



# LAKHOTIA POLYESTERS (INDIA) LTD

Address: 158 – 159 Shree Samarth Sahakari Audyogik Vasahat Ltd  
Pimpalgaon Baswant Tal Niphad, Dist Nashik Maharashtra – 422209.

Tel: 02554 – 232000, Email: [info@lgroup.co.in](mailto:info@lgroup.co.in)

October 12, 2022

The Manager (Listing)  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 023

**Scrip No. 535387**

**Subject: Notice of the 17<sup>th</sup> Annual General Meeting and the Annual Report for the Financial Year 2021-2022**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the Annual Report for the Financial Year 2021-2022 along with the Notice of the 17<sup>th</sup> Annual General Meeting (“AGM”) of the Company to be held on Saturday, November 05, 2022 at 02.30p.m. (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).

The said Notice which forms a part of the Annual Report for the financial year 2021-2022 has been sent electronically to the members whose e-mail IDs are registered with the Company/ **Link Intime India Private Limited** Registrar and Share Transfer Agents of the Company and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice of the AGM and the Annual Report has also been uploaded on the website of the Company at [www.lakhotiapoly.in](http://www.lakhotiapoly.in)

Please take the same on your records and suitably disseminated at all concerned.

Thanking You,

Yours faithfully,

**For Lakhotia Polyesters (India) Limited**

MADHUSUDAN  
N  
SHAMSUNDAR  
LAKHOTIYA  
Digitally signed by  
MADHUSUDAN  
SHAMSUNDAR  
LAKHOTIYA  
Date: 2022.10.12  
17:11:04 +05'30'

**Madhusudan Lakhotiya**

**Managing Director**

**DIN: 00104576**

**Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)**

Encl.: As Above

LAKHOTIA POLYESTERS (INDIA) LIMITED

17<sup>th</sup> ANNUAL REPORT - 2021-22



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

- Mr. Madhusudan Lakhotiya : Managing Director
- Ms. Jayshree Lakhotia : Chairman & Executive Director
- Mr. Ashok Kumar Khajanchi : Executive Director
- Ms. Kajal Dubey : Non – Executive Director
- Ms. Priyanka Bihani : Non – Executive Director
- Mr. Vashishtha Pandiya : Non – Executive Independent Director

### KEY MANAGERIAL PERSONNEL

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

### BOARD COMMITTEES

- **AUDIT COMMITTEE**
  - Mr. Vashishtha Pandiya : Chairman
  - Ms. Kajal Dubey : Member
  - Mr. Madhusudan Lakhotiya : Member
- **NOMINATION AND REMUNERATION COMMITTEE**
  - Mr. Vashishtha Pandiya : Chairman
  - Ms. Priyanka Bihani : Member
  - Ms. Kajal Dubey : Member
- **STAKEHOLDERS RELATIONSHIP COMMITTEE**
  - Ms. Kajal Dubey : Chairman
  - Ms. Jayshree Lakhotia : Member
  - Mr. Vashishtha Pandiya : Member

### BANKERS

- Union Bank of India
- ICICI Bank

### STATUTORY AUDITORS

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

### SECRETARIAL AUDITORS

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

### INTERNAL AUDITORS

Mr. V B Rathi

### REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (W), Mumbai-400083.  
Tele No. 022-49186270, Fax: 022-40986060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) ; Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**REGISTERED OFFICE AND CONTACT DETAILS AND WEBSITE**

**Lakhotia Polyesters (India) Limited**

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.,

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

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

Website: [www.lakhotiapoly.in](http://www.lakhotiapoly.in) ; Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)

CIN: L17120MH2005PLC155146

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of **Lakhotia Polyesters (India) Limited** will be held on Saturday, November 05, 2022 at 2.30 p.m. through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2022 including Audited Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon.
2. To appoint Mr. Ashok kumar Khajanchi (DIN: 01532044), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers himself for re-appointment as Director of the Company, liable to retire by rotation.

### **SPECIAL BUSINESS:**

3. **Appointment of Statutory Auditors to fill casual vacancy:**

***To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:***

“**RESOLVED that** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), M/s Sharp Aarth & Co. LLP (FRN No. 132748W/W100823), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of existing Statutory Auditors i.e. M/s. Jain Chhajer & Associates to hold office till the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions of their appointment, including remuneration of during their tenure, based on the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution

4. **Appointment of Statutory Auditors:**

***To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:***

**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof and based on the recommendation of the Audit Committee and of the Board of Directors, M/s Sharp Aarth & Co. LLP (FRN No. 132748W/W100823), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 17<sup>th</sup> Annual General Meeting till the conclusion of the 22<sup>nd</sup> Annual General Meeting and that the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions of their re-appointment, including remuneration during their tenure, based on the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** Ms. Kajal Dubey (DIN: 09717665), who was appointed as an Additional Director of the Company (Non-Executive, Non Independent) with effect from October 07, 2022, by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, and who holds office as such up to the ensuing Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Ms. Kajal Dubey shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive, Non-Independent Director under the Act and Listing Regulations, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** Ms. Priyanka Bihani (DIN: 09738608), who was appointed as an Additional Director of the Company (Non-Executive, Non Independent) with effect from October 07, 2022, by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, and who holds office as such up to ensuing Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Ms. Priyanka Bihani shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, from time to time;

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded that Ms. Jayshree Lakhota (DIN: 05357609), be designated as Chairman & Executive Director of the Company with effect from October 07, 2022 and following remuneration to be paid to her

1. Salary Rs. 40,000/- per month.
2. Other allowances, benefits and perquisites any other allowances, benefits and perquisites admissible to the senior officers of the Company as per Rules of the Company, from time to time.

**RESOLVED FURTHER THAT** so long as Ms. Jayshree Lakhota functions as the Executive Director of the Company, and draws the remuneration mentioned above, she will not be entitled to any fee for attending meetings of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

**Madhusudan Lakhotiya**

(Managing Director)

DIN: 00104576

Email id:[info@lakhotiapolym.in](mailto:info@lakhotiapolym.in)

Place: Nashik

Dated: October 07, 2022

**Registered Office:**

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

**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and Circular No. 2/2022 dated May 05, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are annexed.
3. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website at [www.lakhotiapolym.in](http://www.lakhotiapolym.in)



websites of the Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) , and on the website of CDSL: <https://www.evotingindia.com>

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [rmimani@csrma.in](mailto:rmimani@csrma.in)/[mmimani@csrma.in](mailto:mmimani@csrma.in) with a copy marked to [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime India Private Limited in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members desiring any clarification on accounts are requested to write to the Company at an early date through email on [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in) so as to enable the Company to keep the information ready.
12. If you have shares registered in the same name or in the same order of names but in multiple Folios, you are requested to send to the Company or Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.lakhotiapoly.in](http://www.lakhotiapoly.in). /Investors relation/investor information.

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

- (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated May 5, 2022 with reference to the General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No.19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in

the Notice. The facility of participation at the AGM through VC/OAVM will be made available to all the Members of the Company.

- (c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

**THE INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Wednesday, November 02, 2022 at 10.00 a.m. and ends on Friday, November 04, 2022 at 5.00 p.m. During this period, shareholders of the Company, holding shares as on the cut-off date (record date) of Friday, October 28, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process

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

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

<b>Type of Shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL / NSDL / Link in Time Pvt. Ltd., so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to</li> </ol>

	<p>register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/Evoting Login</a>. The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s</p>

	website for casting your vote during the remote e-Voting period.
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**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

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

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further the shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting

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

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lakhotiapoly.in](http://www.lakhotiapoly.in) and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the share of the Company is listed.

**Explanatory Statement**

The following Explanatory Statements pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned at resolution nos. 3 to 7 of the accompanying Notice of the Annual General Meeting.

**Item No. 3:**

The Members of the Company at their 16<sup>th</sup> AGM held on September 30, 2021 had appointed M/s Jain Chhajed & Associates, Chartered Accountants, (Firm Registration No. 127911W) as the Statutory Auditors of the Company to hold office from the conclusion of 16<sup>th</sup> AGM till the conclusion of 21<sup>st</sup> AGM of the Company

M/s. Jain Chhajed & Associates, Chartered Accountants, (Firm Registration No: 127911W) vide their letter dated August 14, 2022 have resigned from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013.

Pursuant to the recommendation of the Audit Committee and of the provisions of Section 139(8) of the Companies Act, 2013, the Board of Directors of the Company, at its Meeting held on October 07,2022 have approved the appointment of M/s. Sharp Aarth & Co. LLP (FRN No. 132748W/W100823), as Statutory Auditors of the Company, to fill the casual vacancy caused due to resignation of M/s Jain Chhajed & Associates, subject to the approval by the Members at the 17<sup>th</sup> Annual General Meeting of the Company.

The Company has received the consent letter and eligibility certificate from M/s. Sharp Aarth & Co LLP, to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, shall be within the limits prescribed under the provisions of the Companies Act, 2013.

Accordingly, consent of the Members is being sought by way an ordinary resolution as set out at item No. 3 of the Notice to approve the appointment of M/s. Sharp Aarth & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for the term mentioned therein.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid ordinary resolution.

#### **Item No. 4**

Pursuant to the recommendation of the Audit Committee, and the provisions of Section 139 of the Companies Act, 2013, the Board of Directors of the Company, at its Meeting held on October 07, 2022 has recommended the appointment of M/s. Sharp Aarth & Co LLP (FRN No. 132748W/W100823) as Statutory Auditors of the Company to hold office for a period of five years, i.e., from the conclusion of the 17<sup>th</sup> AGM, till the conclusion of the 22<sup>nd</sup> AGM of the Company.

The Company has received the consent letter and eligibility certificate from M/s. Sharp Aarth & Co LLP, to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, shall be within the limits prescribed under the provisions of the Companies Act, 2013.

Accordingly, consent of the Members is being sought by way of an ordinary resolution as set out at item No. 4 of the Notice to approve the appointment of M/s. Sharp Aarth & Co LLP, Chartered Accountants as Statutory Auditors of the Company for a period of five years, i.e., from the conclusion of the 17<sup>th</sup> AGM, till the conclusion of the 22<sup>nd</sup> AGM of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid ordinary resolution.

#### **Item No. 5**

Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at its Meeting held on October 07, 2022, has appointed Ms. Kajal Dubey (DIN: 09717665), as an Additional Director of the Company in the category of (Non-Executive, Non-Independent), liable to retire by rotation, subject to the approval of the Members.

According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), read with the provisions of regulation 17(1) (C) of SEBI (LODR), 2015, Ms. Kajal Dubey shall hold office as an Additional Director up to the date of ensuing Annual General Meeting or a period of three months from the date of her appointment, whichever is earlier and is eligible to be appointed as a Director.

The Company has, in terms of Section 160(1) of the Act, received a notice, in writing from a Member, proposing her candidature for the office of Director.

The profile and specific areas of expertise of Ms. Kajal Dubey are provided as Annexure to this Notice. Ms. Kajal Dubey has given a declaration to the Board that she is not restrained from acting as a Director, by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Ms. Kajal Dubey is a person of integrity, possesses the relevant expertise/experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as a Non-Executive Director.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

Accordingly, consent of the Members is being sought by way of an ordinary resolution, as set out at item No. 5 of the Notice to approve the appointment of Ms. Kajal Dubey, as Director of the Company (Non-Executive, Non-Independent), liable to retire by rotation.

Except, Ms. Kajay Dubey, being appointee Director, none of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid ordinary resolution.

#### **Item No. 6**

Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at its meeting held on October 07, 2022, appointed Ms. Priyanka Bihani (DIN: 09738608), as an Additional Director of the Company (Non-Executive, Non-Independent), not liable to retire by rotation, subject to the approval of the Members.

According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), read with the provisions of regulation 17(1) (C) of SEBI (LODR), 2015, Ms. Priyanka Bihani shall hold office as an Additional Director up to the date of ensuing Annual General Meeting or a period of three months from the date of her appointment, whichever is earlier and is eligible to be appointed as a Director.

The profile and specific areas of expertise of Ms. Priyanka Bihani are provided as Annexure to this Notice. Ms. Priyanka Bihani given his declaration to the Board that she is not restrained from acting as a Director by the Securities and Exchange Board of India or any such authority and being eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Ms. Priyanka Bihani is a person of integrity, possesses the relevant expertise/experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as a Director.

Except for Ms. Priyanka Bihani and/or her relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said ordinary resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

Accordingly, consent of the Members is being sought by way of an ordinary resolution, as set out at item No. 6 of the Notice to approve the appointment of Ms. Priyanka Bihani, as Director of the Company (Non-Executive, Non-Independent), not liable to retire by rotation.

#### **Item No. 7**

Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at its meeting held on August 07, 2022, has designated, Ms. Jayshree Lakhota (DIN: 05357609), as an Executive Director of the Company with effect from October 07, 2022 subject to the approval of the Members.

Ms. Jayshree Lakhota has rich experience of more than 5 years in human resources and admin functions. Considering her vast experience and based on the recommendation of Nomination & Remuneration Committee and of the Board of Directors, following payment of remuneration to



Ms. Jayshree Lakhota, Executive Director of the Company was proposed with effect from October 07, 2022;

1. Salary Rs. 40,000/- per month.
2. Other allowances, benefits and perquisites admissible to the senior officers of the Company as per Rules of the Company, from time to time

In the event of absence or inadequacy of profits of the Company in any financial year during the period of appointment, the Company shall pay to the Executive Director, remuneration by way of salary, benefits, perquisites and allowances etc. and any performance linked bonus/commission, as specified above, subject to provisions of the Companies Act, 2013.

The entire remuneration package shall however be subject to the overall ceiling laid down under Sections 196 and 197 of the Act and conditions of Schedule V of the Act.

In view of the provisions of Section 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends ordinary resolution as set out at Item No. 7 of the accompanying Notice for the approval of the Members.

Except Ms. Jayshree Lakhota being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

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

**Madhusudan Lakhotiya**

(Managing Director)

DIN: 00104576

Email id: [info@lakhotiapolym.in](mailto:info@lakhotiapolym.in)

Place: Nashik

Dated: October 07, 2022

**Registered Office:**

158/159 Samartha Sahkari Audyogik

Vasahat Ltd, Pimpal – Gaon (Baswant)

Tal Niphad Dist. Nashik – 42220

**Annexure to Notice**

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

Name of the Director	Ms. Kajal Dubey	Ms. Priyanka Bihani	Mr. Ashok Khajanchi	Mrs. Jayshree Lakhota
DIN	09717665	09738608	01532044	05357609
Date of Birth	07/03/2002	16/06/2003	29-01-1964	03-10-1982
Age	20 years	19 years	58 years	40 years
Designation/Category of Director	Non-Executive, Non-Independent Director	Non-Executive, Non-Independent Director	Executive Director	Executive Director
Date of the first appointment on the	October 07, 2022	October 07, 2022	August 17, 2016	July 24, 2012

Board				
Qualification	MBA	SY B.Com.	Law Graduate	B.Com
Brief Profile, Experience, and Expertise in specific functional areas	Ms. Kajal Dubey is associated with a CA firm and having experience in Audit and Finance functions.	Ms. Priyanka Bihani is studying and having interest in Business Management	Day to day Management of a business organization	Day to day Management of a business organization
Directorships held in other companies including listed companies and excluding foreign companies as of the date of this Notice	Nil	Nil	Nil	Nil
Name of listed entities from which the person has resigned in the past three years	Nil	Nil	Nil	Nil
Memberships / Chairmanships of committees of other companies including listed companies and excluding foreign companies as of the date of this Notice	Nil	Nil	Nil	Nil
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	Nil	Nil	Nil	Wife of Madhusudhan Lakhotia, Managing Director
Shareholding in the Company including shareholding as a beneficial owner	Nil	Nil	Nil	1,55,064
Terms and Conditions of appointment / reappointment	Non-Executive Director, liable to retire by rotation	Non-Executive Director, not liable to retire by rotation	Director, liable to retire by rotation	Director, liable to retire by rotation
Details of Remuneration sought to be paid	As stated in resolution, above	As stated in resolution, above	As stated in resolution, above	As stated in resolution, above
In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable	Not applicable	Not applicable	Not applicable

## BOARD REPORT

**To,  
The Members,  
Lakhotia Polyesters (India) Limited**

Your directors are pleased to present the 17<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY**

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

(Rs. in Lakhs)

Particulars	FINANCIAL YEAR	
	2021-22	2020-21
<b>Total Income</b>	2090.52	1634.22
Less: Expenditure	2073.12	1637.71
Profit Before Finance Cost, Depreciation & Tax	17.40	(3.49)
Less: Finance Cost	53.59	32.65
Less: Depreciation	12.49	14.44
<b>Net Profit/(Loss) Before Tax &amp; Extraordinary Item</b>	(48.67)	(50.58)
Less: Extraordinary Item	-	-
Less: Tax Expense	(2.26)	(2.27)
<b>Net Profit/(Loss) After Tax</b>	(46.41)	(48.31)

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

The Company continues to have a clear price and product leadership in its segment. During second quarter of FY 2021-22, your Company resumed manufacturing operation at its Plant at Nasik in a gradual manner under the guidelines of central government and state authorities.

In this context, your Company delivered an overall revenue of Rs. 2090.52 Lakhs in Financial year 2021-22 as against Rs. 1634.22 lakhs in the Financial Year 2020-21. There is reduction in loss as compared to previous year and your Company has incurred the losses of Rs. 46.41 Lakhs during the year under review as against Rs. 48.31 Lakhs in Financial Year 2020-21. The year was marked by gradual improvement in capacity utilization and volume recovery after the plunge in April 2020.

### **3. DIVIDENDS AND RESERVES**

In view of the losses incurred, no dividend was recommended for the financial year ended on March 31, 2022.

### **4. SHARE CAPITAL**

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

The paid-up equity share capital as at March 31, 2022 stood at Rs.10,47,39,880/- (Rupees Ten Crores Forty-Seven Lacs Thirty-Nine Thousand and Eight Hundred and Eighty Only).

There is no change in the share capital of the Company during the financial year ended on March 31, 2022.

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

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

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



## **5. TRANSFER TO RESERVES**

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

## **6. PUBLIC DEPOSITS**

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

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

As on March 31, 2022, Company does not have any subsidiary or associate or joint venture company.

## **8. CONSOLIDATED FINANCIAL STATEMENT**

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

## **9. CORPORATE GOVERNANCE**

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

## **10. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return for the financial year ended on March 31, 2022 is available on the website of the Company at [www.lakhotiapoly.in](http://www.lakhotiapoly.in) under Investor Information tab.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

- a) Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company. As on March 31, 2022, Mr. Sri Gopal Mundra and Mr. Vashishtha Mohan Pandiya are Independent Directors of the Company. Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.
- b) The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.
- c) Mr. Ashokkumar G. Khajanchi retires by rotation at the ensuing 17<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the 17<sup>th</sup> Annual General Meeting.
- d) During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any



and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

### **13. NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

Five (5) meetings of the Board were held during the year under review and gap between two meetings was not more than 120 days. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

### **14. COMPOSITION OF COMMITTEES OF THE BOARD**

Details of composition of various committees of the Board of Directors of the Company are being made available in Corporate Governance Report forming the part of this Board Report,

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

Pursuant to the provisions of the Companies Act, 2013, Independent Directors have carried out an annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The Board of Directors expressed their satisfaction with the evaluation process.

In the opinion of Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute

The process followed by the Company for induction and training to Board Members has been explained in the Corporate Governance Report.

### **16. 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

### **17. 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](http://www.lakhotiapoly.in))

### **18. REMUNERATION AND NOMINATION 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. The remuneration and nomination policy has been posted on the website of the Company ([www.lakhotiapoly.in](http://www.lakhotiapoly.in))

### **19. RELATED PARTY TRANSACTIONS**

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

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

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

### **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. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s Jain Chhajer & Associates, Chartered Accountants, (Firm



Registration No. 127911W) was appointed as the Statutory Auditors of the Company to hold office from the conclusion of 16th AGM till the conclusion of 21<sup>st</sup> AGM of the Company.

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

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

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

## **23. COST AUDIT AND COST RECORDS**

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

## **24. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed R M Mimani & Associates LLP, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure – 2**" and forms an integral part of this report.

The qualification, reservation or remark are self-explanatory and not required any further comments or response.

## **25. COMPLIANCE OF SECRETARIAL STANDARDS**

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

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

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## **27. RISK MANAGEMENT**

Your Company has a Risk Management Policy adopted by the Board. Periodical in-house risk audits were conducted to detect and mitigate the risks in a timely and effective manner.

Management Discussion and Analysis Report contain more details on the risk management practiced by the Company.

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

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

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and



Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2021-2022, no complaints were received by the Company related to Sexual Harassment.

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

Provision of Section 135 and Schedule VII of the Companies Act, 2013 read with Companies Corporate Social Responsibility Policy Rules, 2014 are not applicable to the Company during the year under review.

### **30. ENVIRONMENT AND SAFETY**

Your Company is committed to ensure sound Safety, Health and Environmental (SHE) performance related to its activities, products and services. Your Company is taking continuous steps to develop Safer Process Technologies and Unit Operations and has been investing heavily in areas such as Process Automation for increased safety and reduction of human error element. Enhanced level of training on Process and Behavior based safety, adoption of safe & environmental friendly production process, Management System is done on a continuous basis.

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

### **31. STATUTORY INFORMATION**

- The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company during the financial year under review.
- The information required under section 197 of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in Annexure – 4 & 5 to this Report.
- The Business Responsibility Reporting as required under SEBI (LODR) Regulations, 2015 is not applicable to your Company for the financial year under review.
- Disclosure as required under para-F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company during the financial year.

### **32. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR), Regulations, 2015 is presented in a separate section forming part of this Annual Report for the financial year ended March 31, 2022.

### **33. CAUTIONARY STATEMENT**

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

### **34. DISCLOSURES UNDER SECTION 134(3)(i) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

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

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

### **36. ACKNOWLEDGEMENT AND APPRECIATION**



Your directors express their sincere gratitude for the assistance and co-operation extended by Banks, Government Authorities, Shareholders, Suppliers and Customers. Your directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

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

**Jayshree Lakhotia**  
Director  
DIN: 05357609

**Madhusudan Lakhotiya**  
Managing Director  
DIN:00104576

Place: Nashik  
Dated: August 05, 2022

**Registered Office:**

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





**Form No. MR-3****Secretarial Audit Report for the financial year ended on March 31, 2022**

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

The Members

**Lakhotia Polyesters (India) Limited**

[CIN: L17120MH2005PLC155146]

158/159 Samartha Sahkariaudyogik

Vasahat Ltd Pimpal- Gaon (Baswant)

Tal Niphad Dist. Nashik-422209

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

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

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

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

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and Shareholders;



(b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

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

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

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

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

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008 (till August 15, 2021)
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (till August 15, 2021)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (till August 12, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021,
- (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 dealing with client

**We further report that:**

- *The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in in the composition of the Board of Directors during the period under review.*
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance 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 during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

**Ranjana Mimani**  
**(Partner)**

FCS : 6271

CP No.: 4234

PR No.: 1065/2021

UDIN: F006271D000752302

Place: Mumbai

Dated: August 05, 2022

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



The Members  
**Lakhotia Polyesters (India) Limited**  
Nashik-422209

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

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

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

**Ranjana Mimani**  
**(Partner)**  
FCS : 6271  
CP No.: 4234  
PR No.: 1065/2021  
UDIN: F006271D000752302

Place: Mumbai  
Dated: August 05, 2022



## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

### **The Members**

#### **Lakhotia Polyesters (India) Limited**

**[CIN: L17120MH2005PLC155146]**

158/159 Samartha Sahkariaudyogik

Vasahat Ltd Pimpal- Gaon (Baswant)

Tal Niphad Dist. Nashik-422209

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

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

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

For **R M Mimani & Associates LLP**

**[Company Secretaries]**

**[Firm Registration No. L2015MH008300]**

**Ranjana Mimani**

**(Partner)**

FCS : 6271

CP No.: 4234

PR No.: 1065/2021

UDIN: F006271D000752291

Place: Mumbai

Dated: August 05, 2022



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This Report covers the operations and financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2022 and forms part of the Annual Report.

### **Overview of the Economy:**

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

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

### **Industry, Structure & Developments:**

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

### **Operational Performance**

During the current period of operation, your company have loss of Rs. 46.41 Lacs as against Rs. 48.31 lacs.

### **Risk and Concerns**

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

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

### **Adequacy of Internal Control System**

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

### **Human Resource Development**

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

### **Cautionary Statement**

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

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

**Jayshree Lakhotia**  
Director  
DIN: 05357609

**Madhusudan Lakhotiya**  
Managing Director  
DIN: 00104576

Place: Nashik  
Dated: August 05, 2022



## **CORPORATE GOVERNANCE REPORT**

### **Corporate Governance**

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2022, in terms of Regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

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

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

### **2. BOARD OF DIRECTORS**

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

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

#### **Composition**

The Board of Directors along with its committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The strength of Board of Directors is 5 (Five) as on March 31, 2022, whose composition and category are given below:

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



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

#### A. The Constitution of the Board as on March 31, 2022

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

Sr. No.	Directors	Category	Date of joining the Board/ Reappointment	Direct orship in Other Companies	No. of Other Committee positions held in other companies		No. of Committee positions held in Lakhotia Polyesters India Limited as on the date	
					Member	Chairman	Member	Chairman
1	Mr. Madhusudan Lakhotiya	Managing Director	01.04.2019	0	0	0	1	0
2	Ms. Jayshree Lakhotia	Non-Executive Director	30.09.2021	0	0	0	2	0
3	Mr. Ashok Kumar Khajanchi	Executive Director	25.09.2020	0	0	0	0	0
4	Mr. Sri Gopal Mundra	Independent Director	29.09.2019	0	0	0	3	3
5	Mr. Vashishtha Mohan Pandiya	Independent Director	29.09.2019	0	0	0	3	0

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

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

#### 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, 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 at Nashik. The Agenda of the





Board / Committee meetings is set by the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the Financial Year 2021-22, the Board of Directors of the Company met Five times on 12-06-2021, 12-08-2021, 06-09-2021, 02-11-2021, and 03-02-2022.

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

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on
1	Mr. Madhusudan Lakhotiya	Managing Director	5	Present
2	Ms. Jayshree Lakhotia	Non-Executive Director	5	Present
3	Mr. Ashok Kumar Khajanchi	Executive Director	5	Absent
4	Mr. Sri Gopal Mundra	Independent Director	5	Present
5	Mr. Vashishtha Mohan Pandiya	Independent Director	5	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 detail the compliances required from them under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other relevant regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director. The above initiative helps the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips them to effectively fulfil his role as a Director of the Company.

**3. COMMITTEES OF THE BOARD**

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

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

**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	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Sri Gopal Mundra	Chairman	Independent Director	5	5
Mr. Vashishtha Mohan Pandiya	Member	Independent Director	5	5
Mr. Madhusudan Lakhotiya	Member	Managing Director	5	5

During the Financial Year 2021-22, Audit Committee met 5 (Five) times on 12.06.2021, 12-08-2021, 06-09-2021, 02-11-2021, and 03-02-2022.

**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, 2022 are:

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

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

The Committee's terms of reference powers, role and functions are as stipulated under Section 178 of Companies Act, 2013.

The Companies Act, 2013 and Regulation 19 of the Listing Regulation, which are as followed:

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

During the year ended 31<sup>st</sup> March, 2022, 2 (Two) Nomination & Remuneration Committee Meeting was held on 12.06.2021 and 06-09-2021

**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".



Ms. Shannu Chaturvedi, Company Secretary is designated as Compliance Officer of the Company.

The Members of the committee as on March 31, 2022 are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Sri Gopal Mundra	Chairman	Independent Director
Ms. Jayshree Lakhota	Member	Non-Executive Director
Mr. Vashishtha Pandiya	Member	Independent Director

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

To resolve the complaints and grievances of the investors/stakeholders and to function in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly. The Stakeholders Relationship Committee met 5 times during the financial year ended 31.03.2022 on 12.06.2021, 12.08.2021, 02.11.2021, and 03-02-2022.

**Details of Shareholders' / Investors' Complaints during the FY ended 31<sup>st</sup> March 2022.**

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

**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](http://www.lakhotiapoly.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

**g. Independent Directors' Meeting**

During the year under review, the Independent Directors met on February 03,2022 inter alia, to discuss and review:

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

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

Ms. Shannu Chaturvedi, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive



information and the implementation of the code of conduct under the overall supervision of the Board.

## SHAREHOLDER INFORMATION

### • GENERAL BODY MEETINGS:

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

Year	Date of AGM	Day	Time	Venue
2020-21	30.09.2021	Thursday	3.00 P.M.	through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)
2019-20	25.09.2020	Friday	3.00 P.M.	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)
2018-19	29.09.2019	Sunday	10.00 AM	158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal- Niphad, Nashik – 422209

### • Postal Ballot

No Meeting was held through postal ballot during the year under review.

### • Annual General Meeting for the financial year 2021-22

**Date** Saturday, November 05, 2022  
**Venue** The Company is conducting meeting through VC / OAVM as such there is no requirement to have a venue for the AGM  
**Time** 2.30 P.M.

### • Calendar of financial year ended 31st March 2023

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

**First Quarter** By 14<sup>th</sup> August, 2022  
**Second Quarter** By 14<sup>th</sup> November, 2022  
**Third Quarter** By 14<sup>th</sup> February, 2022  
**Fourth Quarter** By 29<sup>th</sup> May, 2023

### • Bifurcation of shares held in physical and demat form as on 31st March 2022

Particulars	No. of Shares	%
Physical Shares	0	0
<b>Demat Shares</b>		
NSDL (A)	30,123	0.29
CDSL (B)	10,443,865	99.71
<b>TOTAL (A+B)</b>	<b>10,473,988</b>	<b>100.00</b>

### • Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	535387
ISIN	INE191O01010

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

### • Share Price Data

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2022 are as under:

Month	High Price	Low Price	No. of Shares
April 2021	8.00	8.00	473901
May 2021	8.01	7.84	120010
June 2021	7.84	7.6	1018
July 2021	8.78	7.6	56066



August 2021	10.65	8.78	1113
September 2021	10.65	10.65	13
October 2021	11.73	11.18	180
November 2021	12.00	11.73	1294
December 2021	11.73	11.73	11703
January 2022	17.28	11.73	3883
February 2022	16.45	16.40	154000
March 2022	17.25	16.25	2731

• **Share holding pattern of the Company as on 31.03.2022**

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	35,49,388	33.89
2.	Body Corporate (Public)	48,01,628	45.84
3.	Resident Individuals and HUF (Public)	21,22,972	20.27
	<b>TOTAL</b>	<b>1,04,73,988</b>	<b>100.00</b>

• **Distribution of Shareholding as on 31.03.2022:**

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

• **Share Transfer System:**

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

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

• **Unclaimed Dividend/ Shares**

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

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

Nil

• **Plant Locations:**

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

#### **Means of Communication to Shareholders**

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

#### **Address for Correspondence:**

##### **Lakhotia Polyesters (India) Limited**

158/159 Samaratha Sahkari Aydyogik Vasahat Ltd.

Pimpal – Gaon (Baswant), Tal Niphad,

District Nashik, Maharashtra – 422209

Tel: +91 02554-232000 Fax: +91 02554-232000

Website: [www.lakhotiapoly.in](http://www.lakhotiapoly.in) Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)

CIN: L17120MH2005PLC155146

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

##### **Ms. Shannu Chaturvedi**

158/159 Samaratha Sahkari Audyogik Vasahat Ltd.

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

Maharashtra – 422209; Tel: +91 02554-232000

Fax: +91 02554-232000 Email: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)

#### **Registrar and Share Transfer Agent:**

### **AFFIRMATIONS AND DISCLOSURES**

#### **Related Party Transaction:**

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



Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company tails are as mentioned in Form AOC 2 which forms part of Directors Report.

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

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

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

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

**Vigil Mechanism / Whistle Blower Policy:**

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

**Reconciliation of Share Capital Audit:**

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

**Disclosure of Accounting Treatment**

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

**Risk Management**

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

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

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

**A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or**



**continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

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

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

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.** 1,50,000

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.15**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 is given in the Directors' report.

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

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

Details of Adoption of Non-Mandatory (Discretionary) Requirements

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

- The Board
- No separate office was maintained for Chairman and/or Managing Director of the Company Shareholders rights  
The Company has not adopted the practice of sending out quarterly or half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- Modified opinion(s) in audit report  
There are no modified opinions in audit report
- Reporting of Internal Auditor  
In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action

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

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

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

#### **CEO / CFO CERTIFICATE:**

Appropriate certification as required under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

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

**Jayshree Lakhotia**  
Director  
DIN: 05357609

**Madhusudan Lakhotiya**  
Managing Director  
DIN: 00104576





Place: Nashik  
Dated: August 05, 2022



**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, 2022.

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

**Madhusudan Lakhotiya**

(Managing Director)

DIN: 00104576

Email id: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)

Place: Nashik

Dated: August 05, 2022



## CEO / CFO CERTIFICATION

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

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

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

We, Mr. Madhusudhan Lakhotiya, Managing Director and Mr. Vivek Rathi – Chief Financial Officer of the Company, hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee that
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no changes in accounting policies during the year requiring disclosure in the notes to financial statements; and
  - iii. There are no instances of significant fraud in the company's internal control system over financial reporting.

**For Lakhotia Polyesters (India) Limited**

**Vivek Rathi**  
Chief Financial Officer

**Madhusudhan Lakhotia**  
Managing Director  
DIN: 00104576

Place: Nashik  
Date: May 26, 2022



## Corporate Governance Compliance Certificate

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

We have examined the compliance of conditions of Corporate Governance by Lakhotia Polyesters (India) Limited (“the Company”) for the financial year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para-C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

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

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR) during the financial year ended March 31, 2022, except that of regulation 17 of the LODR, with regard to constitution of Board and Committees.

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

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

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

UDIN: F006271D000752280

Place: Mumbai  
Dated: August 05, 2022



**LAKHOTIA POLYSTERS**  
**(INDIA) LIMITED**

**AUDIT REPORT FOR THE**  
**F.Y.2021-22**

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**JAIN CHHAJED & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**Independent Auditor's Report**

To The Members of  
Lakhotia Polysters (India) Limited

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

**Opinion**

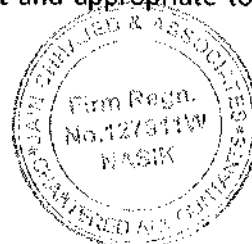
We have audited the accompanying Standalone Financial Statements of **Lakhotia Polysters (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the 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 Companies Act, 2013, as amended ("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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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



2nd Floor, Shree Gurudeo Tower, Above  
Shirpur Co-op. Bank, Canada Corner,  
Nashik - 422 005  
PH: (0253) 231 9714 | 08888 319714

713, 7th Floor, Gold Crest Business  
Center, L T Road, Borivali (West),  
Mumbai - 400 092  
PH: (022) 2892 1183

54, Shivaji Hsg. Soc., Off S B Road,  
Behind J W Marriott, Shivaji Nagar,  
Pune - 411 016  
PH: (020) 2563 5155

## Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<b>1. Revenue Recognition</b>	
<p>Revenue is measured net of discounts, rebates and incentives earned by customers on the Company's sales.</p> <p>Revenue is recognized when the control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to fraud resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"><li>• Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts, rebates and incentives by comparing with applicable Ind AS.</li><li>• Performing substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices/contracts and shipping documents.</li><li>• Assessing manual journals posted to revenue to identify unusual items.</li><li>• Considered the adequacy of the Company's disclosures in respect of revenue.</li></ul>



<b>2. Valuation of Inventories</b>	
<p>Inventories are held at the lower of cost and net realizable value (NRV).</p> <p>Due to high volume and nature of products, the company is dealing with and the absence of adequate records, valuation of inventory may be misstated.</p> <p>Also NRV is being based on the assumptions / judgment of the management. Inappropriate assumptions of NRV can impact the assessment of the carrying value of inventories.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the inventory valuation method followed by the management and by comparing with applicable Ind AS.</li> <li>• Performing substantive testing (including year – end cut off testing) by selecting samples of inward and outward movement of inventory during the year by verifying the underlying documents, which included sales invoices / purchase invoice and bill of entry.</li> <li>• Evaluating the design and implementation of the Company's internal controls over the Net Realizable Value (NRV) assessment.</li> <li>• Considered the valuation certificate provided by the management.</li> </ul>
<b>3. Tax Assessments</b>	
<p>Review, effect and presentation of completed tax assessments</p>	<p><b><i>Principle Audit Procedures</i></b></p> <ul style="list-style-type: none"> <li>• Verification of details of completed tax assessments and demands as at 31st March, 2022, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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





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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 is also responsible for overseeing the Company's financial reporting process.



## Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

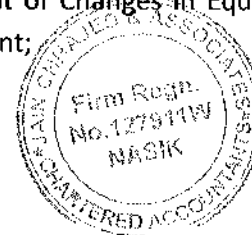
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

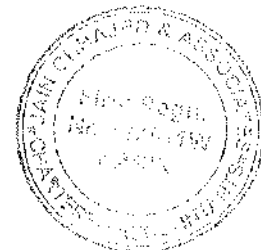
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or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

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

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in “Annexure B” to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 21 to the standalone financial statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022;
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

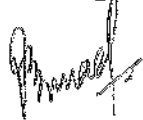


(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

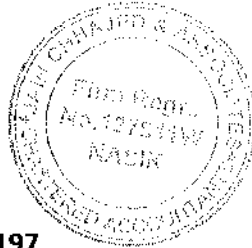
v. The Company has neither declared nor paid any dividend during the year.

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



**CA Dinesh Burad**  
**Partner**

**Membership No.151551**  
**UDIN: 22151551AJQYSE8197**



**Place: Nashik**  
**Date: May 26, 2022**

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LAKHOTIA POLYSTERS (INDIA) LIMITED**

With reference to the Annexure "A" referred to in Paragraph 1 under the hearing "Report on other legal and regulatory requirements" of our report of even date:

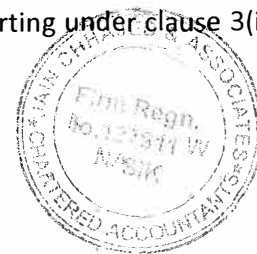
In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

**1. Property, Plant and Equipments**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by the management. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed in respect of assets verified during the year. However, the record relating to physical verification has not been maintained by the Company.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease arrangements are duly executed in favour of the lessee) are in held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**2. Inventories**

- (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies on such physical verification were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account. However, the record relating to physical verification of inventories has not been maintained.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.



**3. Loans granted**

- (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms and limited liability partnership.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clauses 3(iii)(c) to (f) of the Order are not applicable to the Company.

**4. Loans, Investments, Guarantees and Security**

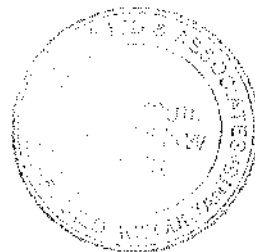
The company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

**5. Deposits**

The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

**6. Cost Records**

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



## 7. Statutory Dues

- (a) The Company is generally not regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year-end, for a period of more than six months from the date they become payable, except the following:

*(INR in Lakhs)*

Sr. No.	Particulars	Amount
1	TDS – Late Fees & Interest	5.08

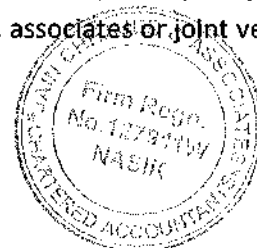
- (b) According to the information and explanations given to us and the records of the Company examined by us, the company does not have any disputed statutory dues, which remain outstanding for a period of more than six months from the date they became payable.

## 8. Undisclosed Income

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

## 9. Repayment of Loan

- (a) The Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.





- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

**10. Initial Public Offer/ Further Public Offer**

- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

**11. Fraud**

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

**12. Nidhi Company**

The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.



**13. Related Party Transactions**

In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

**14. Internal Audit System**

- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

**15. Non-cash transactions with Directors**

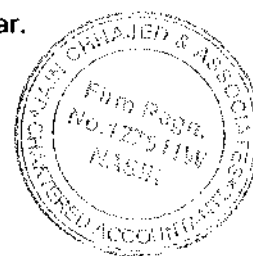
In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

**16. Registration under 45-IA of Reserve Bank of India Act, 1934**

- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the /Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) In our opinion, and according to the information and explanation given to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.

**17. Cash Losses**

The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.



**18. Resignation of Statutory Auditor**

There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

**19. Material uncertainty on meeting liabilities**

On the basis of the financial ratios disclosed in note 36 to the Standalone Financial Statements , ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements , our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**20. Corporate Social Responsibility**

The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**21. Consolidated Financial Statements**

The requirements of reporting on consolidated financial statements are not applicable to the Company. Accordingly, clauses 3 (xxi) of the Order is not applicable to the company.

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



**CA Dinesh Burad**  
**Partner**  
**Membership No.151551**  
**UDIN: 22151551AJQYSE8197**



**Place: Nashik**  
**Date: May 26, 2022**

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LAKHOTIA POLYSTERS (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 with reference to standalone financial statements of Lakhota Polysters (India) Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements .

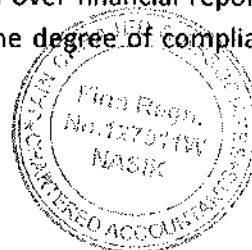
#### **Meaning of Internal Financial Controls with reference to these Standalone Financial Statements**

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

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

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 the ICAI.

**For Jain Chhajed & Associates**

**Chartered Accountants**

**Firm Registration No – 127911W**

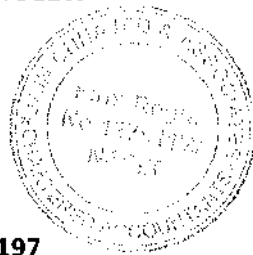


**CA Dinesh Burad**

**Partner**

**Membership No.151551**

**UDIN: 22151551AJQYSE8197**



**Place: Nashik**

**Date: May 26, 2022**

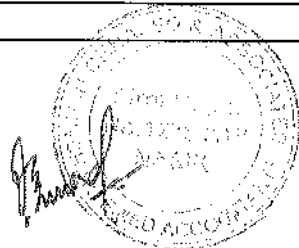
**LAKHOTIA POLYESTERS (INDIA) LIMITED**

**CIN: L17120MH2005PLC155146**

**STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2022**

*(INR in Lakhs)*

Sr. No.	Particulars	Note No.	As at	As at
			March 31, 2022	March 31, 2021
	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	17.64	28.25
	(b) Capital work-in-progress		-	-
	(c) Investment Properties		-	-
	(d) Intangible Assets		-	-
	(e) Financial Assets		-	-
	(i) Investments	4(a)	0.01	0.01
	(ii) Loans & Advances	4(b)	-	2.19
	(iii) Trade Receivables	4(c)	-	-
	(iv) Other Financial Assets	4(d)	0.90	0.90
	(d) Deferred Tax Assets (Net)	5	14.83	12.56
	(e) Other Non-Current Assets	6	61.01	120.76
	<b>Total Non-Current Assets</b>		<b>94.39</b>	<b>164.68</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	7	427.27	564.97
	(b) Financial Assets			
	(i) Investments	4(a)	81.61	62.64
	(ii) Trade Receivables	4(c)	1,389.66	872.02
	(iii) Cash and Cash Equivalents	4(e)	10.18	11.98
	(iv) Loans & Advances	4(b)	2.96	-
	(v) Other Financial Assets	4(d)	11.71	4.33
	(c) Current Tax Assets (Net)	8	18.68	33.53
	(d) Other Current Assets		-	-
	<b>Total Current Assets</b>		<b>1942.08</b>	<b>1,549.47</b>
	<b>Total Assets (1+2)</b>		<b>2036.48</b>	<b>1,714.15</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	9(a)	1,047.40	1,047.40
	(b) Other Equity	9(b)	(292.77)	(296.05)
	<b>Total Equity</b>		<b>754.63</b>	<b>751.35</b>



LIABILITIES				
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	10(a)	33.63	68.07
	(ia) Trade Payables		-	-
	(ii) Trade Payables		-	-
	(iii) Other Financial Liabilities		-	-
	(b) Other Non-Current Liabilities		-	-
	(c) Provisions	11	2.63	2.25
	(d) Deferred Tax Liabilities		-	-
	<b>Total Non-Current Liabilities</b>		<b>36.26</b>	<b>70.32</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	10(a)	708.70	469.10
	(ia) Lease Liabilities		-	-
	(ii) Trade Payables	10(b)		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		493.43	-
	- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		36.09	387.51
	(iii) Other Financial Liabilities		-	-
	(b) Provisions	11	1.60	1.67
	(c) Current Tax Liabilities (Net)		-	-
	(d) Other Current Liabilities	12	5.77	11.70
	<b>Total Current Liabilities</b>		<b>1245.58</b>	<b>892.49</b>
	<b>Total Equity &amp; Liabilities (1+2+3)</b>		<b>2036.48</b>	<b>1,714.15</b>
	<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Jain Chhajed & Associates  
Chartered Accountants  
(Firm Registration No. 127911W)

CA DINESH BURAD  
Partner  
Membership No. 151551

Place: Nashik  
Date: 26<sup>th</sup> May, 2022



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

M S LAKHOTIA  
Chairman & MD  
DIN: 00104576

VIVEK V RATHI  
Chief Financial Officer

Place: Nashik  
Date: 26<sup>th</sup> May, 2022

Jayshree  
M LAKHOTIA  
Whole Time Director  
DIN: 05357609

Shannu  
SHANNU CHATURVEDI  
Company Secretary



**LAKHOTIA POLYESTERS (INDIA) LIMITED**

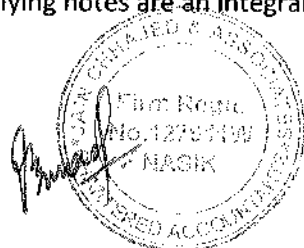
**CIN: L17120MH2005PLC155146**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

*(INR in Lakhs)*


Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2022	March 31, 2021
<b>1</b>	<b>INCOME</b>			
	(a) Revenue from Operations	13	2021.19	1,593.93
	(b) Other Income	14	69.33	40.29
	<b>Total Income</b>		<b>2090.52</b>	<b>1,634.22</b>
<b>2</b>	<b>EXPENSES</b>			
	(a) Cost of raw materials consumed	15	1929.35	1,572.55
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16	7.37	(51.51)
	(b) Employee Benefits Expense	17	28.51	29.60
	(c) Finance costs	18	53.59	32.65
	(d) Depreciation and amortization expense	3	12.49	14.44
	(e) Other Expenses	19	107.89	87.07
	<b>Total Expenses</b>		<b>2139.19</b>	<b>1,684.80</b>
<b>3</b>	<b>Profit Before Tax (1-2)</b>		<b>(48.67)</b>	<b>(50.58)</b>
<b>4</b>	<b>Tax Expense</b>			
	(a) Current Tax		-	-
	(b) Deferred Tax Charge / (Credit)		(2.26)	(2.27)
	<b>Total Tax Expenses</b>		<b>(2.26)</b>	<b>(2.27)</b>
<b>5</b>	<b>Profit for the year (3-4)</b>		<b>(46.41)</b>	<b>(48.31)</b>
<b>6</b>	<b>Other Comprehensive Income</b>			
	Net changes in fair values of investments in equity shares carried at fair values through OCI		53.87	(0.42)
	Profit/(Loss) on Sale of Equity Shares held as Investment		(4.18)	(0.72)
<b>7</b>	<b>Total Comprehensive Income for the year (5+6)</b>		<b>3.28</b>	<b>(49.45)</b>
<b>8</b>	<b>Earning per Equity Share (EPS)</b> (Face value of INR 10 each)			
	Basic EPS		<b>0.03</b>	<b>(0.47)</b>
	Diluted EPS		<b>0.03</b>	<b>(0.47)</b>
	<b>Significant Accounting Policies</b>	<b>1</b>		

The accompanying notes are an integral part of the financial statements.

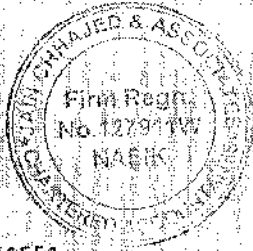


As per our report of even date

For Jain Chhajed & Associates  
Chartered Accountants  
(Firm Registration No. 127911W)



CA DINESH BURAD  
Partner  
Membership No. 151551



Place: Nashik  
Date: 26<sup>th</sup> May, 2022

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

*C.S.L. Lkharia*

M S LAKHOTIA  
Chairman & MD  
DIN: 00104576

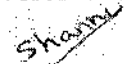


VIVEK V RATHI  
Chief Financial Officer

Place: Nashik  
Date: 26<sup>th</sup> May, 2022

*Jashmeet*

J M LAKHOTIA  
Whole Time Director  
DIN : 05357609



SHANNU CHATURVEDI  
Company Secretary

**LAKHOTIA POLYESTERS (INDIA) LIMITED**

**CIN: L17120MH2005PLC155146**

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022**

**A. EQUITY SHARE CAPITAL**

*(INR in Lakhs)*

Particulars	As At	As At
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,047.40	1,047.40
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,047.40	1,047.40

**B. OTHER EQUITY**

*(INR in Lakhs)*

Particulars	Reserves and Surplus		Total
	DIC Subsidy	General Reserve	
Balance as at 1st April, 2020	10.00	(256.60)	(246.60)
Changes in accounting policy or prior period errors	-	-	-
Total Comprehensive Income for the year	-	(49.45)	(49.45)
Excess / (Short) Provision for Income Tax	-	-	-
Balance at 31 <sup>st</sup> March, 2021	10.00	(306.05)	(296.05)
Balance as at 1 <sup>st</sup> April, 2021	10.00	(306.05)	(296.05)
Changes in accounting policy or prior period errors	-	-	-
Total Comprehensive Income for the year	-	3.28	3.28
Excess / (Short) Provision for Income Tax	-	-	-
Dividend Paid	-	-	-
Balance at 31st March, 2022	10.00	(302.76)	(292.77)

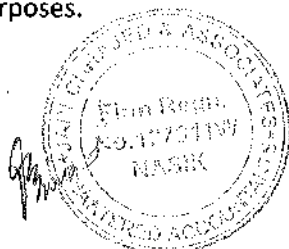
The accompanying notes are an integral part of the financial statements

**(a) DIC Subsidy**

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

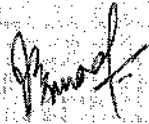
**(b) General Reserves**

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



The accompanying notes 1 to 35 form an integral part of the Financial Statements.  
As per our report of even date

For Jain Chhajer & Associates  
Chartered Accountants  
(Firm Registration No. 127911W)



CA DINESH BURAD

Partner

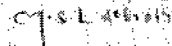
Membership No. 151551



Place : Nashik

Date: 26<sup>th</sup> May, 2022

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



M S LAKHOTIA

Chairman & MD

DIN: 00104576

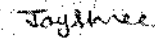


VIVEK V RATHI

Chief Financial Officer

Place : Nashik

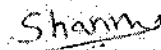
Date: 26<sup>th</sup> May, 2022



J M LAKHOTIA

Whole Time Director

DIN : 05357609



SHANNU CHATURVEDI

Company Secretary

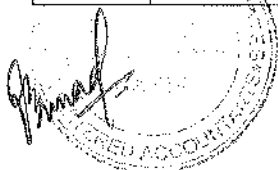
**LAKHOTIA POLYESTERS (INDIA) LIMITED**

CIN: L17120MH2005PLC155146

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

*(INR in Lakhs)*

Sr. No.	Particulars	As at	As at
		March 31,2022	March 31, 2021
<b>1</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before Income Tax	(48.67)	(50.58)
	<u>Adjustments for:</u>		
	Depreciation & Amortization Expenses	12.49	14.44
	Interest Income	-	-
	Finance Cost	53.59	32.65
	Profit on Sale of Property, Plant & Equipments	(2.23)	-
	Adjustment of Other Comprehensive Income	(0.39)	1.14
	<b>Operating Profit before Working Capital Changes</b>	<b>14.78</b>	<b>(4.63)</b>
	<b>Changes in Operating Assets &amp; Liabilities:</b>		
	(Increase) / Decrease in Financial Assets	(525.79)	410.78
	(Increase) / Decrease in Non Financial Assets	14.85	(7.35)
	Increase) / Decrease in Non Current Assets	59.75	-
	Increase / (Decrease) in Financial Liabilities	142.01	(301.60)
	Increase / (Decrease) in Non Financial Liabilities	(5.62)	4.27
	(Increase) / Decrease in Inventories	137.69	(75.90)
	<b>Cash Generated from Operations</b>	<b>(162.33)</b>	<b>25.59</b>
	Income Taxes Paid	-	5.03
	<b>Net Cash Flows from Operating Activities</b>	<b>(162.33)</b>	<b>20.56</b>
<b>2</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant & Equipments	(1.88)	(0.54)
	Proceeds from Sale of Investments	31.73	25.00
	Purchase of Investments	(0.63)	-
	Sale of Property, Plant & Equipments	2.23	-
	Interest Income	-	-
	<b>Net Cash Flows from Investing Activities</b>	<b>31.46</b>	<b>24.46</b>
<b>3</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long Term Borrowings	(38.45)	68.07
	Proceeds from Short Term Borrowings	217.10	(78.76)
	Finance Cost	(53.59)	(32.65)
	<b>Net Cash Inflows from Financing Activities</b>	<b>129.07</b>	<b>(43.34)</b>
	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1.81)</b>	<b>1.68</b>
	<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>	<b>11.98</b>	<b>10.30</b>
	<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>10.18</b>	<b>11.98</b>



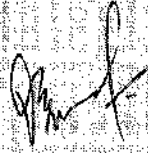
Notes:

- (a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
- (b) Cash comprise cash on hand, current accounts and deposits with banks. Cash equivalents are short term balances (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

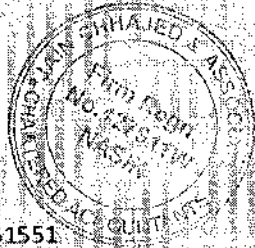
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Jain Chhajed & Associates  
Chartered Accountants  
(Firm Registration No. 127911W)




CA DINESH BURAD  
Partner  
Membership No. 151551



Place : Nashik  
Date: 26<sup>th</sup> May, 2022

For and on behalf of the Board of Directors of  
Lakhota Polysters (India) Limited  
CIN - L17120MH2005PLC155146

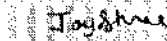


M S LAKHOTIA  
Chairman & MD  
DIN: 00104576




VIVEK V RATHI  
Chief Financial Officer

Place : Nashik  
Date: 26<sup>th</sup> May, 2022



J M LAKHOTIA  
Whole Time Director  
DIN : 05357609



SHANNU CHATURVEDI  
Company Secretary

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

### **I. Company Overview**

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

### **II. Summary of Significant Accounting Policies**

#### **(a) Basis of preparation and measurement**

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

The financial statements of the Company for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 26, 2022.

#### **(b) Operating cycle**

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

**(c) Fair value measurement**

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(d) Revenue Recognition**

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

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

Dividend income is accounted when right to receive is established.

**(e) Property, Plant and Equipment:**

**Recognition and measurement**

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



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

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

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

#### **Subsequent expenditures**

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

#### **Depreciation and amortization**

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

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

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

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

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

**(f) Investments:**

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

**(g) Foreign currency transactions:**

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

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

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

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

**(h) Government Grants and Subsidies:**

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

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

**(i) Inventories:**

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

**(j) Income Tax:**

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

### **Current Tax**

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

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

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

### **Deferred Tax**

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

### **Minimum Alternative Tax (MAT)**

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

#### **(k) Employee benefits:**

##### **Short term employee benefits**

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

##### **Defined contribution plans**

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

##### **Defined benefit plans**

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

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

##### **Leave Entitlement**

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Remeasurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

**(l) Leases:**

**Finance Lease**

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

**Operating Lease**

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

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

**(m) Borrowing Costs:**

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

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

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

**(n) Earnings per share:**

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

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

**(o) Cash and cash equivalents:**

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

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

**(p) Provisions and Contingent Liabilities:**

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

**(q) Dividend:**

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

**(r) Events after reporting date:**

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

**(s) Segment Reporting:**

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

## **(t) Use Of Estimates And Judgements**

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

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

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

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

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

### **ii. Recognition and measurement of defined benefit obligations**

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

### **iii. Fair value measurement of financial instruments**

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

**iv. Impairment losses on investment**

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

**v. Deferred taxes**

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

**vi. Provisions and contingencies**

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

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

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



**LAKHOTIA POLYSTERS (INDIA) LIMITED**
**Notes to the Financial Statements for the year ended 31 March 2022**
**Note 3: Property, Plant and Equipment and Capital work-in-progress**
*(INR in Lakhs)*

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2021	Additions during the year	Deductions during the year	As at 31 March, 2022	Upto March 31, 2021	For the year	Deductions	Upto 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
<b>a) Plant Property &amp; Equipment</b>										
Land	1.87	-	-	1.87	-	-	-	-	1.87	1.87
Buildings	12.89	-	-	12.89	5.83	0.41	-	6.24	6.65	7.06
Plant & Machinery	149.59	-	27.48	122.11	133.38	9.47	27.48	115.36	6.75	16.22
Furniture & Fixtures	1.62	-	-	1.62	1.62	-	-	1.62	-	-
Office Equipments	12.51	1.88	-	14.39	9.41	2.61	-	12.01	2.38	3.10
Vehicles	15.32	-	15.32	-	15.32	-	15.32	-	-	-
<b>Total Plant Property &amp; Equipment</b>	<b>193.80</b>	<b>1.88</b>	<b>42.80</b>	<b>152.88</b>	<b>165.55</b>	<b>12.49</b>	<b>42.80</b>	<b>135.24</b>	<b>17.64</b>	<b>28.25</b>
<b>b) Intangible Assets</b>										-
<b>c) Capital Work-in-Progress</b>										-

*(INR in Lakhs)*

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

## Lakhotia Polysters (India) Limited

Notes to the Financial Statements for the year ended 31 March 2022

### Note 4: Financial Assets

#### 4 (a) Non Current Investments

(INR in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>A) Investment in Fully paid-up Equity Instruments (Unquoted)</b>		
Shri Samarth Sahakari, Pimpalgaon	0.01	0.01
100 (As at 31 Mar, 2021: 100) Equity shares of INR 10/- each		
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

#### 4 (a) Current Investments

(INR in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>A) Investment in Equity Shares (Quoted) (Market Value)</b>		
Svaraj Trading & Agencies Limited (As at 31 Mar, 2021: 2,74,573 Shares)	-	14.14
NIBE Limited = 1,72,191 Shares at INR 47.05/- each (As at 31 Mar, 2021: 2,14,191 Shares)	81.02	48.30
Reliance Industries Limited = 10 Shares at INR 2,633.95 each (As at 31 Mar, 2021: 10 Shares)	0.26	0.20
West Coast Pap - Eq 2/- Shares = 100 Shares at INR 334.15 each (As at 31 Mar, 2021: NIL)	0.33	-
<b>Total</b>	<b>81.61</b>	<b>62.64</b>

#### Footnote:

1. Valuation of quoted equity shares were done on the closing market price as on 31/03/2022, and any changes in fair value of its investment was shown as Other Comprehensive Income in the Statement of Profit & Loss.

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

Particulars	31 March 2022	31 March 2021
Loans to Related Parties	-	-
Loans to Others – Unsecured		
(a) Advance to MGK Metallic	-	2.19
<b>Total</b>	<b>-</b>	<b>2.19</b>

**4 (b) Current Loans and Advances***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
Loans to Related Parties		-
Loans to Others ( <i>Staff Advance</i> ) - Unsecured, Considered Good	2.96	
<b>Total</b>	<b>2.96</b>	<b>-</b>

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

Particulars	31 March 2022	31 March 2021
<b>Non-current</b>		
Related Party	-	-
Unsecured, considered good		-
<b>Total</b>		<b>-</b>
<b>Current</b>		
Related Party	-	-
Unsecured, considered good		
(a) Receivables from Customers – Local	12.94	43.98
(b) Receivables from Customers – Exports	1,106.16	557.48
<b>Total</b>	<b>1,389.66</b>	<b>872.02</b>
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>1,389.66</b>	<b>872.02</b>

**Footnote:**

a) The above trade receivables include receivables from related parties. Rs.270.56 Lakhs (As at 31, Mar 2021 – Rs.270.56 Lakhs)

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

c) The above figures of Trade Receivables are shown as net of advances

**Trade Receivables ageing schedule as at 31<sup>st</sup> March 2022**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	-	707.16	329.03	8.97	73.94	270.56	1,389.66
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>707.16</b>	<b>329.03</b>	<b>8.97</b>	<b>73.94</b>	<b>270.56</b>	<b>1,389.66</b>

**Trade Receivables ageing schedule as at 31<sup>st</sup> March 2021**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	-	525.53	32.60	7.91	31.72	274.26	<b>872.02</b>
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>525.53</b>	<b>32.60</b>	<b>7.91</b>	<b>31.72</b>	<b>274.26</b>	<b>872.02</b>

**Note 4: Financial Assets**

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

*(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
Deposit – Custom Duty under protest	0.90	0.90
<b>Total</b>	<b>0.90</b>	<b>0.90</b>

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

*(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
Duty Drawback Receivable	11.71	4.33
Loans to Others - Unsecured, Considered Good	-	-
<b>Total</b>	<b>11.71</b>	<b>4.33</b>

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

Particulars	31 March 2022	31 March 2021
<b>Balances with Banks</b>		
Current Accounts	0.37	5.41
Cash on Hand	9.81	6.57
<b>Total</b>	<b>10.18</b>	<b>11.98</b>

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

Particulars	31 March 2022	31 March 2021
<b>Opening Balance</b>	<b>12.56</b>	<b>10.29</b>
Temporary difference on account of depreciation on Property, Plant and Equipment	2.26	2.27
<b>Deferred Tax Assets / (Deferred Tax Liabilities) – (Net)</b>	<b>14.83</b>	<b>12.56</b>

**Note 6: Other Non – Current Assets***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
Shares Deposit – Shree Samarth Industrial Estates	0.15	0.15
Security Deposit – MSEB, Other Utilities	0.94	0.94
Office Deposit – Bhairav Erectors Limited	59.92	118.92
Rent Deposits	-	0.75
<b>Total</b>	<b>61.01</b>	<b>120.76</b>

**Footnote:**

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

**Note 7: Inventories***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Inventories (lower of cost or net realizable value)</b>		
Raw Materials	243.33	373.66
Work-in-Progress	-	-
Finished Goods	183.94	191.31
<b>Total</b>	<b>427.27</b>	<b>564.97</b>

**Footnote:**

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

**Note 8: Current Tax Assets***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Balances with Government Authorities</b>		
Tax Deducted at Source	1.01	0.01
Excess Credit (ITC) Balances of GST	17.67	33.52
<b>Total</b>	<b>18.68</b>	<b>33.53</b>

**Footnote:**

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

## Lakhotia Polysters (India) Limited

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

### Note 9 (a): Equity Share Capital

(INR in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>Authorized Share Capital</b>		
1,05,00,000 (As at 31st March, 2021: 1,05,00,000) Equity Shares of Rs.10/- each	1,050.00	1,050.00
<b>Issued and subscribed capital comprises:</b>		
1,04,73,988 (As at 31st March, 2021: 1,04,73,988) Equity Shares of Rs.10/- each fully paid-up	1,047.40	1,047.40

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

(INR in Lakhs)

Particulars	31 March 2022		31 March 2021	
	Number of Equity Shares	Share Capital (INR)	Number of Equity Shares	Share Capital (INR)
<b>Fully paid equity shares (in Lakhs)</b>				
Shares outstanding at the beginning of the year	104.74	1,047.40	104.74	1,047.40
Add : Bonus issue during the year	-	-	-	-
Add : Fresh issue during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>104.74</b>	<b>1,047.40</b>	<b>104.74</b>	<b>1,047.40</b>

#### 2. Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Board of Directors has not declared any dividend for the year ending 31st March, 2022.

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



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

Particulars	As on 31 March 2022		As on 31 March 2021	
	Number of shares held	% holding	Number of shares held	% holding
<b>Fully paid up equity shares (In Lakhs)</b>				
Sanjyog Trade Link Private Limited	20.49	19.57%	20.49	19.57%
Intensive Finance Private Limited	3.49	3.33%	9.00	8.60%
Giza estates Private Limited	10.95	10.46%	10.95	10.46%
Arrowspace Advisors Private Limited	9.02	8.62%	9.02	8.62%
Shyamsunder D Lakhotia	5.53	5.28%	5.53	5.28%
Madhusudan S Lakhotia	14.09	13.46%	14.09	13.46%
Kanchandevi S Lakhotia	7.37	7.03%	7.37	7.03%

#### Footnote:

As per the records of the company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 4. Details of shares held by the promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	No. of Shares (In Lakhs)	% of Total Shares	
Shyamsunder D Lakhotia	5.53	5.28%	-
Madhusudan S Lakhotia	14.09	13.46%	-
Kanchandevi S Lakhotia	7.37	7.03%	-
Madhusudan S Lakhotia (HUF)	4.24	4.05%	-
Shyamsunder D Lakhotia (HUF)	2.71	2.59%	-
Jayshree M Lakhotia	1.55	1.48%	-
<b>Total Promoter Holding</b>	<b>35.49</b>	<b>33.89%</b>	<b>-</b>

**Note - 9(b): Other Equity***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>DIC Subsidy</b>		
Balance at the beginning of the year	10.00	10.00
Add / (Less) :		
Subsidy received during the year	-	-
<b>Balance at the end of the year (A)</b>	<b>10.00</b>	<b>10.00</b>
<b>General Reserve</b>		
Balance at the beginning of the year	(306.05)	(256.60)
Add / (Less) :		
Profit attributable to the owners of the company	3.28	(49.45)
<b>Balance at the end of the year (B)</b>	<b>(302.77)</b>	<b>(306.05)</b>
<b>Total (A+B)</b>	<b>(292.77)</b>	<b>(296.05)</b>

**Note 10: Financial Liabilities****10 (a) Borrowings - Non Current***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Term Loans - Secured from Banks &amp; Financial Institutions</b>		
From Banks & Financial Institutions - Rupee loan	63.63	90.57
<b>Total Non-Current Borrowings</b>	<b>63.63</b>	<b>90.57</b>
Less: Transferred to Current Maturities	(30.00)	(22.50)
<b>Total</b>	<b>33.63</b>	<b>68.07</b>

**10 (a) Borrowings - Current***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Secured Loans - Banks &amp; Financial Institutions</b>		
<b>(a) Central Bank of India</b>		
Cash Credit Limits from Banks	51.78	(0.48)
Packing Credit facility from Bank	391.84	448.00
	<b>443.62</b>	<b>447.52</b>

<b>Unsecured Loans – Others</b>		
<b>(a) Other Loans - Repayable on Demand</b>		
From Others – Star Fincap	-	3.57
From Related Parties	235.08	18.01
	<b>235.08</b>	<b>21.58</b>
<b>Current Maturities of Long Term Debt</b>	<b>30.00</b>	<b>22.50</b>
<b>Total</b>	<b>708.70</b>	<b>491.60</b>

**Footnote:**

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

b) The company has also availed Bank Overdraft of Rs. 450.00 Lakhs with Sub – Limit of Export Packing Credit (EPC) Facility of similar amount from Central Bank of India at 9.00% p.a. The facility from bank is secured against the following securities:

**Primary Security – Exclusive Charge:**

- Hypothecation of Stocks / Inventory & Book Debts / Receivable

**Collateral Securities – First Charge:**

- Land & Building at P. No. 11 & 14, S. No. 329/2, Malegaon, Dist. Nashik owned by Mr. Madhusudan Lakhotia
- Land & Building at P. No. 12 & 13, S. No. 329/2, Malegaon, Dist. Nashik owned by Mr. Madhusudan Lakhotia
- Plot No. 158 to 159, S. No. 670/A/2, at Shri Samarth Audyogik Vasahat Ltd., Pimpalgaon, Tal. Niphad, Dist. Nashik owned by Mr. Shamsunder Lakhotia
- Plot No. 160, 161 & 162, S. No. 670/A/2, at Shri Samarth Audyogik Vasahat Ltd., Pimpalgaon, Tal. Niphad, Dist. Nashik owned by the Company M/s. Lakhotia Polyesters (India) Private Limited
- Personal Guarantee of Directors & Relatives

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

**Note 10: Financial Liabilities****10 (b) Trade Payables - Current**

*(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Trade Payables</b>		
Amount due to Micro, Small & Medium Enterprises (MSME)	493.43	-
Other than due to Micro, Small and Medium Enterprises	36.09	387.51
<b>Total</b>	<b>529.52</b>	<b>387.51</b>

**Footnote:**

- a) The above figures of Trade Payables are shown as net of advances paid to the local / foreign suppliers.
- b) The average credit period on purchases is 1 to 6 months.

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

- c) Disclosure of payable to vendors as defined under the 'Micro, Small and Medium Enterprise Development Act, 2006' is based on the information available with the Company regarding the status of registration of such vendors under the Act, as per the information / declarations received from vendors regarding their classification into MSME.
- d) Company has not made any provision for interest to be paid / payable to micro and small enterprises during the year.
- e) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.
- f) Trade payables include INR 5.28 Lakhs (31st March, 2021: INR 7.24 Lakhs) due to related parties. Kindly refer Note 23.

**Trade Payables Ageing Schedule as on March 31, 2022**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	443.64	-	1.99	47.80	493.43
ii) Others	-	22.53	-	13.56	-	36.09
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
<b>Total</b>	-	<b>466.17</b>	-	<b>15.55</b>	<b>47.80</b>	<b>529.52</b>

**Trade Payables Ageing Schedule as on March 31, 2021**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-	-
ii) Others	-	319.08	44.34	-	24.09	387.51
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
<b>Total</b>	-	<b>319.08</b>	<b>44.34</b>	-	<b>24.09</b>	<b>387.51</b>

**Note 11: Provisions****Non – Current Provisions***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Employee Benefits</b>		
Provision for Gratuity	2.63	2.25
	<b>2.63</b>	<b>2.25</b>

**Footnote:**

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

**Current Provisions***(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
<b>Employee Benefits</b>		
Salary Payable	-	-
<b>Other Provisions</b>		
Audit Fees Payable	1.50	1.40
Electricity Payable	-	0.27
Professional Tax Payable	0.10	-
<b>Total</b>	<b>1.60</b>	<b>1.67</b>

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

Particulars	31 March 2022	31 March 2021
<b>Other Payables – Statutory Dues</b>		
Employee Provident Fund Payable	0.07	1.07
TDS Payable <i>(Refer Footnote)</i>	5.69	10.62
TCS Payable	0.01	0.01
<b>Total</b>	<b>5.77</b>	<b>11.70</b>

**Footnote:**

- (a) TDS Payable includes amount of Rs.5.08 Lakhs payable against the demand notice from the Income Tax Department for Shortfall in TDS Deduction, Interest on Delayed Payment, Late Fees, etc.

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

Particulars	31 March 2022	31 March 2021
<b>Sale from operations</b>		
(a) Sale of Manufactured Goods - Exports	1854.42	1,500.41
(b) Sale of Manufactured Goods - Domestic	80.78	76.29
(c) Exempt Sale - MEIS License	14.15	12.41
(d) Exempt Sale - ROSCTL License	5.20	4.82
(e) Exempt Sale - RODTEP License	66.64	-
<b>Total</b>	<b>2,021.19</b>	<b>1,593.93</b>

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

Particulars	31 March 2022	31 March 2021
(a) Interest Income		
- On Bank Deposits	-	-
(b) Duty Drawback / MEIS	26.80	36.66
(c) Foreign Exchange Gain / (Loss)	39.80	3.25
(d) Discount Received	0.50	0.38
(e) Profit on Sale of Assets	2.23	-
<b>Total</b>	<b>69.33</b>	<b>40.29</b>

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

Particulars	31 March 2022	31 March 2021
Raw Materials and Packing material at the beginning of the year	373.66	349.27
Add: Purchases of Goods & Services	1,799.02	1,596.94
Less: Raw material and Packing material at the end of the year	(243.33)	(373.66)
<b>Total cost of materials consumed</b>	<b>1,929.35</b>	<b>1,572.55</b>

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

Particulars	31 March 2022	31 March 2021
<b>Opening Balance</b>		
Work-in Progress	-	17.59
Finished Goods	191.31	17.88
Stock in Trade	-	104.33
<b>Total Opening Balance</b>	<b>191.31</b>	<b>139.80</b>
<b>Closing Balance</b>		
Work-in Progress	-	-
Finished Goods	183.94	191.31
Stock in Trade	-	-
<b>Total Closing Balance</b>	<b>183.94</b>	<b>191.31</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>7.37</b>	<b>(51.51)</b>

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

Particulars	31 March 2022	31 March 2021
Salaries, wages and bonus	5.23	12.30
Remuneration to Directors	9.30	7.40
Sitting Fees	-	-
Contribution to Provident Fund	0.44	0.44
Staff Welfare Expenses	1.34	-
Salary & wages - Office	12.20	9.46
<b>Total</b>	<b>28.51</b>	<b>29.60</b>

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

Particulars	31 March 2022	31 March 2021
Interest Expenses on Borrowings	42.78	25.61
Interest on Others	3.00	-
Bank Charges & Processing Fees	7.81	7.05
<b>Total</b>	<b>53.59</b>	<b>32.65</b>



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

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Direct Expenses:</b>		
Power & Fuel	2.04	4.86
Factory Expenses	0.27	0.29
Freight, Packing, Loading & Unloading Charges	6.34	5.78
Export Related Expenses – C&F, Transport, Job Work	78.25	45.59
<b>Indirect Expenses:</b>		
Advertisement Expenses	0.79	1.38
BSE / NSDL / ROC Charges	3.24	4.71
Commission Expenses	4.64	7.72
Discount Expenses	0.33	0.14
Donation Expenses	0.11	1.00
Insurance Charges	0.50	0.48
Office Expenses	0.36	0.77
Postage & Courier Charges	0.39	0.37
Professional Fees	7.47	7.84
Rent, Rates & Taxes	0.85	3.89
Travelling Expenses	0.82	0.23
Corporate Social Responsibility (CSR)	-	-
Payments to Auditors (Refer Note 19a)	1.50	2.02
<b>Total</b>	<b>107.89</b>	<b>87.07</b>

**Note 19 (a): Details of Payments to Auditors***(INR in Lakhs)*

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit Fees	1.50	1.90
Other Matters in Professional Capacity	-	0.12
<b>Total</b>	<b>1.50</b>	<b>2.02</b>

**Note 20: Earnings Per Share:****(a) Basic Earnings Per Share**

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

*(INR in Lakhs)*

Particulars	31 March 2022	31 March 2021
Profit attributable to equity shareholders of the Company	3.28	(49.45)
Weighted average number of equity shares (in Lakhs)	104.74	104.74
Nominal Value of Equity Shares	INR 10/-	INR 10/-
Basic EPS	0.03	(0.47)
Diluted EPS	0.03	(0.47)

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

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

Particulars	31 March 2022	31 March 2021
<b>(A) Claims against the Company not acknowledged as debts on account of :</b>		
1. Income Tax and MVAT matters under appeal	-	-
2. TDS liability on account of short deduction, short payment and interest thereon as per TRACES	-	-
3. Towards pending legal cases	-	-
<b>(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against)</b>	-	-
<b>Total</b>	-	-
<b>(C) Payments under Employees State Insurance Act – Registration obtained but employees contribution has not been deducted and not amount has been paid till date</b>	<i>Amount cannot be quantified</i>	

**Footnote:**

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

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

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

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

**Footnote:**

- a) The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions.
- b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- c) Reimbursement for expenses / payments made by the directors on behalf of the company in the ordinary course of business is not reported above.

<b>Transactions entered during the year with related parties:</b>				
<i>(INR in Lakhs)</i>				
<b>Sr. No.</b>	<b>Name of the Party</b>	<b>Nature of Transactions</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
1	Madhusudan Lakhota	Director Remuneration	6.90	4.80
		Unsecured Loans	184.48	-
		Repayment of Unsecured Loans	(16.80)	(1.49)
2	Jayashree Lakhota	Director Remuneration	2.40	2.40
		Unsecured Loans	17.00	-
		Repayment of Unsecured Loans	(11.50)	(36.38)
3	Kanchandevi Lakhota	Unsecured Loans	9.20	-
		Repayment of Unsecured Loans	(9.20)	-
4	Madhusudan Lakhota (HUF)	Unsecured Loans	69.51	-
		Repayment of Unsecured Loans	(25.62)	(75.13)
		Sales Commission	4.64	6.57
5	Web Zone Digital Solutions	Receipt of Repayment of Advances	-	5.30
6	Shannu Chaturvedi Vinayak	KMP - Remuneration	3.20	3.30
7	Vivek Vijay Rathi	KMP – Remuneration	4.20	4.20

<b>Balances outstanding at the end of the year</b>				
<i>(INR in Lakhs)</i>				
<b>Sr. No.</b>	<b>Name of the Party</b>	<b>Receivable / Payable</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
1	Madhusudan Lakhota	Unsecured Loans	171.79	4.11
2	Madhusudan Lakhota (Director's Remuneration)	Remuneration Payable	0.08	0.12
3	Jayashree Lakhota	Unsecured Loans	18.07	12.57
4	Jayashree Lakhota (Director's Remuneration)	Remuneration Payable	0.80	0.80
5	Madhusudan Lakhota (HUF)	Unsecured Loans	45.21	1.32
6	Madhusudan Lakhota (HUF) - Sales Commission	Payable	4.40	6.32
7	Vivek Rathi	Salary Payable	1.00	-
8	Shannu Chaturvedi Vinayak	Salary Payable	1.21	0.31
9	S C Threads Pvt Ltd	Trade Receivables	270.56	270.56

## **Note 23: Financial Risk Management Objectives and Policies**

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

### **1. Market Risk**

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

#### **(a) Interest rate risk**

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

#### **(b) Foreign currency risk**

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

#### **(c) Equity price risk**

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

### **2. Credit Risk**

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

### **3. Liquidity Risk**

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

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

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

#### **Note 24:**

##### **Capital Management**

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

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

##### **Gearing Ratio**

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

The gearing ratio at the reporting period was as follows:

*(INR in Lakhs)*

Particulars	As at	
	31st March, 2022	31st March, 2021
Borrowings including current maturities	742.33	559.67
Interest accrued and due/and but not due	-	-
Unpaid matured debentures and interest accrued thereon	-	-
<b>Total Debt</b>	<b>742.33</b>	<b>559.67</b>
Less : Cash & Cash Equivalents	-	-
<b>Net Debt (A)</b>	<b>742.33</b>	<b>559.67</b>
Equity Share Capital	1,047.40	1,047.40
Other Equity	(292.77)	(296.05)
<b>Total Equity (B)</b>	<b>754.63</b>	<b>751.35</b>
<b>Debt Equity Ratio (A/B)</b>	<b>0.98</b>	<b>0.74</b>

**Note 25: Categories of Financial Instruments**

**Fair Value Measurement**

*(INR in Lakhs)*

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Fair Value	Amortised Cost	Fair Value	Amortised Cost
<b>Financial Assets</b>				
Investments	81.61	0.01	62.64	0.01
Trade Receivables		1,389.66	-	872.02
Cash and Cash equivalents		10.18	-	11.98
Loans & Advances		2.96	-	2.19
Other Financial Assets		12.61	-	5.23
<b>Total</b>	<b>81.61</b>	<b>1,415.42</b>	<b>62.64</b>	<b>891.43</b>
<b>Financial Liabilities</b>				
Borrowings	-	742.33	-	559.67
Trade Payables	-	529.52	-	387.51
Other Financial Liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,271.85</b>	<b>-</b>	<b>947.18</b>

Footnote:

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

**Note 26: Employee Benefits**

**a) Defined Contribution Plans:**

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

*(INR in Lakhs)*

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
Employer's Contribution to Provident Fund (Gross before Allocation)	0.44	0.44
Employer's Contribution to ESIC	NIL	NIL

Footnote:

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

**b) Defined Benefit Plans:**

**Contribution to Gratuity Fund (Non-Funded)**

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

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



**Note 27: Leases**

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

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Operating lease expenses recognised in profit and loss account	-	-

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

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

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

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred Tax Assets (Opening balance)</b>	<b>12.56</b>	<b>10.29</b>
Income Tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	2.26	2.27
<b>Deferred Tax Assets (Net)</b>	<b>14.83</b>	<b>12.56</b>

**Note 29:**

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

**Note 30: Segment Reporting****a) Basis of Segmentation****Factors used to identify the entity's reportable segments, including the basis of organization**

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

**b) Geographical Information**

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

**c) Information about major customers**

None of the customers for the years ended March 31, 2022 and March 31, 2021 constituted 10% or more of the total revenue of the Company.

**Note 31 : Corporate Social Responsibility**

The Company does not fulfill the Network, Turnover & Net Profit criteria as per Section 135 of the Companies Act, 2013, accordingly provisions of CSR is not applicable to the Company. The Company has spent Rs. NIL during the year (Previous Year 2021: Rs. NIL) as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

(a) Gross amount required to be spend by the Company during the year is Rs. NIL (Previous Year 2021: Rs. NIL).

(b) Amount spent during the year on:

*(INR in Lakhs)*

Particulars	Amount Spent in Cash	Amount yet to be paid in Cash	Total Amount
<b>Year ended March 31, 2022</b>			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
<b>Year ended March 31, 2021</b>			
(i) Construction / Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

**Note 32 :**

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2022 and March 31, 2021 to Micro, Small and Medium Enterprises on account of principal or interest.

**Note 33 :**

The financial statements for the year ended 31 March, 2022 were approved by the Board of Directors and authorized for issue on 26<sup>th</sup> May, 2022.

**Note 34:**

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

**Note 35: Other Statutory Information**

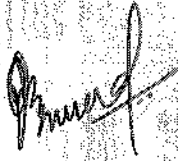
- (a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

- (d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) To the best of our knowledge and representation received from the management, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (f) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (g) To the best of our knowledge and representation received from the management, the Company has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2022 and March 31, 2021.
- (h) The Company has not been declared wilful defaulter by any bank, financial institution, government or government authority.
- (i) The Company has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2022.

(i) As per information received from the management, there were no transactions entered with the companies which are struck off.

As per our report of even date

For Jain Chhajed & Associates  
Chartered Accountants  
(Firm Registration No. 127911W)




CA DINESH BURAD  
Partner  
Membership No. 151551



Place : Nashik  
Date: 26<sup>th</sup> May, 2022

For and on behalf of the Board of Directors of  
Lakhota Polysters (India) Limited  
CIN - L17120MH2005PLC155146

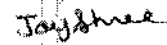


M S LAKHOTIA  
Chairman & MD  
DIN: 00104576




VIVEK V RATHI  
Chief Financial Officer

Place : Nashik  
Date: 26<sup>th</sup> May, 2022



J M LAKHOTIA  
Whole Time Director  
DIN : 05357609



SHANNU CHATURVEDI  
Company Secretary

**LAKHOTIA POLYESTERS (INDIA) LIMITED**  
**CIN - L17120MH2005PLC155146**

Notes to the Financial Statements for the year ended March 31, 2022

**Note 36: Analytical Ratios**

Ratio	Numerator - Basis	Denominator - Basis	Current Period FY 2021-22	Previous Period FY 2020-21	% Variance	Reasons for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.56	1.74	-10.19%	-
Debt - Equity Ratio (in times)	Debt consists of borrowings and lease liabilities.	Total Equity (TNW)	0.98	0.74	32.06%	There has been more increase in borrowings as compared to increase in total equity during the year ending.
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service = Interest and lease payments + Principal repayments	0.79	(0.07)	-1191.61%	During the previous period FY 2020-21, there was no term liability except GECL Term Loan, in which repayment started from current FY 2021-22 under Audit.
Return on Equity Ratio (%)	Profit for the year less Preference dividend (if any)	Average Total Equity	0.44%	-6.37%	-106.84%	Due to Covid-19 lockdown and related restrictions, the company had incurred losses. During the current FY 2021-22, due to improvement in other comprehensive income, company's profitability has improved.
Inventory Turnover Ratio (in times)	Cost of raw materials consumed + Changes in inventories of finished goods, work-in-progress and stock-in-trade	Average Inventory	3.90	2.89	35.26%	Due to Covid-19 lockdown and related restrictions, the company turnover for previous period was affected and inventory levels was higher. During the current FY 2021-22, due to overall economic recovery, company's turnover has increased and inventory level has reduced.
Trade Receivables Turnover Ratio (in times)	Revenue from operations (including other income)	Average Trade Receivables	1.85	1.52	21.48%	-
Trade Payables Turnover Ratio (in times)	Cost of raw materials consumed + Changes in inventories of finished goods, work-in-progress and stock-in-trade	Average Trade Payables	4.22	2.77	52.61%	Due to Covid-19 lockdown and related restrictions, the company turnover for previous period was affected. During the current FY 2021-22, due to overall economic recovery, company's turnover has increased and hence this ratio has improved.
Net Capital Turnover Ratio (in times)	Revenue from operations (including other income)	Average Working Capital (i.e. Total Current Assets less Total Current Liabilities)	3.09	2.56	20.54%	-
Net Profit Ratio (%)	Profit after Tax for the year	Revenue from Operations	0.16%	-3.10%	-105.24%	Due to Covid-19 lockdown and related restrictions, the company had incurred losses. During the current FY 2021-22, due to improvement in other comprehensive income, company's profitability has improved and hence this ratio has improved.
Return on Capital Employed (%)	Profit before tax and finance costs	Capital Employed = Net worth + Lease Liabilities + Deferred Tax Liabilities	0.65%	-2.39%	-127.31%	Due to Covid-19 lockdown and related restrictions, the company had incurred losses. During the current FY 2021-22, due to improvement in other comprehensive income, company's profitability has improved and hence this ratio has improved.
Return on Investment (%)	Interest on bank deposits	Average invested funds in bank deposits	#DIV/0!	#DIV/0!	#DIV/0!	-

