

# LAKHOTIA POLYESTERS (INDIA) LIMITED

10<sup>th</sup> ANNUAL REPORT  
2014-15



## 10<sup>th</sup> ANNUAL REPORT

2014-2015

### Board of Directors

- |                           |                                |
|---------------------------|--------------------------------|
| ▪ Mr. Madhusudan Lakhotia | Chairman and Managing Director |
| ▪ Mrs. Jayshree Lakhotia  | Executive Director             |
| ▪ Mr. Krishna Jhawar      | Executive director             |
| ▪ Mr. Sajan Choudhary     | Independent Director           |
| ▪ Mr. Shailesh Mistry     | Independent Director           |
| ▪ Mr. Vicky Jain          | Independent Director           |

### Key Managerial Personnel

- |                           |                                |
|---------------------------|--------------------------------|
| ▪ Mr. Madhusudan Lakhotia | Chairman and Managing Director |
|---------------------------|--------------------------------|

### Bankers

- Union Bank of India
- ICICI Bank

### Statutory Auditors

M/s Sabadra & Sabadra, Chartered Accountants

### Secretarial Auditors

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

### REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Private Limited

Luthra Ind Premises,

Unit-1, Safeed Pool,

Andheri Kurla Road, Andheri East,

Mumbai 400 072

Contact No : 022 - 28515606, 28515644

Email : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com), Website : <http://www.sharexindia.com>

### Registered Office and Contact Details and Website

LAKHOTIA POLYESTERS (INDIA) LIMITED

158/159 SamarathaSahkariAydyogikVasahat 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

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**LAKHOTIA POLYESTERS (INDIA) LIMITED**

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

CIN : L17120MH2005PLC155146

Tel : 02550-252300,

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

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of LAKHOTIA POLYESTERS (INDIA) LIMITED will be held on Wednesday, 30<sup>th</sup> September, 2015 at 11.00 am at 158/159 Samaratha Sahkari Audyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India to transact the following business:

**ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2015 including audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint a director in place of Mrs. Jayshree Lakhotia (holding DIN 05357609), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers herself for reappointment.**

**“RESOLVED THAT** Mrs. Jayshree Lakhotia (holding DIN 05357609), Director of the Company, who retires by rotation, pursuant to the provisions of the section 152 of the Companies Act, 2013 read with applicable rules there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and being eligible for re-appointment in terms of Companies Act, 2013, be and is hereby re-appointed to hold office of Director in the Company.”

- 3. To appoint M/s. Sabadra & Sabadra, Chartered Accountants (ICAI Registration No.108921W) as statutory auditors of the Company and to fix their remuneration**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Sabadra & Sabadra, Chartered Accountants having ICAI Firm Registration Number 108921W, who have offered themselves for reappointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and other applicable provisions of Companies Act, 2013, be and are hereby appointed as Statutory Auditors of the Company until the conclusion of the Fourteenth Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the Audit of Accounts of the Company.”

## **SPECIAL BUSINESS:**

- 4. Appointment of Mr. Krishna Jhawar as Director, liable to retire by rotation, To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** Mr. Krishna Jhawar, who was appointed as an Additional Director with effect from May 30, 2015 and who holds office upto the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

- 5. Re - Appointment of Mr. Madhusudan Lakhota (DIN : 00104576) as Managing Director and fix his remuneration in this regards, To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions of the Act read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, other applicable rules and regulations, if any, to the extent notified for the time being in force including any statutory modification or re-enactments made thereof from time to time and Articles of Association of the Company and subject to the approval of the Central Government or such other competent authority, if required, approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Madhusudan Lakhota as Managing Director and Key Managerial Personnel of the Company and fixing his remuneration for a further period of Five (5) years (not liable to retire by rotation) with effect from 3<sup>rd</sup> September, 2015 upon such terms and conditions as set out in the agreement as entered between the Company and Mr. Mr. Madhusudan Lakhota as detailed in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors (the “Board”) and Mr. Madhusudan Lakhota.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By Order of the Board of Directors**

**Sd/-**

**Madhusudhan Lakhotia**

**Managing Director**

Date: September 03, 2015

Place: Nashik

LAKHOTIA POLYESTERS (INDIA)LIMITED

Regd. Office:158/159 SamarathaSahkariAydyogikVasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra- 422209

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

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

CIN : L17120MH2005PLC155146

#### **NOTES:**

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under Companies Act, 2013 and Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors / Managing Director and Whole Time Director under Item No. 4 and 5 of the Notice, are also annexed.
2. The Register of Members and the Share Transfer books of the Company will remain closed from September 24, 2015 to September 30, 2015 (both days inclusive) for the purpose of the Annual General Meeting.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Details under as required under of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
6. Electronic copy of the Notice of the 10<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 10<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
7. Notice of the 10<sup>th</sup> Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website [www.lakhotiapoly.in](http://www.lakhotiapoly.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@lakhotiapoly.in](mailto:info@lakhotiapoly.in)
8. Mrs. Monika Kothari (M.S Kothari & Associates) Practicing Chartered Accountant (Membership No. 137777) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
9. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 10<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
10. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
11. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lakhotiapoly.in](http://www.lakhotiapoly.in) immediately after the declaration of result by Chairman of the Company and the same will be communicated to the BSE Limited.

12. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

### 13. VOTING BY ELECTRONIC MEANS

- (i) The voting period begins on September 26, 2015 (9:00 am) and ends on September 29, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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



Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for “Lakhotia Polyesters (India) Limited” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 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.
- (xix) 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).

**BY ORDER OF THE BOARD  
FOR LAKHOTIA POLYESTERS (INDIA) LIMITED.**

**Sd/-  
Madhusudan Lakhota  
(Chairman & Managing Director)  
Place: Nashik  
Date: September 03, 2015**

LAKHOTIA POLYESTERS (INDIA) LIMITED  
Regd. Office : 158/159 SamarthaSahkariaudyogik  
Vasahat Ltd, Pimpal- Gaon (Baswant)  
Tal NiphadDistNashik – 422209

Encl: Proxy Form

**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013.**

**Item No 4**

Mr. Krishna Jhavar was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on May 30, 2015 and holds office till the date of the Tenth Annual General Meeting of the Company and is eligible for appointment. Mr. Krishna Jhavar is a Chartered Accountant. The Company has received a notice in writing from a Member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Krishna Jhavar as Director.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution except Mr. Krishna Jhavar if any, in the Company.

The Board recommends the resolution set forth in Item No.4 for the approval of the Members.

**Item No 5**

Mr. Madhusudan Lakhota (DIN: 00104576), who has been appointed as the Managing Director of the Company and whose term has been expired, being proposed for re-appointment for a further period of 5 years as approved and recommended by the Board of Directors in consultation with Nomination and Remuneration Committee of the Board in compliance with Section 196, 197 and 203 of the Companies Act, 2013 and as per provisions of the Listing agreement.

The Board at its meeting held on 3<sup>rd</sup> September, 2015, has, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members and the Central Government (if required), re-appointed Mr. Madhusudan Lakhota as the Managing Director of the Company, for a period of Five (5) years commencing from 3<sup>rd</sup> September, 2015. As per the requirement of section 196 and 197 of the Companies Act, 2013 read with Schedule V and the Companies (Appointment of Key Managerial Personnel) Rules, 2014, the above appointment shall be approved by the shareholders in their meeting.

A copy of the Agreement entered between Mr. Madhusudan Lakhota and the Company shall be kept open for inspection by the members of the Company at the Registered office of the Company during working hours from 10.a.m to 6.30.p.m. on Weekdays prior to the date of the Meeting and during the Meeting.

None of the Directors/ Key Managerial Personnel's of the Company/their relatives except Mr. Madhusudan Lakhota and Mrs. Jayshree Lakhota are in anyway, concerned or interested, financially or otherwise in the said appointment except to the extent of their shareholding in the Company.

Your Directors therefore recommends the said resolution and your approval is sought by passing of an Special resolution.

The principle terms and conditions of the appointed as entered into agreement between the Company and Mr. Madhusudan Lakhota are as follows:

1. Term of Appointment : 5 Years
2. Period : 3<sup>rd</sup> September, 2015 – 2<sup>nd</sup> September 2020

3. Remuneration :

Sr. no	Description	Particulars
1	a. Annual Salary	Rs. 4,80,000/-
	b. Annual Bonus	Nil
2	Deduction of Tax at Source	Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.
4	Benefits/facilities: I. Housing: II. Car and Driver: III. Gas, Electricity & Water charges for the house: IV. Telephone: V. Club Membership: VI. Security and Gardener Maintenance at the house: VII. Satellite TV: VIII. Medical Reimbursement: IX. Gratuity:	NIL
5	End of Contract	The contract of employment may be terminated by either party upon notice of 12 months, to expire at the end of a calendar quarter

**BY ORDER OF THE BOARD  
FOR LAKHOTIA POLYESTERS (INDIA) LIMITED.**

**Sd/-  
Madhusudan Lakhotia  
(Chairman & Managing Director)  
Place: Nashik  
Date: September 03, 2015**

**LAKHOTIA POLYESTERS (INDIA) LIMITED**  
Regd. Office : 158/159 SamarthaSahkariaudyogik  
Vasahat Ltd, Pimpal- Gaon (Baswant)  
Tal NiphadDistNashik – 422209

Encl: Proxy Form

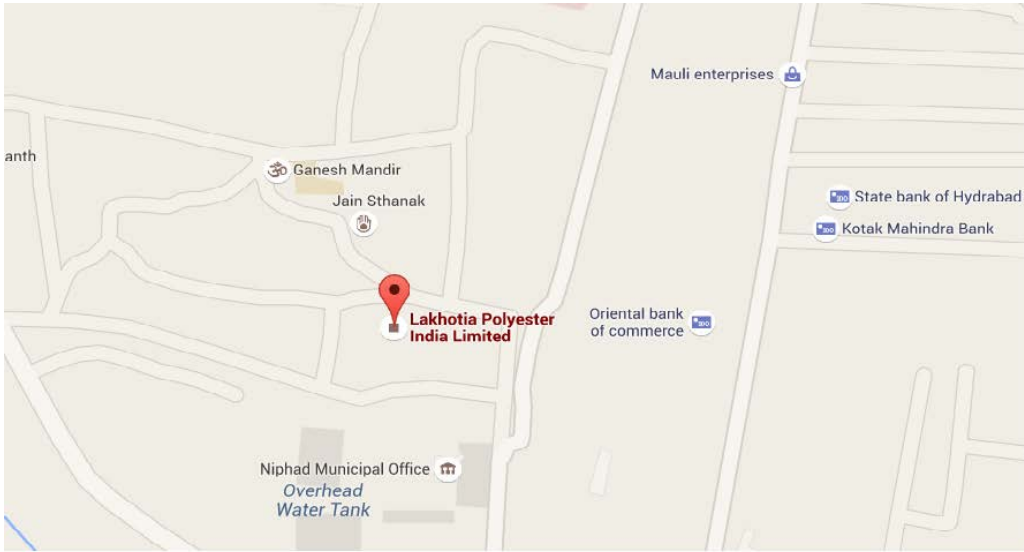
## ANNEXURE TO ITEM NOS. 2, 4 and 5 OF THE NOTICE

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

Name of Director	Mr. Madhusudan Lakhotia	Mr. Krishna Jhawar	Ms Jayshree Lakhotia
Date of Birth	September 04, 1981	April 07, 1984	October 03,1982
Nationality	Indian	Indian	Indian
Date of First Appointment on the Board	August 05, 2005	May 30, 2015	July 24, 2012
Qualifications	MBA (Finance)	Chartered Accountant	Bachelor of Commerce from Maharshi Dayanand Saraswati University, Ajmer.
Expertise in specific functional Areas	Manufacturing and Marketing	Accountancy and Taxation	Day to day Management Process
No. of Shares held in the Company (as on March 31, 2015)	14,09,380	Nil	1,55,064
List of Directorships held in other Companies	-	-	-
Chairman/Member in the Committee of the Boards of Companies in which he is a Director	Member of Audit Committee and Chairman of Risk Management Committee	-	-
Terms and Conditions of Appointment/re- appointment	Section 149, 152 and other applicable provisions of Companies Act, 2013	Section 149, 152 and other applicable provisions of Companies Act, 2013	Section 152 and other applicable provisions of Companies Act, 2013
Remuneration paid (Paid in the last year)	Rs. 4,80,000	Not Applicable	Rs. 2,40,000

Relationship with other Directors	Husband of Ms Jayshree Lakhotia, Director	Not Applicable	Wife of Mr. Madhusudan Lakhotia, Managing Director
No. of Board Meetings attended in FY 2014-15	30 <sup>th</sup> May 2014, 13 <sup>th</sup> June, 2014, 10 <sup>th</sup> July 2014, 28 <sup>th</sup> July, 2014, 14 <sup>th</sup> October 2014, 12 <sup>th</sup> January, 2015, 30 <sup>th</sup> March 2015 and 31 <sup>st</sup> March, 2015	Not Applicable (Appointed on May 30, 2015)	30 <sup>th</sup> May 2014, 13 <sup>th</sup> June, 2014, 10 <sup>th</sup> July 2014, 28 <sup>th</sup> July, 2014, 14 <sup>th</sup> October 2014, 12 <sup>th</sup> January, 2015, 30 <sup>th</sup> March 2015 and 31 <sup>st</sup> March, 2015

## ROUTE MAP TO THE AGM VENUE



### Registered Office :

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

## DIRECTORS REPORT

To,  
The Shareholders,  
Lakhotia Polyesters India Limited.

Your Directors have pleasure in presenting the 10th Annual Report of your Company along with the Audited Statement of Accounts for the Period ended 31<sup>st</sup> March, 2015

The Directors are pleased to present the 10<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

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

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

Particulars	FINANCIAL YEAR	
	2014-15	2013-14
Sales	135,701,165/-	95,911,188/-
Other Income	0/-	126,467/-
<b>Total Income</b>	135,701,165/-	96,037,655/-
Less: Expenditure	128,582,832/-	90,425,335/-
Profit Before Finance Cost, Depreciation & Tax	71,18,333/-	5,612,320/-
Less: Finance Cost	3,747,705/-	3,961,317/-
Less: Depreciation	1,505,178/-	923,426/-
<b>Net Profit Before Tax</b>	1,865,450/-	727,577/-
Add: Extraordinary Income	0/-	960,612/-
Less :Current Tax Expense	913,159/-	233,474/-
Add/(Less) :Deferred Tax Adjustments	183,389/-	13,771/-
<b>Net Profit After Tax</b>	1,135,680/-	1,440,944/-

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

During the current period of operation, your company has shown an increase in the revenue to the extent of 41.49 % from Rs 959.11 Lakhs during FY 2013-14 to Rs 1357.01 Lakhs during FY 2014-15. Profit after Tax of the company has decreased to Rs 11.13 lakhs during FY 2014-15 as compared to Rs 14.40 Lakhs during FY 2013-14.

### **3. FINANCIAL YEAR**

This report of Directors along with its Annexure, Management Discussion and Analysis, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 01, 2014 to March 31, 2015 (a period of 12 months). Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, a 'financial year' in relation to the Company means the period ending on the 31st day of March every year, in respect whereof financial statement of the Company is made.

Your Company in compliance with the provisions of the Companies Act, 2013.



#### **4. SHARE CAPITAL**

During the period April 01, 2014 to March 31, 2015, there is a change in the Issued, Subscribed and paid up share Capital of your Company pursuant to bonus issue in the ratio of 18:10 to the shareholders. The Share Capital Audit as per the directives of the Securities and Exchange Board of India (SEBI) is being conducted by Ranjana Mimani & Associates, Practicing Company Secretaries. The Equity Shares of your Company are listed on Bombay Stock Exchange in India viz. BSE Limited (BSE) and the Company has entered into Listing Agreement with the Stock Exchange. As per Clause 50C of the SME Listing Agreement, the said Share Capital Audit reports are duly forwarded to the Stock Exchanges where the Company's Equity Shares are Listed. The paid up Share Capital of the Company stands at Rs. 104,739,880/- (Rupees Ten Crores Forty Seven Lakhs Thirty Nine Thousand Eight Hundred and Eighty Only).

#### **5. DIVIDENDS**

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

#### **6. RESERVES**

No Amount has been transferred by the Company to Reserve during the Year.

#### **7. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year viz. March 31, 2015 and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Director had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **8. PUBLIC DEPOSITS**

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

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

During the Financial Year 2014-15, the Board of Directors of the Company met 8 times on 30<sup>th</sup> May 2014, 13<sup>th</sup> June, 2014, 10<sup>th</sup> July 2014, 28<sup>th</sup> July, 2014, 14<sup>th</sup> October 2014, 12<sup>th</sup> January, 2015, 30<sup>th</sup> March 2015 and 31<sup>st</sup> March, 2015. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Listing Agreement entered into by the company with the Stock Exchanges. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2015.

#### **10. EXTRACT OF ANNUAL RETURN**

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

#### **11. PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure II**

#### **12. AUDIT COMMITTEE**

The composition of Audit Committee is as follows:

<b>Name of Directors</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>
Mr. Vicky Jain	Chairman	Independent Director
Mr. Shailesh Mistry	Member	Independent Director
Mr. Madhusudan Lakhotia	Member	Managing Director

During the Financial Year 2014-15, Audit Committee met 4 times on 30<sup>th</sup> May, 2014, 10<sup>th</sup> July, 2014, 14<sup>th</sup> October, 2014 and 12<sup>th</sup> January, 2015. All the recommendations made by the audit committee were accepted by the Board. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Listing Agreement entered into by the company with the Stock Exchanges.

#### **13. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

All the Independent Non-Executive Directors of the Company viz. Mr. Vicky Jain, Mr. Sajan Choudhary and Mr. Shailesh Mistry, have submitted the declaration of independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of Listing Agreement.

#### **14. NOMINATION AND REMUNERATION COMMITTEE**

The Company follows a policy on "Nomination and Remuneration of Directors, Key managerial Personnel and Senior Management". The Policy adopted by the Company's Nomination and Remuneration Committee is as per **Annexure III**.

#### **15. CONTRACTS AND ARRANGEMENT WITH RELATED PARTY**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. **Form AOC 2** is attached as **Annexure IV** to this report.

#### **16. MANAGEMENT DISCUSSION AND ANALYSIS**

As required under Listing Agreements with the Stock Exchanges, the Management Discussion and Analysis Report is annexed herewith the Annual Report.

## **17. STATUTORY AUDITORS**

The Statutory Auditors of the Company are M/s. Sabadra & Sabadra, Chartered Accountants having ICAI Firm Registration Number 108921W, have audited the Financial Statements of the Company for the period April 01, 2014 to March 31, 2015. The Statutory Auditors were appointed by the members of the Company at the 09<sup>th</sup> Annual General Meeting of the Company held on July 16, 2014 to audit the Financial Accounts of the Company. Their term in the office of Statutory Auditors concludes at the ensuing Annual General Meeting and pursuant to provisions of Section 139 of the Companies Act, 2013 read along with the applicable rules framed thereunder, M/s. Sabadra & Sabadra are eligible for re-appointment.

M/s. Sabadra & Sabadra have expressed their willingness to get re-appointed as the Statutory Auditors of the Company and have furnished a certificate of their eligibility and consent under section 141 of the Companies Act, 2013 and the rules framed thereunder to hold the office of Statutory Auditors of the Company. As per the requirements of the Listing Agreement, M/s. Sabadra & Sabadra have vide letter confirmed that they hold a valid certificate. The Board on recommendation of Audit Committee have recommended the members of the Company, for appointment of M/s. Sabadra & Sabadra, as the Statutory Auditors of the Company for a term of 4 years, subject to ratification of members at every consequent Annual General Meeting.

## **18. SECRETARIAL AUDITORS**

The Board of Directors vide their meeting held on March 31, 2015 have appointed M/s R. M Mimani & Associates as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2014-15. The Secretarial Audit Report issued by M/s R. M Mimani & Associates, Company Secretaries in Practice is self explanatory and does not call for further comments. The Secretarial Audit Report and management reply on qualifications in the said report forms a part of Directors Report in **Annexure V**.

## **19. BUSINESS RISK MANAGEMENT**

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

## **20. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **I. Conservation of Energy**

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

### **II. Technology Absorption**

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

### **III. Foreign Exchange Earnings and Outgo**

The Company has not incurred in foreign currency during the financial year 2014-15.

## **21. CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company i.e. [www.lakhotiapoly.in](http://www.lakhotiapoly.in). The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March, 31, 2015.

## **22. 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.

## **23. INTERNAL FINANCIALS CONTROLS**

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

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

Mrs. Jayshree Lakhotia retires by rotation at the ensuing Annual General Meeting under the applicable provisions of Companies Act, 2013, Mrs. Jayshree Lakhotia being eligible and offering herself for appointment, is proposed to be appointed as an Executive Director.

Mr. Krishna Jhawar, who was appointed as Additional Director, is proposed to be appointed as Director, liable to retire by rotation in the ensuing Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

## **25. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Compliance Committee, Nomination and Remuneration Committee and Stakeholders Relation Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

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

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

- Number of complaints received: NIL
- Number of complaints disposed off: NIL

## **27. PARTICULARS OF EMPLOYEES**

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

## **28. CORPORATE GOVERNANCE**

The Securities and Exchange Board of India vide its Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, has clarified the applicability of Clause 49 Corporate Governance on Listed Companies, as per the aforesaid circular Clause 49 and its annexure are not applicable on your Company. However, the Company has made efforts to provide the information in the Director's Report and the Corporate Governance Report as per the Listing Agreement. A report on Corporate Governance is a part of the Annual Report containing the details of Directors remuneration along with the additional information to the extent possible with the Company as a matter of prudence and good governance.

## **29. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report under requirements of Clause 52 of the SME Listing agreement forms part of this Annual Report for the year ended 31st March 2015.

## **30. AUDITORS' REPORT**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **31. VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy has been uploaded on the Company's Website i.e [www.lakhotiapoly.in](http://www.lakhotiapoly.in)

## **32. PARTICULARS OF LOANS GIVEN, OR INVESTMENTS MADE**

Particulars of loans given, investments made, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to the standalone financial statement).

## **33. HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## **34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

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

### **35. LISTING WITH STOCK EXCHANGES**

The Company is listed on BSE SME segment. The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

### **36. ACKNOWLEDGEMENTS**

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Regulatory Authorities, Company's Bankers, Customers, Shareholders and other business constituents during the year under review.

The Directors also wish to place on record their appreciation for all round co-operation and contribution made by employees at all levels.

**By Order of the Board of Director**

**Date: September 03, 2015**

**Place: Nashik**

**Sd/-**

**Madhusudhan Lakhotia  
(Managing Director)**

**Sd/-**

**Jayshree Lakhotia  
(Executive Director)**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)**  
**of the Company (Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17120MH2005PLC155146
2.	Registration Date	05/08/2005
3.	Name of the Company	LAKHOTIA POLYESTERS (INDIA) LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5.	Address of the Registered Office and Contact details	158/159 SamarathaSahkariAydyogikVasahat Ltd. Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 Tel: +91 2550-252300Fax: +91 2550-252300 Website: www.lakhotiapoly.in Email: <a href="mailto:info@lakhotiapoly.in">info@lakhotiapoly.in</a> CIN : L17120MH2005PLC155146
6.	Whether listed company	YES
7.	Name, Address & contact details of The Registrar & Transfer Agent, if any.	Sharex Dynamics (India) Pvt. Ltd. Unit No.1, Luthra Ind. Premises. 1st Floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr No	Name and Description of Product or Service	NIC Code of Product/Service	% of Total Turnover of the Company
1.	17297	Mfc. Metallized Yarn	85.89
2.	17121	Gery Cloth Manuf.	14.11

c

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

## i. Category-wise Shareholding

Category of Shareholders	No. Of Shares held at the beginning of the year (As on 31 <sup>st</sup> March, 2014)				No. Of Shares held at the end of the year (As on 31 <sup>st</sup> March , 2015)				% Chang during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	11,88,710	-	11,88,710	31.78	33,28,388	-	33,28,388	31.78	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp					-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>11,88,710</b>	<b>-</b>	<b>11,88,710</b>	<b>31.78</b>	<b>33,28,388</b>	<b>-</b>	<b>33,28,388</b>	<b>31.78</b>	<b>-</b>
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-



k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Market Maker	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian	23,60,000	-	23,60,000	63.09	66,23,136	-	66,23,136	63.23	+0.15
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,36,000	-	1,36,000	3.64	9,664		9,664	0.09	-3.55
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	56,000	-	56,000	1.50	5,12,800		5,12,800	4.90	+3.40
c) Others	-	-	-	-	-	-	-	-	-

HUF									
<b>Sub-total(B)(2)</b>	<b>25,52,000</b>	<b>-</b>	<b>25,52,000</b>	<b>68.22</b>	<b>71,45,600</b>	<b>-</b>	<b>71,45,600</b>	<b>68.22</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>25,52,000</b>	<b>-</b>	<b>25,52,000</b>	<b>68.22</b>	<b>71,45,600</b>	<b>-</b>	<b>71,45,600</b>	<b>68.22</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total A+B+C)</b>	<b>37,40,710</b>	<b>-</b>	<b>37,40,710</b>	<b>100</b>	<b>1,04,73,988</b>	<b>-</b>	<b>1,04,73,988</b>	<b>100</b>	<b>-</b>

### ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2014			Shareholding at the end of the year i.e March 31, 2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Madhusudan Shyamsunder Lakhota HUF	72,500	1.94	-	2,03,000	1.94	-	-
2.	Shymasunder Dhanraj Lakhota HUF	96,920	2.59	-	2,71,376	2.59	-	-
3.	Dhanraj Nihalchand Lakhota	69,230	1.85	-	1,93,844	1.85	-	-
4.	Madhusudan S Lakhota	5,03,350	13.46	-	14,09,380	13.46	-	-
5.	Shyamsunder D Lakhota	1,28,250	3.43	-	3,59,100	3.43	-	-
6.	Jayshree Lakhota	55,380	1.48	-	1,55,064	1.48	-	-
7.	Kanchandevi Shyamsunder Lakhota	2,63,080	7.03	-	7,36,624	7.03	-	-
	<b>Total</b>	<b>11,88,710</b>	<b>31.78</b>	<b>-</b>	<b>33,28,388</b>	<b>31.78</b>	<b>-</b>	<b>-</b>

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

Sr. no	Name of the Promoter	Shareholding at the beginning of the year (April 01, 2014)		Cumulative Shareholding during the year (March 31, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Madhusudan Shyamsunder Lakhotia HUF	72,500	1.94	2,03,000	1.94
2	Shymasunder Dhanraj Lakhotia HUF	96,920	2.59	2,71,376	2.59
3	Dhanraj Nihalchand Lakhotia	69,230	1.85	1,93,844	1.85
4	Madhusudan S Lakhotia	5,03,350	13.46	14,09,380	13.46
5	Shyamsunder D Lakhotia	1,28,250	3.43	3,59,100	3.43
6	Jayshree Lakhotia	55,380	1.48	1,55,064	1.48
7	Kanchandevi Shyamsunder Lakhotia	2,63,080	7.03	7,36,624	7.03

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

Sr. no	Name of Shareholder	Shareholding at the beginning of the year i.e April 01, 2014		Cumulative Shareholding during the year i.e March 31, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanwaria Vincomm Private Limited	1100000	29.41	3080000	29.41
2.	Sanjoyog Trade-Link Private Limited	616000	16.47	1724800	16.47
3.	Madhusudan S Lakhotia	503350	13.46	1409380	13.46
4.	Intensive Softshare Pvt.Ltd.	272000	7.27	961600	9.18
5.	Shatrunjaya Estates Private Limited	300000	8.02	840000	8.02
6.	Kanchandevi S Lakhotia	263080	7.03	736624	7.03
7.	Shyamsunder D Lakhotia	128250	3.43	359100	3.43
8.	Shyamsunder Dhanraj Lakhotia-HUF	96920	2.59	271376	2.59

9.	Madhusudan Shyamsunder Lakhotia HUF	72500	1.94	203000	1.94
10.	Dhanraj NihalchandLakhotiya	69230	1.85	193844	1.85

v.Shareholding of Directors and Key Managerial Personnel

Sr. no		Shareholding at the beginning of the year (April 01, 2014)		Cumulative Shareholding during the year (March 31, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr.Madhusudan Lakhotia	5,03,350	13.46	14,09,380	13.46
2.	Mrs.Jayshree Lakhotia	55,380	1.48	1,55,064	1.48
3.	Mr.KrishnakumarJhawar	-	-	-	-
4.	Mr.SajanChoudhary	-	-	-	-
5.	Mr.ShaileshMistry	-	-	-	-
6.	Mr. Vicky Jain	-	-	-	-

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29890299.30	6584669.00	-	36474968.00
ii) Interest due but not paid	0.00	0.00	-	0.00
iii) Interest accrued but not	0.00	0.00	-	0.00
Total(i+ii+iii)	29890299.30	6584669.00		36474968.00
Change in Indebtedness during the financial year				
- Addition	93355467.97	2498459.00	-	95853926.97
- Reduction	94190840.00	6815437.00	-	101006277.00
Net Change	(835372.03)	(4316978.00)		(5152350.03)
Indebtedness at the end of the financial year				
i) Principal Amount	29054927.27	2152791.00	-	31207718.27
ii) Interest due but not paid	0.00	0.00	-	0.00
iii) Interest accrued but not	0.00	114899.700	-	114899.700

due				
Total (i+ii+iii)	29054927.27	2267690.700		31322617.27

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Madhusudan Lakhotia - Managing Director	* Mr. Harish Khajanchi- Executive Director	Mrs. Jayshree Lakhotia- Executive Director	Total Amount
1.	Gross salary	4,80,000.00	3,00,000.00	2,40,000.00	10,20,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00
	- others specify...	0.00	0.00	0.00	0.00
5.	Others please specify (Int)	0.00	0.00	0.00	0.00
6.	Total (A)	4,80,000.00	3,00,000.00	2,40,000.00	10,20,000.00
	Ceiling as per the Act	Not Exceeding 42 Lakhs Yearly			

\* Mr Harish Khajanchi ceased to be an Executive Director with effect from 30<sup>th</sup> May, 2015.

**B.Remunerationtootherdirectors:**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Sajan Choudhary (Independent Director)	Mr. Shailesh Mistry (Independent Director)	Mr. Vicky Jain (Independent Director)	
	Independent Directors	0.00	0.00	0.00	0.00
	- Fee for attending board committee meetings	20,000	0.00	0.00	20,000
	- Commission	0.00	0.00	0.00	0.00
	- Others please specify	0.00	0.00	0.00	0.00
	Total(1)	20,000.00	0.00	0.00	20,000
	Other Non-Executive Directors	NA	NA	NA	NA
	· Fee for attending board committee meetings				
	· Commission				
	· Others, please specify				
	Total(2)				
	Total(B)=(1+2)	20,000.00	0.00	0.0	0.00
	Total Managerial Remuneration	20,000.00	0.00	0.0	20,000
	Overall Ceiling as per the Act	Not Exceeding 42 Lakhs Yearly			

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

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

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A.Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B.Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## ANNEXURE II

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirement	Disclosure
1	The ratio of the remuneration of director to the median remuneration of the employees for the financial year	Directors were paid 14.48 % of Total Remuneration paid to Median Remuneration of Employees.
2	The percentage increase in remuneration of directors, CFO, CEO, CS in the financial year	Overall Salary of Directors has gone up by 1%
3	The percentage increase in the median remuneration of employees in the financial year	While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company and the group, comparison with peers, industry benchmarking and consideration towards cost of living adjustments and inflation. Average increase in employee remuneration for the FY 2014-15 is 26.55%
4	The number of permanent employees on the rolls of the Company	The Company had 45 employees on the rolls as on March 31, 2015.
5	The explanation on the relationship between average increase in remuneration and Company performance	Profit after Tax of the company has decreased to Rs 11.13 lakhs during FY 2014-15 as compared to Rs 14.40 Lakhs during FY 2013-14 and Average increase in employee remuneration for the FY 2014-15 is 26.55% . The increase in remuneration is on account of industry benchmarking and consideration towards cost of living adjustments and inflation.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Profit after Tax of the company has decreased to Rs 11.13 lakhs during FY 2014-15 as compared to Rs 14.40 Lakhs during FY 2013-14, During the Year under review, Mr. Madhusudhan Lakhotia was Managing Director of the Company and he was paid around Rs. 4,94,350/-.
7	Variations in the market capitalization of the Company Price earnings ratio as at the closing date of the current FY and previous FY Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The market capitalisation as on March 31, 2015 was Rs.12,98,77,451 (Rs 13,42,91,489as on March 31, 2014) Price Earnings ratio of the Company was 114.36 as at March 31, 2015 and was 93.19 as at March 31, 2014 considering the basic EPS of consolidated financial statements. The Company's stock price as at March 31, 2015 has been 12.40 per share having face value of 10/- (Post Bonus) each over the last public offering i.e. IPO at the price of 35/- per share with face value of ` 10/- each. (Pre Bonus)
8	Average percentile increase already made in the salaries of	Average percentile increase in the salaries of employees is 26.55%

	employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Profit after Tax of the company has decreased to Rs 11.13 lakhs during FY 2014-15 as compared to Rs 14.40 Lakhs during FY 2013-14 and Mr. Madhusudan Lakhota was paid remuneration of 4,80,000 per annum.
10	The key parameters for any variable component of remuneration availed by the directors.	The broad factors and guidelines considered for the variable remuneration of directors are: (a) Annual Performance Review of the Directors; and (b) Financial outcomes and profitability of the Company and the group
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

**NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

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

The Board of Directors of Lakhotia Polyesters (India) Limited ("the Company") re-constituted the "Nomination Committee" as "Nomination and Remuneration Committee" at the Meeting held on May 30, 2014 with immediate effect, consisting of three (3) Non-Executive Directors of all are Independent Directors. The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. Objective and purpose of the Policy:

**OBJECTIVE:**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as required under the Listing Agreement. The Key Objectives of the Committee would be:

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

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

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on May 30, 2014.

**DEFINITIONS:**

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

- Such other officer as may be prescribed under the Act.

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

#### **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee on 30th May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

<b>Name of Directors</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajan Choudhary	Member	Independent Director
Mr. Vicky Jain	Member	Independent Director

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

#### **APPLICABILITY**

The Policy is applicable to:

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

#### **ROLE OF COMMITTEE:**

The Committee shall:

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

#### ➤ **Appointment criteria and qualifications:**

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

##### **a) Directors**

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

## **b) Independent Directors**

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

## **c) Senior Management Personnel and KMP**

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

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

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

### **➤ Term / Tenure**

#### **a) Managing Director/Whole-time Director:**

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

#### **b) Independent Director:**

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

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

### **➤ Evaluation**

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

#### **a) Criteria for evaluating Non-executive Board members:**

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

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

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR

Guideline on Performance Management System and Development Plan of the Company.

➤ **Removal**

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

➤ **Retirement**

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

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

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

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

**SITTING FEES**

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

**COMMISSION**

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

**STOCK OPTIONS**

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

**MEMBERSHIP, FREQUENCY OF MEETINGS**

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

**MINUTES OF COMMITTEE MEETING**

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

**COMMUNICATION OF THIS POLICY**

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

#### **AMENDMENT**

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

## ANNEXURE IV

### Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil
  - a. Name(s) of the related party and nature of relationship: N.A.
  - b. Nature of contracts/arrangements/transactions: N.A.
  - c. Duration of the contracts / arrangements/transactions: N.A.
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
  - e. Justification for entering into such contracts or arrangements or transactions: N.A.
  - f. Date(s) of approval by the Board: N.A.
  - g. Amount paid as advances, if any: N.A.
  - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the party	Relation	Amount	Nature of Transaction and approved by Board of Directors
Madhusudan Lakhotia	Director	90,000	Rent paid (Approved by the Board of Directors)
Kanchandevi Lakhotia	Mother of Director	1,80,000	Rent (Approved by the Board of Directors)
Sujata Lakhotia	Daughter of Director	3,25,000	Salary (Approved by the Board of Directors)
Shyamsunder Lakhotia	Father of Director	60,000	Rent (Approved by the Board of Directors)
Madhusudan Lakhotia HUF	HUF of Director	7,13,590	Commission (Approved by the Board of Directors)
Jagdish Fabrics	(Prop. Firm of Shyamsunder Lakhotia)	8,69,562	Job Work (Approved by the Board of Directors)



**Secretarial Audit Report for the financial year ended on March 31, 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule made there-under]

To,

**The Members**

**Lakhotia Polyesters (India) Limited**

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2015 has 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act, 2013) and the Rules made there-under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable for Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) We have relied on the representation made by the Company and its Officers for compliance under the other laws and regulations specifically applicable to the Company and report that the Company has substantially complied with the provisions of those Act that are applicable to the Company, as identified by the Management.

We have also examined compliance with the applicable clause of the Listing Agreements entered into with the Stock Exchanges where the securities of the Company are listed;

**We report that;**

During the financial year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above except:

- a. The Company has not appointment Chief Financial officer and Company Secretary as required in terms of the provision of section 203 of the Act.
- b. The Company has not filed the Cost Compliance report/certificate for the financial year ended on March 31, 2014.

**We further report that;**

There was no action/event in pursuance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; or the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, or the Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008; or the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, requiring compliance thereof by the Company during the financial year and Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) were not applicable during the financial year.

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

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and composition of the Board of Directors is in compliance with the Provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance.

In view of the non-existence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting recorded, decision at the Board meeting have been taken by the majority of Directors. During the financial year no agenda item on which any of the Director dissented.

**We further report that** as per the explanation given to us and representation made by the Management and relied upon by us, there are adequate system and process commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulation and guidelines.

We further report that and in our opinion, the Company has no specific event/action that can have any major bearing on the company during the financial year.

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

**RANJANA MIMANI  
(PARTNER)  
FCS No: 6271  
CP No.: 4234**

**Place: Mumbai  
Dated: August 31, 2015**

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

**Annexure – “A”**

To,

The Members

**Lakhotia Polyesters (India) Limited**

**Nashik**

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

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

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

**RANJANA MIMANI  
(PARTNER)  
FCS No: 6271  
CP No.: 4234**

**Place: Mumbai  
Dated: August 31, 2015**

## MANAGEMENT REPLY FOR QUALIFICATIONS MENTIONED IN THE SECRETARIAL AUDITORS' REPORT

Dear Members,

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

1. The Company has not appointed Chief Financial officer and Company Secretary as required in terms of the provision of section 203 of the Act.

**Management Reply:** The Company has appointed Chief Financial Officer on August 26, 2015. The Company has given newspaper advertisement for requirement of Company Secretary in the Financial Year 2014-15. However the Company could not find suitable Candidate for the appointment. The Company is in process of appointing Company Secretary.

2. The Company has not filed the Cost Compliance report/certificate for the financial year ended on March 31, 2014.

**Management Reply:** The Company is in the process of filing the Cost Compliance Report / Certificate.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview:**

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

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

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

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

### **Operational Performance**

During the current period of operation, your company has shown an increase in the revenue to the extent of 41.49 % from Rs 959.11 Lakhs during FY 2013-14 to Rs 1357.01 Lakhs during FY 2014-15. Profit after Tax of the company has decreased to Rs 11.13 lakhs during FY 2014-15 as compared to Rs 14.40 Lakhs during FY 2013-14.

### **Outlook**

Indian economy is adversely affected by persistent inflation over the last few years. The rising incomes propped the purchasing power of the population, driving consumption demand in sectors, where supply lagged particularly, in food-grain and non-food-grain commodities, Sharp increase in international prices of fuels also contributed to inflationary pressure. The Government has been going very slow on various reforms, expected by large investors and market. Market participants were particularly concerned about subsidies—fertilizer, food and fuel; falling rupee against dollar; widening current account and fiscal deficits. Net Buys by the Foreign Institutional investors have been declining during the year as compared to these of the earlier years. Economic situations in Euro Zone countries and other priced the Capital Market towards losses.

### **Risk & Concerns**

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

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

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

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

### **Human Resource Development**

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

### **Cautionary Statement**

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

**Date: September 03, 2015**

**Place: Nashik**

**By Order of the Board of Directors**

**Sd/-**

**Madhusudhan Lakhotia**

**Managing Director**

## **CORPORATE GOVERNANCE REPORT**

### **Corporate Governance**

The Company is fully compliant with the mandatory requirements of Clause 52 of the Listing Agreement formulated by Securities and Exchange Board of India and Stock Exchanges. The Company presents its report on compliance of governance conditions specified in Clause 52 of the Listing Agreement.

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

Your Company believes that Corporate Governance is powerful medium to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

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

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

Three- Executive Directors

Three- Independent Directors

##### **A) The Constitution of the Board as on March 31, 2015**

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

Sr. No.	Directors	Category	No. of Other Directorship		No. of Other Committee positions	
			Public	Private	Member	Chairman
1	Mr.Madhusudan Lakhotia	Managing Director	0	0	1	1
2	Mrs.Jayshree Lakhotia	Executive Director	0	0	0	0
3	Mr.KrishnakumarJhawar	Executive Director	0	0	0	0
4	Mr.SajanChoudhary	Independent Director	0	0	2	0
5	Mr.ShaileshMistry	Independent Director	0	0	2	2
6	Mr. Vicky Jain	Independent Director	0	1	3	1

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) 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 audio



visual 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.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly un-audited financial statements and the audited annual financial statements, corporate strategies, Company's performance, business plans, annual budgets, projects and capital expenditure, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines as per the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively. The dates of meeting were generally decided well in advance, enabling the Director to keep the day reserved for the meeting.

### **C) Board Training and Familiarisation Program**

At the time of appointing a Director, a formal letter of appointment is given. The Directors are familiarised with the History, Vision and Mission of the Company and also explained in details the compliances required from them under Companies Act, 2013, Clause 52 of Listing Agreement 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 fulfill his role as a Director of the Company.

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

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Category of Directorship</b>	<b>No. of Board Meeting Attended</b>	<b>Attendance at the Last AGM held on 16.07.2014</b>
1	Mr.Madhusudan Lakhotia	Chairman and Managing Director	8	Present
2	Mrs.Jayshree Lakhotia	Executive Director	8	Present
3	Mr. Harish Khajanchi	Executive Director	8	Present
4	Mr.SajanChoudhary	Independent Director	8	Present
5	Mr.ShaileshMistry	Independent Director	8	Present
6	Mr. Vicky Jain	Independent Director	8	Present

During the Financial Year 2014-15, Eight meeting of the Board of Directors were held on the following dates : 30<sup>th</sup> May 2014, 13<sup>th</sup> June, 2014, 10<sup>th</sup> July 2014, 28<sup>th</sup> July, 2014, 14<sup>th</sup> October 2014, 12<sup>th</sup> January, 2015, 30<sup>th</sup> March 2015 and 31<sup>st</sup> March, 2015

### E) Reappointment of Directors:

Mrs Jayshree Lakhota retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment at the ensuing Annual General Meeting. Mr. Krishna Jhawar who was appointed as Additional Director on May 30, 2015, is proposed to be appointed as Director, liable to retire by rotation. The same is set out in the Notice and Explanatory Statement.

### 3. COMMITTEES OF THE BOARD

#### a) Audit Committee

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.

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act. The committee functions as prescribed under Section 177 of the Companies Act, 2013 and Clause 52 of the listing agreement. The members of the committee at present are:

Name of Directors	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Vicky Jain	Chairman	Independent Director	4	4
Mr. Shailesh Mistry	Member	Independent Director	4	4
Mr. Madhusudan Lakhota	Member	Managing Director	4	4

During the Financial Year 2014-15, Audit Committee met 4 times on May 30 2014, July 10 2014, October 14 2014 and January 12 2015.

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

The Committee's terms of reference powers, role and functions are as stipulated in Clause 52 of the Listing Agreement and under Section 177 of the Companies Act, 2013.

#### b) Stakeholders Relationship Committee – (Constituted as Shareholders / Investors' Grievances & Share Transfer Committee)

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

The objective of the Committee is to look after various stakeholders' grievances and speedy disposal of the same. Company has constituted a Shareholders'/Investors' Grievance Committee. The committee is formed to specifically look into the redressal of shareholder and investor complaints.

The members of the committee at present are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajjan Choudhary	Member	Independent Director
Mr. Vicky Jain	Member	Independent Director

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

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

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

**Mr. Vivek Rathi**

158/159 SamarathaSahkariAudyogikVasahat Ltd.

Pimpal- Gaon (Baswant),

Tal Niphad, District Nashik,

Maharashtra- 422209

Tel: +91 2550-252300

Fax: +91 2550-252300

Email address: info@lakhotiapoly.in

**Status of Complaints received, resolved and pending as on 31st March, 2015**

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

**c) 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 are:

Name of Directors	Designation in the Committee	Nature of Directorship
Mr. Shailesh Mistry	Chairman	Independent Director
Mr. Sajan Choudhary	Member	Independent Director
Mr. Vicky Jain	Member	Independent Director

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

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

**d) Risk Management Committee**

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. Risk Management Committee comprises of:

<b>Name of Directors</b>	<b>Designation in Committee</b>	<b>Nature of Directorship</b>	<b>Total Meetings Held during the Year</b>	<b>Meetings Attended by the Member</b>
Mr. Madhusudhan Lakhotia	Chairman	Managing Director	2	2
Mr. Shailesh Mistry	Member	Non-Executive & Independent	2	2
Mr. Vicky Jain	Member	Non-Executive & Independent	2	2

**e) Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 30, 2015, inter alia, to discuss and review:

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

**4. POLICY ON DISCLOSURE AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

Mr. Madhusudhan Lakhotia, Managing Director is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**5. CEO / CFO CERTIFICATE**

The Managing Director of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Clause 52 of the Listing Agreement. The annual certificate given by the Managing Director is published in this Report.

## 6. 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
2013-14	16.07.2014	Wednesday	2.30 PM	158/159 SamarathaSahkariAudyogikVasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2012-13	Sept 13, 2013	Friday	2.30 PM	158/159 SamarathaSahkariAudyogikVasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India
2011-12	Sept 29, 2012	Saturday	11:00 AM	158/159 SamarathaSahkariAudyogikVasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209, Maharashtra, India

## 7. Disclosures:

### a) Related Party Transaction:

The Company had entered into any transaction of a material nature, which are stated in Form AOC 2 which forms part of Directors Report.

### b) Statutory Compliance, Penalties and Strictures :

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

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

### c) Whistle Blower Policy:

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

### d) Reconciliation of Share Capital Audit:

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National

Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

**e) Compliance with mandatory requirements of Clause 52**

The Company has complied with the mandatory requirements of Clause 52 of the BSE SME Listing agreement and submits on quarterly/half yearly/yearly basis the quarterly/ half yearly/yearly reports to the concerned Stock Exchanges.

**f) Means Of Communication**

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

**g) Status of Compliance with non-mandatory requirements:**

**i. The Board:**

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

**ii. Nomination and Remuneration Committee:**

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

**iii. Shareholders' Right:**

The Company has posted its half yearly and annual financial results on its website i.e [www.lakhotiapoly.in](http://www.lakhotiapoly.in)

**iv. Audit Qualification:**

There are no audit qualifications in the financial statements for the financial year 2014-15. Standard practices and procedures are followed to ensure unqualified financial statements.

## 8. General Shareholders Information:

### (i) Annual General Meeting

Date and Time	Wednesday, 30 <sup>th</sup> September, 2015 at 11 a.m.
Venue	158/159 SamarathaSahkariAudyogikVasahat Ltd., Pimpal- Gaon (Baswant), Tal.- Niphad, Nashik – 422209

### (ii) Other Details

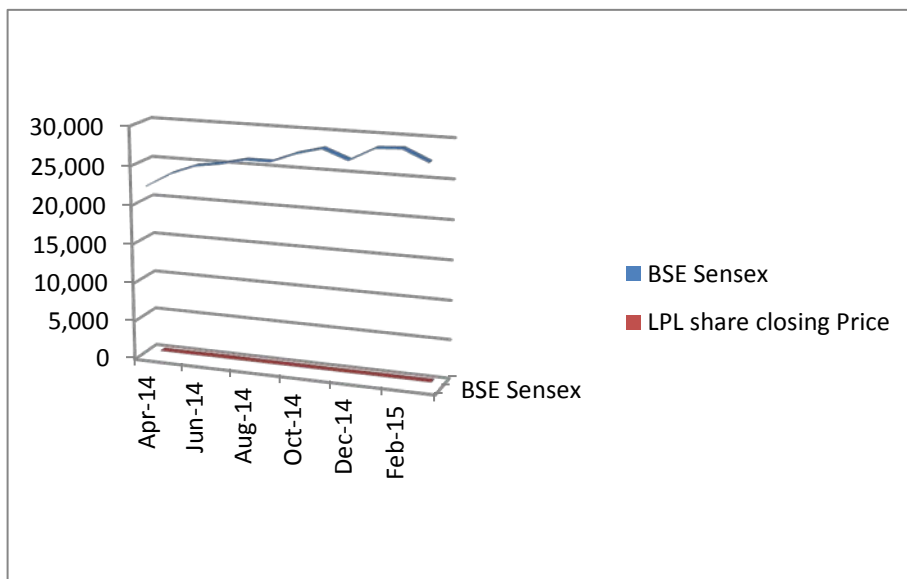
a)Financial Year	The Financial Year of the Company is from 1st April to 31st March of the following year.
b)Book Closure Date	24 <sup>th</sup> September 2015 to 30 <sup>th</sup> September (both inclusive)
c)Listing on stock exchange	BSE Limited
d)Scrip Code / Symbol	535387/ LPL
e)NSDL/CDSL - ISIN	INE191O01010
f) CIN Number	L17120MH2005PLC155146
g) Registrar and Share Transfer Agent	<b>Sharex Dynamic (India) Private Limited</b> Unit No.1, Luthra Ind. Premises. 1st Floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072

### (iii) Stock Market Data \*:

Month	The Month High and Low Prices during the year at Bombay Stock Exchange	
	High (In Rs.)	Low (In Rs.)
April ,2014	No trading	No trading
May, 2014	No trading	No trading
June, 2014	40.80	34.00
July, 2014	34.70	34.70
August, 2014	No trading	No trading
September, 2014	11.20	11.10
October, 2014	11.00	11.00
November, 2014	No trading	No trading
December, 2014	No trading	No trading
January, 2015	10.50	10.50
February, 2015	No trading	No trading
March, 2015	12.40	11.75

*\*There was a Bonus Issue made by the Company in the month of the July, 2014 in the ratio 18:10 and the share market price is adjusted accordingly.*

(iv) **Lakhotia Polyesters (India)Limited share price versus the BSE Sensex\*\*:**



\*\*Source BSE

\*\*When the last date of month is holiday or the stock is not traded, prices of the previous day have been considered.

\*\*When the share trading has not been happen in any month, previous month's closing price has been considered for that month's closing price.

(v) **Share holding pattern of the Company as on 31.03.2015:**

Sr.	Category	No. of Shares	% (Percentage)
1	Promoters (Including Promoters Body Corporate)	33,28,388	31.78
2	Body Corporate	66,23,136	63.23
3	Resident Individuals and HUF	5,22,464	4.99
4	Clearing Members	Nil	Nil
	<b>TOTAL</b>	<b>1,04,73,988</b>	<b>100.00</b>

(vi) **Distribution of Shareholding as on 31.03.2015:**

No. of Shares held	No. of Shareholders	%	No. of Shares	%
1 to 5000	5	1.64	1	0.00
10001 to 20000	3	4.92	4000	0.04
20001 to 30000	1	1.64	2736	0.03
50001to 100000	1	1.64	8463	0.08
100001 onwards	55	90.16	10458788	99.85

(vii) **Share Transfer System:**

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



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

**(viii) Dematerialisation of Shares:**

As on 31st March, 2015, a total of 1,04,73,988 Equity shares are in dematerialized form representing 100% of total issued, subscribed and paid - up share capital of the Company,. The Equity Shares of the Company are regularly traded on BSE Limited.

**(ix) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:**

Nil

**(x) Plant Locations:**

<b>Location</b>	<b>Activity</b>
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

**17. Address for Correspondence:-**

**Company:**

**Lakhotia Polyesters (India) Limited**

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

**Registrar and Share Transfer Agent:**

**Sharex Dynamic (India) Private Limited**

Unit No.1, Luthra Ind. Premises.  
1st Floor, 44-E, M Vasanti Marg,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400 072

## **DECLARATION**

As provide under Clause 52 of the Listing Agreement with the Stock Exchange, all Board members and senior management personnel have affirmed compliance with Lakhotia Polyesters (India) Limited Code of Business Conduct and Ethics for the year ended March 31, 2015

**FOR LAKHOTIA POLYESTERS (INDIA) LIMITED**

Place: Nashik  
Date: September 03, 2015

Sd/-  
Madhusudan Lakhotia  
(Chairman & Managing Director)

**ANNUAL DECLARATION BY CEO / MANAGING DIRECTOR PURSUANT TO CLAUSE 52 OF THE LISTING AGREEMENT**

I, Madhusudhan Lakhotia, Managing Director, of Lakhotia Polyesters (India) Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of As stipulated under the provisions of Clause 52 of the Listing Agreement with stock exchanges for the financial year ended on March 31, 2015.

**Date: September 03, 2015**

**Place: Nashik**

**By Order of the Board of Directors**

**Sd/-**

**Madhusudhan Lakhotia**

**Managing Director**

## CEO / CFO CERTIFICATION

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

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

I, Madusudhan Lakhotia –Managing Director, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31st March, 2015 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**

**Date: September 03, 2015**

**Place :Nashik**

**Madhusudhan Lakhotia**

**Managing Director**

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Lakhotia Polyesters India Ltd.

We have examined the compliance of conditions of Corporate Governance by Lakhotia Polyesters India Ltd. for the period ended March 31<sup>st</sup> 2015, as stipulated in Clause No. 52 of the Listing Agreement of the said company with Stock Exchange.

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

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

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

For **SABADRA & SABADRA**  
CHARTERED ACCOUNTANTS  
Firm Registration No 108921W

Sd/-

JAGATPAL S BAJAJ, FCA  
Membership No. 122234  
Partner

Nashik  
30.05.2015

## INDEPENDENT AUDITOR'S REPORT

To the Members of

### **Lakhotia Polyesters India Limited**

#### Report on the Financial Statements

- 1 We have audited the accompanying financial statements of Lakhotia Polyesters India Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

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

- 2 The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

#### Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion
- 6 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally

accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2015, its profit and its cash flows for the year ended on that date

#### Report on Other Legal and Regulatory Requirements

7 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

8 As required by section 143(3) of the Act, we further report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company has following pending litigations which would impact its financial position.

*The company, promoters, directors and certain group promoted entities are a party to litigation with the customs departments for import of certain materials based upon alleged "misleading information". The matter is pending in Appeal before the Central Excise and Customs Appellate Tribunal, Mumbai and before the High Court, Mumbai. The total demand in the matter raised by the adjudicating authorities is to the tune of Rs 220.91 Lakhs against company and Rs 42.00 Lakhs against Shri M.S. Lakhota, the Managing Director of the company. The amounts as stated are ex interest thereon.*

- (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For **SABADRA & SABADRA**  
CHARTERED ACCOUNTANTS  
Firm Registration No 108921W  
Sd/-  
JAGATPAL S BAJAJ, FCA  
Membership No. 122234  
Partner  
Nashik  
30.05.2015

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 7 Our Report of even date to the members of **Lakhotia Polyesters India Limited** on the accounts of the company for the year ended 31st March, 2015.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) (a) The inventories at all business places have been physically verified by the management from time to time. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the explanations given to us, the procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of company and nature of business.
- (c) The company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) The company has granted loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The year end balances in respect of such 3 parties advances are to the tune of ` 123.23 Lakhs Based upon the management representations as made to us, we report that these advances are towards business transactions and in the normal course of business activity of the company.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods & services. Further, no continuing failure to correct major weaknesses in internal control system of the company is observed.
- (v) The Company has accepted deposits from its members and has complied with the provisions of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.



- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except *customs duty to the tune of ` 220.91 Lakhs against company and Rs 42.00 Lakhs against Shri M.S. Lakhota, the Managing Director of the company. The amounts as stated are ex interest thereon.*
- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- (viii) The company does not have any accumulated losses as at 31.03.2015 The company has not incurred any cash loss during the financial year covered under audit and immediately preceding financial year.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. Similarly no debentures have been issued by the company and hence compliance with the said clause is not applicable.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For **SABADRA & SABADRA**  
CHARTERED ACCOUNTANTS  
Firm Registration No 108921W  
Sd/-  
JAGATPAL S BAJAJ, FCA  
Membership No. 122234  
Partner  
Nashik  
30.05.2015

**BALANCE SHEET AS AT 31.03.2015**

PARTICULARS	Note No.	As at 31 March, 2015 Rs	As at 31 March, 2014 Rs
<b>A</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	104739880	37407100
(b) Reserves and surplus	2	2140814	68956614
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	2267691	6584669
(b) Deferred tax liabilities (net)	4	1607168	1790557
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	29054927	29890299
(b) Trade payables	6	26562347	10882517
(c) Other current liabilities	7	0	57502
(d) Short-term provisions	8	1771095	1224391
<b>TOTAL</b>		<b>168143922</b>	<b>148302825</b>
<b>B</b>			
<b><u>ASSETS</u></b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	10453982	11673160
(b) Non-current investments	10	1000	1000
(e) Other non-current assets	11	16368553	15732627
<b>2 Current assets</b>			
(a) Current investments	12	38000000	38000000
(b) Inventories	13	52671605	32221939
(c) Trade receivables	14	36611590	37883517
(d) Cash and cash equivalents	15	1596641	1244948
(e) Short-term loans and advances	16	12323235	18411445
(f) Other current assets	17	117316	1625013
<b>TOTAL</b>		<b>168143922</b>	<b>148302825</b>

See accompanying notes forming part of the financial statements

As per our report attached.  
For **SABADRA & SABADRA**  
CHARTERED ACCOUNTANTS

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

Sd/-  
**JAGATPAL S BAJAJ, FCA**

Sd/-  
**Madhusudan Lakhotia**  
(Managing Director &  
Chairman)

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

MEM NO. 122234  
FRN - 108921W  
NASHIK  
Date : 30.05.2015

Place : Nashik  
Dated : 30.05.2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015**

PARTICULARS		Note No.	As at 31 March, 2015 Rs	As at 31 March, 2014 Rs
<b><u>CONTINUING OPERATIONS</u></b>				
1	Revenue from operations	P-1	135701165	95911188
2	Other Income	P-2	0	114435
3	<b>Total Revenue (1+2)</b>		<b>135701165</b>	<b>96025623</b>
4	<b><u>Expenses:</u></b>			
	(a) Cost of materials consumed	P-3	105409750	78280744
	(b) Employee benefits expense	P-4	7178127	5671879
	(c) Finance costs	P-5	3747705	3961317
	(d) Depreciation and amortisation expenses	P-9	1505178	923426
	(e) Other expenses	P-6	15994955	6460680
	<b>Total Expenses</b>		<b>133835715</b>	<b>95298046</b>
5	Profit / (Loss) before extraordinary items and tax	(3-4)	1865450	727577
6	Exceptional Items		0	0
7	Profit / (Loss) before extraordinary items and tax	(5+6)	<b>1865450</b>	<b>727577</b>
8	Extraordinary items - Profit on Sale of Mutual Fund		0	960612
9	Profit / (Loss) before tax	(7+8)	<b>1865450</b>	<b>1688189</b>
10	<b><u>Tax expense:</u></b>			
	(a) Current tax expense for year		759813	239823
	(b) Current tax expense relating to prior years		153346	6349
	(c) Net current tax expense		913159	233474
	(d) Deferred tax	8	183389	13771
	<b>Total Tax Expense</b>		<b>729770</b>	<b>247245</b>
11	Profit/(Loss) from Continuing Operations	(9-10)	<b>1135680</b>	<b>1440944</b>
12	Earning per equity share:			
	<b>(a) Basic</b>			
	(i) Continuing Operations		0.11	0.39
	(ii) Total Operations		0.11	0.39
	<b>(b) Diluted</b>			
	(i) Continuing Operations		0.11	0.39
	(ii) Total Operations		0.11	0.39
See accompanying notes forming part of the financial statements				
As per our report attached. For <b>SABADRA &amp; SABADRA</b> CHARTERED ACCOUNTANTS			For and on behalf of the Board of Directors <b>LAKHOTIA POLYESTERS (INDIA) LIMITED</b>	
<b>Sd/-</b>			<b>Sd/-</b>	<b>Sd/-</b>
<b>JAGATPAL S BAJAJ, FCA</b>			<b>Madhusudan Lakhotia</b>	<b>Jayshree Lakhotia</b>
<b>MEM NO. 122234</b>			<b>(Managing Director &amp; Chairman)</b>	<b>(Director)</b>
<b>FRN - 108921W</b>				
<b>NASHIK</b>			<b>Place :</b>	<b>Nashik</b>
<b>Date : 30.05.2015</b>			<b>Dated :</b>	<b>30.05.2015</b>

**LAKHOTIA POLYESTERS (INDIA) LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

PARTICULARS	Amount in Rs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit Before Tax and Extra Ordinary Items	1865450
Adjustments for :	
Depreciation on Fixed Assets	1505178
Operating Profit before working capital changes	3370628
Adjustments for Changes in Working Capital	3191910
Cash Generated from Operations	6562538
Direct Taxes	(913159)
Cash flow before Extra Ordinary Items	5649379
Extra Ordinary Items	0
<b>Net Cash Flow from Operating Activities</b>	<b>A 5649379</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Net Purchase / Transfer of Fixed Assets	(286000)
Changes in Non Current Assets	(76008)
<b>Net Cash Flow from Investing Activities</b>	<b>B (362008)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Expenses on Issue of Bonus Shares	(618700)
Proceeds From Long Term Borrowings	(4316978)
<b>Net cash generated from financing activities</b>	<b>C (4935678)</b>
Net Increase in cash and cash equivalents	<b>A + B + C 351693</b>
<b>Cash and cash equivalents as at opening</b>	<b>1244948</b>
<b>Cash and cash equivalents as at closing</b>	<b>1596641</b>

As per our report attached.  
For **SABADRA & SABADRA**  
CHARTERED ACCOUNTANTS

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

Sd/-  
**JAGATPAL S BAJAJ, FCA**

Sd/-  
**Madhusudan Lakhotia**  
(Managing Director & Chairman)

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

MEM NO. 122234  
FRN - 108921W  
NASHIK  
Date : 30.05.2015

Place : Nashik  
Dated : 30.05.2015

**NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2015**

PARTICULARS	As at 31 March, 2015	As at 31 March, 2014
<b>NOTE 1 SHARE CAPITAL</b>		
<u>AUTHORISED SHARE CAPITAL</u>		
Number of Equity Shares	10500000	4000000
Par value per share	10	10
AUTHORISED SHARE CAPITAL	105000000	40000000
<u>PAID UP CAPITAL</u>		
Number of Equity Shares	10473988	3740710
Par value per share	10	10
PAID UP CAPITAL	104739880	37407100

**RECONCILIATION OF NUMBER OF SHARES AT THE BEGINNING AND PERIOD ENDING  
31.03.2015**

Particulars	FINANCIAL YEAR ENDING	
	31.03.2015	31.03.2014
Opening Balance	3740710	3740710
Fresh Issue (Consideration other than Cash)	0	0
Fresh Issue	0	0
Bonus	6733278	0
Buy Back	0	0
Transfers	0	0
Closing Balance	10473988	3740710

**RECONCILIATION OF AMOUNT OF SHARE CAPITAL AT THE BEGINNING OF THE YEAR  
AND AS ON 31.03.2015**

Particulars	FINANCIAL YEAR ENDING	
	31.03.2015	31.03.2014
Opening Balance	37407100	37407100
Fresh Issue (Consideration other than Cash)	0	0
Fresh Issue	0	0
Bonus	67332780	0
Buy Back	0	0
Transfers	0	0
Closing Balance	104739880	37407100

- Of the Above Shares, the company issued 3,55,000 equity shares amounting to Rs. 35,50,000/- against business purchase agreement during F.Y. 2011 - 2012

- Of the above Shares, the company capitalised its profit by issue of 192310 equity shares during Financial Year 2011 - 12.

- Of the above Shares, the company issued 6733278 equity shares during Financial Year 2014 - 15 as fully paid bonus shares by utilizing Securities Premium and Accumulated Profits.

**Terms / Rights attached to shares**

The company has one class of Equity Shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per equity share held.

## SHAREHOLDERS HOLDING MORE THAN 5% OF THE PAID UP CAPITAL

S NO.	Name of Shareholder	No. of Shares held	Amt of shares held Rs	%
1	SanwariaVincomm Pvt. Ltd.	3080000	30800000	29.41
2	MadhusudanLakhotiya	1409380	14093800	13.46
3	Intensive Softshare Pvt. Ltd.	961600	9616000	9.18
4	Shatrunjay Estates Pvt. Ltd.	840000	8400000	8.02
5	Sanjoyog Trade Link Pvt. Ltd.	1724800	17248000	16.47

### NOTE 2 RESERVE & SURPLUS

#### DIC SUBSIDY

Opening Balance		1000000	1000000
Closing Balance	SUB TOTAL Rs	1000000	1000000

#### PROFIT & LOSS A/C

Opening Balance		3628163	2203175
Add : Profit for the year		1135680	1440944
Less : Earlier Year Adjustment		0	15956
Less : Utilized for Bonus Issue		3623029	0
Closing Balance	SUB TOTAL Rs	1140814	3628163

#### SECURITIES PREMIUM

Opening Balance		64328451	65554192
Less : Utilized for Bonus Issue		63709751	0
Less : Bonus Issue Expenses		618700	0
Less : Issue Expenses		0	1225741
Closing Balance	SUB TOTAL Rs	0	64328451
	GRAND TOTAL Rs	2140814	68956614

### NOTE 3 LONG TERM BORROWINGS

#### UNSECURED LOAN

- Directors		2267691	278898
- Others		0	6305771
	TOTAL Rs	2267691	6584669

No written agreements have been executed between the company and the parties.

### NOTE 4 DEFERRED TAX LIABILITIES

The accounting treatment for income - tax in respect of the company's income is based on the Accounting Standard 22 on 'Accounting for taxes on income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income tax in the accounts comprises both, the Current Tax and Deferred Tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognized in the statement of Profit & Loss and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and liabilities are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that the same can be realized against future taxable profits.

The effect of the significant timing differences that result in the deferred tax assets and liabilities at the end of the year are given as under :

Particulars	Current Year	Previous Year
<u>Deferred Tax Liabilities -</u>		
Tax on Depreciation Difference	1607168	1790557
	1607168	1790557
<u>Deferred Tax Assets -</u>		
Tax on Others	0	0
	0	0
Total DTL carried Forward in the Balance Sheet	1607168	1790557
Deferred Tax to be recognised in the P&L A/c	183389	

#### NOTE 5 SHORT-TERM BORROWINGS

a] <u>Loans repayable on demand from Bank</u>	29054927	29890299
Secured by way of -		
(i) Hypothecation of Stock & Debtors		
(ii) Personal Guarantee of Directors		
Rate of Interest - 14.65%		
TOTAL Rs	29054927	29890299

#### NOTE 6 TRADE PAYABLES

<u>Trade Payables</u>	26562347	10882517
Net of Advances Rs 11,28,715/- (Prev Year Rs16,454/-)		
TOTAL Rs	26562347	10882517

#### NOTE 7 OTHER CURRENT LIABILITIES

Current Maturities of Term Loan from Bank	0	57502
TOTAL Rs	0	57502

#### NOTE 8 SHORT - TERM PROVISIONS

Audit Fees Payable	58416	54000
Statutory Liabilities	255817	208517
Others	4570	168892
Expenses Payable	1452292	553159
TOTAL Rs	1771095	984568

NOTE 9		FIXED ASSETS			METHOD OF DEPRECIATION - SLM				
SR. NO.	ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK AS ON	
		OP. BAL.	ADD/(DED)	TOTAL	OP. BAL.	FOR THE YR	TOTAL	31.03.2015	31.03.2014
1	Plot - 160 / 161	119370	0	119370	0	0	0	119370	119370
2	Plot at Pimpalgaon	67250	0	67250	0	0	0	67250	67250
3	Building	1288998	0	1288998	283673	42767	326440	962558	1005325
4	Duplex Slitter	1908179	0	1908179	602058	172959	775017	1133162	1306121
5	Box Strapping Machine	32240	0	32240	16276	2050	18326	13914	15964
6	Film Coating Machine	8020845	0	8020845	2645993	710544	3356537	4664308	5374852
7	Machinery - Micro Sliter	3187432	0	3187432	1089448	276945	1366393	1821039	2097984
8	Machinery	113738	0	113738	10821	8839	19660	94078	102917
9	Electrical Equipments	351858	0	351858	81277	36141	117418	234440	270581
10	Electrical Installation	132737	0	132737	44221	11697	55918	76819	88516
11	Fire Extinguisher	28530	0	28530	6399	1882	8281	20249	22131
12	CCTV Camera	116456	0	116456	18051	7715	25766	90690	98405
13	Computer & Software	389574	286000	675574	290865	29020	319885	355689	98709
14	Weight Scale	77328	0	77328	17856	7944	25800	51528	59472
15	Electronic Weighing Machine	1140	0	1140	108	139	247	893	1032
16	Car	1473348	0	1473348	730019	133932	863951	609397	743329
17	Motor Cycle - Hero Honda	58490	0	58490	17916	6275	24191	34299	40574
18	Furniture & Fixture	161666	0	161666	60970	46307	107277	54389	100696
19	Invertor	23500	0	23500	1542	5751	7293	16207	21958
20	Mobile Phones	20549	0	20549	4036	1408	5444	15105	16513
21	Refrigerator	21400	0	21400	4577	2250	6827	14573	16823
22	Water Filter	6990	0	6990	2352	613	2965	4025	4638
	<b>TOTAL</b>	<b>17601618</b>	<b>286000</b>	<b>17887618</b>	<b>5928458</b>	<b>1505178</b>	<b>7433636</b>	<b>10453982</b>	<b>11673160</b>
	Previous Year TOTAL	<b>17572651</b>	<b>28967</b>	<b>17601618</b>	<b>5005032</b>	<b>923426</b>	<b>5928458</b>	<b>11673160</b>	<b>12567619</b>
<b>NOTES</b>									
1 Plot No. 160 / 161 are on lease hold bases from Shree Samartha Audyogik Vasahat Ltd., Pimpalgaon.									
2 Vehicles of the company are held in the name of directors of the company and their relatives.									



**NOTE 10 NON-CURRENT INVESTMENTS**

Unquoted shares of co-op society	1000	1000
TOTAL Rs	1000	1000

**NOTE 11 OTHER NON CURRENT ASSETS**

Other Receivables	66717	16717
Deposits - Office, Other Utilities	13176920	13150910
Amount refundable from Government	559916	559918
Custom Duty Advance	2550000	2550000
Share Deposit with Shree Samarth Ind Estates	15000	15000
TOTAL Rs	16368553	16292545

**NOTE 12 CURRENT INVESTMENTS**

Quoted Equity Shares - Kavita Fabrics Limited	38000000	38000000
2850000 Equity Shares. Market Value of each share as on Balance Sheet date is Rs. 12.60. Total Value of Investment stood at Rs. 3,59,10,000/-		
TOTAL Rs	38000000	38000000

**NOTE 13 INVENTORIES**

Stock in trade @ Factory	9601659	16466307
Stock in trade @ Surat Office	32446352	147116
Stock in trade @ Textile unit	10623594	15608516
TOTAL Rs	52671605	32221939

**NOTE 14 TRADE RECEIVABLES**

Unsecured, considered good		
More than Six Months from the date of payment due	22632602	5194498
Others	13978988	32689019
Net of Advances Rs 4,50,154/- (Prev Year Rs 3,25,813/-)		
TOTAL Rs	36611590	<b>37883517</b>

**NOTE 15 CASH & CASH EQUIVALENTS**

Cash in Hand	1484661	1125792
Balances with Banks in Current A/c	111980	119156
<b>TOTAL Rs</b>	<b>1596641</b>	<b>1244948</b>

**NOTE 16 SHORT TERM LOANS & ADVANCES**

Unsecured & Considered good	12323235	18411445
<b>TOTAL Rs</b>	<b>12323235</b>	<b>18411445</b>

**NOTE 17 OTHER CURRENT ASSETS**

Advance Tax, TDS, MAT Credit	774239	435609
Less: Current Year Provision	759813	239823
	14426	195786
Amounts receivable from Government	102890	629486
<b>TOTAL Rs</b>	<b>117316</b>	<b>825272</b>

**NOTES FORMING PART OF Profit & Loss Account AS ON 31.03.2015**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
		Rs	Rs

**NOTE P - 1**

**REVENUE FROM OPERATIONS**

SALES

Maharashtra State

- Sales - M S	0	761202
- Sales - Export	0	4173177
- Sales - C Form	1731605	1486616
- Grey Fabrics	19201135	9978273
- 5 % Sales	183748	802690
- Job Work	233963	981620

Gujrat State

- Grey Polyester	0	10722068
- Local Sales	108139615	53351584
- Out of Gujrat	19884049	16743449

	SUB TOTAL Rs	149374115	99000679
Sales Returns		13285267	3089491
	GRAND TOTAL Rs	136088848	95911188

**NOTE P - 2**  
**OTHER INCOME**

Exchange gain		0	114435
	TOTAL Rs	0	114435

**NOTE P - 3**  
**COST OF MATERIALS CONSUMED**

Opening Stock

- Stock at Factory, Pimpalgaon		16466307	9293046
- Stock at Factory, Malegaon		15608516	3292800
- Stock at Surat Office		147116	3352360
- Gray Cloth & Chirag Cotton		0	648036

	SUB TOTAL Rs	32221939	16586242
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Purchases -

Maharashtra State

- Against C Form		49545291	42051298
- Against H Form			316023
- Local Purchases - taxable		6983422	29816571
- OMS			14560
- Job Work		2397536	2473153
- Tax Free		15980470	2531508
- VAT Retention		334210	942114

Gujrat State

		50618487	15771214
--	--	----------	----------

	SUB TOTAL Rs	125859416	93916441
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Closing Stock

- Stock at Factory, Pimpalgaon		9601659	16466307
- Stock at Factory, Malegaon		10623594	15608516
- Stock at Surat Office		32446352	147116

	SUB TOTAL Rs	52671605	32221939
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	GRAND TOTAL Rs	105409750	78280744
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**NOTE P - 4**  
**EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages - Manufacturing		5244042	3707850
Salaries & Wages - Office		835000	890000
Directors Remuneration		1040000	1029845

Administrative Charges - PF	18416	5286
Employers Contribution to PF	40669	38898
<b>TOTAL Rs</b>	<b>7178127</b>	<b>5671879</b>

**NOTE P - 5**

**FINANCE COSTS**

Interest paid on Bank Loans - Union Bank of India

- Car Loan A/c. No. 453	1948	17393
- Working Capital Loan A/c. No. 72021	2787699	2759250
Interest on TDS	1703	1711
Interest paid - Others	848534	867349
Bank Charges	107821	315614

<b>TOTAL Rs</b>	<b>3747705</b>	<b>3961317</b>
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**NOTE P - 6**

**OTHER EXPENSES**

DIRECT EXPENSES

Electricity Expenses	6418817	2793762
Export Expenses	0	71372
Factory Expenses	906730	221735
Freight, Packing, Loading & Unloading Expenses	605111	540766
Processing Expenses	1113171	0
Job Work	305054	0
Rent Expenses	2950000	150000
<b>SUB TOTAL OF DIRECT EXPENSES</b>	<b>Rs 12298883</b>	<b>3777635</b>

INDIRECT EXPENSES

Audit Fees	67416	66000
BSE, NSDL & ROC Charges	180226	137641
Commission Expenses	713590	420460
Discount Expenses	112457	20862
Donation	0	10000
Freight Outward	287025	131476
Insurance	15169	93985
Membership & Subscriptions	0	8764
Misc Expenses	96965	140140
Municipal Taxes	46775	19139
Office Expenses	89186	40033
Office Rent	675960	600000
Postage & Couriers	14955	15995
Petrol & Diesel	523278	39086
Printing and Stationery	67241	27579

Professional Charges	285175	311732
Profession Tax (Company)	2000	2000
Repairs & Maintenance	61262	0
Security Expenses	82500	0
Sales Tax	152476	10000
Service Tax	23752	99787
Telephone Expenses	109502	100182
Tea & Refreshment	12240	7936
Travelling & Conveyance	30162	83289
Vehicle Expenses	46760	270959
Website Expenses	0	26000
<b>SUB TOTAL OF INDIRECT EXPENSES</b>	<b>Rs</b>	<b>3696072</b>
<b>GRANT TOTAL OF EXPENSES</b>	<b>Rs</b>	<b>6460680</b>

**Proxy form**  
**Form No. MGT-11**

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

CIN: L17120MH2005PLC155146

Name of the company: Lakhotia Polyesters (India) Limited

Registered office: 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 on the 30th day of September, 2015 at 11.00 a.m

Name of the Shareholder (s)

Registered Address

Email Id

Folio No./ Client Id

DP Id

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

1. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

3. Name: .....

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10<sup>th</sup> Annual general meeting of the members of the company, to be held on the 30<sup>th</sup> September, 2015 at 11.00 am at the registered office of the Company at 158/159 Samaratha Sahkari Aydyogik Vasahat Ltd., Pimpal- Gaon (Baswant), Tal Niphad, District Nashik, Maharashtra- 422209 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2015.
2. To reappoint a director in place of Mrs. Jayshree Lakhotia, who retires by rotation and being eligible offered herself for re-appointment.
3. To appoint M/s. Sabadra & Sabadra, Chartered Accountants as statutory auditors of the Company and fix their remuneration.

4. Appointment of Mr. Krishna Jhavar as Director, liable to retire by rotation,
5. Re - Appointment of Mr. Madhusudan Lakhota (DIN : 00104576) as Managing Director and fix his remuneration in this regards

Signed this..... day of..... 2015

\_\_\_\_\_  
Signature of shareholder

Affix Revenue Stamp
---------------------------

\_\_\_\_\_  
Signature of Proxy holder(s)

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

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