



LAHOTI
OVERSEAS LIMITED

AN ISO 9001 : 2008 CERTIFIED COMPANY

18th ANNUAL REPORT
2012-2013

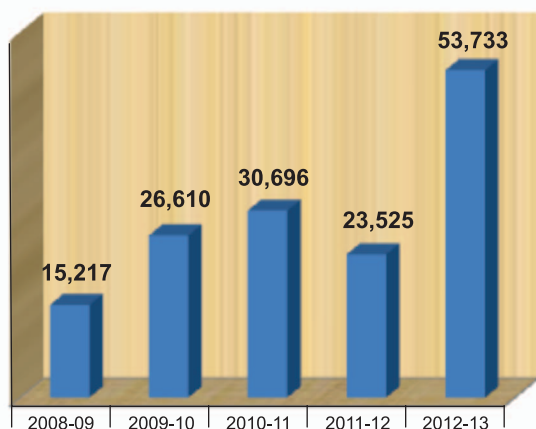
GROWTH IS A WAY OF LIFE



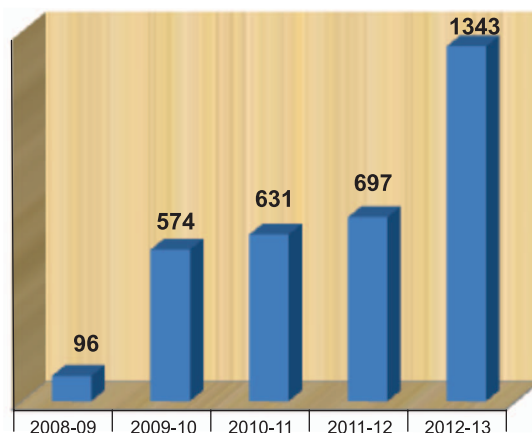
LAHOTI OVERSEAS LIMITED

PERFORMANCE REVIEW

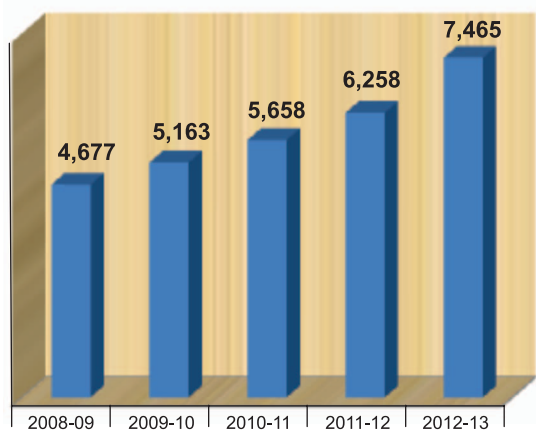
Gross Income (₹ in Lakhs)



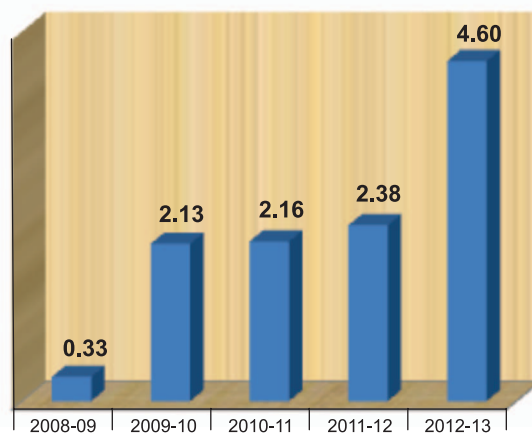
Net Profit (₹ in Lakhs)



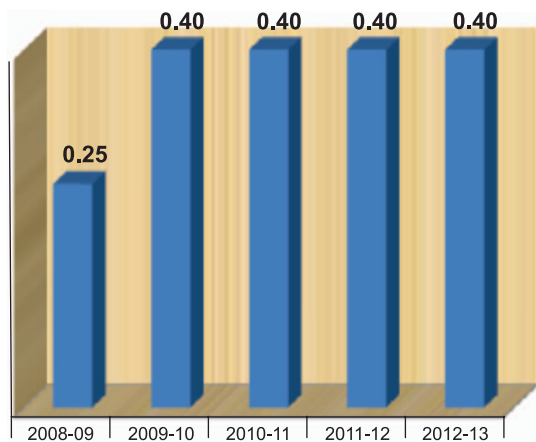
Networth (₹ in Lakhs)



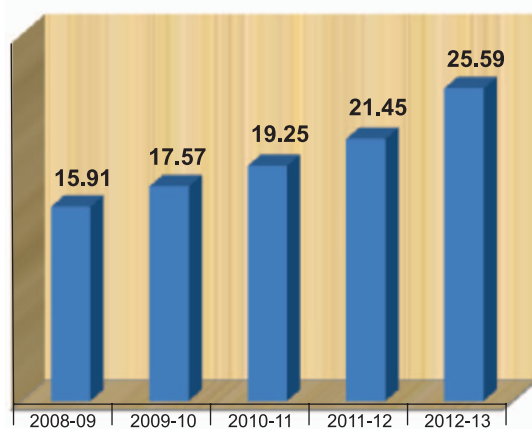
Earning Per Share (₹)



Dividend Per Share (₹)



Book Value Per Shares (₹)



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Board of Directors

Mr. Ujwal R. Lahoti	-	Executive Chairman
Mr. Umesh R. Lahoti	-	Managing Director
Mr. Aadhitiya U. Lahoti	-	Jt. Executive Director
Mr. Pradeep R. Rath	-	Independent Non-Executive Director
Mr. Prakash R. Bang	-	Independent Non-Executive Director
Mr. Vijay D. Ajgaonkar	-	Independent Non-Executive Director
Mr. Prem S. Malik	-	Independent Non-Executive Director

Compliance Officer

Mr. Aveline Mendes

Practising Company Secretary

M/s. Kothari H. & Associates

Statutory Auditors

M/s. P.C. Ghadiali & Co.

Internal Auditors

M/s. Lahoti Navneet & Co.

Bankers

State Bank of India
Citibank N.A.
DBS Bank Ltd.
HSBC Ltd.
ICICI Bank Ltd.
Punjab National Bank

Registered Office

307, Arun Chambers, Tardeo Road,
Mumbai - 400 034.
Tel.: +91-22-4050 0100
Fax : +91-22-4050 0150
Email: investor@lahotioverseas.com
Website: www.lahotioverseas.in

Registers & Share Transfer Agents

Sharepro Services (India) Private Limited
Samhita Complex, Gala No-52 to 56,
Bldg. No.13 A-B, Near Sakinaka Telephone
Exchange
Andheri - Kurla Road, Sakinaka, Mumbai - 400 072.
Tel No.: +91-22-6772 0300/6772 0400
Fax No.:+91-22-2859 1568.
E-mail: indira@shareproservices.com
Website: www.shareproservices.com

Notice

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **LAHOTI OVERSEAS LIMITED** will be held on Friday, 27th September, 2013 at 3.00 P.M. at the Registered Office of the Company at 307, Arun Chambers, Tardeo Road, Mumbai-400 034 to transact the following businesses:

Ordinary Businesses

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors' thereon.
2. To declare a Dividend on Equity Shares of the Company for the Financial Year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Pradeep R. Rathi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Aadhiya U. Lahoti, who retires by rotation and being eligible offers himself for re-appointment
5. To re-appoint M/s. P.C. Ghadiali & Co., Chartered Accountants, having firm registration No. 103132W, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

By Order of the Board of Directors

Umesh Lahoti
Managing Director

Place: Mumbai

Date: 29th May, 2013

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. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 23/09/2013 to Friday, 27/09/2013 (both days inclusive).
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent – **Sharepro Services (India) Private Limited** The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
6. Those members who have not yet encashed the dividend warrants for the previous years may approach the Regd. Office of the Company for the issuance of fresh cheque for dividend of the relevant year.

7. The members may note that the dividend declared by the Company before the year 2006, un-encashed /unclaimed for a period of 7 (Seven) Years will be transferred to the Investors Education and Protection Fund (IEPF) constituted by the Central Government u/s. 205A & 205C of the Companies Act, 1956. Further note that under the amended provision of Section 205B of the Companies Act, 1956 no claim by the share holders shall lie for the unclaimed dividend transferred to IEPF.
8. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
9. Re-appointment of Directors: At the ensuing Annual General Meeting Mr. Pradeep R. Rath and Mr. Aadhitiya U. Lahoti, liable for retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these Directors required to be provided pursuant to Clause 49 of the listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
10. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
11. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be made by e-mail to its members. To support this initiative of the Government, Members are requested to immediately notify their email ids to their respective DPs or the RTA or to the Company, as the case may be, to enable the Company to send all the future notices and documents through electronic mode.

Directors' Report

Dear Fellow Shareowners,

Your Directors are pleased to present the Eighteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2013.

Financial Highlights

The financial performance of the Company, for the year ended March 31, 2013 is summarised below:

(₹ in Lacs)

Particulars	For the Financial Year Ended	
	31 st March, 2013	31 st March, 2012
Gross Income	53732.68	23525.26
Gross Profit before, Depreciation and Tax	1809.58	1144.03
Less: Depreciation	169.41	197.39
Profit Before Tax	1640.17	946.64
Provision for Tax		
Current Tax	328.00	261.50
Deferred Tax	(30.95)	(11.64)
Profit after Tax before period items	1343.12	696.78
Prior period adjustment	----	----
<u>Add:</u> Excess Provision written Back	----	38.80
Balance b/f from previous year	4214.28	3666.57
Amount available for appropriation	5557.40	4402.15
<u>Less:</u> Proposed Dividend	116.69	116.69
Corporate Dividend Tax	18.93	18.93
Transferred to General Reserves	100.73	52.26
<u>Add:</u> Excess provision for Dividend	----	----
Balance carried to Balance Sheet	5321.04	4214.28

Results of Operations

During the year, your Company has recorded a total income of ₹ 53,732.68 Lac, against ₹ 23,525.26 Lacs in the previous year, with the increase of 128.40% due to favorable government policies in Cotton yarn export and huge surge in China Market. Accordingly Net Profit before Taxation for the financial year ended March, 31, 2013 had also been increased to ₹ 1,640.17 Lacs from ₹ 946.64 Lacs with the increase of 73.26% in the previous year. However, the Profit after Tax increased from ₹ 696.78 Lacs to ₹ 1343.12 Lacs an increase of 92.76%.

Dividend

Your Directors have recommended a Dividend @ 20% (i.e. ₹ 0.40) per Equity Share on 2,91,17,500 Equity Shares of ₹ 2/- each absorbing an amount of ₹ 1,16,68,600. The dividend will be paid to those members whose name appears in the Register of Members as on September 27, 2013 subject to the approval by the members at the Annual General Meeting.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

Management Discussion and Analysis Report

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

Subsidiary Companies

The Company as of March 31, 2013 had two subsidiaries, viz **Lahoti Spintex Limited** and **G. Varadan Limited** as wholly owned subsidiaries of Lahoti Overseas Limited.

No Independent Director on the Board of the Company is required to be inducted on the Board of its subsidiaries as none of the subsidiary is a material non-listed subsidiary Company as defined under

revised Clause 49 of the listing agreement. The Audit Committee of the Company reviews the financial statements of the unlisted subsidiary companies. The minutes of the Board meetings of unlisted subsidiary companies are regularly placed at the Board meetings of the Company.

Annual Accounts of the Subsidiary Companies

In terms of the general exemption granted by the Ministry of Corporate Affairs vide General Circular No.2/2011 dated February 8, 2011 under Section 212 (8) of the Companies Act, 1956, copies of the Balance Sheet, Statement of Profit and Loss, Cash flow Statement, Report of the Board of Directors and Auditors thereon, of the Subsidiary Companies are not being attached to the Balance Sheet of the Company. The financial information of the subsidiary companies as required to be disclosed by the Company are provided under the heading 'Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's interest in subsidiary companies, which forms a part of the Annual Report.

The Company will make available copies of Annual Accounts of the subsidiary companies and the related detailed information to the shareholders of the Company seeking the same.

The Annual Accounts of the subsidiary Companies will also be available for inspection by shareholders at the Registered Office the Company and that of the respective subsidiary companies.

Further, pursuant to the provisions of Accounting Standard AS-21 and AS-27 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India, the Consolidated Financial Statements presented by the Company form part of this Annual Report.

Fixed Deposit

Your Company has not accepted any fixed deposit from public during the year.

Directors

In accordance with Section 255 and 256 of the Companies Act, 1956 read with the Articles of

Association of the Company, Mr. Pradeep R. Rathi, Non-Executive Independent Director, and Mr. Aadhitiya U. Lahoti, Jr. Executive Director retire by rotation and are being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 274(1)(g) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the year ended March 31, 2013, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same, if any;
- b. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2013 and of the Profit of the Company for the year ended on that date;
- 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, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; &
- d. the Directors had prepared the annual accounts of the Company on a 'going concern' basis.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiaries and associates, as approved by their respective board of directors have been prepared in accordance with the Accounting Standard (AS) - 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (ICAI) read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Auditors And Auditors' Report

M/s. P. C. Ghadiali & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. P. C. Ghadiali & Co., Chartered Accountants, to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the Companies Act 1956.

The observations made in the Auditors report read together with the relevant notes thereon, are self explanatory and hence do not call for any comments under Section 217 of the Companies Act, 1956.

Listing

At present the Company's Equity Shares are listed at BSE Limited and Madhya Pradesh Stock Exchange Limited (MPSE) and the Company has paid Listing Fees to the above Stock Exchanges for the year 2013-14.

Particulars of Employees

No Employee of the Company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo

Your Company is a Trading Company and hence the particulars required to be furnished under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption and R & D efforts are not applicable to the Company.

During the period under review the Company has earned Foreign Exchange of ₹ 49,419.14 Lacs and incurred the Foreign Exchange outgo of ₹ 253.88 Lacs.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms the part of Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

Acknowledgement

Your Directors would like to express their appreciation for assistance and co-operation received from Financial Institutions, Banks, Government authorities, Customers, Vendors and members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, officers and staff of the Company during the year.

For and on behalf of the Board of Directors

Umesh R. Lahoti
Managing Director

Ujwal R. Lahoti
Executive Chairman

Place: Mumbai

Date: May 29, 2013

Report On Corporate Governance

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance System and processes at Lahoti Overseas Limited is as follows:

1. Our Corporate Governance Philosophy

The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, from customers, shareholders and employees, to government, lenders and the wider community. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders trust. In our commitment to practice sound governance principles, we are guided by the following core principles:

i) Transparency

To maintain the highest standards of transparency in all aspects of our intentions and dealings.

ii) Disclosures

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

iii) Empowerment and Accountability

To demonstrate the highest levels of accountability in all aspects and to ensure that employees consistently pursue excellence in everything they do.

iv) Compliances

To comply with all laws and regulations as applicable to the Company.

v) Ethical Conduct

To conduct the affairs of the Company in an ethical manner.

vi) Stakeholders Interest

To promote the interest of all stakeholders including of Customers, Shareholders, Employees, Lenders, Vendors, Government etc.

2. Governance Practices beyond Regulatory Requirements

Our Governance practices seek to go beyond the statutory and regulatory requirements. Our Endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. With this objective, we have formulated, inter alia, the following policy documents and introduced best practices of governance:

a. Values and commitments

We have set out and adopted policy documents on values and commitments of Lahoti Overseas Limited. We believe that any business conduct can be ethical only when it rest on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

b. Code of ethics

Our policy documents on code of ethics in essence, direct that our employees should conduct the business with integrity by excluding consideration of personal advantage.

c. Business policies

Our business policies cover a comprehensive range of governance issues such as fair market practice, inside information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

d. Prohibition of Insider trading policy

This document contains the policy on prohibiting trading in equity shares of the Company, based on inside or privileged information.

e. Environment policy

The Company is committed to achieving excellence in environment performance, and preservation and promotion of environment are of fundamental concern in all our business activities.

f. Risk Management

Our Risk management procedures ensure that the management controls risks through means of a properly defined frame work. We present our report on compliance of governance conditions specified in Clause 49.

3. Board of Directors

Board Strength and Representation:

The Company's policy is to maintain optimum number of Directors. As of March 31, 2013, the Board consisted of Seven Members. The Composition and the category of Directors on the Board of the Company as at March 31, 2013 were as under:

Category	Name of Directors
Promoter / Chairman	Mr. Ujwal R. Lahoti
Promoter / Managing Director	Mr. Umesh R. Lahoti
Promoter / Jt. Executive Director	Mr. Aadhitiya U. Lahoti
Non-Executive and Independent Directors	Mr. Pradeep R. Rathi Mr. Prakash R. Bang Mr. Prem S. Malik Mr. Vijay D. Ajgaonkar

Remuneration of Directors:

Table gives the details of Remuneration paid or payable to Directors during 2012-2013:

Name of Directors	Sitting Fees (in ₹)	Salaries & Perquisites (in ₹)	Total (in ₹)
Mr. Ujwal R. Lahoti	NIL	24,00,000.00	24,00,000.00
Mr. Umesh R Lahoti	NIL	21,60,000.00	21,60,000.00
Mr. Aadhitiya U. Lahoti	NIL	3,60,000.00	3,60,000.00
Mr. Pradeep Rathi	NIL	NIL	NIL
Mr. Prakash Bang	12,000.00	NIL	12,000.00
Mr. Vijay Ajgaonkar	18,000.00	NIL	18,000.00
Mr. Prem S. Malik	11,000.00	NIL	11,000.00

Note:

- None of the Directors received any loans or advances from the Company during the year.

Name of Directors	Category	No. of Board meetings attended out of 4 meetings held	Whether attended last AGM	Number of directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Mr. Ujwal R. Lahoti	Chairman, Non Independent	4	Yes	5	Nil
Mr. Umesh R. Lahoti	Managing Director, Executive & Non Independent	4	Yes	7	2
Mr. Aadhitiya U. Lahoti	Executive, Non Independent	4	Yes	1	Nil
Mr. Prakash Bang	Non-Executive, Independent	4	Yes	4	1
Mr. Vijay Ajgaonkar	Non-Executive, Independent	4	Yes	6	4
Mr. Pradeep Rathi	Non-Executive, Independent	Nil	No	11	7
Mr. Prem S. Malik	Non-Executive, Independent	4	No	6	3

Board Procedure

The Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information / supporting data, as required well in advance, to enable the Board to take informed. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. When deemed expedient, the Board also approves by circular resolution important items of business which are permitted under the Companies Act, 1956 and which cannot be deferred till the next Board Meeting.

Matters discussed at Board Meeting generally relate to Company's performance, quarterly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the internal auditors, Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.

Number of Board Meetings

During the Financial Year 2012-2013, Four Board Meetings were held. These were on 29th May, 2012, 10th August, 2012, 8th November, 2012, 28th January, 2013.

Director's Attendance Record and Directorships:

Attendance at Board Meetings held during 2012-13 and at the last AGM, number of Directorships, Memberships / Chairmanships in Public Companies during 2012-13.

1. None of the Directors held Directorships in more than 15 Public Limited Companies.
2. No Director had membership of more than 10 Committees of Boards, nor is any Director is Chairman of more than 5 Committees of Boards.
3. Directorships exclude Directorship in Foreign Company, Alternate Directorships, Companies registered under Section 25 of the Companies Act, 1956 and Private Companies.
4. Committee includes Audit committee and Shareholders/Investors Grievances Committee as required under Clause 49 of Listing Agreement.
5. Membership of Committees includes Chairmanship also.

Information Supplied To the Board

Among others, information supplied to the board includes:

- * Quarterly results for the Company and its operating divisions;
- * Minutes of meetings of Audit Committee and other Committees;
- * Materially important show cause, demand, prosecution and penalty notices;
- * Fatal or serious accidents or dangerous occurrences;
- * Any materially relevant default in financial obligations to and by the Company or substantial;
- * Non-payment for goods sold by the Company;
- * Any issue which involves possible public or product liability claims of a substantial nature;
- * Details of any joint venture or collaboration agreement;
- * Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business;
- * Quarterly details of foreign exchange exposures and the steps taken by management to limit the

risks of adverse exchange rate movement; and

- * Non-compliance of any regulatory, statutory nature or listing requirements and shareholder service such as non-payment of dividend and delay in share transfer.

The Board of Lahoti Overseas Limited is presented with detailed notes along with the agenda papers well in advance of the meeting.

Directors

Disclosure regarding re-appointment of Directors required as per Clause 49 (VI) (A) of the Listing Agreement:

- i. **Mr. Pradeep R. Rathi**, 60 years, is a B.Sc., MS (Chemical Engineer) (M.I.T.), MBA (Columbia) in the USA. He attended various industry oriented courses. He has a work experience of 36 years in various fields. He has undertaken many summer jobs and also undertook the task of promoting the Company's product and doing the liaison work for technical collaboration. The knowledge and experience of Mr. Pradeep R. Rathi would be of immense benefit to the progress and growth of the Company.
- ii. **Mr. Aadhitiya U. Lahoti**, 29 years, is B.Com & FMBA joined the Company in 2005 as Export Executive and now is looking after the Marketing in USA & European markets and also business development. His knowledge about modern business environment and management system will help the Company. Mr. Aadhitiya Lahoti is a part of core team that drives the growth and performance of Lahoti Overseas Limited. He envisioned new business platforms and is dedicated to building the innovation side of the business. He nurtured new lines of business, helped to build a high-talent organization, and was instrumental in introducing best-in-class practices in corporate governance.

4. Code of Conduct

The Board of Directors has laid down a Code of Conduct, applicable to all Board Members and

Senior Executives of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the code. A declaration by Managing Director affirming the compliance of the Code of Conduct by Board Members and Senior Management Executives is annexed at the end of the Report.

5. Audit Committee

The Audit Committee of Lahoti Overseas Limited consists of all the three independent Directors of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. The Chairman of the Committee is Mr. Prakash R. Bang. The Committee held 4 (Four) meetings during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the Listing Agreement and Section 292 of the Companies Act, 1956 as follows:

- * Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible;
- * Reviewing with management the annual financial statement before submission to the Board, focusing primarily on;
 1. Matters required to be included in the Directors Responsibility Statement included in the report of the Board of Directors;
 2. Any changes in accounting policies and practices;
 3. Major accounting entries based on exercise of judgment by management;
 4. Qualifications in draft statutory audit report;
 5. Significant adjustments arising out of audit;
 6. Compliance with listing and other legal requirements concerning financial statements;
 7. Any related party transactions.
- * Reviewing with the management the quarterly financial statements before submission to the Board for approval;

- * Reviewing with the management, statutory auditors, the adequacy of internal control systems;
- * Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- * Discussion with internal auditors any significant findings and follow up thereon;
- * Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and reporting the matters to the Board;
- * Discussion with Statutory auditors before the audit commences about nature and scope of audit, as well as post-audit discussion to ascertain any area of concern;
- * Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- * Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Internal audit reports relating to internal control weakness;
 - c. Management letters/letters of internal control weakness issued by statutory/ internal auditors;
 - d. Statement of significant related party transactions; and

The Audit Committee has the following powers:

 - a. To investigate any activity within its terms of reference.
 - b. To seek any information from any employee.
 - c. To obtain outside legal and professional advice.

- d. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

5.1 Composition, Name and Chairman

The Audit Committee of Lahoti Overseas Limited consists of qualified and non-executive Directors. It consists of

Sr. No.	Name of Committee Members	Designations
a.	Mr. Prakash R. Bang	Chairman of the Committee & Independent Director
b.	Mr. Pradeep Rathi	Independent Director
c.	Mr. Vijay Ajgaonkar	Independent Director having Accounting and Financial knowledge
d.	Mr. Prem S. Malik*	Independent Director having textile industry knowledge

* Appointed as a member of the Audit Committee on 10th August 2012.

The Internal Auditors of the Company are M/s. Lahoti Navneet & Co., Chartered Accountants, Mumbai.

5.2 Meetings and Attendance during the year 2012-13

Audit Committee met 4 times during the year 2012-13 and the attendance record is as per the table given below:

Name of Directors	Number of meetings held	Meetings attended
Mr. Pradeep Rathi	4	Nil
Mr. Prakash Bang	4	4
Mr. Vijay D. Ajgaonkar	4	4
Mr. Prem S. Malik	4	2

The Audit Committee held its meetings on 29th May, 2012, 10th August, 2012, 8th November, 2012 and 28th January, 2013.

6. Shareholders' / Investor's Grievances Committee

The Shareholder's / Investor's Grievances Committee held its meetings on 2nd May, 2012.

7. Disclosures

7.1 Related Party Transaction

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Declarations have been received from the senior management personnel to this effect.

7.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the companies by these authorities.

7.3 Disclosure of Accounting Treatment

The financial statements are prepared on accrual basis of accounting and in accordance with the Indian GAAP, provisions of the Companies Act, 1956 ('the Act') and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act read with the Companies (Accounting Standard) Rules, 2006.

7.4 Disclosure on risk management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A risk management committee consisting of senior executives of the Company periodically reviews these procedures to ensure that executives' management controls risk through means of a properly defined framework. A senior independent director is associated with the committee. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

7.5 CEO / CFO Certification

The Managing Director of the Company has been certified to the Board in accordance with

Clause 49(V) of the Listing Agreement pertaining to CEO/CFO Certification for the Financial Year ended March 31, 2013.

Lahoti Insider Trading Policy

The Company has implemented an Insider Trading Policy to comply with the relevant Insider Trading Regulation. In accordance with the policy, the Company announces quiet period for designated employees from time to time.

The Company has a policy of observing a 'quiet period' from the last day of the end of the quarter till two trading days after the financial results is published. The Company may also announce 'quiet period' during and after the occurrence of certain events mentioned in the Insider Trading Policy.

The Company is strictly monitoring its Insider Trading Policy.

8 Compliance with Other Mandatory Requirements

8.1 Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49 (IV) (F) of the Listing Agreement.

8.2 Subsidiaries

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary Company. The Audit Committee reviews the financial statements, particularly, the investments made by the Company's unlisted subsidiary companies. The proceedings of minutes of the meetings of the Board are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary Company.

9 Compliance with Non-Mandatory Requirements

9.1 Shareholders Rights

The quarterly financial results including summary of significant events of relevant period of three months are published in newspaper.

9.2 Audit Qualification

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

9.3 Training of Board Members

For Orientation and to get familiar with the Company's business operations, governance procedures and practices, detailed presentations are periodically made to the Board members on the business model of the Company, risk profile of the business parameters and their responsibilities as Directors.

9.4 Means of Communication

The Board of Directors of the Company approves and takes on record quarterly, half yearly and yearly financial results in the format prescribed by Clause 41 of the Listing Agreement within 45 days from the close of the respective period and the approved financial results are forthwith sent to the Stock Exchange in which security of the Company is listed and are published in the English Newspapers namely, Free Press Journal. In addition, the same are published in local language (Marathi) newspapers namely Navshakti within 48 hours of approved thereof. All important information pertaining to the Company is also mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, Directors' Report, Auditors' Report, Management Discussion and Analysis (MDA) and Corporate Governance Section which is circulated to the members and others entitled thereto for each financial year.

9.5 Auditors Certificate on Corporate Governance

The Auditors Certificate on compliance of Clause 49 of the listing agreement relating to Corporate Governance is published as an annexure to Directors Report.

9.6 Review of Governance practices

We have in this report attempted to present the governance practices and principles being followed at Lahoti Overseas Limited as evolved over the years, and as best suited to the needs of our Business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance so as to meet the expectations of our stakeholders.

10. Details on General Body Meetings

a. Date, Time and Venue for the last three Annual General Meetings

Financial years	Dates	Time	Venues
2009-2010	29/09/2010	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034.
2010-2011	29/09/2011	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034.
2011-2012	28/09/2012	3.00 P.M.	307, Arun Chambers, Tardeo Road, Tardeo, Mumbai – 400 034.

b. Details of the Special Resolutions passed in the previous three AGMs

1. At the AGM held on 29th September, 2010:

i. Re-appointment of Mr. Umesh Lahoti as a Managing Director for the period of 5 (Five) Years from 11th September, 2010 to 10th September, 2015 to avail his expertise services in the Area of Business Management and Business Development.

ii. Appointment of Mr. Vijay D. Ajgaonkar as an Additional Director of the Company w.e.f. May 11, 2010, as a Non – Executive rotational Director.

2. At the AGM held on 29th September, 2011 - NIL

3. At the AGM held on 28th September, 2012 :

i. Re-appointment of Mr. Aadhiya Lahoti as a Whole Time Director designated as Jt. Executive Director for the period of 5 (Five) years from 1st September, 2012 to 31st August, 2017 to avail his expertise services in the Area of Business Management and Business Development.

c. Additional Shareholder Information

Annual General Meeting	
Day, Date & Time	Friday, 27 th September, 2013 at 3:00 P.M.
Venue	307, Arun Chambers, Tardeo Road, Mumbai – 400 034.
Financial year	April to March
Book Closure Date	Monday, 23 rd September, 2013 to Friday, 27 th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and Final Dividend.
Listed on Stock Exchanges	1. BSE Limited (BSE) P. J. Tower, Dalal Street, Fort, Mumbai – 400 001. 2. Madhya Pradesh Stock Exchange (MPSE) 201, “Palika Plaza”, Phase-II, M.T.H. Compound, Indore, Madhya Pradesh– 452 001.
Stock Code / Symbol	BSE : 531842 / LAHOTIOV MPSE : N.A.

Financial Calendar 2013-14 (Tentative):

Financial Reporting for the quarter ending June 30, 2013	2 nd Week of August, 2013
Financial Reporting for the quarter ending September 30, 2013	2 nd Week of November, 2013
Financial Reporting for the quarter ending December 31, 2013	2 nd Week of February, 2014
Financial Reporting for the quarter ending March 31, 2014	2 nd Week of May, 2014

Stock Data

Table below gives the monthly high and low prices and volumes of Lahoti Overseas Limited equity shares listed at BSE Limited for the year 2012-2013:

Months	High	Low	No. of Shares traded
April – 2012	6.50	5.75	24547
May – 2012	6.29	5.50	36110
June – 2012	6.30	5.61	31590
July – 2012	6.19	5.54	70356
August – 2012	6.41	5.53	61532
September – 2012	6.72	5.90	87492
October – 2012	6.90	5.98	82129
November – 2012	7.49	6.31	137636
December – 2012	8.67	6.49	338911
January – 2013	9.30	7.24	169447
February – 2013	7.62	6.75	93894
March – 2013	7.65	6.15	56026

Share Transfer Agents and Share Transfer System

Lahoti Overseas Limited has appointed **Sharepro Services (India) Private Limited** as Registrars and Transfer Agents to handle the physical Share Transfer related work and for Electronic connectivity as per the directives of SEBI. The Company's equity shares are traded in the Stock Exchanges compulsorily in Demat mode. The Share Holders & Investors Grievances Committee meets periodically for dealing with matters concerning securities of the Company.

For transfer of shares in physical form, the Company has introduced transfer cum Demat facility to avoid unnecessary mailing of Certificates. Certificates duly transferred are returned to those,

who opt to receive certificates in physical form. There are no legal proceedings against the Company on any share transfer matter.

Shareholding Pattern

Table below gives the pattern of shareholding by ownership and Share Class respectively:

a. Pattern of shareholding by ownership as on 31st March, 2013

Category	No. of shares held	Shareholding %
Promoters	1,51,33,925	51.88
Bodies Corporate (Group Cos.)	23,17,500	7.95
Other Bodies Corporate	59,42,819	20.37
NRI's	6,88,792	2.36
Banks/Financial Institutions	-	-
Indian Public	50,88,464	17.44
TOTAL	2,91,71,500	100.00

b. Pattern of shareholding by share class as on 31st March, 2013

Sr. No.	Category	Share Holders		Share Amount	
	(1)	Number (2)	% to Total (3)	(In ₹) (4)	% to Total (5)
1	Upto - 2500	2893	86.77%	3783654	6.49%
2	2501 - 5000	252	7.56%	1994778	3.42%
3	5001 - 10000	98	2.94%	1461872	2.51%
4	10001 - 15000	29	0.87%	725836	1.24%
5	15001 - 20000	15	0.45%	568726	0.97%
6	20001 - 25000	6	0.18%	278880	0.48%
7	25001 - 50000	20	0.60%	1382970	2.37%
8	Above 50000	21	0.63%	48146284	82.52%
	Total	3334	100.00%	58343000	100.00%

Dematerialization

The Company's equity shares are under compulsory Demat trading. The ISIN of the Scrip is INE515C01023. As on 31st March, 2013, Dematerialized shares accounted for 98.21% of the total equity. The Company has appointed **Sharepro Services (India) Private Limited** as Registrars & Transfer Agents (RTA) to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

Sharepro Services (India) Private Limited

Samhita Complex, Gala No-52 to 56,

Bldg No.13 A-B, Near Sakinaka Telephone Exchange Andheri - Kurla Road, Sakinaka, Mumbai - 400 072.

Tel No.: +91-22-6772 0300/6772 0400

Fax No.: +91-22-2859 1568.

E-mail: indira@shareproservices.com

Website: www.shareproservices.com

Contact Person: Ms. Indira Karkera

Details of Public Funding Obtained in the last Three Years

No capital has been raised from public in the last three years.

Correspondence Address for Investor

Secretarial Department, Lahoti Overseas Limited

307, Arun Chambers, Tardeo Road,
Mumbai – 400 034.

Tel No.: +91-22-4050 0100

Fax No.: +91-22-4050 0150

E-mail: aweline@lahotioverseas.com

Contact person:
Mr. Aweline Mendes,
Compliance Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Lahoti Overseas Limited

We have examined the compliance of conditions of Corporate Governance by the Lahoti Overseas Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: 29 May, 2013

Management Discussion & Analysis

Industry Structure and Development

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a vital role through its contribution to industrial output, employment generation, and the export earning of the country.

The textile sector contributes about 14 per cent to industrial production, 4 per cent to gross domestic product (GDP), and 17 per cent to the country's export earnings. The Government of India has promoted a number of export promotion policies for the textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. This also includes the various incentives under the Focus Market Scheme and Focus Product Scheme; broad basing the coverage of Market Linked Focus Product Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase the Indian Shares in the global trade of textiles and clothing.

Lahoti Overseas Limited is an ISO 9001:2008 certified Company and is mainly engaged in the export trading of cotton yarn in all coarser and fine counts, where the Company has strong presence and leadership. The Company is mainly targeting the export of cotton yarn to Far East Asian countries like South Korea, China, Japan, Hong Kong, Malaysia, Vietnam and also cater to Gulf, Meditarian, European, North and South American markets. The Company enjoys the excellent relationship with its overseas customers, which has been built over the years by strictly adhering to delivery schedules maintaining consistent quality and providing prompt after sales service.

Awards and Recognitions

- The Company has won the Gold, Silver & Bronze trophies consistently since 1997 from TEXPROCIL (Cotton Textile Export Promotion Council) for excellence in export of cotton yarn.

- The Company has won the prestigious “Niryat Shree” award from The Federation of Indian Export Organization (FIEO) for the year 2003-2004. The Company also won Silver plaque from Government of Maharashtra for the year 1995-56, 1996-97 and Gold Plaque for the year 2009-2010.
- The Company has won the Business World International Business Award for Category – “Best Export House” for excellent performance in exports in the year 2010-11.
- The Company has received Second Award in Merchant Exporter Category and Third Award in Trading House Category from Government of Maharashtra for its export performance in the year 2010-11.

These awards recognised the efforts of the Company in the creation of path breaking trends and excellent export performance in cotton textile Industry.

Opportunities and Threats

The future of Indian Cotton Textile Industry is highly depending on availability of raw material at a competitive price. With the introduction of Hybrids and BT Cotton, the cotton production in India is increasing every year. The government is making efforts to supply proper quality seeds at a reasonable price to the growers and it is expected that the supply of quality cotton will be comfortable.

In the past, the Textile Industry did not develop in an organized manner and the policy favored fragmentation resulting in organized players suffering heavily because of the distorted fiscal structure. Fortunately, in the last few years, the Government has now provided level playing field to all the sectors of textile industry and therefore, large investments are coming in the textile industry. Government had given good incentives under Technology Upgradation Fund Scheme and also

benefits to the processing sector, which will give boost to the textile industry.

Outlook

The long term objective of the Company is to remain strong player in the cotton textiles export market with strong emphasis on product and market development, value added yarns, customer services and Technology Up gradation. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of the overall good times likely to come for the Indian Cotton Textile Industry and will do all out efforts to secure the bigger share of the increasing market in future.

A stable outlook on cotton and synthetic textiles would result from favourable policy environment, improvements in demand-supply position, continued stability in input costs and consequent improvement in margins/liquidity. It is unlikely that the sector's outlook will turn positive until fundamental issues such as power shortage, lack of technology and modern machinery and demand slowdown are resolved. However, foreign direct investment in retail is an opportunity that would unleash demand in the long run and offset any slowdown in exports.

Cotton outlook could be revised to negative if input costs turn volatile, which could intensify inventory price risks, cash flows and liquidity. Given the sector's high debt dependence for operational as well as capex needs, any volatility in EBITDA could lead to huge swings in leverage. The Company expects much better sales and profits for the F.Y. – 2013-14.

Internal Control Systems and their adequacy

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that

transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Financial and Operational Performance

During the year, your Company has recorded a total income of ₹ 53,732.68 Lac, against ₹ 23,525.26 Lacs in the previous year, with the increase of 128.40% due to favorable government policies in Cotton yarn export and huge surge in China Market. Accordingly Net Profit before Taxation for the financial year ended March, 31, 2013 had also been increased to ₹ 1,640.17 Lac from ₹ 946.64 Lacs with the increase of 73.26% in the previous year. However, the Profit after Tax increased from ₹ 696.78 Lacs to ₹ 1343.12 Lacs an increase of 92.76%.

The ongoing cost reduction measures and efficient operational system implemented by the Company has resulted in better utilization of resources and funds of the Company.

Liquidity and Capital Resources

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Cash and Cash Equivalents –		
Beginning of the year	396.67	93.24
End of the year	363.25	396.67
Net Cash provided (used) by -		
Operating activities	(2701.92)	689.12
Investment activities	(1505.00)	662.91
Financial activities	4173.50	(1048.59)

The net cash outflow used in the operating activities at ₹ (2701.92) Lacs as compared to ₹ 689.12 Lacs. However, the cash used in investment activity stands at ₹ (1505.00) Lacs as compared to cash provided ₹ 662.91 Lacs. The Cash inflow from financial activities at ₹ 4173.50 Lacs as compared to ₹ (1048.59) Lacs. Cash used in previous year is primarily due to raising further working capital funds.

Material Developments in Human Resources

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels.

Annual Declaration by CEO pursuant to clause 49(I) (D) (II) of the Listing Agreement

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Umesh R. Lahoti, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2012-13.

Umesh R. Lahoti
Managing Director

Place: Mumbai

Date: May 29, 2013

Certification by the Managing Director on Financial Statements of the Company

I, Umesh R. Lahoti, Managing Director of Lahoti Overseas Limited, certify that:

- (a) I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai
Date: May 29, 2013

Umesh R. Lahoti
Managing Director

Independent Auditor's Report

To the Members of Lahoti Overseas Limited,
Report on the Financial Statements

We have audited the attached financial statements of Lahoti Overseas Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us,

the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

Pannkaj Ghadiali
Partner
Membership Number: 031745
Place: Mumbai
Dated: May 29, 2013

Annexure To Independent Auditors' Report

[Referred to in paragraph under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

1. In respect of its fixed assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of the fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

- a. According to information and explanation given to us, the Company does not maintain any physical stock of goods, other than stock-in-transit, in respect of which confirmation have been obtained from the management
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as

compared to book records were not material.

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956
 - a. The company has not granted unsecured loans to the companies covered in the register maintained under Section 301 of the Act. Consequently, the requirements of clauses (iii) (a), (iii)(b), (iii)(c) and (iii) (d) of paragraph 4 of the Order are not applicable.
 - b. During the year, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. However, the Company has an outstanding unsecured loan from its subsidiary viz. Lahoti Spintex Limited amounting to ` 4.22 lakhs taken in prior years.
 - c. No interest is payable on the above loan taken.
 - d. In respect of the aforesaid loan, there is no stipulation in respect of repayment of principal or interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ` Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
9. In respect of statutory dues:
 - a. According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including investor education and protection fund, income-tax, wealth tax, service tax, customs duty, and other material statutory dues as applicable, with the appropriate authorities. There are no undisputed dues as referred to above as at March 31, 2013 outstanding for period of more than six months from due date they become payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount involved	Period to which the amount relates	Forum where the dispute is pending
		(₹ in Lakhs)		
Income Tax Act	Demand as per Order of CIT (A)	43.66	A.Y. 2002-03	ITAT
Income Tax Act	Demand as per ITAT Order	0.66	A.Y. 2004-05	High Court of Judicature at Bombay
Income Tax Act	Demand as per Order of CIT (A)	24.73	A.Y. 2007-08	ITAT
Income Tax Act	Demand as per Order of A.O.	41.60	A.Y. 2009-10	CIT (Appeal)
Income Tax Act	Demand as per Order of A.O.	1.81	A.Y. 2010-11	CIT (Appeal)

10. The company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. In our opinion and according to explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. As the Company has not raised any term loan during the year, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the company.
17. According to the information and explanations given to us and on an overall explanation of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on a short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Balance Sheet as on 31st March, 2013

(₹ in lakhs)

Particulars	Note No.	As at	
		March 31, 2013	March 31, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	584.59	584.59
(b) Reserves and surplus	2	6,880.89	5,673.39
		<u>7,465.47</u>	<u>6,257.97</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	4.22	4.22
(b) Deferred tax liabilities (net)	4	177.85	208.80
(c) Other long-term liabilities	5	13.80	55.18
(d) Long-term provisions	6	13.46	11.23
		<u>209.33</u>	<u>279.43</u>
3 Current liabilities			
(a) Short-term borrowings	7	6,039.37	1,463.56
(b) Trade payables	8	408.73	154.53
(c) Other current liabilities	9	1,972.79	536.49
(d) Short-term provisions	10	185.66	143.78
		<u>8,606.55</u>	<u>2,298.35</u>
TOTAL		<u>16,281.35</u>	<u>8,835.76</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	2,686.22	1,118.42
(b) Non-current investments	12	1,590.88	1,088.37
(c) Long-term loans and advances	13	569.11	516.39
		<u>4,846.22</u>	<u>2,723.18</u>
2 Current assets			
(a) Current investments	14	100.86	733.99
(b) Inventories	15	1,186.82	928.84
(c) Trade receivables	16	8,268.07	2,807.34
(d) Cash and cash equivalents	17	363.25	396.67
(e) Short-term loans and advances	18	909.13	768.43
(f) Other current assets	19	607.01	477.31
		<u>11,435.13</u>	<u>6,112.58</u>
TOTAL		<u>16,281.35</u>	<u>8,835.76</u>

See accompanying notes forming part of the financial statements 1 to 38

Per our report attached of even date

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R. Lahoti

Executive Chairman

Umesh R. Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in lakhs)

Particulars	Note No.	For the Period Ended	
		March 31, 2013	March 31, 2012
1 Income			
(a) Revenue from operations	20	53,317.51	23,355.44
(b) Other income	21	415.17	169.82
Total revenue		53,732.68	23,525.26
2 Expenses			
(a) Purchases of stock-in-trade		49,435.05	20,811.47
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	22	(257.98)	(243.89)
(c) Employee benefits expense	23	126.21	90.08
(d) Finance costs	24	448.34	197.63
(e) Depreciation and amortisation expense		169.41	197.39
(f) Other expenses	25	2,171.47	1,525.94
Total expenses		52,092.51	22,578.62
3 Profit before exceptional and extraordinary items and tax		1,640.17	946.64
4 Exceptional items		-	-
5 Profit before extraordinary items and tax		1,640.17	946.64
6 Extraordinary items		-	-
7 Profit Before tax		1,640.17	946.64
8 Tax expense:			
(a) Current tax expense for current year		328.00	261.50
(b) Deferred tax		(30.95)	(11.64)
		297.05	249.86
9 Profit for the year		1,343.12	696.78
10 Earnings per share (of ₹ 2/- each):			
(a) Basic		4.60	2.38
(b) Diluted		4.60	2.38

See accompanying notes forming part of the financial statements 1 to 38

Per our report attached of even date

For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

Pannkaj Ghadiali
Partner
Membership Number: 031745

Place: Mumbai
Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R. Lahoti
Executive Chairman

Umesh R. Lahoti
Managing Director

Place: Mumbai
Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Cash Flow Statement for the year ended 31st March, 2013

(₹ In Lakhs)

Particulars	For the Period Ended	
	March 31, 2013	March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and prior period items	1,640.17	946.64
Add/Less: Interest (Net)	252.64	91.10
Depreciation	169.41	197.39
Loss on Sale / Redemption of Investments	0.34	0.62
Loss on sale of Fixed Asset	0.98	
Profit on Sale / Redemption of Investments	(46.71)	(93.94)
Rent Received	(20.88)	(7.06)
Dividend Received	(21.25)	(24.58)
	334.52	163.54
Operating profit before working Capital	1,974.69	1,110.17
(Increase)/Decrease in Inventories	(257.98)	(243.89)
(Increase)/Decrease in Trade & Other Receivable	(5,756.36)	(99.49)
Increase/(Decrease) Trade Payable, Current Liabilities & Provision	1,650.23	294.30
	(4,364.11)	(49.08)
Cash Generated from Operations	(2,389.42)	1,061.10
Tax paid	(312.50)	(371.98)
Cash Flow Before Extraordinary Items	(2,701.92)	689.12
Extra ordinary Items / Adjustments (Prior Period Item)	-	-
Cash Flow After Extraordinary Items	(2,701.92)	689.12
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,785.72)	(42.84)
Purchase of Investment	(1,011.30)	(571.22)
Sale of Fixed Asset	47.53	-
Sale of Investment	1,188.31	1,245.34
Interest Received	14.06	-
Dividend Received	21.25	24.58
Rent Received	20.88	7.06
Net Cash Used for Investing Activities	(1,505.00)	662.91
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(135.62)	(136.44)
Interest paid	(266.70)	(91.10)
Calls in Arrear (Premium) adjusted against Dividend	-	-
Calls in Arrear (Premium) adjusted against forfeiture	-	0.23
Increase/(Decrease) In Unsecured Loans	836.33	-
Increase/(Decrease) In Secured Loans	3,739.48	(821.29)
Net cash From Financing Activities	4,173.50	(1,048.59)
Net Increase in Cash and Cash Equivalents (A+B+C)	(33.42)	303.44
Cash and Cash Equivalents (OPENING BALANCE)	396.67	93.24
Cash and Cash Equivalents (CLOSING BALANCE)	363.25	396.67
	(33.42)	303.44

Note: 1.The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement. 2.Cash and cash equivalent at the end of year represents cash and bank balances. 3. Previous year's figures have been rearranged/regrouped, wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R.Lahoti

Executive Chairman

Umesh R.Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

Significant Accounting Policies

A. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles [GAAP], in compliance with the provisions of Companies Act, 1956 and Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and disclosures related to contingent liabilities as of the date of financial statements. Examples of such estimate includes future obligation in respect of retirement benefit plans, etc. Differences if any, between the actual results and estimates is recognised in the period in which the results are known.

B. Fixed Assets:

Fixed Assets are stated at cost of acquisition and/or construction. They are stated at historical cost less accumulated depreciation.

C. Depreciation:

- i) Depreciation on fixed assets is provided on written down value method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Ministry of corporate Affairs.
- ii) Depreciation on assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date of acquired/disposal.

D. Revenue Recognition:

- i) The company accounts for its Export Sales, consistently on the basis of date of Bill of Lading / LET Export date. This applies to all export sales made on Cost Insurance and Freight (CIF), Free on Board (FOB), Cost & Freight (C & F), and Cash against Delivery of

Documents (CADD) basis.

- ii) Income from sale of power is recognized on per Kilo Watt Hour(s).
- iii) Income from trading is recognized on accrual basis.
- iv) Dividend income from Investments is recognized when the company's right to receive payment is established.
- v) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Export benefits under duty entitlement passbook and duty drawback are accounted on accrual basis to the extent considered receivable.

E. Investments:

Long term Investments are stated at cost/transfer value. Provision for diminution in the value of long-term investments is made only if such a decline is permanent in nature.

F. Inventories:

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any.

G. Foreign Currency Transactions:

- i) Initial Recognition: Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Conversion: At the year-end, monetary items in foreign currencies are converted into rupee equivalents at the year end exchange rates.
- iii) Exchange Differences: All exchange differences arising on settlement and conversions of foreign currency transactions are included in the Profit and Loss Account.
- iv) Forward Exchange Contracts: In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the spot rate is recognized as gain. The gain on open forward contracts as on the reporting date is amortized over the period of contract on pro-rata basis.

H. Retirement Benefits:

- i) Provident Fund: The Company's contributions towards provident fund are charged to the Profit and Loss Account.

- ii) Gratuity: The Company's contributions towards gratuity are charged to the Profit and Loss Account on the basis of actuarial valuation.
- iii) Leave Encashment: Provision is made for value of unutilized leave due to employees at the end of the year.

I. Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result.
- iii) Segment assets and liabilities include those directly identifiable with the respective segments.

J. Taxation:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period in accordance with AS 22- Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.

K. Provisions, Contingent Liabilities and Contingent Assets

- 1. Provisions are recognised for liabilities that can be measured or by using a reasonable

degree of estimation based on the following criteria:-

- i) The company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) The amount of the obligation can be reliably estimated.
- iv) A possible obligation from past events where the probability of outflow of resources is not remote.

- 2. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

- 3. Contingent Liability is disclosed in case of:

- i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) a present obligation arising from past events, when no reliable estimate is possible; and

- 4. Contingent assets are neither recognised, nor disclosed.

- 5. Provisions, Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

L. Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss except in case of revalued assets.

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

1. Share capital

(₹ in lakhs)

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised				
Equity shares of ₹ 2 each with voting rights	30,000,000	600.00	30,000,000	600.00
(b) Issued				
Equity shares of ₹ 2 each with voting rights	29,382,500	587.65	29,382,500	587.65
(c) Subscribed and fully paid up				
Equity shares of ₹ 2 each with voting rights	29,171,500	583.43	29,171,500	584.59
(d) Share Forfeiture Account	211,000	1.16	211,000	1.16
Total	29,171,500	584.59	29,171,500	584.59

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity shares with voting rights				
Opening Balance	29,171,500	58,458,586	29,382,500	58,458,586
Less : Shares Forfeited	-	-	(211,000)	-
Closing Balance	29,171,500	58,458,586	29,171,500	58,458,586

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

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ujwal R Lahoti	3,823,000	13.11	3,823,000	13.11
Umesh R Lahoti	4,484,000	15.37	4,484,000	15.37
Jayashri U Lahoti	2,375,500	8.14	2,375,500	8.14
Manjushri Umesh Lahoti	1,934,500	6.63	1,934,500	6.63
Rukmini R Lahoti	1,522,000	5.22	1,522,000	5.22
Kirti Stock Brokers Private Limited	1,610,000	5.52	1,610,000	5.52
Billion Way Garment Limited	4,250,000	14.57	4,250,000	14.57

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
2. Reserves and surplus		
(a) Securities premium account		
Opening balance	914.53	916.48
Less : Calls in arrears on 2,11,000 shares forfeited	-	(1.95)
Closing balance (a)	914.53	914.53
(b) General reserve		
Opening balance	544.59	492.33
Add: Transferred from surplus in Statement of Profit and Loss	100.73	52.26
Closing balance (b)	645.32	544.59
(c) Surplus in Statement of Profit and Loss		
Opening balance	4,214.28	3,666.57
Add: Profit for the year	1,343.12	696.78
Excess Provision for Dividend written back	-	0.61
Excess Provision for Income Tax for earlier years written back	-	38.19
Less: Dividends proposed to be distributed to equity shareholders (₹ 2 per share)	(116.69)	(116.69)
Tax on dividend	(18.93)	(18.93)
Transferred to General reserve	(100.73)	(52.26)
Closing balance (c)	5,321.04	4,214.28
Total (a+b+c)	6,880.89	5,673.39
3. Long-term borrowings		
(a) Loans and advances from related parties		
Unsecured	4.22	4.22
Total	4.22	4.22
4. Deferred Tax Liabilities (net)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	184.60	214.35
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for gratuity, leave salary and bonus	(6.75)	(5.56)
Net Deferred Tax Liability Total	177.85	208.80
5. Other long-term liabilities		
<u>Others:</u>		
(i) Payables on purchase of fixed assets	-	52.38
(ii) Trade / security deposits received	13.80	2.80
Total	13.80	55.18

LAHOTI OVERSEAS LIMITED

Notes forming part of the financial statements



(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
6. Other long-term Provisions		
Provision for employee benefits:		
(i) Provision for gratuity (net)	13.46	11.23
Total	13.46	11.23
7. Short-term borrowings		
Working capital Loans		
(i) From banks - Secured [Note(i)]	5,203.04	1,463.56
(ii) From Others - Unsecured	836.33	-
Total	6,039.37	1,463.56
(i) Break-up of secured short-term borrowings from:		
(i) State Bank of India (P.C.F.C)	1,480.79	272.01
(ii) HSBC Bank Ltd (P.C.F.C)	1,395.90	1,191.30
(iii) State Bank of India (Packing Credit)	-	0.25
(iv) ICICI Bank (P.C.F.C)	458.12	-
(v) DBS (P.C.F.C)	1,868.22	-
	5,203.04	1,463.56
The loans from SBI, ICICI Bank and DBS Bank are secured against Hypothecation of Stock and Book Debts of the Company with pari pasu clause.		
8. Trade Payables		
(a) For Goods	162.07	58.70
(b) For Expenses and Services	246.66	95.83
Total	408.73	154.53
9. Other current liabilities		
(a) Unearned revenue	111.66	39.77
(b) Other payables		
(i) Statutory remittances	41.47	11.69
(ii) Advances from customers	510.60	485.02
(iii) Other Current Liabilities	0.06	-
(c) Creditor for Capital Expenditure	1,309.00	-
Total	1,972.79	536.49

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
10. Short-term provisions		
(a) <u>Provision for employee benefits</u>		
(i) Provision for bonus	5.78	4.75
(ii) Provision for Leave Salary	1.57	1.15
(a)	7.35	5.90
(b) <u>Provision - Others:</u>		
(i) Provision for tax (net of advance tax Rs.473.74 lakhs)	42.70	2.26
(ii) Provision for proposed equity dividend	116.69	116.69
(iii) Provision for tax on proposed dividends	18.93	18.93
(b)	178.31	137.87
Total (a+b)	185.66	143.78

LAHOTI OVERSEAS LIMITED

Notes forming part of the financial statements



11 Fixed assets

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As At 31-Mar-2012	Addition	Deduction	As At 31-Mar-2012	For the Year	Deduction	As At 31-Mar-2013	As At 31-Mar-2012
Export Division									
Land	-	68.62	-	-	68.62	-	-	68.62	68.62
Building	5.00%	33.84	-	-	33.84	0.82	-	18.19	16.47
Office Equipments	13.91%	36.37	2.42	-	38.80	2.15	-	23.30	15.23
Furniture & Fixtures	18.10%	79.40	0.39	-	79.79	2.54	-	68.01	13.93
Motor Car	25.89%	164.13	35.05	-	199.18	23.96	-	103.90	84.19
Computers	40.00%	40.27	3.28	-	43.55	3.20	-	36.87	6.61
Total (A)		422.63	41.15	-	463.78	32.68	-	250.27	205.04
Wind Power I Division									
Land		3.82	-	-	3.82	-	-	3.82	3.82
Plant & Machinery	15.33%	1,058.88	-	-	1,058.88	44.22	-	814.67	288.43
Total (B)		1,062.70	-	-	1,062.70	44.22	-	814.67	292.25
Wind Power II Division									
Land		15.91	-	-	15.91	-	-	15.91	15.91
Plant & Machinery	15.33%	839.75	-	35.12	804.63	88.19	-	322.73	605.22
Total (C)		855.66	-	35.12	820.54	88.19	-	322.73	621.13
Solar Division									
Land		-	29.79	13.38	16.40	-	-	16.40	-
Plant & Machinery	15.33%	-	1,714.79	-	1,714.79	4.32	-	4.32	-
Total (D)		-	1,744.58	13.38	1,731.19	4.32	-	4.32	-
Total As On 31.03.2013		2,340.99	1,785.72	48.50	4,078.21	169.41	-	1,391.99	1,118.42
Total As On 31.03.2012		2,298.15	42.84	-	2,340.99	197.39	-	1,222.58	1,272.96

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Face Value	No of Units/ Share	Amount ₹	Face Value	No of Units/ Share	Amount ₹

12. Non-current investments

Investments (At cost):

A. Trade

(a) Investment in fully paid up Equity Shares of Subsidiaries

G. Varadan Limited	100.00	5,000	47.60	100.00	5,000	47.60
Lahoti Spintex Limited	10.00	50,000	5.00	10.00	50,000	5.00
Total - Trade (A)			52.60			52.60

B. Other investments

(a) Investment property

Flat at Pune			25.38			25.38
Plot of land (At Ahmednagar)			11.00			11.00
Flat At Sewree, Mumbai			510.89			508.38
Flat at Mumbai			318.68			318.68
			865.95			863.43

(b) Investment in Equity Shares - Fully paid up

(i) Quoted

Emami Limited	1.00	2,400	0.84	1.00	2,400	0.84
Emami Infrastructure Limited	2.00	733	0.00	2.00	733	0.00
Jet Airways Limited	10.00	356	3.92	10.00	356	3.92
TCS Limited	1.00	1,148	2.44	1.00	1,148	2.44
Punjab National Bank	10.00	3,943	4.61	10.00	3,943	4.61
Union Bank Limited	10.00	2,900	0.46	10.00	2,900	0.46
L.G.Balkrishna Limited	10.00	100	0.02	10.00	100	0.02
Bank of India	10.00	900	0.41	10.00	900	0.41
Cadila Health Care Limited	5.00	1,500	1.24	5.00	1,500	1.24
FCS Software Limited	1.00	14,820	0.37	1.00	14,820	0.37
GSPL Limited	10.00	2,253	0.61	10.00	2,253	0.61
Reliance Industries Limited	10.00	346	1.67	10.00	346	1.67
LGB Forge Limited	1.00	1,000	0.02	1.00	1,000	0.02
Zyduz Wellness Limited	10.00	320	0.01	10.00	320	0.01
			16.61			16.61

(ii) Un Quoted

Web Source Tech. Limited	10.00	50,000	50.00	10.00	50,000	50.00
			50.00			50.00
			66.61			66.61

LAHOTI OVERSEAS LIMITED

Notes forming part of the financial statements



(₹ in lakhs)

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Face Value	No of Units/ Share	Amount ₹	Face Value	No of Units/ Share	Amount ₹
(c) Investment in government or trust securities						
(i) Un Quoted						
National Saving Certificates			0.20	-	-	0.20
(ii) Quoted						
NABARD Bhavishya Nirman Bond	20,000.00	500	50.31	20,000.00	500	50.31
			50.51			50.51
(d) Investment in debentures fully paid up						
(i) Quoted						
India Infoline Investment Service Limited (Non Convertible Debentures)	1,000.00	3,500	35.00	1,000.00	3,500	35.00
(ii) Un Quoted						
Macquaire Finance (India) Private Limited-Structure Product	100,000.00	20	20.22	100,000.00	20	20.22
			55.22			55.22
(e) Investment in Mutual Funds - Fully paid up						
(i) Unquoted						
Religare Fixed Maturity Plan Series XVIII	10.00	50	500.00	-	-	-
			500.00	-	-	-
Total - Other investments (B)	10.00	50	1,538.28	-	-	1,035.77
Total (A+B)			1,590.88			1,088.37
Aggregate book value of quoted investments			101.92			101.92
Aggregate market value of listed and quoted investments			190.74			177.09
Aggregate market value of unquoted investments			1,503.28			986.45
Aggregate book value of unquoted investments			1,488.97			986.45

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
13. Long-term loans and advances		
(a) Security deposits		
Unsecured, considered good	83.82	52.68
(b) Loans and advances to employees		
Unsecured, considered good	-	2.91
(c) Advance income tax (Net of Provision for Tax ₹ 909.63 Lakhs)	383.45	355.95
(d) Balances with government authorities		
Unsecured, considered good		
(i) Sales tax under protest	-	3.00
(e) Other advances		
Unsecured, considered good	101.85	101.85
Total	569.11	516.39

Particulars	As at 31 March, 2013			As at 31 March, 2012	
	Face Value	No of Units	₹	No of Units	₹

14. Current investments

(a) Investment in Mutual Funds - Fully paid up

(i) Quoted

HDFC Equity Fund - Retail - Growth (Sip)	10.00	-	7,077.02	19.00
HSBC Equity Fund	10.00	-	16,240.29	15.00
Reliance Growth Fund	10.00	-	5,502.75	23.00
(i)		-		57.00

(ii) Unquoted

Pramerica Ultra Short Term Bond Fund-Weekly Div	1,000.00	-	-	17,678.21	177.00
Birla Sun Life Dynamic Bond Fund	10.00	290650.359	50.00	1,743,902.16	300.00
BSL Dynamic Bond Fund - Mthly Div Payout	10.00	484208.321	50.86	1,904,208.32	200.00
(ii)			100.86		676.99

Total - Other current investments (i+ii)

Aggregate book value of quoted investments	-	57.00
Aggregate market value of listed and quoted investments	-	57.95
Aggregate market value of unquoted investments	108.95	690.30
Aggregate book value of unquoted investments	100.86	676.99

LAHOTI OVERSEAS LIMITED

Notes forming part of the financial statements



(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
15. Inventories		
(At lower of cost and net realisable value)		
Stock-in-trade (acquired for trading)		
Goods-in-transit		
(i) Yarn	1,186.82	901.25
(ii) Fabrics	-	27.58
Total	1,186.82	928.84
16. Trade receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered goodw	22.30	28.33
(b) Other Trade receivables		
Unsecured, considered good	8,245.78	2,779.00
Total	8,268.07	2,807.34
17. Cash and cash equivalents		
(a) Cash on hand	1.74	2.27
(a)	1.74	2.27
(b) Balances with banks		
(i) In current accounts	194.22	145.82
(ii) In deposit accounts	0.14	201.00
(iii) In earmarked accounts	-	
- Balances held as margin money or security against borrowings, and other commitments	167.16	47.58
(b)	361.51	394.40
Total (a+b)	363.25	396.67
18. Short-term loans and advances		
(a) Prepaid expenses - Unsecured, considered good	4.09	3.08
(b) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	0.70	-
(c) Advance to Suppliers for goods and services		
(i) Unsecured, considered good	903.88	735.50
(ii) Doubtful	29.85	29.85
Less : Provision for Doubtful Debts	(29.85)	-
(d) Loans and advances to employees	903.88	765.35
Unsecured, considered good	0.46	-
Total	909.13	768.43

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
19. Other current assets		
(a) Accruals		
(i) Interest accrued on investments	4.10	0.05
(ii) Dividend receivable	-	0.72
(iii) Unbilled Revenue	15.50	-
(a)	19.59	0.76
(b) Others		
(i) Forward Contract Receivable (Net)	216.57	30.44
(ii) Export Incentive Receivable	370.84	446.11
(b)	587.41	476.55
Total (a+b)	607.01	477.31

(₹ in lakhs)

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012
20. Revenue from operations		
(a) Sale of products [Note i]	51,551.01	22,459.41
(b) Other operating revenues [Note ii]	1,766.50	896.03
Total	53,317.51	23,355.44

Note:

(i) Sale of products comprises		
Generation of Power	363.30	298.46
Traded goods	51,187.71	22,160.95
Total - Sale of products	51,551.01	22,459.41
(ii) Other operating revenues comprise:		
Duty drawback and other export incentives	1,766.50	896.03
Total - Other operating revenues	1,766.50	896.03

21. Other income

(a) Interest income [Note (i)]	14.06	3.83
(b) Dividend Income	21.25	24.58
(c) Net gain on sale of:		
(i) Current investments	2.16	39.79
(ii) Long-term investments	43.24	53.53
	45.40	93.32
(d) Forward Premium	113.08	29.93
(e) Gain on Exchange Rate Difference	111.13	
(f) Gain on Cancellation of Forward Contract	42.54	
(g) Other non-operating income [Note (ii)]	67.71	18.16
Total	415.17	169.82

LAHOTI OVERSEAS LIMITED

Notes forming part of the financial statements



(₹ in lakhs)

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012

Note :

(i) Interest income comprises:

Interest from banks on deposit	9.60	2.77
Interest on loans and advances to Employees	0.07	0.12
Interest on overdue trade receivables	0.35	0.89
Interest income from long term investments - Debentures	4.05	0.05
Total - Interest income	14.06	3.83

(ii) Other non-operating income comprises:

Rental income from investment properties	20.88	7.06
Insurance Claim received	2.03	2.53
Commission	3.37	-
Liabilities / provisions no longer required written back	40.40	8.54
Miscellaneous income	1.02	0.02
Total - Other non-operating income	67.71	18.16

22. Changes in inventories of finished goods,

work-in-progress and stock-in-trade

(a) Inventories at the end of the year:

Stock-in-trade	1,186.82	928.84
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(b) Inventories at the beginning of the year:

Stock-in-trade	928.84	684.94
Net (increase) / decrease	(257.98)	(243.89)

23. Employee benefits expense

(a) Salaries and wages	112.86	81.18
(b) Contributions to provident and other funds	11.17	7.27
(c) Staff welfare expenses	2.18	1.63
Total	126.21	90.08

24. Finance costs

(a) Interest expense on:

(i) Borrowings	266.70	94.93
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(b) Other borrowing costs

	181.64	102.70
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Total	448.34	197.63
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LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

(₹ in lakhs)

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012
25. Other expenses		
(a) Office & Administrative expenses:		
Auditor's Remuneration [Note(i)]	4.19	3.22
(Gain)/Loss on Cancellation of Forward Contract	-	162.52
Directors' Remuneration	46.80	46.80
Donation	0.12	0.33
Electricity Expenses	4.95	3.55
(Gain)/Loss on Exchange Rate Difference	-	119.96
Insurance Premium	76.15	70.14
Legal and Professional Charges	47.75	35.04
Office & General Expenses	17.64	22.76
Operational Expenses (Wind Power)	50.12	49.66
Postage and Telephone Charges	22.85	17.60
Printing and Stationary	4.14	2.79
Provision for Doubtful Debts	29.85	-
Rent, Rates and Taxes	60.92	31.68
Repairs & Maintenance	4.73	6.89
Travelling & Conveyance	62.27	51.72
(a)	432.48	624.68
(b) Selling and Distribution expenses		
Ocean Freight	873.37	439.80
Local Freight	676.84	323.38
Overseas Commission	136.25	90.25
Sales Promotion Expenses	17.87	20.04
Local Commission & Brokerage	34.66	27.79
(b)	1,738.99	901.26
Total (a+b)	2,171.47	1,525.94

Note (i)

Payments to the auditors comprises

As auditors - statutory audit	3.09	2.47
For taxation matters	0.22	0.22
For tax Audit	0.28	0.28
For Certification & Consultancy Services	0.59	0.25
Total	4.19	3.22

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

26. In the opinion of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet, if realized in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

27. Contingent Liabilities:

- Contingent Liabilities not provided for in respect of Bills Discounted ₹ 4958.36 lakhs (Previous Year ₹ NIL).
- Contingent Liability in respect of Letter of Credit opened amounts to ₹ 958.00 lakhs
- Claims not acknowledged by the Company relating to cases contested by the Company :

(₹ In lakh)

		As at March 31, 2013	As at March 31, 2012
(i)	Sales Tax Matter	Nil	Nil
(ii)	Income Tax Matter (Pending before Appellate Authorities in respect of which the Company is in appeal)	252.24	231.66

28. Expenditure in foreign currency:

(₹ In Lakhs)

	As at March 31, 2013	As at March 31, 2012
Foreign Bank Charges	74.38	32.50
Foreign Traveling Expenses	34.91	33.65
Overseas Commission	136.25	90.25
Liaison Office at Bangladesh	8.34	-
TOTAL	253.88	156.40

29. Earning in Foreign Exchange:

FOB value of export: ₹ 49,419.14/- Lakhs
(Previous Year ₹ 21,673.86/- Lakhs)

- The information as required under Micro, Small and Medium Enterprises Development Act, 2006 was called from relevant parties. In view of no response, no such information is furnished.
- The Management is of the view of that the fixed assets of the Company are capable of generating adequate returns over their useful lives in the course of business. Therefore the assets are not impaired and do not call for providing any loss.

32. Related Party Disclosure: -

- The Company has identified following parties for the purpose of Related Party Disclosure:

Subsidiary Companies:	Holding (%)
Lahoti Spintex Limited	100
G. Varadan Limited	100

Entities in which KMP / relatives of KMP have significant influence:

PSWare Information Private Limited
Sri Laxmi Exports (Partnership Firm)
Kirti Stock Brokers Private Limited
Bauble Investment Private Limited
Hind Commerce Limited
Key Management Personnel (KMP):
Shri Umesh R. Lahoti - Managing Director
Shri Ujwal R Lahoti - Executive Director
Shri Aadhitiya Lahoti - Director

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

ii) Transactions during the year with related parties:

(₹ in Lakhs)

Nature of Transaction	Entities in which KMP have significant influence (Hind Commerce Limited)		Subsidiary (Lahoti Spintex Ltd & G. Varadan Ltd.)		Key Management Personnel (KMP)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	8.40	1.80	4.20	-	-	-
Purchase of Fabric	24.14	-	-	-	-	-
Managerial Remuneration	-	-	-	-	51.00	51.00
Outstanding balances						
<u>Loans and Advances</u>						
Receivable (Deposit)	51.00	51.00	-	-	-	-
Payable (Loan)	-	-	4.22	4.22	-	-

33. Earning Per Share:

	As At March 31, 2013	As At March 31, 2012
1. Net profit available for Equity shareholders (₹ in Lakhs)	1343.12	696.78
2. Number equity shares for basic Earning Per Share	2,91,71,500	2,92,28,661
3. Basic Earning Per Share (in ₹)	4.60/-	2.38/-
4. Face value per share	₹ 2/-	₹ 2/-

34. Company has not been able to appoint a Company Secretary during the year, In spite of its best efforts.

35. The company has taken effort to verify the closing balances of the sundry creditors / Debtors subject to pending confirmations.

36. Additional Disclosure pursuant to clause 32 of Listing Agreement, (Excepting for employees) is not applicable as there are no transactions in that nature.

LAHOTI OVERSEAS LIMITED



Notes forming part of the financial statements

37. Segment Reporting

a) Information about business segments (information provided in respect of revenue items for the year ended March 31, 2013 and in respect of assets/liabilities as at March 31, 2013)

Primary Segments (Business Segments):

	(₹ in lakhs)					
	Trading		Power		Total	
	As At 31-Mar-2013	As At 31-Mar-2012	As At 31-Mar-2013	As At 31-Mar-2012	As At 31-Mar-2013	As At 31-Mar-2012
Gross Segment Revenue	53,220.96	23,056.97	363.30	298.46	53,584.25	23,355.44
Less:- Intersegment Revenue	-	-	-	-	-	-
Net Segment Revenue	53,220.96	23,056.97	363.30	298.46	53,584.25	23,355.44
Segment Results :	1,585.12	835.01	173.32	66.67	1,758.44	901.68
(Profit/Loss Before Tax, Interest and Investment Income from each segment)						
Add:- Income from Interest					14.06	3.83
Add:- Dividend and Other Income					88.96	42.73
Add:- Profit/(Loss) on sale of investments					46.38	93.32
Add:- Profit/(Loss) on sale of Fixed Assets					(0.98)	-
Profit before Interest and Tax					1,906.87	1,041.57
Less:- Interest					(266.70)	(94.93)
Profit Before Tax					1,640.17	946.64
Provision for Tax						
Current					328.00	261.50
Deferred					(30.95)	(11.64)
Profit After Tax					1,343.12	696.78
Capital Employed						
Segment Assets						
Fixed Assets	213.51	205.04	2,472.72	913.37	2,686.22	1,118.42
Current Assets, Loans and Advances (Excluding Tax Assets)	11,222.40	5,807.67	297.54	87.30	11,519.94	5,894.97
Unallocable (Tax Assets & Investments)	-	-	-	-	2,075.19	1,822.37
Total Assets	11,435.91	6,012.71	2,770.26	1,000.67	16,281.35	8,835.76
Segment Liabilities						
Loan Funds	4.22	4.22	-	-	4.22	4.22
Liabilities & Provisions (Excluding Tax Liabilities)	1,193.68	848.82	1,339.08	52.38	2,532.76	901.21
Unallocable (Tax Liabilities & Loans)	-	-	-	-	6,278.84	1,672.35
Total Liabilities	1,197.90	853.04	1,339.08	52.38	8,815.82	2,577.78
Net Segment Assets	10,238.01	5,159.67	1,431.17	948.29	7,465.53	6,257.98
Capital Expenditure	41.15	14.47	1,744.58	28.37	1,785.72	42.84
Segment Depreciation	32.68	35.59	136.73	161.80	169.41	197.39
Non - Cash Expenses other than Depreciation	-	-	-	-	-	-

b) Segment Reporting : Segment identification, reportable segments

- Primary/secondary segment reporting format: The risk-return profile of the company's business is determined predominantly by the nature of its products and services. Accordingly, business segments constitute the primary segments for disclosure of segment information.
 - Segment Identification: Business segment have been on the basis of nature of product/services, the ri-return profile of individual business.
 - Reportable Segment: Reportable segment has been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting Issued by the Institute of Chartered Accountants of India.
- 38 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Per our report of even date.

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R.Lahoti

Executive Chairman

Umesh R.Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

**Statement pursuant to Section 212 of the Companies Act, 1956,
relating to Company's interest in Subsidiary Companies.**

Name of Subsidiary Company	Lahoti Spintex Limited	G. Varadan Limited
1. The Financial year of the Subsidiary Companies ended on	31 st March, 2013	31 st March, 2013
2.a. Number of shares held by Lahoti Overseas Limited with Its nominees in the subsidiaries at the end of the financial year of the subsidiary Companies	50,000 Equity Shares of ₹ 10/- each.	5,000 Equity Shares of ₹ 100/- Each
b. Extent of interest of holding Company at the end of the Financial year of the subsidiary Companies	100%	100%
3. The net aggregate amount of the Subsidiary companies profit/(loss) so far as it concerns the members of the holding Company	Nil	₹ 1,63,117
a. Not dealt with in the holding Company's Accounts		
i) For the financial year ended 31st March, 2013	Nil	₹ (42,584)
ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries.	Nil	Nil
b. Dealt with in holding Company's Accounts:		
i) For The Financial Year Ended 31 st March, 2013	Nil	Nil
ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries	Nil	Nil

Place: Mumbai
Date : May 29, 2013

For & on behalf of the Board of Directors

Ujwal R. Lahoti
Executive Chairman

Umesh R. Lahoti
Managing Director

Independent Auditor's Report

To the Board of Directors of Lahoti Overseas Limited,

Report on the Consolidated Financial Statements

We have audited the attached consolidated financial statements of Lahoti Overseas Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation

and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary Lahoti Spintex Limited whose financial statements reflect total assets (net) of ₹ 5 lakhs as at March 31, 2013. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

For and on behalf of
P. C. Ghadiali & Co.
Chartered Accountants
Firm No. 103132W

Pannkaj Ghadiali
Partner
Membership Number: 031745

Place: Mumbai
Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Consolidated Balance Sheet as on March 31, 2013

(₹ in Lakhs)

Particulars	Note No.	As at	
		March 31, 2013	March 31, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	584.59	584.59
(b) Reserves and surplus	2	6,879.31	5,670.17
		7,463.90	6,254.75
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	3	177.85	208.81
(b) Other long-term liabilities	4	13.80	55.18
(c) Long-term provisions	5	13.46	11.23
		205.11	275.22
3 Current liabilities			
(a) Short-term borrowings	6	6,039.37	1,463.56
(b) Trade payables	7	409.04	154.79
(c) Other current liabilities	8	1,972.79	536.49
(d) Short-term provisions	9	185.77	143.89
		8,606.97	2,298.72
TOTAL		16,275.98	8,828.70
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.a	2,686.22	1,118.47
(ii) Intangible assets	10.b	39.80	39.80
(b) Non-current investments	11	1,538.35	1,035.78
(c) Long-term loans and advances	12	569.15	516.39
(d) Other Non - Current Assets	13	0.62	0.55
		4,834.15	2,711.00
2 Current assets			
(a) Current investments	14	106.19	737.99
(b) Inventories	15	1,186.82	928.84
(c) Trade receivables	16	8,300.12	2,807.34
(d) Cash and cash equivalents	17	364.62	397.79
(e) Short-term loans and advances	18	877.08	768.43
(f) Other current assets	19	607.01	477.31
		11,441.83	6,117.70
TOTAL		16,275.98	8,828.70

See accompanying notes forming part of the financial statements 1to38

Per our report attached of even date

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R. Lahoti

Executive Chairman

Umesh R. Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Consolidated Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note No.	For the Period Ended	
		March 31, 2013	March 31, 2012
1 Income			
(a) Revenue from operations	20	53,317.51	23,355.44
(b) Other income	21	417.80	169.81
Total Revenue		53,735.30	23,525.25
2 Expenses			
(a) Purchases of stock-in-trade		49,435.05	20,811.47
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(257.98)	(243.89)
(c) Employee benefits expense	23	126.21	90.08
(d) Finance costs	24	448.35	197.63
(e) Depreciation and amortisation expense		169.41	197.39
(f) Other expenses	25	2,171.59	1,526.08
Total Expenses		52,092.63	22,578.76
3 Profit before exceptional and extraordinary items and tax		1,642.67	946.49
4 Exceptional items		-	-
5 Profit before extraordinary items and tax		1,642.67	946.49
6 Extraordinary items		-	-
7 Profit before tax		1,642.67	946.49
8 Tax expense:			
(a) Current tax expense for current year		328.87	261.50
(b) Deferred tax		(30.96)	(11.64)
		297.91	249.86
9 Profit for the year		1,344.76	696.63
10 Earnings per share (of ₹ 2/- each):			
(a) Basic		4.61	2.38
(b) Diluted		4.61	2.38

See accompanying notes forming part of the financial statements 1to38

Per our report attached of even date

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R. Lahoti

Executive Chairman

Umesh R. Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

LAHOTI OVERSEAS LIMITED



Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ in Lakhs)

Particulars	For the Period Ended	
	March 31, 2013	March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and prior period items	1,642.67	946.49
Add/Less: Interest (Net)	252.64	91.10
Depreciation	169.41	197.39
Loss on Sale / Redemption of Investments	2.14	0.62
Profit on sale of Fixed Asset	-	-
Loss on sale of Fixed Asset	0.98	-
Profit on Sale / Redemption of Investments	(46.71)	(93.94)
Rent Received	(25.08)	(7.06)
Dividend Received	(21.48)	(24.58)
Rounding Off		0.00
	331.89	163.54
Operating profit before working Capital	1,974.56	1,110.03
(Increase)/Decrease in Inventories	(257.98)	(243.89)
(Increase)/Decrease in Trade & Other Receivable	(5,756.85)	(99.54)
Increase/(Decrease) Trade Payable, Current Liabilities & Provision	1,785.90	294.38
	(4,228.93)	(49.05)
Cash Generated from Operations	(2,254.36)	1,060.97
Tax paid	(312.99)	(371.98)
Cash Flow Before Extraordinary Items	(2,567.35)	688.99
Extra ordinary Items / Adjustments (Prior Period Item)	-	-
Cash Flow After Extraordinary Items	(2,567.35)	688.99
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,785.72)	(42.84)
Purchase of Investment	(1,015.13)	(572.72)
Sale of Fixed Asset	47.53	-
Sale of Investment	1,189.01	1,245.34
Interest Received	14.06	3.83
Dividend Received	21.48	24.58
Rent Received	25.08	7.06
Net Cash Used for Investing Activities	(1,503.70)	665.24
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(135.62)	(136.44)
Interest paid	(266.70)	(94.93)
Calls in Arrear (Premium) adjusted against forfeiture	-	0.23
Increase/(Decrease) In Unsecured Loans	836.33	-
Increase/(Decrease) In Secured Loans	3,739.48	(821.29)
Net cash From Financing Activities	4,173.50	(1,052.43)
Net Increase in Cash and Cash Equivalents (A+B+C)	102.44	301.81
Cash and Cash Equivalents (OPENING BALANCE)	397.79	95.98
Cash and Cash Equivalents (CLOSING BALANCE)	364.62	397.79
	(33.17)	301.81

Note: 1.The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement. 2.Cash and cash equivalent at the end of year represents cash and bank balances. 3. Previous year's figures have been rearranged/regrouped, wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of

P. C. Ghadiali & Co.

Chartered Accountants

Firm No. 103132W

Pannkaj Ghadiali

Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R.Lahoti

Executive Chairman

Umesh R.Lahoti

Managing Director

Place: Mumbai

Dated: May 29, 2013

Significant Accounting Policies on Consolidated Accounts

A. Principles Of Consolidation

The Consolidated Financial Statements (CFS) is prepared in accordance with Accounting standard (AS) 21 "Consolidated Financial Statements" as specified in the Companies (Accounting Standards) Rules, 2006. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements". The CFS comprises the financial statements of Lahoti Overseas Limited (LOL) and its subsidiaries. Reference in these notes to LOL, Company, Parent Company, Companies or Group shall mean to include Lahoti Overseas Limited or any of its subsidiaries, associates unless otherwise stated.

The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the company has disclosed such notes and policies which represent the required disclosure.

B. Goodwill On Consolidation

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments.

C. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

1. Share capital

(₹ in lakhs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 2 each with voting rights	30,000,000	600.00	30,000,000	600.00
(b) Issued				
Equity shares of ₹ 2 each with voting rights	29,382,500	587.65	29,382,500	587.65
(c) Subscribed and fully paid up				
Equity shares of ₹ 2 each with voting rights	29,171,500	583.43	29,171,500	584.59
(d) Share Forfeiture Account	211,000	1.16	211,000	1.16
Total		584.59		584.59

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
<u>Equity shares with voting rights</u>				
Opening Balance	29,171,500	58,458,586	29,382,500	58,458,586
Less : Shares Forfeited	-	-	(211,000)	-
Closing Balance	29,171,500	58,458,586	29,171,500	58,458,586

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

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Ujwal R Lahoti	3,823,000	13.11	3,823,000	13.11
Umesh R Lahoti	4,484,000	15.37	4,484,000	15.37
Jayashri U Lahoti	2,375,500	8.14	2,375,500	8.14
Manjushri Umesh Lahoti	1,934,500	6.63	1,934,500	6.63
Rukmini R Lahoti	1,522,000	5.22	1,522,000	5.22
Kirti Stock Brokers Private Limited	1,610,000	5.52	1,610,000	5.52
Billion Way Garment Limited	4,250,000	14.57	4,250,000	14.57

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
2. Reserves and surplus		
(a) Securities premium account		
Opening balance	914.53	916.48
Less : Calls in arrears on 2,11,000 shares forfeited	-	(1.95)
Closing balance (a)	914.53	914.53
(b) General reserve		
Opening balance	544.59	492.33
Add: Transferred from surplus in Statement of Profit and Loss	100.73	52.26
Closing balance (b)	645.32	544.59
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	4,211.06	3,663.50
Add: Profit / (Loss) for the year	1,344.76	696.63
Excess Provision for Dividend written back	-	0.61
Excess Provision for Income Tax for earlier years written back	-	38.19
Less: Dividends proposed to be distributed to equity shareholders (₹ 2 per share)	(116.69)	(116.69)
Tax on dividend	(18.93)	(18.93)
Transferred to General reserve	(100.73)	(52.26)
Closing balance (c)	5,319.47	4,211.06
Total (a+b+c)	6,879.31	5,670.17
3. Deferred Tax Liabilities (net)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	184.60	214.37
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for gratuity, leave salary and bonus	(6.75)	(5.56)
Net deferred tax liability Total	177.85	208.81
4. Other long-term liabilities		
<u>Others:</u>		
(i) Payables on purchase of fixed assets	-	52.38
(ii) Trade / security deposits received	13.80	2.80
Total	13.80	55.18
5. Other long-term Provisions		
<u>Provision for employee benefits:</u>		
(i) Provision for gratuity (net)	13.46	11.23
Total	13.46	11.23

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
6. Short-term borrowings		
<u>Working capital Loans</u>		
(i) From banks - Secured [Note(i)]	5,203.04	1,463.56
(ii) From Others - Unsecured	836.33	-
Total	6,039.37	1,463.56
(i) Break-up of secured short-term borrowings from:		
(i) State Bank of India (P.C.F.C)	1,480.79	272.01
(ii) HSBC Bank Ltd (P.C.F.C)	1,395.90	1,191.30
(iii) State Bank of India (Packing Credit)	-	0.25
(iv) ICICI Bank (P.C.F.C)	458.12	-
(v) DBS (P.C.F.C)	1,868.22	-
	5,203.04	1,463.56
The loans from SBI, ICICI Bank and DBS Bank are secured against Hypothecation of Stock and Book Debts of the Company with pari pasu clause		
7. Trade Payables		
(a) For Goods	162.07	58.70
(b) For Expenses and Services	246.97	96.09
Total	409.04	154.79
8. Other current liabilities		
(a) Unearned revenue	111.66	39.77
(b) Other payables		
(i) Statutory remittances	41.47	11.69
(ii) Advances from customers	510.60	485.02
(iii) Other Current Liabilities	0.06	-
(c) Creditor for Capital Expenditure	1,309.00	-
Total	1,972.79	536.49
9. Short-term provisions		
(a) <u>Provision for employee benefits</u>		
(i) Provision for bonus	5.78	4.75
(ii) Provision for Leave Salary	1.57	1.15
(a)	7.35	5.90
(b) <u>Provision - Others:</u>		
(i) Provision for tax (Net of advance tax ₹ 473.74 lakhs)	42.81	2.37
(ii) Provision for proposed equity dividend	116.69	116.69
(iii) Provision for tax on proposed dividends	18.93	18.93
(b)	178.43	137.99
Total (a+b)	185.77	143.89

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

Note 10 Fixed assets 10.a Tangible assets

(₹ in lakhs)

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As At 31-Mar-2012	Addition	Deduction	As At 31-Mar-2013	As At 31-Mar-2012	For the Year	Deduction 31-Mar-2013	As At 31-Mar-2013	As At 31-Mar-2012
Export Division										
Land	-	68.62	-	-	68.62	-	-	-	68.62	68.62
Building	5.00%	33.84	-	-	33.84	17.37	0.82	-	15.64	16.47
Office Equipments	13.91%	36.37	2.42	-	38.80	21.15	2.15	-	15.50	15.23
Furniture & Fixtures	18.10%	79.40	0.39	-	79.79	65.47	2.54	-	11.78	13.93
Motor Car	25.89%	164.13	35.05	-	199.18	79.93	23.96	-	95.28	84.19
Computers	40.00%	40.27	3.28	-	43.55	33.66	3.20	-	6.69	6.61
Total (A)		422.63	41.15	-	463.78	217.59	32.68	-	213.51	205.04
Wind Power I Division										
Land		3.82	-	-	3.82	-	-	-	3.82	3.82
Plant & Machinery	15.33%	1,058.88	-	-	1,058.88	770.45	44.22	-	244.21	288.43
Total (B)		1,062.70	-	-	1,062.70	770.45	44.22	-	248.03	292.25
Wind Power II Division										
Land		15.91	-	-	15.91	-	-	-	15.91	15.91
Plant & Machinery	15.33%	839.75	-	35.12	804.63	234.54	88.19	-	481.90	605.22
Total (C)		855.66	-	35.12	820.54	234.54	88.19	-	497.81	621.13
Solar Division										
Land		-	29.79	13.38	16.40	-	-	-	16.40	-
Plant & Machinery	15.33%	-	1,714.79	-	1,714.79	-	4.32	-	1,710.47	-
Total (D)		-	1,744.58	13.38	1,731.19	-	4.32	-	1,726.87	-
Total As On 31.03.2013		2,340.99	1,785.72	48.50	4,078.21	1,222.58	169.41	-	2,686.22	1,118.42
Total As On 31.03.2012		2,298.15	42.84	-	2,340.99	1,025.19	197.39	-	1,118.42	1,272.96

10.a Tangible assets

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 31-Mar-2012	Addition	Deduction	As At 31-Mar-2013	As At 31-Mar-2012	For the Year	Deduction	As At 31-Mar-2013	As At 31-Mar-2013	As At 31-Mar-2012
G. Varadan Limited											
Office Premises	5.00%	0.46	-	0.46	-	0.41	-	0.41	-	-	0.06
As at 31st March, 2013		0.46	-	0.46	-	0.41	-	0.41	-	-	0.06
As at 31st March, 2012		0.46	-	-	0.46	0.41	0.00	-	0.41	0.06	0.06

11.b Intangible Assets

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 31-Mar-2012	Addition	Deduction	As At 31-Mar-2013	As At 31-Mar-2012	For the Year	Deduction	As At 31-Mar-2013	As At 31-Mar-2013	As At 31-Mar-2012
Goodwill (On Consolidation)	-	39.80	-	-	39.80	-	-	-	-	39.80	39.80
As at 31st March, 2013		39.80	-	-	39.80	-	-	-	-	39.80	39.80
As at 31st March, 2012		39.80	-	-	39.80	-	-	-	-	39.80	39.80

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at March 31, 2013			As at March 31, 2012		
	Face Value	No of Units	₹	Face Value	No of Units	₹
11. Non-current investments						
Investments (At cost):						
A. Other investments						
(a) Investment property						
Flat at Pune			25.38			25.38
Plot of land (At Ahmednagar)			11.00			11.00
Flat At Sewree, Mumbai			510.89			508.38
Flat at Mumbai			318.68			318.68
Commercial Premise at Arun Chambers			0.06			
			<u>866.00</u>			<u>863.43</u>
(b) Investment in Equity Shares - Fully paid up						
(i) Quoted						
Emami Limited	1.00	2,400.00	0.84	1.00	2,400.00	0.84
Emami Infrastructure Limited	2.00	733.00	0.00	2.00	733.00	0.00
Jet Airways Limited	10.00	356.00	3.92	10.00	356.00	3.92
TCS Limited	1.00	1,148.00	2.44	1.00	1,148.00	2.44
Punjab National Bank	10.00	3,943.00	4.61	10.00	3,943.00	4.61
Union Bank Limited	10.00	2,900.00	0.46	10.00	2,900.00	0.46
L.G.Balkrishna Limited	10.00	100.00	0.02	10.00	100.00	0.02
Bank of India	10.00	900.00	0.41	10.00	900.00	0.41
Cadila Health Care Limited	5.00	1,500.00	1.24	5.00	1,500.00	1.24
FCS Software Limited	1.00	14,820.00	0.37	1.00	14,820.00	0.37
GSPL Limited	10.00	2,253.00	0.61	10.00	2,253.00	0.61
Reliance Industries Limited	10.00	346.00	1.67	10.00	346.00	1.67
LGB Forge Limited	1.00	1,000.00	0.02	1.00	1,000.00	0.02
Zyduz Wellness Limited	10.00	320.00	0.01	10.00	320.00	0.01
			<u>16.61</u>			<u>16.61</u>
(ii) Un Quoted						
Web Source Tech. Limited	10.00	50,000.00	50.00	10.00	50,000.00	50.00
Arun Com. Premises Co-Operative Society Limited						
			<u>50.01</u>			<u>50.01</u>
			<u>66.61</u>			<u>66.61</u>
(c) Investment in government or trust securities						
(i) Government securities						
(i) Un Quoted						
National Saving Certificates			0.20			0.20
(ii) Quoted						
NABARD Bhavishya Nirman Bond	20,000.00	500.00	50.31	20,000.00	500.00	50.31
			<u>50.51</u>			<u>50.51</u>
(d) Investment in debentures fully paid up						
(i) Quoted						
India Infoline Investment Service Limited (Non Convertible Debentures)	1,000.00	3,500.00	35.00	1,000.00	3,500.00	35.00
(ii) Un Quoted						
Macquaire Finance (India) Private Limited -Structure Product	100,000.00	20.00	20.22	100,000.00	20.00	20.22
			<u>55.22</u>			<u>55.22</u>
(e) Investment in Mutual Funds - Fully paid up						
(i) Unquoted						
Religare Fixed Maturity Plan Series XVIII	10.00	50.00	500.00	-	-	-
			<u>500.00</u>			<u>-</u>
Total			<u>1,538.35</u>			<u>1,035.78</u>
Aggregate book value of quoted investments			101.92			101.92
Aggregate market value of listed and quoted investments			190.74			177.09
Aggregate book value of unquoted investments			1,436.43			933.86

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
12. Long-term loans and advances		
(a) Security deposits		
Unsecured, considered good	83.82	52.68
(b) Loans and advances to employees		
Unsecured, considered good	-	2.91
(c) Advance income tax (Net of Provision for Tax ₹ 910.50 lakhs)	383.49	355.95
(d) Balances with government authorities		
Unsecured, considered good		
(i) Sales tax under protest	-	3.00
(e) Other advances		
Unsecured, considered good	101.85	101.85
Total	569.15	516.39
13. Other non-current assets		
(a) Miscellaneous Expenditure		
(To the extent not written off or Adjusted)		
(i) Preliminary Expenses	0.34	0.34
(i) Pre Operative Expenses	0.28	0.21
Total	0.62	0.55

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Face Value	No of Units	₹	Face Value	No of Units	₹
14. Current investments						
(a) Investment in Mutual Funds - Fully paid up						
(i) Quoted						
(Sip)			-	10.00	7,077.02	19.00
HSBC Equity Fund			-	10.00	16,240.29	15.00
Reliance Growth Fund			-	10.00	5,502.75	23.00
(i)			-			57.00
(ii) Unquoted						
JM Basic Fund					8344.99	
Pramerica Ultra Short Term Bond			-	10.00	17,678.21	2.50
Fund-Weekly Div						
Reliance Money Manager Fund -Weekly Div	1,000.00	531	5.33	1,000.00	149.91	177.00
Birla Sun Life Dynamic Bond Fund	10.00	290650.36	50.00	10.00	1,743,902.16	300.00
BSL Dynamic Bond Fund - Mthly Div Payout	10.00	484208.32	50.86	10.00	1,904,208.32	200.00
(ii)			106.19			680.89
Total - Other current investments (i+ii)			106.19			733.99
Aggregate book value of quoted investments			-			57.00
Aggregate market value of listed and quoted investments			-			57.95
Aggregate market value of unquoted investments			114.28			690.30
Aggregate book value of unquoted investments			106.19			680.99

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
15. Inventories		
(At lower of cost and net realisable value)		
Stock-in-trade (acquired for trading)		
Goods-in-transit		
(i) Yarn	1,186.82	901.25
(ii) Fabrics	-	27.58
Total	1,186.82	928.84
16. Trade receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	22.30	28.33
(b) Other Trade receivables		
Unsecured, considered good	8,277.83	2,779.00
Total	8,300.12	2,807.34
17. Cash and cash equivalents		
(a) Cash on hand	1.75	2.28
(a)	1.75	2.28
(b) Balances with banks		
(i) In current accounts	195.58	146.93
(ii) In deposit accounts	0.14	201.00
(iii) In earmarked accounts		
- Balances held as margin money or security against borrowings and other commitments	167.16	47.58
(b)	362.87	395.51
Total (a+b)	364.62	397.79
18. Short-term loans and advances		
(a) Prepaid expenses - Unsecured, considered good	4.09	3.08
(b) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	0.70	-
(c) Advance to Suppliers for goods and services		
(i) Unsecured, considered good	871.83	735.50
(ii) Doubtful	29.85	29.85
Less : Provision for Doubtful Debts	(29.85)	-
	871.83	765.35
(d) Loans and advances to employees		
Unsecured, considered good	0.46	-
Total	877.08	768.43

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	As at	
	March 31, 2013	March 31, 2012
19. Other current assets		
(a) Accruals		
(i) Interest accrued on investments	4.10	0.05
(ii) Dividend receivable	-	0.72
(iii) Unbilled Revenue	15.50	-
(a)	19.59	0.76
(b) Others		
(i) Forward Contract Receivable(Net)	216.57	30.44
(ii) Export Incentive Receivable	370.84	446.11
(b)	587.41	476.55
Total (a+b)	607.01	477.31
Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012
20. Revenue from operations		
(a) Sale of products [Note i]	51,551.01	22,459.41
(b) Other operating revenues [Note ii]	1,766.50	896.03
Total	53,317.51	23,355.44
Note:		
(i) Sale of products comprises		
Generation of Power	363.30	298.46
Traded goods	51,187.71	22,160.95
Total - Sale of products	51,551.01	22,459.41
(ii) Other operating revenues comprise:		
Duty drawback and other export incentives	1,766.50	896.03
Total - Other operating revenues	1,766.50	896.03
21. Other income		
(a) Interest income [Note (i)]	14.06	3.83
(b) Dividend Income	21.48	24.58
(c) Net gain on sale of:	-	
(i) Current investments	2.16	39.79
(ii) Long-term investments	41.44	53.53
	43.60	93.32
(d) Forward Premium	113.08	29.93
(e) Gain on Exchange Rate Difference	111.13	
(f) Gain on Cancellation of Forward Contract	42.54	
(g) Other non-operating income [Note (ii)]	71.91	18.15
Total	417.80	169.81

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012

Note :

(i) Interest income comprises:

Interest from banks on deposit	9.60	2.77
Interest on loans and advances to Employees	0.07	0.12
Interest on overdue trade receivables	0.35	0.89
Interest income from long term investments - Debentures	4.05	0.05
Interest on ICD	-	-
Total - Interest income	14.06	3.83

(ii) Other non-operating income comprises:

Rental income from investment properties	25.08	7.06
Profit on sale of fixed assets	-	-
Forward Premium	-	-
Insurance Claim received	2.03	2.53
Commission	3.37	-
Liabilities / provisions no longer required written back	40.40	8.53
Miscellaneous income	1.02	0.02
	-	-
Total - Other non-operating income	71.91	18.15

22. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(a) Inventories at the end of the year:

Stock-in-trade	1,186.82	928.84
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(b) Inventories at the beginning of the year:

Stock-in-trade	928.84	684.94
Net (increase) / decrease	(257.98)	(243.89)

23. Employee benefits expense

(a) Salaries and wages	112.86	81.18
(b) Contributions to provident and other funds	11.17	7.27
(c) Staff welfare expenses	2.18	1.63
Total	126.21	90.08

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

(₹ in lakhs)

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012
24. Finance costs		
(a) Interest expense on:		
(i) Borrowings	266.70	94.93
(ii) Others	-	-
- Interest on delayed payment of TDS and other overdue Interest	0.00	-
(b) Other borrowing costs	181.65	102.70
Total	448.35	197.63
25. Other expenses		
(a) <u>Office & Administrative expenses:</u>		
Auditor's Remuneration [Note 26]	4.30	3.36
(Gain)/Loss on Cancellation of Forward Contract	-	162.52
Directors' Remuneration	46.80	46.80
Donation	0.12	0.33
Electricity Expenses	4.95	3.55
(Gain)/Loss on Exchange Rate Difference	-	119.96
Insurance Premium	76.15	70.14
Legal and Professional Charges	47.75	35.04
Office & General Expenses	17.65	22.77
Operational Expenses (Wind Power)	50.12	49.66
Postage and Telephone Charges	22.85	17.60
Printing and Stationary	4.14	2.79
Provision for Doubtful Debts	29.85	-
Rent, Rates and Taxes	60.92	31.68
Repairs & Maintenance	4.73	6.89
Travelling & Conveyance	62.27	51.72
(a)	432.60	624.82
(b) <u>Selling and Distribution expenses</u>		
Ocean Freight	873.37	439.80
Local Freight	676.84	323.38
Overseas Commission	136.25	90.25
Sales Promotion Expenses	17.87	20.04
Local Commission & Brokerage	34.66	27.79
Brokerage and Port Fees		
(b)	1,738.99	901.26
Total (a+b)	2,171.59	1,526.08

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

26. The list of subsidiaries included in the consolidated financial statements are as under:-

Sr. No.	Name of Company	Country of Incorporation	Relationship	As at March 31, 2013	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	G Varadan Limited	India	Subsidiary	100	100	
2	Lahoti Spintex Limited	India	Subsidiary	100	100	

27. In the opinion of Directors, Current Assets, Loans and Advances have the value at which these are stated in the Balance Sheet, if realized in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

28. Expenditure in foreign currency:

(₹ in lakhs)

	For the Year Ended	
	March 31, 2013	March 31, 2012
Foreign Bank Charges	74.38	32.50
Foreign Traveling Expenses	34.91	33.65
Overseas Commission	136.25	90.25
Liaison Office at Bangladesh	8.34	-
TOTAL	253.88	156.40

29. Earning in Foreign Exchange:

FOB value export: ₹ 49,419.14/- Lakhs (Previous Year ₹ 21,673.83/- Lakhs)

1. Payment to Auditors

(₹ in Lakhs)

Payments to the auditors comprises	For the Year Ended	
	March 31, 2013	March 31, 2012
As auditors - statutory audit	3.15	2.60
For taxation matters	0.28	0.22
For tax Audit	0.28	0.28
For Certification & Consultancy Services	0.59	0.25
TOTAL	4.30	3.36

31. Contingent Liabilities:

- Contingent Liabilities not provided for in respect of Bills Discounted ₹ 4958.36 lakhs (Previous Year ₹ NIL).
- Contingent Liability in respect of Letter of Credit opened amounts to ₹ 958.00 lakhs
- Claims not acknowledged by the Company relating to cases contested by the Company :

(₹ in lakhs)

		As At	
		March 31, 2013	March 31, 2012
(i)	Sales Tax	Nil	3.00
(ii)	Income Tax (Pending before Appellate Authorities in respect of which the Company is in appeal)	252.24	231.66

32. The information as required under Micro, Small and Medium Enterprises Development Act, 2006 was called from relevant parties. In view of no response, no such information is furnished.

33. The Management is of the view of that the fixed assets of the Company are capable of generating adequate returns over their useful lives in the course of business. Therefore the assets are not impaired and do not call for providing any loss.

34. Related Party Disclosure:

i) The Company has identified following parties for the purpose of Related Party Disclosure:

a. Related Companies / Firm:

PSWare Information Private Limited
Sri Laxmi Exports – Partnership Firm
Kirti Stock Brokers Private Limited
Bauble Investment Private Limited
Hind Commerce Limited

b. Key Management Personnel:

- Shri Umesh R. Lahoti - Managing Director
- Shri Ujjwal R Lahoti - Executive Director
- Shri Aadhiya Lahoti - Director

LAHOTI OVERSEAS LIMITED



Notes forming part of the consolidated financial statements

ii) Transactions during the year with related parties:

(₹ in lakhs)

Nature of Transaction	Entities in which KMP / relatives of KMP have significant influence (PSWare Information Pvt. Ltd. & Bauble Investments Private Limited)		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	8.40	1.80	-	-
Purchase of Fabric	24.14	-	-	-
Managerial Remuneration	-	-	51.0	51.00
Outstanding balances				
<u>Loans and Advances</u>				
Receivable	51.00	51.00	-	-
Payable	-	-	-	-

35. Earning Per Share:

		As At	
		March 31, 2013	March 31, 2012
	Computation of Basic Earnings per share		
1	Net profit available for Equity shareholders (₹ in Lakhs)	1344.76	696.63
2	Number equity shares for basic Earning Per Share	2,91,71,500	2,92,28,661
3	Basic Earning Per Share (in ₹)	4.61/-	2.38
4	Face value per share	₹ 2/-	₹ 2/-

36. Additional Disclosure pursuant to clause 32 of Listing Agreement, (Excepting for employees) is not applicable as there are no transactions in that nature.

37. Company has not been able to appoint a Company Secretary during the year, In spite of its best efforts

38. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amount and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For and on behalf of
P. C. Ghadiali & Co.

Chartered Accountants
Firm No. 103132W

Pannkaj Ghadiali
Partner

Membership Number: 031745

Place: Mumbai

Dated: May 29, 2013

For and on behalf of the Board of Directors

Ujwal R.Lahoti
Executive Chairman

Umesh R.Lahoti
Managing Director

Place: Mumbai

Dated: May 29, 2013



PROXY

LAHOTI OVERSEAS LIMITED

Registered Office : 307, Arun Chambers, Tardeo Road, Mumbai - 400 034

Please Fill in Here.

Member's Folio No.....
(as stated on address slip)

I/We.....
.....of.....

being a MEMBER/MEMBER'S LAHOTI OVERSEAS LIMITED hereby appoint

.....of.....

OR

.....of.....

as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting
of the Members of the Company to be held at the 307, Arun Chambers, Tardeo
Road, Mumbai - 400 034 on Friday, 27th September, 2013 at 3.00 p.m.

As witness my/our hand this.....day of.....2013

Signature of the Members.....

Affix a
1 Rupee
Revenue
Stamp

N.B.: THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE
COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE
MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.



ATTENDANCE SLIP

LAHOTI OVERSEAS LIMITED

Registered Office : 307, Arun Chambers, Tardeo Road, Mumbai - 400 034

RECORD OF ATTENDANCE AT THE 18TH ANNUAL GENERAL MEETING HELD ON

FRIDAY, 27TH SEPTEMBER, 2013 AT 3.00 P.M. AT

307, Arun Chambers, Tardeo Road, Mumbai - 400 034.

PLEASE COMPLETE THIS ATTENDANCE SLIP

AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHAREHOLDER OR PROXY OR REPRESENTATIVE
ATTENDING THE MEETING

Mr./Mrs./Miss.....
(in Capitals)
Member's Folio No.....Signature.....
(incase the shares are held in Demat mode);
DPID.....
Client ID.....

TO BE USED ONLY WHEN THE FIRST - NAMED SHAREHOLDER ATTENDS

PLEASE GIVE NAME OF THE FIRST - NAMED SHAREHOLDER

Mr./Mrs./Miss.....
Member's Folio No.....No. of Shares held.....

DATED 27TH SEPTEMBER, 2013

ACHIEVEMENTS

From TEXPROCIL

2010 - 11	Merchant Exports	Bronze
2009 - 10	Counts 51 & Above	Gold
2009 - 10	Merchant Exports	Gold
2008 - 09	Merchant Exports	Gold
2007 - 08	Merchant Exports	Gold
2006 - 07	Merchant Exports	Gold
2005 - 06	Merchant Exports	Gold
2004 - 05	Merchant Exports	Bronze
2003 - 04	Merchant Exports	Silver
2002 - 03	Merchant Exports	Gold
2000 - 01	Non-quota Exports	Silver
1999 - 00	Non-quota Exports	Bronze
1998 - 99	Non-quota Exports	Silver
1997 - 98	Merchant Exports	Gold
1997 - 98	Non-quota Exports	Silver
1996 - 97	Merchant Exports	Bronze
1995 - 96	Non-quota Exports	Gold

From Government of India (FIEO)

“Niryat Shree” Award for Excellence in Export Performance for the 2003-04

From Government of Maharashtra

Silver Plaque Award in Merchant Exporter Category & Bronze Plaque Award in Trading House Category for the year 2010-11.

Gold Plaque Award for the year 2009-10 in Trading House Category.

Two Silver Plaque Awards for the year 2005-2006 in Merchant Exporter & Export House Category.

The Silver Plaque Awards, consistently for 2 years in 1995-96 and 1996-97, bestowed for the highest performance in Maharashtra State for exports under the Merchant Exporters category.

Besides above, Company has received Business World International Business Award for Category “Best Export House” for excellent performance in exports.







LAHOTI OVERSEAS LIMITED

REGD. OFFICE :

307, ARUN CHAMBERS, TARDEO ROAD,
MUMBAI - 400 034. INDIA

TEL.: 91-22-40 500 100 • FAX : 91-22-40 500 150


Internet: <http://www.lahotioverseas.com> • E-mail: lol@vsnl.com

E-Mail : umesh@lahotioverseas.com

Corporate Identity No. L74999MH1995PLC087643

FORM A

Covering letter of the annual audit report to be filed with the Stock Exchange Pursuant to Clause 31(a) of Listing Agreement

1.	Name of the Company	Lahoti Overseas Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed By Mr. Umesh Lahoti Managing Director	FOR LAHOTI OVERSEAS LTD.  Managing Director

Place: Mumbai

Date: 26th May, 2014

