



To,
The Secretary
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

CIN-U17120DL2007PLC163192
Date: 07.09.2019

Scrip Code: 540952

SUB: Submission of Annual Report 2018-19 under Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

Dear Sir/Ma'am,

Pursuant to Regulation 34 of the SEBI (LODR) Regulation 2015, please find enclosed herewith the 12th Annual Report for the year ended March 31, 2019 along with the Notice of the Annual General Meeting to be held on Monday, September 30, 2019 at 09:00 A.M. at C-64, Okhla Industrial Area, Phase-I, Delhi-110020.

The Annual Report for the financial year 2018-19 uploaded on the website of the company i.e. <http://www.mymonteil.com/>

Please take the same in your records

**For and on behalf of,
Lorenzini Apparels Limited**


Sandeep Jain
Managing director
DIN: 02365790

LORENZINI APPARELS LIMITED

Office Address: C-64, Okhla Industrial Area, Phase - 1, New Delhi-110020, Contact No: 011-40504731

Website: www.monteil.in | E-mail: info@monteil.co.in

LORENZINI APPARELS LIMITED

TWELFTH ANNUAL REPORT

2018 -2019

Company Information

BOARD OF DIRECTORS

MR. SANDEEP JAIN	:	MANAGING DIRECTOR
MRS. DEEPIKA JAIN	:	WHOLE TIME DIRECTOR
MR. PARDEEP SINGH	:	INDEPENDENT DIRECTOR
MR. RAJIT SEHGAL	:	DIRECTOR
MR. MOHINDER RUSTAGI	:	INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER	:	MRS. DEEPIKA JAIN
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COMPANY SECRETARY	:	MR. JAI PRAKASH SHARMA
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STATUTORY AUDITORS	:	MITTAL & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI
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SECRETARIAL AUDITORS	:	M/s VIKAS KUMAR VERMA & ASSOCIATES B-502, STATESMAN HOUSE, 147 BARAKHAMBHA ROAD, NEW DELHI- 110001
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BANKERS	:	SYNDICATE BANK, AXIS BANK, ICICI BANK & IDBI BANK
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SHARES LISTED WITH	:	BSE SME
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REGISTERED OFFICE	:	C-64, Okhla Industrial Area Phase -I, New Delhi, Delhi-110020
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WEBSITE	:	www.mymonteil.com
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EMAIL	:	lorenzini_apparels@yahoo.co.in
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CONTACT NO.	:	011-40504731
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REGISTRAR & TRANSFER AGENT	:	Skyline Financial Services Private Limited D-153, 1 st Floor, Okhla, Industrial Area, Phase-1, New Delhi- 110020.
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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF LORENZINI APPARELS LIMITED WILL BE HELD ON MONDAY, 30TH DAY OF SEPTEMBER, 2019 AT 09:00 A.M. AT C- 64, OKHLA INDUSTRIAL AREA, PHASE- I, NEW DELHI - 110020 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Board of Directors and Auditors thereon.
2. To consider appointment of a Director in place of Mr. Rajit Sehgal (DIN - 05281112), who retires by rotation, offers herself for re-appointment and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rajit Sehgal, as Director of the Company, liable to retire by rotation.”

For and on behalf of the Board
Lorenzini Apparels Limited

Date: 02/09/2019
Place: New Delhi

Sd/-
Jai Prakash Sharma
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. THE HOLDER OF PROXY SHALL PROVE HIS/HER IDENTITY AT THE TIME OF ATTENDING THE MEETING.
3. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
4. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
5. The Register of Members and Share Transfer Books shall remain closed from **24th September, 2019 to 30th September, 2019** (both days inclusive).
6. Members desiring any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
7. Members are requested to notify the Company their change of address, if any, to registered office of the Company.
8. Members are requested to bring their attendance slip and copy of the Annual Report with them at the Annual General Meeting.
9. All correspondence relating to shares may be addressed to the registered office of the Company.
10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be

permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Members may kindly note that no 'Gifts' will be distributed at the Annual General Meeting.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their vote electronically through the electronic voting service facility arranged by Central Depository Services Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again. Instructions and other information relating to e-voting are given in this Notice under Note No. 24.
15. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
16. As per provisions of the Companies Act, 2013 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.
17. The Route map and landmark venue of the AGM is enclosed.
18. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
19. Members are requested to address all the correspondence to the Registrar and Share Transfer Agents, Skyline Financial Services Private Limited having registered office at D-153, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
20. The Annual Report 2018-19, the Notice of the Twelfth AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
21. Members may also note that the Notice of the Twelfth AGM and the Annual Report 2018-19 will be available on the Company's website www.mymonteil.com. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: - lorenziniapparels@yahoo.co.in
22. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is mentioned in the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.
23. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their

Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, i.e. Skyline Financial Services Private Limited having registered office at D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.

24. Voting Through Electronic Means:

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- b) The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
- c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d) The Company shall also provide facility for voting through ballot form/polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
- e) The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a General Meeting).
- f) The Board of Directors of the Company has appointed M/s Vikas Verma & Associates, Practicing Company Secretary, as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- g) The cut-off date for the purpose of voting (including remote e-voting) is **23rd September, 2019**.
- h) Remote e-voting facility will be available during the following period:

Commencement of remote e-voting	Friday, 27 th September, 2019, 9:00 A.M.
End of remote e-voting	Sunday, 29 th September, 2019, 5:00 P.M.

Please note that remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period.

- i) The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.mymonteil.com. The results shall simultaneously be communicated to the Stock Exchanges.
25. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 27th September, 2019 at 09:00 A.M. and ends on Sunday, 29th September, 2019 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd September, 2019 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.
- (iii) Click on Shareholders / Members
- (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 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:

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

- (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 the relevant Company Name i.e. Lorenzini Apparels 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Item No. 2

Details of Director Seeking Appointment/ Re-appointment at the Annual General Meeting

Name of the Director	Rajit Sehgal
Director Identification Number (DIN)	05281112
Date of Birth	07/12/1981
Nationality	Indian
Date of Appointment on Board	26/06/2017
Qualification	Bachelor of Arts
Shareholding in Sunymold Industry Private Limited	
List of Directorships held in other Companies (excluding Alternate Directorship and Section 8 Companies)	1. Sunymold Industry Private Limited 2. Sun Star Innovations Private Limited
Memberships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL
Experience	7 years in the business of manufacturing of Automobile components
Remuneration paid or sought to be paid	NIL
Relationship with other Directors/KMP	NIL
No. of meetings attended during the year	10

For and on behalf of the Board
Lorenzini Apparels Limited

Date: 02/09/2019
Place: New Delhi

Sd/-
Jai Prakash Sharma
Company Secretary

LORENZINI APPARELS LIMITED

CIN: L17120DL2007PLC163192

Regd. Office: C-164, Okhla Industrial Area, Phase-1
New Delhi-110020Website: www.mymonteil.com

Tel: +91 011-40504731

ATTENDANCE SLIP

Regd. Folio/DP ID/Client ID	
Name and Address of the members	
Number of Shares	

I/We certify that I am a member/ proxy / authorized representative for the member of the Company.

I/We hereby record my presence at the 12th Annual General Meeting of the Company held on Monday, 30th day of September, 2019 at 09:00 A.M. at registered office of the Company situated at C-64, Okhla Industrial Area, Phase I, New Delhi- 110020.

Member's/ Proxy Name in Capital Letters

Members/ Proxy Signature

Note: Please complete the Folio No. and name, sign the attendance slip and handover at the attendance verification counter at the meeting hall.

For No. MGT-11
PROXY FORM

LORENZINI APPARELS LIMITED

CIN: L17120DL2007PLC163192

Regd. Office: C-164, Okhla Industrial Area Phase-I

New Delhi-110020

Website: www.mymonteil.com

Tel: +91 011-40504731

Name of the members (s):

Registered address:

E-mail id:

Folio No/Client Id:

DP ID:

I/We, being the member(s) of _____ Equity Shares of the above named company appoint:

Name:.....

Address:.....

EmailID:

Signature.....

or falling him/her

Name:

Address:

Email ID:

Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 12th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 9:00 A.M. at C-64, Okhla Industrial Area, Phase I, New Delhi- 110020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1	Adoption of audited financial statements of the Company for the financial year 2018-19		
2	To appoint a Director in place of Mr. Rajit Sehgal (DIN - 05281112), who retires by rotation and being eligible, seeks re-appointment.		

Signed this day of 2019

Signature of Shareholder

Signature of Proxy holder

Notes:

- 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.

Affix
Revenue
Stamp

BALLOT FORM

Serial No.:

1. Name (s) of Shareholder(s) / Beneficial Owner :
Including joint-holders, if any
2. Registered Address of the Sole / :
First named Shareholder
3. Registered Folio No. / Client ID No.:
4. No. of Shares held:
5. I / we hereby exercise my / our vote in respect of the Ordinary Resolution / s enumerated below by recording my / our assent / dissent to the said Resolution/s by placing Tick (✓) mark at the appropriate box below:

S.No.	Ordinary Resolution	I / We assent the Resolution	I / We dissent the Resolution
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 st March, 2019 together with the Reports of Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Rajit Sehgal (DIN - 05281112), who retires by rotation and being eligible, seeks re-appointment.		

Place
Date

Signature of the Shareholder / Beneficial Owner

DIRECTOR'S REPORT

Dear Members,
Lorenzini Apparels Limited

Your Directors have pleasure in presenting the Twelfth Annual Report on the business and operations of the Company along with Audited Financial Statements for the financial year 2018-19.

1. FINANCIAL RESULTS:**Figure in INR**

Particular	As on 31 st March, 2019	As on 31 st March, 2018
Sales	270,532,800.00	238,202,652.00
Other Income	41,394.00	35,397.00
Total Income	270,574,194.00	238,238,049.00
Total Expenses	263,574,501.00	232,454,196.00
Profit Before Tax	6,999,693.00	5,783,853.00
Less: Income Tax –Current Year	(1,819,920.00)	(1,489,342.00)
Less: Deferred Tax	(1,176,945.00)	(59,761.00)
Profit/(Loss) after tax	6,356,718.00	4,354,272.00

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

The revenue from operations was increased during the current financial year 2018-2019. The revenue generated from operations amounted to INR 270,532,800/- in F.Y. 2018-19 as compared to F.Y. 2017-18, in which revenue generated was amounted to INR 238,202,652/-. The Company has performed modestly in present year despite challenging economic conditions. Nevertheless, your Directors are optimistic about the future and expect the business to perform well for the forthcoming year. Your Directors are relentlessly striving for the betterment of the business.

3. CHANGE IN THE NATURE OF BUSINESS

There were no Changes in the Nature of Business of the Company during the Financial Year.

4. SHARE CAPITAL

The Authorized Share Capital of the Company is INR 102,000,000/- divided into 10,200,000 Equity Shares of INR 10/- each. On March 31, 2019, the paid-up capital stood at INR 101,389,160/- divided into 10,138,916 Equity Shares of INR 10/- each.

5. DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2019. Since the Board have considered it financially prudent in the long-terms interest of the company

to re-invest the profits into the business of the company to build a strong reserve base and grow the business of the company.

6. TRANSFER TO RESERVES

During the period, the company has not transferred any profit into the General Reserve of the Company.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments were recorded during the financial year which materially affects the financial position of the Company till the date of this report.

9. DEPOSIT

The company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet for the FY 2018-19.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements which also form part of this report.

11. CORPORATE SOCIAL RESPONSIBILITY

The company has not developed and implemented any Corporate Social Responsibility Initiatives as provisions of section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 since the aforesaid provisions are not applicable.

12. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed herewith at "**Annexure No. I**"

13. INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134(5) (e) of the Companies Act, 2013, the term financial control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of

business, including adherence to the company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The company has a well-placed, proper and adequate Internal Financial Control System which ensures that all the assets are safeguarded and protected and the transactions are authorized, recorded and reported correctly.

To further strengthen the internal control process, the company has developed the very comprehensive compliance management tool to drill down the responsibility of the compliance from top management to executive.

14. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNAL

Sl. No.	Name of Director	DIN	Effective Date	Nature of Change
1.	Mr. Jaiprakash Sharma- Company Secretary	NA	19/04/2019	Appointment

**Ms.Archana Thakur - Company Secretary & KMP resigned on 18.04.2019.*

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

The Company has in place a Nomination & Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, composition and the criteria for determining qualifications, positive attributes and independence of a Director. The Nomination and Remuneration committee comprises of Mr. Mohinder Rustagi (Chairman), Mr. Pardeep Singh (Member) and Mr. Rajit Sehgal (Member).

During the year, there was one meeting held on 19/04/2019 for the appointment of Company Secretary. The details of attendance of the Nomination and Remuneration Committee meeting and its composition is as follows:

Sr. No.	Name of the Director	DIN	Position	No. of Meeting Attended
1	Mr. Mohinder Rustagi	07762470	Non-Executive Independent Director	01
2	Mr. Rajit Sehgal	05281112	Non-Executive Director	01
3	Mr. Pardeep Singh	03065797	Non-Executive Independent Director	01

Nomination & Remuneration Policy is uploaded on website of the Company i.e. www.mymonteil.com

16. INDEPENDENT DIRECTOR'S DECLARATION

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, confirming that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

17. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board Committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

It includes circulation of questionnaires to all directors for evaluation of the board and its Committees, board composition and its structure, its culture, its effectiveness, its functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

The board and the nomination and remuneration committee reviewed the individual Directors' responses on the questionnaire regarding the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

18. NUMBER OF MEETINGS OF THE BOARD

During the year the Board met 10 (Ten) times to deliberate on various matters. The Meetings were held as on 23/04/2018, 17/05/2018, 28/05/2018, 14/06/2018, 16/07/2018, 08/09/2018, 14/09/2018, 14/11/2018, 10/12/2018 & 14/02/2019. The maximum interval between any two meetings did not exceed 120 days.

Sr. No	Name of the Director	No of Board Meetings held during the year during his/her tenure as director	No. of Meetings attended during the year
1	Mr. Sandeep Jain	10	10
2	Mrs. Deepika Jain	10	10
3	Mr. Pardeep Singh	10	10
4	Mr. Rajit Sehgal	10	10
5.	Mr. Mohinder Rustagi	10	10

19. AUDIT COMMITTEE

As per the provision of section 177 of the Companies Act, 2013 the constitution of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of Financial Reporting. During the period under review, there was Five (5) meetings of Audit Committee held on 17/05/2018, 28/05/2018, 16/07/2018, 14/11/2018 & 14/02/2019. The details of attendance of the Audit Committee meeting and its composition is as follows:

Sr. No.	Name of the Director	DIN	Position	No. of Meeting Attended
1	Mr. Mohinder Rustagi	07762470	Non-Executive Independent Director	05
2	Mr. Sandeep Jain	02365790	Managing Director	05
3	Mr. Pardeep Singh	03065797	Non-Executive Independent Director	05

20. STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the provision of section 178 of the Companies Act, 2013 the Company has duly constituted the Stakeholders Relationship Committee. During the period under review, there was Five (5) meetings of Audit Committee held on 17/05/2018, 28/05/2018, 16/07/2018, 14/11/2018 & 14/02/2019. The details of attendance of the Stakeholders Relationship Committee meeting and its composition is as follows:

Sr. No.	Name of the Director	DIN	Position	No. of Meeting Attended
1	Mr. Mohinder Rustagi	07762470	Non-Executive Independent Director	01
2	Mr. Sandeep Jain	02365790	Managing Director	01
3	Mrs. Deepika Jain	02365797	Whole Time Director & CFO	01

21. INDEPENDENT DIRECTORS

As per the provision of the Companies Act, 2013 read with Schedule IV, following are the Independent Directors of the Company.

Sr. No.	Name of member	DIN	Position
1.	Mr. Mohinder Rustagi	07762470	Non- Executive Independent Director
2.	Mr. Pradeep Singh	03065859	Non-Executive Independent Director

During the year under review, one (1) meeting was held of Independent Directors.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014 in prescribed Form AOC-2 is annexed herewith at "**Annexure II**".

23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any Subsidiary, Joint Venture or Associate Company; hence provisions of section 129(3) of the Companies Act, 2013 relating to preparation of consolidated financial statements are not applicable.

24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per the provisions of Companies Act, 2013, every Listed Company shall establish a vigil mechanism (similar to Whistle Blower mechanism). In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism/ whistle blower policy for directors and employees to report genuine concerns has been established and approved by Board.

25. PARTICULARS OF EMPLOYEES U/S 197(12) OF THE COMPANIES ACT, 2013

The Provision of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding statement of particulars of employees is not applicable on the Company.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There were no significant order was passed by any regulatory authority or court or tribunal.

27. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED U/S 134(3) (c):

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that: -

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively

(f) the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. AUDITORS

STATUTORY AUDITOR

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, **M/s Mittal & Associates, Chartered Accountants**, were appointed as statutory auditors from the conclusion 11th Annual General Meeting till the conclusion 16th Annual General Meeting of the Company held in year 2023.

The notes on accounts referred to in the auditors' report are self-explanatory and therefore don't call for any further comments by the Board of directors.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

29. SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made there under, M/s Vikas Verma & Associates, Practicing Company Secretaries were appointed as Secretarial Auditors for the financial year 2018-19. The Secretarial Audit Report for the financial year ended on March 31, 2019 is annexed herewith marked as "**Annexure-III**" to this Report.

There are no qualifications or adverse remarks in the Secretarial Auditors' Report which require any clarification or explanation.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per SEBI Listing Regulations, Management Discussion and Analysis are attached, which form part of this report annexed herewith at **Annexure No. IV**.

31. RISK MANAGEMENT

During the year, the board had developed and implemented an appropriate risk management policy for identifying the element of risk which, in the opinion of the Board may threaten the existence of the company and safeguarding the company against those risks.

32. CODE OF CONDUCT AND ETHICS

The Board of Directors of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the Company. The object of the Code is to conduct the company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and with the environment in which the Company operates.

33. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and confidentiality of information. No complaints of sexual harassment were raised in the financial year 2018-19.

34. ANNUAL RETURN

As per the provisions of section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Annual Return in Form **MGT -9** is available at the website of the Company i.e. www.mymonteil.com, which form part of this report annexed herewith at **Annexure No. V**.

35. LISTING WITH STOCK EXCHANGES

At present the equity shares of the Company are listed on the BSE SME Platform of Bombay Stock Exchange. The Company confirmed that it has paid Annual Listing Fees to the Bombay Stock Exchange for the year 2018-19.

36. ACKNOWLEDGEMENT

The Directors thank the Company's employees, customers, vendors, investors and academic institutions for their continuous support.

The directors also thank the Government of India and concerned government departments / agencies for their co-operation.

**For & on behalf of
Lorenzini Apparels Limited**

**Date: 02/09/2019
Place: Delhi**

**Sd/-
Sandeep Jain
Managing Director
DIN:02365790**

**Sd/-
Deepika Jain
Whole Time Director
DIN:02365797**

ANNEXURES TO DIRECTOR'S REPORT

Annexure-ICONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars as per the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption are as under:

(A) CONSERVATION OF ENERGY

Steps taken or impact on conservation of energy	N.A.
The steps taken by the company for utilizing alternate sources of energy	
The capital investment on energy conservation equipment's	

(B) TECHNOLOGY ABSORPTION

1. **Efforts made towards technology absorption: N.A.**
2. **Benefits derived like product improvement, cost reduction, product development or import substitution: N.A.**
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Detail of technology imported	N.A.
Year of Import	
Has technology been fully absorbed	
If not fully absorbed, areas, where this has not taken place, reasons there for and future plans of action.	

4. **Expenses incurred on Research and Development**

During the period under review particulars regarding expenditures on research and development are as under:

Particulars	N.A.
Capital Expenditures	
Recurring Expenditures	
Total	
Total Research and development expenses as % of turnover	

For & on behalf of
Lorenzini Apparels Limited

Date: 02/09/2019
Place: Delhi

Sd/-
Sandeep Jain
Managing Director
DIN:02365790

Sd/-
Deepika Jain
Whole Time Director
DIN:02365797

Annexure- IIFORM NO. AOC- 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

Details of material contracts or arrangement or transactions at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is at arm's length during financial year 2018-19.

**For & on behalf of
Lorenzini Apparels Limited**

**Sd/-
Sandeep Jain
Managing Director
DIN:02365790**

**Date: 02/09/2019
Place: Delhi**

**Sd/-
Deepika Jain
Whole Time Director
DIN:02365797**

Annexure- III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2019

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

To,

The Members,

Lorenzini Apparels Limited

CIN: - L17120DL2007PLC163192

ADDRESS: -C-64,Okhla Industrial Area, Phase-I,
New Delhi-110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LORENZINI APPARELS 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 my opinion thereon.

Based on our verification of the '**Company**' 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 31st March, 2019 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 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(No transaction has been recorded during the Audit Period)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (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; *(No transaction has been recorded during the Audit Period)*
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(No transaction has been recorded during the Audit Period)*

(e) 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;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No transaction has been recorded during the Audit Period)*

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(No transaction has been recorded during the Audit Period)*

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements/Regulations entered into by the Company with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above without any reservation.

We further report the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same are captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period there were no specific instances / events pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Thanking you,

**For M/s Vikas Verma & Associates
(Practicing Company Secretary)**

**Sd/-
Vikas Kumar Verma
Membership No.9192
CP No. 10786**

**Date: 02.09.2019
Place: Delhi**

Annexure-IVMANAGEMENT DISCUSSION AND ANALYSIS**1. Industry structure and developments**

Indian economy is going through a period of rapid 'financial liberalisation'. Today, the 'intermediation' is being conducted by a wide range of financial institutions through a plethora of customer friendly financial products.

Over the years, our company has built a strong presence in the market through its cumulative experience, strong distribution network as well as sound systems and processes.

2. Opportunities and threats

Being a manufacturing company, our company is exposed to specific risks that are particular to its business and the environment within which it operates including interest rate volatility, economic cycle, and market risk.

3. Segment-wise or product-wise performance

During the year under review, since company is being working in a single segment therefore the specific performance does not stand eligible.

4. Outlook

The presence of a stable government at the centre will be a major catalyst in taking major decisions which would push forward the pace of reforms and thereby directly improving the macro-economic environment. It is now being forecasted that in the near future, the Indian economy will become the fastest growing emerging market.

The Government is looking at easing investment conditions in India and focusing on project clearances. Also, 2019 is expected to see a rush of foreign direct investments (FDI) coming into India supported by FII inflows, thanks to liberalising the defence, insurance and construction sectors. It is expected that Government's major structural/economic liberalization policies will be reflected in 2019 Union Finance Budget and the same is expected to further boost the industry sentiments.

Looking at the Indian economy the company has plans to diversify its business in future.

5. Risks and areas of concern

Our strength is our determination and team work, weakness is the low equity base, opportunities are multiples and threats are the vibrations in the economy and government policies.

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts.

6. Internal control systems and their adequacy

The Company has carried out the internal audit in-house and has ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective. All these measures are continuously reviewed by the management and as and when necessary improvements are affected.

7. Discussion on financial performance with respect to operational performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. Further, the financial performance during the year under reference has been impressive in terms of sales. Even though there has been a decent increase in the turnover, the volume of profits has also increased as compared to last year.

8. Material developments in human resources/industrial relations front, including number of people employed.

The company had sufficient numbers of employees at its administrative office. The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company enjoyed excellent relationship with workers and staff during the last year.

9. Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

For & on behalf of
Lorenzini Apparels Limited

Date: 02/09/2019
Place: Delhi

Sd/-
Sandeep Jain
Managing Director
DIN:02365790

Sd/-
Deepika Jain
Whole Time Director
DIN:02365797

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31.03.2019

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:

i	CIN	L17120DL2007PLC163192
ii	Registration Date	09/05/2007
iii	Name of the Company	LORENZINI APPARELS LIMITED
iv	Category/Sub-category of the Company	Company limited by Shares
v	Address of the Registered office & contact details	C-64, Okhla Industrial Area Phase-I New Delhi South Delhi DI 110020 In
vi	Whether listed company	Listed
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Ltd., D 153A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi- 110020.

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Trading Activities	14101	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
-	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	5668396	0	5668396	55.91	5668396	0	5668396	55.91	0.00	
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	
d) Bank/FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
SUB TOTAL:(A) (1)	5668396	0	5668396	55.91	5668396	0	5668396	55.91	0.00	
(2) Foreign										
a) NRI-Individuals	-	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	5668396	0	5668396	55.91	5668396	0	5668396	55.91	0.00	
B. PUBLIC SHAREHOLDING										
(1) Institutions	-	-	-	-	-	-	-	-	-	
a) Mutual Funds	-	-	-	-	-	-	-	-	-	

b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	331821	0	331821	3.27	370033	0	370033	3.65	0.38
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2479967	390	2480357	24.46	1880000	390	1880390	18.55	-5.91
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1408212	130	1408342	13.89	1989967	130	1990097	19.63	5.74
c) Others: HUF	140000	0	140000	1.38	130000	0	130000	1.28	-0.10
Non Resident	110000	0	110000	1.08	100000	0	100000	0.99	-0.09
Indian									
SUB TOTAL (B)(2):	4470000	520	4470520	44.09	4470000	520	4470520	44.09	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	4470000	520	4470520	44.09	4470000	520	4470520	44.09	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	10138396	520	10138916	100.00	10138396	520	10138916	100.00	0.00

(A+B+C)								
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ii. **SHARE HOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Deepika Jain	609505	6.01	-	609505	6.01	-	-
2	Sandeep Jain	5058761	49.89	-	5058761	49.89	-	-
3	Parveen Jain	130	0.00	-	130	0.00	-	-
	Total	5668396	55.90	-	5668396	55.90	-	-

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY, IF THERE IS NO CHANGE): No Change**

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31/03/2018		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 31/03/2019	
	No.of shares	% of total shares of the company				No of shares	% of total shares of the company
At the beginning of the year							
R.S. Services private limited	0	0	15-02-2019	230000	Purchase	230000	2.27
			22-02-2019	70000	Purchase	300000	2.96
			01-03-2019	30000	Purchase	330000	3.25
			08-03-2019	10000	Purchase	340000	3.35
Nikunj Stock Brokers Limited	230000	2.27	13-04-2018	-10000	Sale	220000	2.17
			20-04-2018	20000	Purchase	240000	2.37
			18-05-2018	20000	Purchase	260000	2.56
			25-05-2018	70000	Purchase	330000	3.25
			06-07-2018	10000	Purchase	340000	3.35
			27-07-2018	10000	Purchase	350000	3.45
			03-08-2018	-10000	Sale	340000	3.35
			24-08-2018	10000	Purchase	350000	3.45
			31-08-2018	-10000	Sale	340000	3.35
			28-09-2018	10000	Purchase	350000	3.45
			05-10-2018	-10000	Sale	340000	3.35
			12-10-2018	-20000	Sale	320000	3.16
			16-11-2018	-20000	Sale	300000	2.96
			30-11-2018	-10000	Sale	290000	2.86
			21-12-2018	10000	Purchase	300000	2.96
			28-12-2018	30000	Purchase	330000	3.25
			31-12-2018	-40000	Sale	290000	2.86
			04-01-2019	10000	Purchase	300000	2.96
			11-01-2019	-10000	Sale	290000	2.86
			18-01-2019	60000	Purchase	350000	3.45
			25-01-2019	-60000	Sale	290000	2.86
			08-02-2019	-20000	Sale	270000	2.66
			15-02-2019	-230000	Sale	40000	0.39
			22-02-2019	-20000	Sale	20000	0.20
			01-03-2019	-20000	Sale	0	0.00
RamniranjanChiranjil alJhunjhunwala	120000	1.18	20-04-2018	10000	Purchase	130000	1.28
			06-07-2018	-30000	Sale	100000	0.99
Rishu agarwal	0	0.00	16-11-2018	30000	Purchase	30000	0.30
			23-11-2018	10000	Purchase	40000	0.39

			30-11-2018	60000	Purchase	100000	0.99
			07-12-2018	20000	Purchase	120000	1.18
			14-12-2018	30000	Purchase	150000	1.48
			31-12-2018	40000	Purchase	190000	1.87
			11-01-2019	30000	Purchase	220000	2.17
			25-01-2019	60000	Purchase	280000	2.76
			08-02-2019	70000	Purchase	350000	3.45
			15-02-2019	10000	Purchase	360000	3.55
			29-03-2019	20000	Purchase	380000	3.75
Sanjiv Antonio A Gomes	78212	0.77	13-04-2018	1788	Purchase	80000	0.79
Nagraj SulladVasantha	60000	0.59			NA	60000	0.59
Mohinder Rustagi	80000	0.79			NA	80000	
Hemant Arora	70000	0.69	06-04-2018	10000	Purchase	80000	0.79
			06-07-2018	30000	Purchase	110000	1.08
			23-11-2018	-10000	Sale	100000	0.99
			18-01-2019	-30000	Sale	70000	0.69
			15-02-2019	-30000	Sale	40000	0.39
			22-02-2019	-20000	Sale	20000	0.20
			01-03-2019	-10000	Sale	10000	0.10
Abhishek Arora	0	0.00	11-05-2018	110000	Purchase	110000	1.08
Sunil Kumar G Mishra	70000	0.69	01-06-2018	20000	Purchase	90000	0.89
			03-08-2018	30000	Purchase	120000	1.18
Pardeep Singh	70000	0.69			NA	70000	0.69
Nitin Sharma	60000	0.59	27-07-2018	20000	Purchase	80000	0.79
			03-08-2018	30000	Purchase	110000	1.08
			17-08-2018	9991	Purchase	119991	1.18
			28-09-2018	9	Purchase	120000	1.18
			05-10-2018	40000	Purchase	160000	1.58
			12-10-2018	10000	Purchase	170000	1.68
Yogesh Kumar	50000	0.49			NA	50000	0.49

(v) **Shareholding of Directors &Key Managerial Personnel**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	Deepika Jain				
	At the beginning of the year	609505	6.01	609505	6.01

	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil			
	At the end of the year	609505	6.01	609505	6.01
2	Sandeep Jain				
	At the beginning of the year	5058761	49.89	5058761	49.89
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil			
	At the end of the year	5058761	49.89	5058761	49.89
3	Parveen Jain				
	At the beginning of the year	130	0.00	130	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil			
	At the end of the year	130	0.00	130	0.00

V INDEBTEDNESS

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
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	6904481	-	-	6904481
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
TOTAL	6904481	-	-	6904481
Change in Indebtedness during Year				
Additions	7395930	-	-	7395930
Reductions	7021366	-	-	7021366
Net Change	374564			374564
Indebtedness at the end of Year				
i. Principal Amount	7279045	-	-	7279045
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7279045	-	-	7279045

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particular of Remuneration	Name of MD/WTD/Manager					Total (In Lacs)
		Deepika Jain (Whole Time Director)	Sandeep Jain (managing director)				12.00
1	Gross Salary	6.00	6.00	NA	NA	NA	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	NA	NA	NA	NA	NA	
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		NA	NA	NA	NA	
	c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961		NA	NA	NA	NA	
2	Stock Option		NA	NA	NA	NA	
3	Sweat Equity		NA	NA	NA	NA	
4	Commission		NA	NA	NA	NA	12.00
	Others, please specify		NA	NA	NA	NA	
	TOTAL	6.00	6.00	NA	NA	NA	12.00
	Ceiling as per the Act (10% of Net Profit calculated as per section 198 of Companies Act, 2013)		NA	NA	NA	NA	NA

B. Remuneration to other directors:

Sl. No.	Particular of Remuneration	Name of Directors				Total Amount
1	Independent Directors	NA				Nil
	a) Fees for attending Board and Committee meetings					
	b) Commission					
	c) Other, please specify					
	TOTAL (1)	Nil				
2	Other Non-Executive Directors					
	a) Fees for attending Board and Committee meetings	NA				
	b) Commission					
	c) Other, please specify (Retainership Fee- Professional capacity)					
	TOTAL (2)	Nil				
	TOTAL (1+2)					
	Total managerial remuneration					
	Ceiling as per the Act (10% of Net Profit calculated as per section 198 of Companies Act, 2013)					

C. Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager

Sl. No.	Particular of Remuneration	Name of Key Managerial Personnel		Total
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	Nil		Nil
	b) Value of perquisites			
	c) Profit in lieu of salary			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	Others, please specify			
	TOTAL	Nil		

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. Company					
Penalty	NA				
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

**For & on behalf of
Lorenzini Apparels Limited**

Sd/-

Sd/-

Date: 02.09.2019

Place: Delhi

**Sandeep Jain
Managing Director
DIN:02365790**

**Deepika Jain
Whole Time Director
DIN: 02365797**

Independent auditor's report

To The Members of **LORENZINI APPARELS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LORENZINI APPARELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit & Loss statement and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Sr. No.	Key Audit Matter
1	<p>Revenue Recognition (refer Note. 1 related to Revenue)</p> <p>We focused on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and estimation related to recording the discount and rebates. According to the financial statement's accounting principles revenue is recognized at a point in time when the control of the goods is transferred to the customer according to delivery terms. Due to</p>

	<p>variation of contractual sales terms and practices across the market and the pressure, the management may feel to achieve performance targets, there is a risk of material error.</p> <p>Auditor's Response</p> <p>To address this risk of material misstatement relating to revenue recognition, our audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the compliance of company's revenue recognition policies with applicable accounting standards, including those related to discounts and rebates. - Assessing the revenue recognition processes on showroom and online sales. - Assessing the adequacy of relevant disclosures.
2	<p>Inventory valuation (refer Note. 1 related to inventories)</p> <p>Inventory were considered as a Key audit matter due to the size of the balance and because inventory valuation involves management judgement. According to company's accounting policies inventories are measured at the lower of cost or net realizable value.</p> <p>Auditor's Response</p> <p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none"> - Assessing the compliance of company's accounting policies over inventory with applicable accounting standards. - Assessing the Inventory valuation processes on showroom. - Assessing the analyses and assessment made by management with respect to slow moving stock.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in

“Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai

May 27, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of LORENZINI APPARELS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of LORENZINI APPARELS LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai

May 27, 2019

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LORENZINI APPARELS LIMITED of even date)

- i) In respect of the Company's fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii) The Company has a program of verification to cover all the items of inventories in a phased manner which, in our opinion, is reasonable having regard to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to bodies corporate, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Act. We are of the opinion, that prima facie the prescribed accounts and records have been maintained by the Company. The contents of these accounts and records have not been examined by us.
- vii) According to the information and explanations given to us, in respect of statutory dues :
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, IncomeTax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, duty of excise and service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of Statute	Nature of the dues	Due Amount (Rs.)	period to which the due relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	225117	2009-10	ASSESSING OFFICER
Income Tax Act, 1961	Income Tax	496	2012-13	ASSESSING OFFICER
Income Tax Act, 1961	Income Tax	91730	2013-14	ASSESSING OFFICER
Income Tax Act, 1961	Income Tax	4630	2017-18	CPC

- viii) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of Term Loans taken from Bank and the Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year however term loans taken were applied for the purpose for which those are raised.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai

May 27, 2019

LORENZINI APPARELS LIMITED
C-64, Okhla Industrial Area, Phase - I, New Delhi - 110020
Balance Sheet as at 31/03/2019

	Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	101,389,160	101,389,160
	(b) Reserves and surplus	3	12,249,664	5,892,947
			113,638,824	107,282,107
2	Share application money pending allotment			-
3	Non-current liabilities			
	(a) Long-term borrowings	4	7,028,483	6,904,481
	(c) Other long-term liabilities	5	11,918,307	14,504,209
			18,946,790	21,408,690
4	Current liabilities			
	(a) Short-term borrowings	6	13,361,298	1,076,333
	(b) Trade payables	7	61,002,294	42,091,414
	(c) Other current liabilities	8	6,650,599	6,069,818
	(d) Short-term provisions	9	2,630,559	1,740,677
			83,644,751	50,978,242
	TOTAL		216,230,365	179,669,039
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	10	17,031,561	17,235,126
	(ii) Intangible assets		-	-
	(b) Investments	11	3,000,000	
	(b) Deferred tax assets (net)	12	2,378,964	1,202,019
	(c) Long-term loans and advances	13	6,013,986	4,004,443
			28,424,511	22,441,588
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	14	132,305,016	120,146,655
	(c) Trade receivables	15	47,057,460	24,464,896
	(d) Cash and cash equivalents	16	3,367,287	9,159,420
	(e) Short-term loans and advances	17	4,919,902	3,215,570
	(f) Other current assets	18	156,189	240,909
			187,805,854	157,227,451
	TOTAL		216,230,365	179,669,039
Significant Accounting Policies		1	-	
Notes forming part of this Balance Sheet		2 to 29		
As per our report of even date		For and on behalf of the Board of Directors		
For Mittal & Associates				
Chartered Accountants				
FRN:- 106456W		Sd/-	Sd/-	
Sd/-		Sandeep Jain	Deepika Jain	
Hemant Bohra		Managing Director	Whole time Director	
Partner		DIN:-02365790	DIN:-02365797	
M.No.- 165667		Sd/-	Sd/-	
Place : Mumbai		JP Sharma	Deepika Jain	
Date : 27/05/2019		Company Secretary	CFO	

LORENZINI APPARELS LIMITED

C-64, Okhla Industrial Area, Phase - I, New Delhi - 110020

Statement of Profit and Loss for the year ended on 31/03/2019

Particulars		Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
1	Revenue from operations (gross)	19	270,532,800	238,202,652
	Other Income	20	41,394	35,397
	Total Revenue		270,574,194	238,238,049
2	Expenses			
	(a) Cost of materials consumed	21	29,220,383	129,418,107
	(b) Purchases of stock-in-trade	22	151,680,228	96,989,751
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-2,426,053	-65,194,359
	(d) Employee benefits expense	24	13,802,994	12,307,823
	(f) Finance Expenses	25	2,375,133	3,394,103
	(e) Depreciation & Amortization Expenses	10	2,283,171	2,244,350
	(e) Other expenses	26	66,638,645	53,294,421
	Total expenses		263,574,501	232,454,196
3	Profit / (Loss) before exceptional item and tax (1-2)		6,999,693	5,783,853
4	Exceptional items		-	-
5	Profit / (Loss) before extraordinarily items and tax (3 ± 4)		6,999,693	5,783,853
6	Extraordinary Item		-	-
7	Profit & Loss before tax (5+6)		6,999,693	5,783,853
8	Tax expense:			
	(a) Current tax expense for current year	12	1,819,920	1,489,342
	(b) Deferred tax Liabilities/Assets		-1,176,945	-59,761
			642,975	1,429,581
9	Profit / (Loss) for the year (7 ± 8)		6,356,718	4,354,272
10	Earnings per share (of ` 10/- each):			
	(a) Basic		0.63	1.86
	(b) Diluted		0.63	1.86

Significant Accounting Policies

Notes forming part of this Balance Sheet

As per our report of even date

For Mittal & Associates

Chartered Accountants

FRN:- 106456W

Sd/-

Hemant Bohra

Partner

M.No.- 165667

Place : Mumbai

Date : 27/05/2019

1

2 to 29

For and on behalf of the Board of Directors

Sd/-

Sandeep Jain

Managing Director

DIN:-02365790

Sd/-

JP Sharma

Company Secretary

Sd/-

Deepika Jain

Whole time Director

DIN:-02365797

Sd/-

Deepika Jain

CFO

LORENZINI APPARELS LIMITED
C-64, Okhla Industrial Area, Phase - I, New Delhi - 110020
Cash Flow statement for the year ended 31 March 2019

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
<u>Cash Flow From Operating Activities:</u>			
Net Profit before tax as per Profit And Loss A/c		6,999,693	5,783,853
<u>Adjustments for:</u>			
Depreciation & Amortisation Expense		2,283,171	2,244,350
Finance Cost		2,375,133	3,394,103
Preliminary exp.		-	-284,800
Operating Profit Before Working Capital Changes		11,657,997	11,137,507
Adjusted for (Increase)/ Decrease in:			
Inventories		-12,158,361	-70,794,779
Trade receivables		-22,592,564	3,096,760
Loans And Advances		-3,713,875	-4,611,090
Other current assets		84,720	59,191
Short-Term Borrowings		12,284,965	-11,116,085
Trade Payables		18,910,880	7,848,891
Other Current Liabilities		580,781	2,832,240
Short-Term Provisions		889,882	577,300
Cash Generated From Operations		-5,713,571	-72,107,571
<u>Appropriation of Profit</u>			
Net Income Tax paid		-1,819,920	-1,489,342
Net Cash Flow from/(used in) Operating Activities: (A)		4,124,506	-62,459,407
<u>Cash Flow From Investing Activities:</u>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)		-2,079,606	-2,192,304
Net (Increase)/Decrease in Investment		-3,000,000	
Net Cash Flow from/(used in) Investing Activities: (B)		-5,079,606	-2,192,304
<u>Cash Flow from Financing Activities:</u>			
Proceeds From issue of Share Capital		-	73,332,836
Net Increase/(Decrease) in Long Term Borrowings		124,002	-1,260,216
Net Increase/(Decrease) in Other Long Term Liabilities		-2,585,902	3,904,209
Finance Cost		-2,375,133	-3,394,103
Net Cash Flow from/(used in) Financing Activities (C)		-4,837,033	72,582,726
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		-5,792,133	7,931,015
Cash & Cash Equivalents As At Beginning of the Year		9,159,420	1,228,405
Cash & Cash Equivalents As At End of the Year		3,367,287	9,159,420

Significant Accounting Policies 1
Notes forming part of this Balance Sheet 2 to 29

For Mittal & Associates
Chartered Accountants
FRN:- 106456W

Hemant Bohra
Partner
M.No.- 165667
Place : Mumbai
Date : 27/05/2019

For and on behalf of the Board of Directors

Sd/- Sandeep Jain Managing Director DIN:-02365790	Sd/- Deepika Jain Whole time Director DIN:-02365797
Sd/- JP Sharma Company Secretary	Sd/- Deepika Jain CFO

Note 2 Share capital

Particulars	As at March,31			
	2019		2018	
	Number of shares	`	Number of shares	`
Authorised				
Equity shares of ` 10/- each with voting rights	10,200,000	102,000,000	10,200,000	102,000,000
	10,200,000	102,000,000	10,200,000	102,000,000
Issued, subscribed and paid up capital				
Equity shares of ` 10/- each with voting rights	10,138,916	101,389,160	10,138,916	101,389,160
Total	10,138,916	101,389,160	10,138,916	101,389,160

a) Details of reconciliation of the number of shares outstanding:

Particulars	Opening Balance	Issue During the year	Bonus issued during the year	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2019				
- Number of shares	10,138,916	-	-	10,138,916
- Amount (`)	101,389,160	-	-	101,389,160
Year ended 31 March, 2018				
- Number of shares	2,282,850	7,171,211	684,855	10,138,916
- Amount (`)	22,828,500	71,712,110	6,848,550	101,389,160

b) Details of shares held by each shareholder holding more than 5% shares:

Name of Stakeholders	As at March,31 2019		As at March,31 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sandeep Jain	5,058,761.00	49.89	5,058,761.00	49.89
Deepika Jain	609,505.00	6.01	609,505.00	6.01
Total	5,668,266.00	55.90	5,668,266.00	55.90

c) Terms / rights attached to equity shares:

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

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

Note 3 Reserves and surplus

Particulars	INR	
	As at 31 March, 2019	As at 31 March, 2018
(a) Securities premium account		
Opening balance	1,335,926	6,414,975
Add : Premium on shares issued during the year		1,620,726
Less : Utilised during the year for:		
Issuing bonus shares		6,414,975
Writing off preliminary expenses		284,800
Closing balance	1,335,926	1,335,926
(b) Profit & Loss a/c		
Opening balance	4,557,021	2,160,934
Add: Profit / (Loss) for the year	6,356,718	4,354,272
Less: Utilised for Issue of Bonus Shares		433,575
Less: Depreciation for previous year		1,524,611
Closing balance	10,913,738	4,557,021
Total	12,249,664	5,892,947

Note 4 Long-term borrowings

Particulars	INR	
	As at 31 March, 2019	As at 31 March, 2018
Term loans		
Secured		
ICICI Bank (Car Loan) Secured		804,868
ICICI LAP LOAN A/C	7,279,045	
NBFC-Secured Loans- BAJAJ FINANCE LTD - 401LAP23781512 (mortgage against Immovable property)		7,407,113
Less: Current Maturities	250,562	1,307,500
TOTAL	7,028,483	6,904,481

Term loan from ICICI BANK LIMITED

Secured by hypothecation of Building-Shop 104, Plot 2, Sector 25, Block I, Noida and personal guarantee of Directors, carrying interest rate @ 9.25% p.a. and repayable in 180 monthly installment of Rs. 76,119/-

Vehicle loan from ICICI Bank Ltd.

Secured against vehicle financed and carrying interest rate @ 9.75

Vehicle Loan No. LADEL00033650147

Repayable in 36 equally monthly installment of Rs. 30993

Vehicle Loan No. LUDEL00034298387

Repayable in 36 equally monthly installment of Rs. 53911

Note 5 Other Long-term Liabilities

Particulars	INR	
	As at 31 March, 2019	As at 31 March, 2018
Other long term Liabilities		
Security Deposit from Franchises	11,918,307	14,504,209
TOTAL	11,918,307	14,504,209

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 6 Short-term borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
	`	`
(a) Loans repayable on demand		
From banks		
. IDBI BANK(OD NO.109651100000143)	2,921,076	-
. AXIS BANK(C/A NO.159)	-	-
. ICICI BANK(C/A NO.641)	902,464	
. SYNDICATE BANK (OD A/C 90901400000925)	8,911,591	
. PINNACLE CAPITAL SOLUTIONS PVT. LTD	131,167	
Secured-NBFC Loans	-	-
IDBI BANK(C/A NO.109102000013527)		53,133
Total	12,866,298	53,133
(b) Other loans and advances		
SANDEEP JAIN (HUF)	495,000	
From NBFC -Unsecured		1,023,200
Total	495,000	1,023,200
Total	13,361,298	1,076,333

Note 7 Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
	`	`
Trade payables:		
Creditors	60,944,613	42,091,414
Creditors for assets	57,681	
Director's Account Payable	-	-
Total	61,002,294	42,091,414

Note 8 Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
	`	`
Current maturities of long-term debt	250,562	1,307,500
Creditor For Expense	5,595,246	3,689,406
Directors Current A/c	896,771	
Statutory Payable	-91,980	1,072,912
Total	6,650,599	6,069,818

Note 9 Short-term provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
	`	`
Provision - Others:		
Provision for tax (Net of advance Tax)	1,819,920	685,939
Provision for Expenses	810,639	1,054,738
Total	2,630,559	1,740,677

Note 10 Fixed assets
Tangible Assets

tangible assets	Gross block				Depreciation				Net block	
	Balance as at 1 April, 2018	Additions	Disposals	Balance as at 31/03/2019	Balance as at 1 April, 2018	Earlier year Depreciation charged against reserve	Depreciation / amortisation expense for the year upto 31/03/2019	Balance as at 31/03/2019	Balance as at 31/03/2019	Balance as at 31 March, 2018
(a) Plant & Machinery	221,500.00			221,500.00	39,660.00		32,913.04	72,573.04	148,927	181,840
(b) Building-Shop 104, Plot 2, Sector 25, Block I, Noida	15,530,677.00			15,530,677.00	2,206,706.00		648,877.39	2,855,583.39	12,675,094	13,323,971
(c) Furniture & Fixtures	6,098,929.43	1,433,153.41	-	7,532,082.84	3,999,967.40		728,997.48	4,728,964.88	2,803,118	2,098,962
(d) Vehicles	2,828,953.00			2,828,953.00	1,981,642.01		219,368.82	2,201,010.83	627,942	847,311
(e) office Equipment/plant	3,153,393.84	513,825.52		3,667,219.36	2,771,364.25		336,489.19	3,107,853.44	559,366	382,030
(f) Computers	3,430,162.74	132,627.03	-	3,562,789.77	3,029,150.01		316,525.48	3,345,675.49	217,114	401,013
Total	31,263,616.01	2,079,605.96	-	33,343,221.97	14,028,489.67	-	2,283,171.39	16,311,661.06	17,031,561	17,235,126
Previous year	29,071,312.00	2,192,304.01	-	31,263,616.01	10,262,623.67	1,524,611.00	2,241,255.00	14,028,489.67	17,235,126	18,808,688

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 11 Investment

Particulars	As at 31 March, 2019	As at 31 March, 2018
CCPS (KHETAN APPARELS PVT. LTD)	3,000,000	-
Total	3,000,000	-

Note 12 Deffered Tax

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax assets</u>		
<u>Opening Balance</u>	1,202,019	1,142,258
Provision for compensated absences, gratuity and other employee benefits		
Adjusted with PL appropriation a/c		
On difference between book balance and tax balance of fixed assets	1,176,945	59,761
Tax effect of items constituting deferred tax assets	2,378,964	1,202,019
Net deferred tax (liability) / asset	2,378,964	1,202,019

Note 13 Long term Advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Security deposits		
Unsecured, considered good	5,377,634	4,004,443
Fixed Deposits	636,352	
Total	6,013,986	4,004,443

Note 14 Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Material	19,862,808	10,130,500
Finished Goods	72,716,592	75,507,655
Stock in Trade	39,725,616	34,508,500
Total	132,305,016	120,146,655

Note 15 Trade receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	23,211,065	1,318,405
Doubtful		
	23,211,065	1,318,405
Less: Provision for doubtful trade receivables		-
	23,211,065	1,318,405
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	23,846,395	23,146,491
Doubtful		
	23,846,395	23,146,491
Less: Provision for doubtful trade receivables		-
	23,846,395	23,146,491
Total	47,057,460	24,464,896

Note 16 Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash on hand	3,353,941	1,423,321
(b) Balances with banks (Note @ below)		
(i) In current accounts		7,736,099
Axis Bank	2,982	
IDBI Bank	10,364	
Total	3,367,287	9,159,420

Note 17 Short-term loans and advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans and advances (employee)		
Unsecured, considered good	398,954	725,750
Total	398,954	725,750
(b) Prepaid expenses		
Unsecured, considered good	69,354	66,756
Total	69,354	66,756
(c) Balances with government authorities		
Unsecured, considered good	-	-
Total	-	-
(d) Others (specify nature)		
BHARTI HR SOLUTIONS PVT LTD	400,001	
Advance for Assets	1,003,850	
Unsecured Advance given to suppliers	3,047,743	2,423,064
Total	4,451,594	2,423,064
Total	4,919,902	3,215,570

Note 18 Other current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) TDS Recoverables from Party	134,069	240,909
(b) IGST recoverable Haryana	22,120	-
(c) preliminary expenses	-	-
Total	156,189	240,909

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 19 Revenue from operations

	Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
		`	`
(a)	Sale of products	270,532,800	238,202,652
	Total	270,532,800	238,202,652

Note 20 Other income

	Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
		`	`
(a)	Interest on FD	40,392	-
(b)	Miscellaneous Income	1,002	35,397
	Total	41,394	35,397

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 21 Cost of materials consumed

Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
	`	`
opening stock	10,130,500	4,530,080
Add: Purchase	38,952,691	135,018,527
Closeing stock	19,862,808	10,130,500
Total	29,220,383	129,418,107

Note 22 Purchase

Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
	`	`
Purchases (Including Consumables Stores)	151,680,228	96,989,751
Total	151,680,228	96,989,751

Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
	`	`
<u>Inventories at the end of the year:</u>		
Finished Goods	72,716,592	75,507,655
Stock-in-trade	39,725,616	34,508,500
	112,442,208	110,016,155
<u>Inventories at the beginning of the year:</u>		
Finished Goods	75,507,655	32,021,457
Stock-in-trade	34,508,500	12,800,339
	110,016,155	44,821,796
Net (increase) / decrease	(2,426,053)	(65,194,359)

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 24 Employee benefits expense

	Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
	Salaries and wages	13,177,838	11,611,291
	Staff welfare expenses	625,156	696,532
	Total	13,802,994	12,307,823

Note 25 Finance costs

Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
(a) Interest expense on:		
(i) Borrowings	924,975	1,050,455
(ii) Bank Charges	246,327	273,828
(iii) Others	1,203,830	2,069,820
Total	2,375,133	3,394,103

Note 26 Other expenses

Particulars	For the year ended 31/03/2019	For the year ended 31 March, 2018
Fabrication/Job Charges	7,077,669	11,187,356
Alteration/Measurement Charges	69,450	156,563
Printing & Stationery	61,423	213,158
Postage & Courier	212,245	491,822
Audit Fees	120,000	
Show Room Expenses	522,537	572,655
Commission	14,545,108	12,824,138
Business Promotion	276,653	833,903
Conveyance Expenses	771,865	566,477
Telephone Expenses	131,649	140,058
Power, Electricity & Fuel	1,741,552	1,631,354
Travelling Expenses	634,569	658,480
Credit Card Charges	554,949	491,259
Vehicle Running Expenses	221,278	77,722
Rent	16,800,184	9,799,144
Generator Running & Maintenance	33,075	83,015
Repair & Maintenance	682,974	196,093
Advertising Expenses	1,132,540	1,005,001
Carriage Outward	683,079	372,456
Packing Material	288,240	242,347
Modelling & Photoshoot Expenses		208,800
Sampling Expenses	1,006,692	665,805
Insurance Charges	188,886	120,832
General Expenses	110,364	175,241
Mall Maintenance Charges	805,800	991,274
Professional Expenses	1,493,350	3,346,799
additional TDS		1,178,005
Security Exp	375,046	
Software maintenance charges	282,488	
Processing Fees	105,550	
Sundry Parties W/off	-359,886	
Donation	300,000	
Rebate & Discount	15,769,319	5,064,664
Total	66,638,645	53,294,421

LORENZINI APPARELS LIMITED

Notes forming part of the financial statements

Note 27 Details of Related party transaction

Note	Particulars				
	Related party transactions				
	Details of related parties:				
	Description of relationship		Names of related parties		
	Key Management Personnel (KMP)- Directors Relatives of KMP Entity in which KMP / Relatives of KMP can exercise significant influence		Sandeep Jain, Deepika Jain Vijay Kumar Jain, Praveen Jain Sandeep Jain HUF		
	Details of related party transactions during the period ended 31/03/2019 and balances outstanding as at 31/03/2019				
		KMP	Closing Balance as at 31st March 2019	Entities in which KMP / relatives of KMP have significant influence	Closing Balance as at 31st March 2019
	Transactions during the year				
	Issue Of Bonus share		-	-	-
	Share Issued Other Than Bonus Issue		-	-	-
	Advance Given	1,950,000	-		
	Advance repaid through bank	1,950,000	-		
	Loan Taken	-	-	1,295,000	495,000
	Loan Reapid Through Bank	-	-	800,000	-
	Directors Remuneration	1,200,000	-	-	

Notes forming part of the financial statements

Note	Particulars
	<p>Corporate information</p> <p>Lorenzini Apparels Limited is a public limited Company . The Company's Registered office situated at TA-168,187 Tuglakabad Extension, Ground Floor, Gali No.2, New Delhi-110019.The Company is engaged in the business of Manufacturing and Trading of Garments.</p>
1.1 Significant accounting policies	<p>"The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company." and should also modify the accounting policies suitably.</p>
1.2 Basis of accounting and preparation of financial statements	<p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
1.3 Use of estimates: No Estimate of Income or expenses is provided in books.	<p>The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.</p>
1.4 Inventories	<p>The Company have inventory of Trading material valued on cost or NRV whichever is lower</p>
1.5 Cash and cash equivalents (for purposes of Cash Flow Statement)	<p>Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.</p>
1.6 Cash flow statement	<p>Cash flows are reported using the Indirect Method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
1.7 Depreciation and amortisation	<p>The Company have tangible assets on which depreciation is provided under the companies act, 2013. The depreciation is adjusted and c/f to the remaining life of assets. During the year company has adjusted excess/short depreciation against the reserve.</p>
1.8 Revenue recognition	<p>Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured</p> <p><u>Sale of goods</u></p> <p>Domestic Sale is recognized on dispatch to customers and is net of returns. "Sales" includes basic sales value and excise, but excludes other recoveries such as insurance, sales tax etc</p>
1.9 Other income	<p>Other Income is recognised and accounted for on accrual basis unless otherwise stated.</p>
1.10 Intangible assets	<p>Intangible assets are recognized when it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development</p>
1.11 Foreign currency transactions and translations	<p>The company has not imported any material and entered into foreign transactions.</p>
1.12 Employee benefits	<p>Retirement benefits to employees comprise of provident fund contributions and leave encashment entitlements. Contribution to Provident Fund is made in accordance with the statute and provided on accrual basis.</p>
1.13 Borrowing costs	<p>Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss Account in the period in which they are incurred.</p>
1.14 Segment reporting	<p>The company primary segment is of trading and manufacturing of Garments thus having one segment of reporting. Revenue, expenses, assets and liabilities which relate to the Company as a whole .</p>

1.15 Leases

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

1.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

1.17 Taxes on income

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the relevant accounting year in accordance with the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognized deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

The Company has the policy of reviewing and passing proper adjustment entries for Income Tax paid, Provision for Income Tax made and excess/short tax provision for the year after filing Income Tax returns. The Company also makes a fair estimate of the Income Tax liability for the said year and gives effects to it in the Books of Accounts.

Note

Particulars

1.18 Provisions and contingencies

The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available.

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on management's estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

In case of remote possibility neither provision nor disclosure is made in the financials.

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

1.19 Provision for warranty

No Provision for warranties are made.

1.20 Hedge accounting

During the year company has not entered into any hedging contract.

Ref No.

Note

Particulars

1.21 Derivative contracts

The Company has not enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions

1.22 Service tax input credit

The Company is not liable to pay service tax.

VENUE ROUTE MAP:
Lorenzini Apparels Limited
C-64, Okhla Industrial Area, Phase I,
New Delhi- 110020
Nearest landmark: Ramlila Ground, Okhla Industrial Area

