,724,733	28,724,733
Financial liabilities designated at amortised cost						
Trade payables	85,297,303	85,297,303	43,632,222	43,632,222	25,829,521	25,829,521
Capital creditors	-	-	-	-	-	-
	85,297,303	85,297,303	43,632,222	43,632,222	25,829,521	25,829,521

(ii) Valuation technique used to determine fair value

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

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

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

Financial assets and liabilities measured at fair value-recurring fair value measurements	At March 31, 2017				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Investments in wholly owned subsidiaries		-	-	-	-
Investment in Shares	3	28,414,500	1,000	-	28,415,500
Total financial assets		28,414,500	1,000	-	28,415,500

Financial assets and liabilities measured at fair value-recurring fair value measurements	At April 1, 2016				
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Investments in wholly owned subsidiaries		-	-	-	-
Investment in Shares	3	23,370,000	1,000	-	23,371,000
Total financial assets		23,370,000	1,000	-	23,371,000

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

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

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

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



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Note 27 : Financial Risk Management

Financial Risk Factors

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

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: Interest rate risk, Other price risks, such as Equity price risk and Commodity risk. Financial instruments affected by market risk include loans, borrowings, deposits and investments. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017.

ii) Credit Risk

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

iii) Liquidity Risk

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

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

iv) Market Risk

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

(a) Foreign Exchange Risk

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

(b) Price Risk

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

Expected credit loss for trade receivables

Particulars	Neither impaired or due	Past Due		Total
		Upto 6 months	above 6 months	
Trade Receivables				
As at March 31, 2018				
Gross carrying amount	-	74,500,059	50,108,344	124,608,403
Expected loss rate provision)	0%	0%	0%	0%
	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	74,500,059	50,108,344	124,608,403
As at March 31, 2017				
Unsecured but considered good		38,615,130	34,840,159	73,455,289
Net Total	-	38,615,130	34,840,159	73,455,289
As at April 1, 2016				
Unsecured but considered good	-	36,488,340	19,312,629	55,800,969
Net Total	-	36,488,340	19,312,629	55,800,969



Financial instruments and cash deposits

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

Liquidity Risk

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

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

Particulars	As at March 31, 2018				
	Carrying Amount	On Demand	< 6 months	6 to 12 months	> 1 year
Other liabilities	-	-	-	-	-
Trade and other payables	88,088,106	88,088,106	-	-	-
Total	88,088,106	88,088,106	-	-	-

Particulars	As at March 31, 2017				
	Carrying Amount	On Demand	< 6 months	6 to 12 months	> 1 year
Other liabilities	-	-	-	-	-
Trade and other payables	46,832,111	46,832,111	-	-	-
Total	46,832,111	46,832,111	-	-	-

Particulars	As at April 1, 2016				
	Carrying Amount	On Demand	< 6 months	6 to 12 months	> 1 year
Other liabilities	-	-	-	-	-
Trade and other payables	27,862,711	27,862,711	-	-	-
Total	27,862,711	27,862,711	-	-	-



Note 28 : Capital management

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

The Company's objectives when managing capital are to:

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by equity capital. No changes were made in objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April, 2016
Borrowings	54,577,657	46,685,365	43,215,978
Net Debt	54,577,657	46,685,365	43,215,978
Total Equity	94,068,173	93,025,692	92,655,348
Total capital	94,068,173	93,025,692	92,655,348
Net Debt to Equity ratio	0.58	0.50	0.47



Note 29 : Related Party Disclosures

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

List of the related party

Particulars	Relationship	(% of holding)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Madhusudan Lakhota	Managing Director	13.46%	13.46%	13.46%
Jayashree Lakhota	Director	1.48%	1.48%	1.48%
Shyamsunder Lakhota	Family Member of Director			
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhota)	Concern significantly influenced by family members of Director	3.43%	3.43%	3.43%
Shyamsunder Lakhota (HUF)		2.59%	2.59%	2.59%
Dhanraj Lakhota	Family Member of Director	1.85%	1.85%	1.85%
Kanchandevi Lakhota		7.03%	7.03%	7.03%
Sujata Lakhota		0.00%	0.00%	0.00%
Madhusudan Lakhota (HUF)	Concern significantly influenced by Director	1.94%	1.94%	1.94%
Web Zone Digital Solutions	Concern significantly influenced by Director	-	-	-
Enfinite Etail Enterprises		-	-	-
The Lakhota Textiles Pvt Ltd	Concern significantly influenced by family members of Director	-	-	-
S C Threads Pvt Ltd		-	-	-



b) Key Management Personnel of Company

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

c) Transactions during the year with related parties

Name of the party	Nature of transactions	As at March 31, 2018	As at March 31, 2017
Madhusudan Lakhotia	Director Remuneration	480,000	480,000
	Rent	90,000	90,000
	Interest	36,400	-
Jayashree Lakhotia	Director Remuneration	240,000	240,000
	Interest	394,680	676,980
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhotia)	Rent	60,000	60,000
	Sales / Job Work	620,140	1,937,747
Kanchandevi Lakhotia	Rent	180,000	180,000
Sujata Lakhotia	Salary	300,000	300,000
Madhusudan Lakhotia (HUF)	Commission	134,828	492,220
	Interest	890,270	249,530
Web Zone Digital Solutions	Loan / Advance Given	944,000	2,095,770
	Loan / Advance repayment received	439,000	2,095,770
Enfinite Etail Enterprises	Loan / Advance Given	60,000	160,950
	Loan / Advance repayment received	-	160,950
The Lakhotia Textiles Pvt Ltd	Purchases	1,014,482	-
S C Threads Pvt Ltd	Sales	11,521,176	4,758,576
	Purchases	4,840,012	862,385

d) Balance outstanding of related parties

Name of the Party	Receivable/(Payable)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Madhusudan Lakhotia	Payable	321,069	-	-
Jayashree Lakhotia	Payable	4,433,428	2,986,215	8,029,653
Madhusudan Lakhotia (HUF)	Payable	4,873,470	5,800,577	-
Kanchandevi Lakhotia	Payable	5,565	-	-
Sujata Lakhotia	Payable	143,100	122,500	-
Vivek Rathi	Payable	368,700	100,000	-
Jagdish Fabrics (Prop Mr. Shyamsundar Lakhotia)	Receivable	4,283,608	4,023,468	3,212,959
Web Zone Digital Solutions	Receivable	439,000	-	-
Enfinite Etail Enterprises	Receivable	60,000	-	-
S C Threads Pvt Ltd	Receivable	22,210,917	17,204,022	15,809,843

e) Key Management Personnel Compensation

Particulars	As at March 31, 2018	As at March 31, 2017
Madhusudan Lakhotia	480,000	480,000
Jayashree Lakhotia	240,000	240,000
Sujata Lakhotia	300,000	300,000
Vivek Vijay Rathi	329,400	300,000
Total Compensation	1,349,400	1,320,000



Note 30 : Contingent Liabilities

Particulars	Contingent Liability not provided in the books of accounts (Rs. In Lakh)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Litigation with the customs departments for import of certain materials based upon alleged "misleading information". The matter is pending in Appeal before the Central Excise and Customs Appellate Tribunal, Mumbai.	220.91	220.91	220.91
Payments under Employees State Insurance Act - Registration obtained but employees contribution has not been deducted and no amount has been paid	Amount can not be quantified		

Note 31 : Commitments

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

Particulars	Capital Commitments		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
NIL			

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

Particulars	Operating Lease commitments		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Not later than 1 year	-	-	-
- Later than 1 year but not later than 5 years	-	-	-
- Later than 5 years	-	-	-

Note 32 : Earning per Share

Particulars	As at March 31, 2018	As at March 31, 2017
Basic Earning Per Share		
Profit/(Loss) attributable to Equity	1,042,481	370,344
Weighted average number of equity	10,473,988	10,473,988
Face value per Share	10	10
Basic Earnings Per Share(in `)	0.10	0.04
Diluted Earnings per Share (in `)	0.10	0.04

Note 33 : Recent accounting pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018. The effect on adoption of Ind AS 115 needs to be assessed.



LAKHOTIA POLYSTERS (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 34 : First-time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statement prepared in accordance with Ind AS.

The accounting policies adopted set out in note no.1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS balance sheet at 1st April 2016 (the company's date of transition). In preparing its first opening balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with Accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

A. Exceptions and Exemptions availed

Set out below are the Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS:

Ind AS optional exemptions:

1. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contain a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing as on date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts / arrangements.

Ind AS mandatory exceptions:

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date in conformity with the previous GAAP.

2. Classification and measurement of Financial assets

A. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.



Reconciliation of Ind AS Balance Sheet as at March 31, 2016

(Amount in Rupees)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property , Plant and Equipment	2	9,167,818	-	9,167,818
Financial Assets				
Investments	3	23,371,000	-	23,371,000
Other Financial Assets	4	15,233,720	-	15,233,720
Deferred Tax Assets (net)	14	-	-	-
Other Non-Current Assets	5	967,470	-	967,470
Current Assets				
Inventories	6	49,970,154	-	49,970,154
Financial Assets				
Trade receivables	7	55,800,969	-	55,800,969
Cash and cash equivalents	8	4,746,392	-	4,746,392
Loans	9	607,341	-	607,341
Other current assets	10	5,783,884	-	5,783,884
Total Assets		165,648,748	-	165,648,748
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	11	104,739,880	-	104,739,880
Other Equity	12	(12,084,532)	-	(12,084,532)
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
Borrowings	13	8,464,503	-	8,464,503
Deferred Tax Liabilities	14	1,408,289	-	1,408,289
Current Liabilities				
Financial Liabilities				
Borrowings	15	34,751,475	-	34,751,475
Trade Payable	16	25,829,521	-	25,829,521
Provisions	17	2,539,612	-	2,539,612
Total Equity and Liabilities		165,648,748	-	165,648,748



Reconciliation of Ind AS Balance Sheet as at March 31, 2017

(Amount in Rupees)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property , Plant and Equipment	2	7,906,202	-	7,906,202
Financial Assets				
Investments	3	23,371,000	-	23,371,000
Other Financial Assets	4	15,233,720	-	15,233,720
Deferred Tax Assets (net)	14	-	-	-
Other Non-Current Assets	5	965,470	-	965,470
Current Assets				
Inventories	6	65,668,175	-	65,668,175
Financial Assets				
Trade receivables	7	73,455,289	-	73,455,289
Cash and cash equivalents	8	908,958	-	908,958
Loans	9	125,000	-	125,000
Other current assets	10	729,486	-	729,486
Total Assets		188,363,300	-	188,363,300
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	11	104,739,880	-	104,739,880
Other Equity	12	(11,714,188)	-	(11,714,188)
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
Borrowings	13	8,786,792	-	8,786,792
Deferred Tax Liabilities	14	1,179,727	-	1,179,727
Current Liabilities				
Financial Liabilities				
Borrowings	15	37,898,573	-	37,898,573
Trade Payable	16	43,632,222	-	43,632,222
Provisions	17	3,840,294	-	3,840,294
Total Equity and Liabilities		188,363,300	-	188,363,300



Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in Rupees)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Continuing operations				
Revenue from operations	18	169,716,823		169,716,823
Other income	19	2,216,259		2,216,259
Total income		171,933,082	-	171,933,082
Expenses				
Cost of materials consumed	20	148,655,688		148,655,688
Changes in inventory of finished goods, work in progress and stock in trade	21	(13,707,936)		(13,707,936)
Employee Benefit Expense	22	10,051,493		10,051,493
Finance Cost	23	5,857,130		5,857,130
Depreciation and Amortization Expense	2	1,523,009		1,523,009
Other Expenses	24	18,816,259		18,816,259
Total expenses		171,195,643	-	171,195,643
Profit before exceptional items and tax		737,439	-	737,439
Exceptional / Extraordinary items		-		-
Profit before tax from continuing operations		737,439		737,439
Income tax expense	25			
- Current Tax		530,303		530,303
- Deferred Tax		(228,562)		(228,562)
- Current Tax relating to prior period		65,354		65,354
Total Tax expense		367,095	-	367,095
Profit for the year		370,344	-	370,344
Other comprehensive income		-	-	-
Total comprehensive income		370,344	-	370,344

Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2017

(Amount in Rupees)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(1,188,298)	-	(1,188,298)
Net cash flow from investing activities	(261,393)	-	(261,393)
Net cash flow from financing activities	(2,387,743)	-	(2,387,743)
Net increase / (decrease) in cash and cash equivalents	(3,837,434)	-	(3,837,434)
Cash and cash equivalents as at 1st April, 2016	4,746,392	-	4,746,392
Cash and cash equivalents as at 31st March, 2017	908,958	-	908,958



AUDITED SEGMENT REPORTING & CAPITAL EMPLOYED FOR THE YEAR ENDED 31st MARCH, 2018

Sr. No	Particulars	Figures for 3 Months ended			Figures for Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(audited)	(unaudited)	(audited)	(audited)	(audited)
I	SEGMENT REVENUE					
	- Domestic	635.62	118.79	420.52	1510.31	1325.12
	- Exports	274.97	109.54	48.98	563.69	372.05
	Total	910.59	228.33	469.50	2074.00	1697.17
II	SEGMENT RESULTS : PROFIT / (LOSS) BEFORE TAX & INTEREST					
	- Domestic	29.13	11.56	33.44	-15.25	-17.99
	- Exports	14.18	6.88	12.16	25.18	61.77
	Total	43.31	18.44	45.60	9.93	43.78
	Less : Unallocated Interest Expenses	23.37	13.36	18.84	66.64	58.57
	Less : Other Unallocated Expenses (Net of Other Income)	11.40	0.00	28.73	-49.96	-33.34
	PROFIT / (LOSS) BEFORE TAX	8.54	5.08	-1.97	-6.75	18.55
III	CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)					
	- Domestic	233.62	303.51	339.43	223.62	339.43
	- Exports	359.43	303.78	215.73	359.43	215.73
	Total	583.05	607.29	555.16	583.05	555.16

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

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

M. S. LAKHOTIA
Director
DIN - 00104576

J.M. LAKHOTIA
Director
DIN - 05357609

V. V. RATHI
CFO

Rohit R Bafna, FCA
Partner
Membership No. 113955

Nashik
05.06.2018





LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

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

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

ATTENDANCE SLIP

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

Regd. Folio

No.**.....

DP ID.....

No. of Shares held

Client ID

Name(s) and address of the shareholder in full

.....
.....

I/we hereby record my/our presence at the 13th Annual General Meeting will be held on 30th September, 2018 at 3.00 p.m. at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India

Signature of Shareholder /Proxy

**Applicable for investor holding shares in physical form





LAKHOTIA POLYESTERS (INDIA) LIMITED

CIN: L17120MH2005PLC155146

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

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

Proxy form

Form No. MGT-11

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

Name of the company: Lakhotia Polyesters (India) Limited

Registered office:158/159 SamarathaSahkariAydyogikVasahat Ltd., Pimpal- Gaon (Baswant),Tal Niphad, District Nashik, Maharashtra- 422209 on the 30th September, 2018 at 3.00 p.m.

Name of the Shareholder (s)

Registered Address

Email Id

Folio No./ Client Id

DP Id

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/ourbehalf at the 13thAnnual General meeting of the members of the company, to be held on the 30th September, 2018 at 3.00 p.m. at the registered office of the Company at 158/159 SamarathaSahkariAydyogikVasahat Ltd., Pimpal-Gaon (Baswant),TalNiphad, District Nashik, Maharashtra- 422209 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2018 including audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a director in place of Mr. Ashokkumar Gulabchand Khajanchi (holding DIN: 01532044), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for reappointment		

Signed this..... day of..... 2018

Signature of shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

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



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

