

# Asian Lakto Industries Limited

Regd Office: VPO Jandiali, Near Kohara, Chandigarh Road, Ludhiana , Punjab  
CIN: L15209PB1994PLC014386, Email: accounts@asianlak.com

## **Annual Report 2016-17**

### **BOARD OF DIRECTORS**

- |                                  |                              |
|----------------------------------|------------------------------|
| (1) Mr. Gopal Poddar-            | Chairman & Managing Director |
| (2) Mr. Harinder Kumar Sachdeva- | Non-Executive Director       |
| (3) Mrs. Mandira Poddar -        | Director                     |
| (4) Mr. Abhishek Poddar -        | Whole Time Director          |
| (5) Mr. Rajesh Kumar Sharma -    | Independent Director         |
| (6) Mr. Shatrohan Lal-           | Independent Director         |

### **COMPANY SECRETARY**

CS.Raspreet Kaur

### **CHIEF FINANCIAL OFFICER**

Mr. Ravinder Singh Katoch

### **STATUTORY AUDITORS**

M/s Pawan Singh & Associates,  
Chartered Accountants

### **SECRETARIAL AUDITOR**

M/s Khanna Ashwani & Associates,  
Practicing Company Secretaries

### **REGISTERED OFFICE**

**VPO Jandiali, Near Kohara,  
Ludhiana-141001, Punjab.**  
E-mail Id: - accounts@asianlak.com  
CIN: - L15209PB1994PLC014386  
PAN: - AABCA4451H

### **REGISTRAR AND TRANSFER AGENT**

#### **SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

D-153 A, 1<sup>ST</sup> Floor, Okhla Industrial Area, Phase – I  
City: New Delhi      PIN: 110 020

**ASIAN LAKTO INDUSTRIES LIMITED**  
**Regd. Office: - VPO Jandiali, Near Kohara,**  
**Ludhiana-141112, Punjab.**  
**CIN: - L15209PB1994PLC014386**  
**Email Id: accounts@asianlak.com**  
**Telephone No: 0161-2424602**

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**NOTICE**

**NOTICE** is hereby given that the **23<sup>rd</sup>** Annual General Meeting of the Members of **Asian Lakto Industries Limited** will be held on **Saturday the 30<sup>th</sup> day of September, 2017** at registered office of the Company situated at **11:00 A.M. at VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab** to transact the following business:

**ORDINARY BUSINESS:**

**ITEM NO.1: TO RECEIVE & ADOPT AUDITED ANNUAL FINANCIAL STATEMENTS AND OTHER REPORTS**

To receive, consider and adopt the Audited Balance Sheet as at **31st March, 2017**, Statement of Profit and Loss for the year ended on that date, together with Report of the Auditor's and Director's thereon.

**ITEM NO.2: RE-APPOINTMENT OF SH. HARINDER KUMAR SACHDEVA**

To appoint Directors in place of **Sh. Harinder Kumar Sachdeva** (Holding DIN: 02381580), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offer himself for re-appointment.

**ITEM NO. 3: APPOINTMENT OF AUDITORS**

*To consider the appointment of Statutory Auditors of the company for the Financial Year **2017-18** and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:*

**“RESOLVED THAT** pursuant to the provisions of section 139 and 142 of the Companies Act, 2013 and other applicable provisions, if any, M/s R.K Deepak & Co., Chartered Accountants, Ludhiana be and are hereby appointed as the statutory auditors of the company for the period of 5 years subject to the ratification by the members at every Annual General Meeting, commencing from the conclusion of this

23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> AGM at such remuneration as may be determined by the Board of Directors of the Company.”

**SPECIAL BUSINESS**

**ITEM NO: 4. BLANKET APPROVAL FOR RELATED PARTY TRANSACTIONS:**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:*

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby for entering into the following proposed Related Party Transactions at Arm Length Price with respect to sale and purchase of goods and raw material by and from Asian Lakto Industries Limited for the financial year 2017-18 upto the maximum per annum amounts as appended in tablebelow:

| Sr No | Name of the Related Party              | Relationship                          | Maximum Value of Transaction per Annum |
|-------|--|---------------------------------------|--|
| 1     | Nandan Traders                         | Directors having Significant Interest | 5 Crores                               |
| 2     | Asianlak Health Foods Ltd              | Directors having Significant Interest | 5Crores                                |
| 3     | Sri Varadharaja Fruit Products (P) Ltd | Directors having Significant Interest | 10 Crores                              |

**ITEM NO. – 5 TO INCREASE IN BORROWING POWER IN TERMS OF SECTION 180 (1) (C) OF THE COMPANIES ACT, 2013**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:*

“**RESOLVED THAT** pursuant to the provisions of **Section 180(1)(c)** and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, for the time being in force and the Articles of Association of the Company and in supersession of all earlier resolutions passed in this regard by the Company in General Meeting, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purpose of its business not exceeding **Rs 100,00,00,000/- (Rs One Hundred Crore only)**[including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of

all, or any of the Company's assets and effects or properties whether moveable or immovable, notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as they may deem necessary and/or expedient in that behalf necessary and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the powers to the Director and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**ITEM NO.6 TO CREATION OF CHARGE / MORTGAGE ETC. ON COMPANY'S MOVABLE OR IMMOVABLE PROPERTIES IN TERMS OF SECTION 180 (1) (A) OF THE COMPANIES ACT, 2013.**

**"RESOLVED THAT** pursuant to the provisions of **Section 180(1)(a)** and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create charges, mortgages and/or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or on the whole or any part of the undertaking(s) of the Company, in favour of the Company's bankers/ lenders Agent(s) and Trustee(s), for securing the borrowings of the Company availed/to be availed by way of loans(s), from time to time, provided that the total amount of loans shall not at any time exceed **Rs 100,00,00,000/- (Rupees One Hundred Crore only)** in aggregate (apart from temporary loans obtained/ to be obtained from the Company's bankers/lenders in the ordinary course of business) together with interest, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment/redemption, remuneration of the Agents(s)/Trustees, all costs, charges, expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other monies payable by the Company in respect of the said loans in terms of the Loan Agreement(s), or any other document, entered into or to be entered into between the Company and the lender(s), Agent(s) and Trustee(s) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the lender(s), Agent(s) and Trustee(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate.

Place: Ludhiana  
Date: 04.09.2017

Sd/-  
(GopalPoddar)  
Managing Director  
(DIN: - 01859022)  
Add: 509-B, Aggar Nagar,  
Ludhiana 141001, PB (IN).

*Notes:*

*1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. The proxy, in order to be effective must be received by the Company not less than 48 hours before the Meeting. The Blank Proxy form is enclosed.*

*2. In Compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, and Regulation 44 of the SEBI (Listed Obligations And Disclosures Requirements) Regulations 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.*

*3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.*

*4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy and such person shall not act as a proxy for any other person or shareholder.*

*5. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 2, 5 & 6 of the accompanying Notice is annexed herewith in explanatory statement.*

*6. Members are requested to intimate their queries, if any, related to accounts at least seven days in advance of meeting so that information can be made available and furnished at meeting.*

*7. All documents referred to in the notice, unless otherwise specifically stated will be available for members for inspection at the registered office of the Company between 10.30 am to 12.30 pm from the date hereof upto the date of Annual General Meeting.*

**8. The register of members and share transfer books shall remain closed from Wednesday the 20<sup>th</sup> September, 2017 to Saturday 30<sup>th</sup> September, 2017 (Both Days inclusive).**

**9. Mr. Ashwani Khanna proprietor of Khanna Ashwani & Associates has been appointed as scrutinizer for providing the report on results of poll/vote for the resolution passed during the AGM.**

**10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in physical form are, therefore, requested to submit their PAN to the Company Skyline Financial Services Private Limited.**

**11. The Result of the resolutions passed at the AGM of the Company will be declared within 48 working hours of Conclusion of AGM. The results declared along with the Scrutinizer Report shall be placed on Company's website and on the website of CDSL and will be communicated to the stock exchanges.**

**12. M/s Khanna Ashwani & Associates, Company Secretaries, have been appointed as the scrutinizer to scrutinize the e-voting process in fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the company.**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27<sup>th</sup> Sep, 2017 (9:00 am) and ends on 29<sup>th</sup> Sep, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.**
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).**
- (iv) Click on "Shareholders" tab.**
- (v) Now Enter your User ID**
  - a. For CDSL: 16 digits beneficiary ID,**
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.**
- (vi) Next enter the Image Verification as displayed and Click on Login.**
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.**
- (viii) If you are a first time user follow the steps given below:**

**For Members holding shares in Demat Form and Physical Form**

|   |  |
|---|--|
| <b>PAN</b>  | <p><b>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"><li>• <b>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</b></li><li>• <b>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is 3 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</b></li></ul> |
| <b>Dividend Bank Details OR Date of Birth (DOB)</b> | <p><b>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</b></p> <ul style="list-style-type: none"><li>• <b>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</b></li></ul>  |

(ix) *After entering these details appropriately, click on “SUBMIT” tab.*

(x) *Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.*

(xi) *For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.*

(xii) *Click on the EVSN 170904015<ASIAN LAKTO INDUSTRIES LIMITED>for the relevant on which you choose to vote.*

- (xiii) *On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.*
- (xiv) *Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.*
- (xv) *After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.*
- (xvi) *Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.*
- (xvii) *You can also take a print of the vote cast by clicking on “Click here to print” option on the Voting page.*
- (xviii) *If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.*
- (xix) *Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google play store. Apple and windows phone user can download the app from the App store and windows Phone store respectively on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobiles app while voting on your mobile.*
- (xx) *Note for Non – Individual Shareholders and Custodians*
- *Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian• are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.*
  - *A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).*
  - *After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.*
  - *The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on*
  - *approval of the accounts they would be able to cast their vote.*
  - *A scanned copy of the Board Resolution and Power of Attorney (POA) which they have• issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.*
- (xxi) *In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).*



**ASIAN LAKTO INDUSTRIES LIMITED**  
**Regd. Office: - VPO Jandiali, Near Kohara,**  
**Ludhiana-141001, Punjab.**  
**CIN: - L15209PB1994PLC014386**  
**Email Id: accounts@asianlak.com**  
**Telephone No: 0161-2424602**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**FOR ITEM NO. 2 OF THE ORDINARY BUSINESS**

**INFORMATION AND DETAILS REGARDING DIRECTOR SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING:**

|   |                                |
|---|--------------------------------|
| <b>Name of the Director</b>   | <b>HARINDER KUMAR SACHDEVA</b> |
| <b>Director Identification Number (DIN)</b>   | 02381580                       |
| <b>Date of Birth</b>  | 16/06/1960                     |
| <b>Nationality</b>  | Indian                         |
| <b>Date of Appointment on Board</b>   | 18/12/2006                     |
| <b>Qualification</b>  | Graduate                       |
| <b>No. of Shares Held</b>   | -                              |
| <b>List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)</b>     | NIL                            |
| <b>Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies</b> | NIL                            |
| <b>Relationship with other Directors</b>  | None                           |

None of the other Directors/ Key Managerial Personnel (KMP) of the company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 2.

**FOR ITEM NO.5 OF THE SPECIAL BUSINESS**

The company may avail credit/enhanced credit facilities from bank, financial institution or any other lending institutions, firms, bodies corporate or persons for day to day/long term fund requirements of the company. The new Companies Act 2013 has provided that every company "Board" must take the consent of members for borrowings in excess of its paid up capital and free reserves.

As Section 180(1)(c) of the Companies Act, 2013 provides that a special resolution be passed authorizing Board of Directors of the company by fixing a limit up to which they can borrow funds, hence keeping in view the present funds requirements and future requirements the Special Resolution is proposed to authorize board of directors to borrow funds **Rs 100.00 crores** in excess of its paid up capital and free reserves.

**FOR ITEM NO.6 OF THE SPECIAL BUSINESS**

Section 180 (1) (a) of the Companies Act, 2013 provides that the Board of Directors of every company shall not, without the consent of such company in extraordinary meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

According to 180(1)(a) of the Companies Act, 2013 a special resolution is to be passed authorizing Board of Directors to mortgage or/and create charge over the all the immovable and moveable properties of the Company and the whole of the undertaking of the Company to or in favour of any bank, financial institution or any other lending institutions, firms, bodies corporate or persons to secure the term loans, working capital limits, bank guarantee together with interest thereon which will be required for the day to day purpose of business in near future, within the overall limits of **Rs 100.00 Crores** in excess of its paid up capital and free reserves.

**Place: Ludhiana**  
**Date: 04.09.2017**

By Order of the Board  
For **Asian Lakto Industries Limited**

Sd/-  
**(GopalPoddar)**  
**Managing Director**  
**(DIN: - 01859022)**  
**Add: 509-B, Aggar Nagar,**  
**Ludhiana 141001, PB (IN).**

**DIRECTORS' REPORT**

To,

The Members,

The Directors of your Company have pleasure in presenting their **23<sup>rd</sup> Annual Report** on the affairs of the Company together with the Audited Accounts of the Company for the year ended **March 31, 2017**.

**1. FINANCIAL RESULTS**

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

(Amt. in Lakhs)

| <b><u>PARTICULARS</u></b>                                     | <b><u>2016-17</u></b> | <b><u>2015-16</u></b> |
|---|-----------------------|-----------------------|
| <b>Revenue from operations(Gross)</b>                         | 8352.62               | 7675.33               |
| <b>Profit before Depreciation, Interest &amp; Tax (PBDIT)</b> | <b>422.26</b>         | <b>374.59</b>         |
| Less: Interest & Financial Expenses                           | 167.63                | 156.43                |
| <b>Profit Before Depreciation &amp; Tax (PBDT)</b>            | <b>254.63</b>         | <b>218.16</b>         |
| Less:Depreciation   | 46.12                 | 26.01                 |
| <b>Profit Before Tax (PBT)</b>                                | <b>208.51</b>         | <b>192.15</b>         |
| Less: Current Tax   | 62.55                 | 57.64                 |
| Deferred Tax  | --                    | --                    |
| Earlier Year Tax Adjustments                                  | --                    | --                    |
| <b>Profit For The Period and After Tax (PAT)</b>              | 145.96                | 134.50                |
| Earnings Per Share (Rs.)                                      |                       |                       |
| -Basic  | --                    | --                    |
| -Diluted  | --                    | --                    |
| <b>Balance Available for Appropriation</b>                    | 145.96                | 134.50                |
| Less: Proposed Dividend on Equity Shares                      | --                    | --                    |

|                                  |        |        |
|----------------------------------|--------|--------|
| Tax on Proposed Dividend         | --     | --     |
| Transfer to General Reserve      | --     | --     |
| Balance Brought Forward          | 252.94 | 118.43 |
| Surplus Carried to Balance Sheet | 318.91 | 252.94 |

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

## **2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

### **A. FINANCIAL ANALYSIS AND STATE OF COMPANY AFFAIRS:**

#### **PRODUCTION & SALES REVIEW:**

During the year, the Revenue from operations was **Rs. 83,43,96,121/-** as against **Rs. 76,72,54,268/-** in the previous year. The Company earned other income of **Rs. 8,66,871** during the year as against **Rs. 2,79,575/-** in the previous year.

#### **PROFITABILITY:**

The Company earned profit before depreciation, interest and tax of **Rs.4,22,28,003.8** as against **Rs.3,74,60,239.54** in the previous year. After providing for depreciation of **Rs. 46,12,196.98** (Previous Year **Rs. 26,01,393.02**), the profit after tax was **Rs. 14596726.38** as against **Rs 1,34,50,532.13** last year.

### **B. RESOURCE UTILISATION:**

#### **FIXED ASSETS:**

The net fixed assets as at 31<sup>st</sup> March, 2017 were **Rs. 5,65,27,453.02** as against previous year's fixed assets of **Rs.5,49,03,679.00**. During the year, there were additions made to fixed assets of **Rs. 16,23,774.02**.

#### **CURRENT ASSETS:**

The net current assets as on 31<sup>st</sup> March, 2017 were **Rs. 29,25,03,917.16** as against **Rs. 22,76,42,680.81** in the previous year.

### **C. FINANCIAL CONDITIONS AND LIQUIDITY:**

Management believes that the Company's liquidity and capital resources are sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below: -

#### **CASH AND CASH EQUIVALENTS:**

The cash flow statement depicting the opening cash, closing cash balances and receipt of cash and spending thereof from operating activities is annexed to the balance sheet and stated as follows:

(Amtin Rs.)

| <b>Particulars</b>                  | <b>2016-17</b> |
|-------------------------------------|----------------|
| Beginning of the Year               | 34,60,507.24   |
| End of the Year                     | 2059321.82     |
| <b>Net Cash provided/(used) by:</b> |                |
| - Operating Activities              | 19212441.86    |
| - Investing Activities              | (6235971.00)   |
| - Financing Activities              | (14377656.28)  |

### **3. DIVIDEND**

To keep and conserve the profits and reserves for future expansion of the company the Board of Directors of the company has not recommended any dividend for the year **2016-2017**.

### **4. EXTRACT OF ANNUAL RETURN**

As required pursuant to **Section 92(3)** of the Companies Act, 2013 and **Rule 12(1)** of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** as a part of this Annual Report as **ANNEXURE 'A'**.

### **5. NUMBER OF MEETINGS OF THE BOARD**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Ludhiana to discuss the complex business strategies. The Agenda of the Board / Committee meetings is normally circulated at least a week prior to the date of the meeting but in certain cases is being held at a shorter notice. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met **8(Eight)** times in financial year 2016-17 viz., on

| Sr. No. | DATE OF BOARD MEETING | DIRECTOR IN ATTENDANCE | VENUE OF BOARD MEETING                              |
|---------|-----------------------|------------------------|---|
| 1.      | 04.05.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 2.      | 25.05.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 3.      | 16.07.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 4.      | 09.08.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 5.      | 04.10.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 6.      | 11.11.2016            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 7.      | 09.02.2017            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |
| 8.      | 27.03.2017            | 6                      | VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab. |

*The maximum interval between any two meetings did not exceed 120 days.*

## **5. DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) I of the Companies Act, 2013:

- a). that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b). that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c). that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d). that Directors' have prepared the annual accounts on a going concern basis;
- e). the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f). the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **6. COMMENTS ON AUDITORS REPORT**

(i) There are no qualifications, reservation or adverse remark or disclaimer made by statutory auditors during this financial year.

(ii) There are no qualifications, reservation or adverse remark or disclaimer made in secretarial audit report given by a company secretary in practice during this financial year.

## **7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013:

- The company has not granted any loan to any person during the year under review:
- The company has given corporate guarantee in respect of Asianlak health Foods Ltd and Sri Vardharaja Fruits Products Pvt Ltd by passing special resolution through postal ballots pursuant to the provisions of Section 186 of the Companies Act, 2013.

## **8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of material contracts/ arrangements/ transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2017 is annexed hereto in **Form AOC-2** and forms part of this report as **ANNEXURE 'B'**.

## **9. TRANSFER TO RESERVES**

NIL amount is transferred to the General Reserve.

## **10. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In accordance with the provisions of Section 125(2) of the Companies Act, 2013 company has not having any unpaid dividend or excess share application amount in the book of accounts. As company has not declared any dividend in the previous year, hence no amount is transferred to Investor Education and Protection Fund.

## **11. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

## **12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to

conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and form part of this report as ANNEXURE 'C' and is attached to this report.

### **13. CORPORATE SOCIAL RESPONSIBILITY**

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

### **14. BOARD EVALUATION**

Pursuant to the provisions of the **Section 134** of the Companies Act, 2013 read with **Rule 8(4)** of the **Companies (Accounts) Rules, 2014**, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The performance evaluations of all the independent Directors have been done by the entire board excluding the director being evaluated. On the basis of the performance evaluation done by the board it shall be determined whether to extend or continue their term of appointment, whenever their respective term expires.

### **15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **16. FINANCIAL HIGHLIGHTS**

(Amt. in Lakhs)

| <b>PARTICULARS</b>   | <b>2016-17</b> | <b>2015-16</b> | <b>2014-15</b> | <b>2013-14</b> | <b>2012-13</b> |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue from operations(Gross)</b>  | 8343.96        | 7672.54        | 7488.60        | 7138.62        | 5034.78        |
| <b>TOTAL INCOME</b>  | 8352.62        | 7675.33        | 7493.26        | 7143.19        | 5041.07        |
| <b>Earnings before Depreciation, Finance Cost &amp; Tax expenses (EBDIT)</b> | 422.27         | 374.59         | 359.34         | 329.25         | 277.02         |
| <b>Less: Depreciation &amp; Amortization</b>                                 | 46.12          | 26.01          | 17.71          | 72.62          | 71.98          |
| <b>Finance Cost</b>  | 167.63         | 156.43         | 155.24         | 133.49         | 116.22         |
| <b>PROFIT FOR THE YEAR</b>   | 208.52         | 192.15         | 152.83         | 100.97         | 72.82          |



|  |                |         |         |         |         |
|--|----------------|---------|---------|---------|---------|
| <b>Equity Dividend %</b>                       | -              | -       | -       | -       | -       |
| <b>Dividend payout</b>                         | -              | -       | -       | -       | -       |
| <b>Equity Share Capital</b>                    | 580.33         | 580.33  | 580.33  | 580.33  | 520.33  |
| <b>Equity Share Suspense Account</b>           | -              | -       | -       | -       | -       |
| <b>Equity Share warrants</b>                   | -              | -       | -       | -       | -       |
| <b>Reserves &amp; Surplus</b>                  | 398.91         | 252.94  | 118.43  | 114.33  | 80.00   |
| <b>Net Worth</b>                               | 979.24         | 833.27  | 698.76  | 694.66  | 600.33  |
| <b>Borrowings (Long term &amp; Short term)</b> | 2360.93        | 1769.29 | 1693.14 | 1807.28 | 1364.70 |
| <b>Gross Fixed Assets</b>                      | 1881.08        | 1818.72 | 1502.97 | 1502.97 | 1451.13 |
| <b>Less: Depreciation</b>                      | 1315.80        | 1269.68 | 1243.67 | 1077.23 | 1004.61 |
| <b>Net Fixed Assets</b>                        | 565.28         | 549.03  | 259.30  | 425.74  | 446.52  |
| <b>Investments</b>                             | --             | --      | --      | --      | --      |
| <b>Face Value Per Share</b>                    | 10             | 10      | 10      | 10      | 10      |
| <b>EPS</b>                                     | <b>Basic</b>   | --      | --      | --      | 1.17    |
|  | <b>Diluted</b> | --      | --      | --      | --      |

## **17. DEPOSITS**

The Company has not accepted and does not intend to accept any deposits from the public. As at 31<sup>st</sup> March, 2017 there are no outstanding/unclaimed deposits from the public.

## **18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## **19. NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working with the Company. The Policy framed by the Company in this regard provides for

protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

## **20. PARTICULARS NO. OF COMPLAINTS TO PREVENTION OF SEXUAL HARASSEMENT I**

Number of Complaints pending as on beginning of the financial year NIL

Number of Complaints filed during the financial year NIL

Number of Complaints pending as on the end of the financial year NIL

## **21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal audit in the organization is an independent appraisal activity and all significant issues are brought to the attention of the Audit Committee of the Board.

## **22. INTERNAL FINANCIAL CONTROL:**

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

## **23. A). DIRECTORS**

### **i). APPOINTMENTS**

#### **INDEPENDENT DIRECTORS**

No Independent Directors have been appointed during the year.

### **DECLARATION UNDER SECTION 149(6):**

All the Independent Directors have submitted their disclosures to the board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors.

### **ii). RETIREMENT BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 **Sh. Harinder Kumar Sachdeva (holding DIN. 02381580)** Director of the Company retires by rotation and being eligible offer himself for re-appointment.

## **B). KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of **Section 203** of the Companies Act, 2013 the below mentioned KMP have been appointed in the Company:

| <b>WHOLE TIME KEY MANAGERIAL PERSONNEL OF THE COMPNY</b> | <b>DESIGNATION</b>           | <b>DATE OF APPOINTMENT</b> |
|--|------------------------------|----------------------------|
| Raspreet Kaur Rajpal                                     | Company Secretary(CS)        | 07.04.2015                 |
| Ravinder Singh Katoch                                    | Chief Financial Officer(CFO) | 30.03.2015                 |

## **24. AUDITORS AND AUDITORS REPORT**

### **A). STATUTORY AUDITORS**

“**RESOLVED THAT** pursuant to the provisions of section 139 and 142 of the Companies Act, 2013 and other applicable provisions, if any, M/s R.K Deepak & Co., Chartered Accountants, Ludhiana be and are hereby appointed as the statutory auditors of the company for the period of 5 years subject to the ratification by the members at every Annual General Meeting, commencing from the conclusion of this 23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> AGM at such remuneration as may be determined by the Board of Directors of the Company.”

### **B). SECRETARIAL AUDITOR**

M/s **Khanna Ashwani & Associates**, Company Secretary in Practice, were appointed as Secretarial Auditor of the Company by the Board of Directors in their meeting held on **09.08.2016** for the financial year 2016-17.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204, of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March, 2017. The Report forms part of this report as **Annexure ‘D’**.

### **C). INTERNAL AUDITOR:**

**Sh. Naresh Kumar** was appointed as Internal Auditor of the Company pursuant to provisions of **Section 138** of the Companies Act, 2013 by the Board of Directors in their meeting held on **09.08.2016** to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

## **25. BOARD COMMITTEES**

### **A. AUDIT & RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management committee of the Board of Directors comprises of two Independent directors i.e. **Sh. Rajesh Kumar Sharma**, **Sh. Shatrohan Lal** and one executive director i.e. **Sh. Gopal Poddar**. **Sh. Rajesh Kumar Sharma** is the Chairperson of the said committee. **CS Raspreet Kaur Rajpal** is Secretary of the Committee. The Committee met Four times, during the year under review.

### **B. STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship and Risk Management Committee consist of three directors i.e. **Sh. Rajesh Kumar Sharma**, **Sh. Shatrohan Lal** and **Sh. Abhishek Poddar**. **Sh. Rajesh Kumar Sharma** is the Chairperson of the said committee.

The Committee met once, during the year under review. The Committee has formulated Risk Management policy which was subsequently approved by board of Directors.

### **C. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee consists of three non-executive directors i.e. **Sh. Rajesh Kumar Sharma**, **Sh. Shatrohan Lal** and **Sh. Harinder Kumar Sachdeva**. **Sh. Shatrohan Lal** is the Chairperson of the said committee. The Committee met once, during the year under review. The Committee has formulated policy relating to appointment of Directors, Payment of Managerial

remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) & (4) of Companies Act, 2013 which was subsequently approved by board of Directors.

## **26. POLICIES**

### **A). VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

Pursuant to provisions of **Section 177 (9)** of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the Listing Agreement for employees and directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

### **B). REMUNERATION POLICY**

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration policy on Director's appointment and remuneration includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under **Section 178(3)** of the Companies Act, 2013. The Nomination & Remuneration Policy is annexed thereto and form part of this Report as **Annexure 'E'**.

### **C). RISK MANAGEMENT POLICY**

The Stakeholder Relationship and Risk Management Committee has formulated Risk Management Policy of the Company which has been subsequently approved by the Board of Directors of the Company. The aim of risk management policy is to maximize opportunities in all activities and to minimize adversity.

The policy includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

### **D). RELATED PARTY TRANSACTION POLICY**

Related Party Transaction Policy, as formulated by the Company defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions that may have potential conflict with the interest of the Company at large. Transactions entered with related parties as defined under the Companies Act, 2013 during the Financial Year 2016-17 were mainly in the Ordinary Course of business and on an arm's length basis. Prior approval of the Audit and Risk Management Committee is obtained by the Company before entering into any Related Party Transaction as per the applicable provisions of the Companies Act 2013.

## **27. SHARES**

### **A). BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **B). SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **C). BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **D).EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme.

### **28.HUMAN RESOURCES /INDUSTRIAL RELATIONS:**

The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. Performance management is the key word for the company. During the year the Company employed around 106 employees.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

### **29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The disclosures in respect of managerial remuneration as required under section 197(12) read with **Rule 5(1)** of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and form part of this report as **Annexure 'F'**

None of the employee of the Company receives salary of **Rs. 60 Lacs** per annum or **Rs. 5 Lacs** per month or more during the Financial Year 2014-2015 as per **Rule 5(2)** and **5(3)** Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

In terms of section **197(14)** of the Companies Act, 2013, the Company does not have any Holding or Subsidiary Company.

### **30. LISTING WITH STOCK EXCHANGE**

The Shares of the company were listed on Ludhiana, Delhi, Bombay, Ahmedabad and Jaipur Stock Exchanges and presently the same are suspended for trading/delisted from BSE because of non-payment of listing fee and non compliance of listing agreements.

The company is now listed on Metropolitan Stock Exchange of India (formerly known as MCX Stock Exchange Ltd.) having its Shares on Stock Exchange having nation wide terminals in compliance of circular no.MSEI/LIST/4512/ 2016 issued by the SEBI dated 15<sup>TH</sup> September, 2016.

### **31. CORPORATE GOVERNANCE REPORT**

Regulation 27 of listing agreement which outlines the corporate governance report is not applicable to our company, as our company's paid up capital is less than 10 crores and net worth is less than 25 crores for F.Y 2016-17.

### **32. STATUTORY DISCLOSURES**

None of the Directors of the Company are disqualified under the provisions of section 164 of the Companies Act 2013. The Directors have made the requisite disclosures, as required under the Companies Act 2013.

### **33. ACKNOWLEDGEMENT**

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive co-operation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Government Authorities, Auditors, financial institutions, banks, suppliers, other business associates and lastbutnottheleasttheShareholders.

For And on Behalf of the Board  
For Asian Lakto Industries Limited

**Place: Ludhiana**  
**Date: 20.05.2017**

**Sd/-**  
**(Gopal Poddar)**  
**Managing Director**  
**(DIN: - 01859022)**  
**Add: 509-B, Aggar Nagar,**  
**Ludhiana 141001, PB (IN).**

## ANNEXURE A- EXTRACT OF ANNUAL RETURN

(Referred to Paragraph 17 under “Annual Return” section of our Report of even date)

### FORM NO. MGT 9

### AS ON FINANCIAL YEAR ENDED ON 31.03.2017

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

#### C. REGISTRATION & OTHER DETAILS:

|   |  |  |
|---|--|--|
| 1 | CIN  | L15209PB1994PLC014386  |
| 2 | Registration Date  | 29/03/1994   |
| 3 | Name of the Company  | ASIAN LAKTO INDUSTRIES LIMITED   |
| 4 | Category/Sub-category of the Company                                       | Company Limited By Shares<br>Indian Non-Government Company   |
| 5 | Address of the Registered office & contact details                         | VPO Jandiali, Near Kohara,<br>Ludhiana-141112, Punjab  |
| 6 | Whether listed company   | Yes  |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>Skyline Financial Services Private Limited</b><br>Add: D-153 A, 1 <sup>ST</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi .<br>STD Code: 011 Tel.: 26812682,<br>26812683 |

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

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

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Fruit Juices                                     | 282                             | 100                                |

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

| SN  | Name and address of the Company | CIN/GLN | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|-----|---------------------------------|---------|---------------------------------|------------------|--------------------|
| NIL |                                 |         |                                 |                  |                    |

### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2016] |                |                |                   | No. of Shares held at the end of the year [As on 31-March-2017] |                |                |                   | % Change during the year |
|--------------------------|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|                          | Demat   | Physical       | Total          | % of Total Shares | Demat   | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>      |   |                |                |                   |   |                |                |                   |                          |
| (1) <b>Indian</b>        |   |                |                |                   |   |                |                |                   |                          |
| a) Individual/ HUF       | -   | 3690800        | 3690800        | 58.68%            | -   | 3690800        | 3690800        | 58.68%            |                          |
| b) Central Govt          | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| c) State Govt(s)         | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| d) Bodies Corp.          | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| e) Banks / FI            | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| f) Any other             | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| <b>Sub Total (A) (1)</b> | -   | <b>3690800</b> | <b>3690800</b> | <b>58.68%</b>     | -   | <b>3690800</b> | <b>3690800</b> | <b>58.68%</b>     |                          |



|                          |   |                |                |               |   |                |                |               |   |
|--------------------------|---|----------------|----------------|---------------|---|----------------|----------------|---------------|---|
| <b>(2) Foreign</b>       |   |                |                |               |   |                |                |               |   |
| a) NRI Individuals       | - | -              | -              | -             | - | -              | -              | -             | - |
| b) Other Individuals     | - | -              | -              | -             | - | -              | -              | -             | - |
| c) Bodies Corp.          | - | -              | -              | -             | - | -              | -              | -             | - |
| d) Any other             | - | -              | -              | -             | - | -              | -              | -             | - |
| <b>Sub Total (A) (2)</b> | - | -              | -              | -             | - | -              | -              | -             | - |
| <b>TOTAL (A)</b>         | - | <b>3690800</b> | <b>3690800</b> | <b>58.68%</b> | - | <b>3690800</b> | <b>3690800</b> | <b>58.68%</b> | - |

#### B. Public Shareholding

| Category of Shareholders         | No. of Shares held at the beginning of the year<br>[As on 31-March-2016] |          |       |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |          |       |                   | % Change during the year |   |
|----------------------------------|--|----------|-------|-------------------|--|----------|-------|-------------------|--------------------------|---|
|                                  | Demat  | Physical | Total | % of Total Shares | Demat  | Physical | Total | % of Total Shares |                          |   |
| <b><i>1. Institutions</i></b>    |  |          |       |                   |  |          |       |                   |                          |   |
| a) Mutual Funds                  | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| b) Banks / FI                    | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| c) Central Govt                  | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| d) State Govt(s)                 | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| e) Venture Capital Funds         | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| f) Insurance Companies           | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| g) FIIs                          | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| h) Foreign Venture Capital Funds | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| i) Others (specify)              | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |
| <b>Sub-total (B)(1):-</b>        | -  | -        | -     | -                 | -  | -        | -     | -                 | -                        | - |

| <b>2. Non-Institutions</b>  |          |                |                |               |          |                |                |               |          |
|---|----------|----------------|----------------|---------------|----------|----------------|----------------|---------------|----------|
| a) Bodies Corp.   |          |                |                |               |          |                |                |               |          |
| i) Indian   | -        | 156300         | 156300         | 2.48%         | -        | 156300         | 156300         | 2.48%         | -        |
| ii) Overseas  | -        | -              | -              | -             | -        | -              | -              | -             | -        |
| b) Individuals  |          |                |                |               |          |                |                |               |          |
| i) Individual shareholders holding nominal share capital upto Rs 1 lakh           | -        | 1560300        | 1560300        | 24.80%        | -        | 1560300        | 1560300        | 24.80%        | -        |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | -        | 869100         | 869100         | 13.81%        | -        | 869100         | 869100         | 13.81%        | -        |
| c) Others (HUF)   |          |                |                |               |          |                |                |               |          |
| Non Resident Indians  | -        | 8500           | 8500           | 0.14          | -        | 8500           | 8500           | 0.14          | -        |
| Overseas Corporate Bodies   | -        | -              | -              | -             | -        | -              | -              | -             | -        |
| Foreign Nationals   | -        | -              | -              | -             | -        | -              | -              | -             | -        |
| Clearing Members  |          |                |                |               |          |                |                |               |          |
| Trusts  | -        | -              | -              | -             | -        | -              | -              | -             | -        |
| Foreign Bodies – D R  | -        | -              | -              | -             | -        | -              | -              | -             | -        |
| <b>Sub-total (B)(2):-</b>   | <b>-</b> | <b>2599200</b> | <b>2599200</b> | <b>41.32%</b> | <b>-</b> | <b>2599200</b> | <b>2599200</b> | <b>41.32%</b> | <b>-</b> |
| <b>Total Public (B)</b>   | <b>-</b> | <b>2599200</b> | <b>2599200</b> | <b>41.32%</b> | <b>-</b> | <b>2599200</b> | <b>2599200</b> | <b>41.32%</b> | <b>-</b> |

C. Shares held by Custodian for GDRs & ADRs

| Category of Shareholders                    | No. of Shares held at the beginning of the year<br>[As on 31-March-2016] |                |                |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |                |                |                   | % Change during the year |
|---|--|----------------|----------------|-------------------|--|----------------|----------------|-------------------|--------------------------|
|   | Demat  | Physical       | Total          | % of Total Shares | Demat  | Physical       | Total          | % of Total Shares |                          |
| C. Shares held by Custodian for GDRs & ADRs | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Total (A+B+C)</b>                        | <b>-</b>   | <b>6290000</b> | <b>6290000</b> | <b>100 %</b>      | <b>-</b>   | <b>6290000</b> | <b>6290000</b> | <b>100 %</b>      | <b>0.00%</b>             |

**PAID UP SHARE CAPITAL BREAKUP:**

|                           |                        |
|---------------------------|------------------------|
| Total Paid Up Capital     | Rs.6,29,00,000         |
| Calls in Arrears (Less)   | Rs. 48,67,000          |
| <b>Total Paid Capital</b> | <b>Rs. 5,80,33,000</b> |

C. Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change during the year |
|----|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------|
|    |                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                          |
| 1  | RADHE SHYAM PODDAR | 725300                                    | 11.53%                           | -  | 725300                              | 11.53%                           | -  | -                        |
| 2  | GOPAL PODDAR       | 262600                                    | 4.17%                            | -  | 262600                              | 4.17%                            | -  | -                        |
| 3  | NEERAJ PODDAR      | 412700                                    | 6.56%                            | -  | 412700                              | 6.56%                            | -  | -                        |
| 4  | NIRMAL PODDAR      | 589800                                    | 9.38%                            | -  | 589800                              | 9.38%                            | -  | -                        |
| 5  | MANDIRA PODDAR     | 327200                                    | 5.2%                             | -  | 327200                              | 5.2%                             | -  | -                        |

|    |                                     |                |               |   |                |               |   |   |
|----|-------------------------------------|----------------|---------------|---|----------------|---------------|---|---|
| 6  | PRAGYA PODDAR                       | 23500          | 0.37%         | - | 23500          | 0.37%         | - | - |
| 7  | ABHISHEK PODDAR                     | 100000         | 1.59%         | - | 100000         | 1.59%         | - | - |
| 8  | RADHE SHYAM<br>PODDAR & SONS<br>HUF | 210000         | 3.34%         | - | 210000         | 3.34%         | - | - |
| 9  | GOPAL PODDAR &<br>SONS HUF          | 367200         | 5.84%         | - | 367200         | 5.84%         | - | - |
| 10 | NEERAJ PODDAR &<br>SONS HUF         | 672500         | 10.69%        | - | 672500         | 10.69%        | - | - |
|    | <b>TOTAL</b>                        | <b>3690800</b> | <b>58.68%</b> |   | <b>3690800</b> | <b>58.68%</b> |   | - |

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

| S. No. | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|        | <b>At the beginning of the year</b>   | <b>3690800</b>                            | <b>58.68%</b>                    | <b>3690800</b>                          | <b>58.68%</b>                    |
|        | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | No Change                                 |                                  |   |                                  |
|        | <b>At the end of the year</b>   | <b>3690800</b>                            | <b>58.68%</b>                    | <b>3690800</b>                          | <b>58.68%</b>                    |

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the Year |                   | Cumulative Shareholding during the Year |                   |
|----|-------------------------------------|------|--------|---|-------------------|---|-------------------|
|    |                                     |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Ramsons Financial Services Limited  |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | 49500                                     | 0.79%             | 49500                                   | 0.79%             |
|    | Changes During the year             |      |        | No Change                                 | 0.00%             | No Change                               | 0.00%             |
|    | At the end of the year              |      |        | 49500                                     | 0.79%             | 49500                                   | 0.79%             |
| 2  | Raj Kumar                           |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | 66200                                     | 1.05%             | 66200                                   | 1.05%             |
|    | Changes During the year             |      |        | No Change                                 | 0.00%             | No Change                               | 0.00%             |
|    | At the end of the year              |      |        | 66200                                     | 1.05%             | 66200                                   | 1.05%             |
| 3  | Rakesh Kumar Kharbanda              |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | 66200                                     | 1.05%             | 66200                                   | 1.05%             |
|    | Changes During the year             |      |        | No Change                                 | 0.00%             | No Change                               | 0.00%             |
|    | At the end of the year              |      |        | 66200                                     | 1.05%             | 66200                                   | 1.05%             |
| 4  | Chanchal Khanna                     |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | 66200                                     | 1.05%             | 66200                                   | 1.05%             |

|   |                              |  |  |           |       |           |       |
|---|------------------------------|--|--|-----------|-------|-----------|-------|
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|   | At the end of the year       |  |  | 66200     | 1.05% | 66200     | 1.05% |
| 5 | Mukesh K Nahar               |  |  |           |       |           |       |
|   | At the beginning of the year |  |  | 66200     | 1.05% | 66200     | 1.05% |
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|   | At the end of the year       |  |  | 66200     | 1.05% | 66200     | 1.05% |
| 6 | Aparna Capital Services      |  |  |           |       |           |       |
|   | At the beginning of the year |  |  | 52900     | 0.84% | 52900     | 0.84% |
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|   | At the end of the year       |  |  | 52900     | 0.84% | 52900     | 0.84% |
| 7 | Pawan Kumar Agarwal          |  |  |           |       |           |       |
|   | At the beginning of the year |  |  | 51300     | 0.82% | 51300     | 0.82% |
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|   | At the end of the year       |  |  | 51300     | 0.82% | 51300     | 0.82% |
| 8 | Gurditta Mal                 |  |  |           |       |           |       |
|   | At the beginning of the year |  |  | 39700     | 0.63% | 39700     | 0.63% |
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|   | At the end of the year       |  |  | 39700     | 0.63% | 39700     | 0.63% |
| 9 | Shama Mehta                  |  |  |           |       |           |       |
|   | At the beginning of the year |  |  | 39700     | 0.63% | 39700     | 0.63% |
|   | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |

|    |                              |  |  |           |       |           |       |
|----|------------------------------|--|--|-----------|-------|-----------|-------|
|    | At the end of the year       |  |  | 39700     | 0.63% | 39700     | 0.63% |
| 10 | PriyaAggarwal                |  |  |           |       |           |       |
|    | At the beginning of the year |  |  | 33100     | 0.53% | 33100     | 0.53% |
|    | Changes During the year      |  |  | No Change | 0.00% | No Change | 0.00% |
|    | At the end of the year       |  |  | 33100     | 0.53% | 33100     | 0.53% |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|--|------|--------|---|-------------------|---|-------------------|
|    |  |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | <b>GOPAL PODDAR</b>  |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     | -    | -      | 262600                                    | 4.17%             | 262600                                  | 4.17%             |
|    | Changes during the year  | -    | -      | No change                                 | No change         | No change                               | No change         |
|    | At the end of the year   | -    | -      | 262600                                    | 4.17%             | 262600                                  | 4.17%             |
| 2  | <b>MANDIRA PODDAR</b>  |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     |      |        | 3,27,200                                  | 5.2%              | 3,27,200                                | 5.2%              |
|    | Changes during the year  |      |        | No change                                 | No change         | No change                               | No change         |
|    | At the end of the year   |      |        | 3,27,200                                  | 5.2%              | 3,27,200                                | 5.2%              |
| 3  | <b>HARINDER KUMAR SACHDEVA</b>                                   |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     |      |        | Nil                                       | Nil               | Nil                                     | Nil               |
|    | Changes during the year  |      |        | No change                                 | No change         | No change                               | No change         |
|    | At the end of the year   |      |        | Nil                                       | Nil               | Nil                                     | Nil               |
| 4  | <b>ABHISHEK PODDAR</b>   |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     |      |        | 1,00,000                                  | 1.58%             | 1,00,000                                | 1.58%             |

|   |                              |  |  |           |           |           |           |
|---|------------------------------|--|--|-----------|-----------|-----------|-----------|
|   | Changes during the year      |  |  | No change | No change | No change | No change |
|   | At the end of the year       |  |  | 1,00,000  | 1.58%     | 1,00,000  | 1.58%     |
| 5 | <b>RAJESH KUMAR SHARMA</b>   |  |  |           |           |           |           |
|   | At the beginning of the year |  |  | Nil       | Nil       | Nil       | Nil       |
|   | Changes during the year      |  |  | No change | No change | No change | No change |
|   | At the end of the year       |  |  | Nil       | Nil       | Nil       | Nil       |
| 6 | <b>SHATROHAN LAL</b>         |  |  |           |           |           |           |
|   | At the beginning of the year |  |  | Nil       | Nil       | Nil       | Nil       |
|   | Changes during the year      |  |  | No change | No change | No change | No change |
|   | At the end of the year       |  |  | Nil       | Nil       | Nil       | Nil       |

## V. INDEBTEDNESS

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

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Particulars</b>   |                                  |                 |          |                    |
| <b>INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR</b> |                                  |                 |          |                    |
| i) Principal Amount  | 145,298,388.69                   | 3,63,53,644.98  | -        | 181,652,033.67     |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          |                                  |                 |          |                    |
| <b>Total (I +ii+iii)</b>                                   | 145,298,388.69                   | 3,63,53,644.98  | -        | 181,652,033.67     |
| <b>CHANGE IN INDEBTEDNESS DURING THE FINANCIAL YEAR</b>    |                                  |                 |          |                    |
| <b>Addition</b>  |                                  |                 |          |                    |
| Loan Taken   | 74415100.24                      | -               | -        | 74415100.24        |
| Interest On Loan   | 15937966.86                      | -               | -        | 15937966.86        |



|  |              |             |   |              |
|--|--------------|-------------|---|--------------|
| <b>Reduction</b>                                     |              |             |   |              |
| Loan Repaid  |              |             |   |              |
| Net Change   | 65233068.22  | -           | - | 65233068.22  |
| <b>INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR</b> |              |             |   |              |
| i) Principal Amount                                  | 210531456.91 | 36353644.98 |   | 246885101.89 |
| ii) Interest due but not paid                        | -            | -           | - | -            |
| iii) Interest accrued but not due                    | -            | -           | - | -            |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration  | Name of MD/WTD/ Manager |                     | Total Amount |
|---------|--|-------------------------|---------------------|--------------|
|         |  | Sh. Gopal Poddar        | Sh. Abhishek Poddar |              |
| 1.      | Gross salary<br><br>C. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>© Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 8,40,000                | 7,20,000            | 15,60,000    |
| 2.      | Stock Option   | -                       | -                   | -            |
| 3.      | Sweat Equity   | -                       | -                   | -            |
| 4.      | Commission<br>- as % of profit<br>- others, specify...   | -                       | -                   | -            |

|    |                        |        |        |           |
|----|------------------------|--------|--------|-----------|
| 5. | Others, please specify | -      | -      | -         |
| 6. | Total (A)              | 840000 | 720000 | 15,60,000 |
|    | Ceiling as per the Act | -      | -      | -         |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/ Manager |     |     |     | Total Amount |
|---------|---|-------------------------|-----|-----|-----|--------------|
|         |   |                         |     |     |     |              |
|         | Independent Directors<br>· Fee for attending board committee meetings<br>· Commission<br>· Others, please specify         | N/A                     | N/A | N/A | N/A | -            |
|         | Total (1)   |                         |     |     |     |              |
|         | Other Non-Executive Directors<br>· Fee for attending board committee meetings<br>· Commission<br>· Others, please specify | N/A                     | N/A | N/A | N/A | -            |
|         | Total (2)   | -                       | -   | -   | -   | -            |
|         | Total (B)=(1+2)   | -                       | -   | -   | -   | -            |
|         | Total Managerial Remuneration   |                         |     |     |     |              |
|         | Overall Ceiling as per the Act  |                         |     |     |     |              |

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

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |          |          |
|---------|---|--------------------------|-------------------|----------|----------|
|         |   | CEO                      | Company Secretary | CFO      | Total    |
| 1.      | Gross salary<br>C. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>© Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | N/A                      | 1,92,000          | 4,44,000 | 6,36,000 |

|    |  |     |          |          |          |
|----|--|-----|----------|----------|----------|
| 2. | Stock Option   | N/A | N/A      | N/A      | -        |
| 3. | Sweat Equity   | N/A | N/A      | N/A      | -        |
| 4. | Commission<br>- as % of profit<br>- Others, specify... | N/A | N/A      | N/A      | -        |
| 5. | Others, please specify                                 |     |          |          |          |
| 6. | Total  | -   | 1,92,000 | 4,44,000 | 6,36,000 |

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

By Order of the Board  
For Asian Lakto Industries Limited

Place: Ludhiana  
Date: 20.05.2017

Sd/-  
(Gopal Poddar)  
Managing Director  
(DIN: - 01859022)  
Add: 509-B, Aggar Nagar,  
Ludhiana 141001, PB (IN).

**ANNEXURE 'B'**  
**FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars   | Details |
|---------|---|---------|
| 1.      | Name (s) of the related party   | N.A.    |
|         | Nature of Relationship  | N.A.    |
| 2.      | Nature of contracts/arrangements/transaction  | N.A.    |
| 3.      | Duration of the contracts/ arrangements/ transaction                                      | N.A.    |
| 4.      | Amount (In Lakhs)   | N.A.    |
| 5.      | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.    |
| 6.      | Date of approval by the Board   | N.A.    |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars   | Details                              |
|---------|---|--------------------------------------|
| 1.      | Name (s) of the related party   | <b>Asianlak Health Foods Limited</b> |
|         | Nature of Relationship  | Sister Concern                       |
| 2.      | Nature of contracts/arrangements/transaction  | Purchasing                           |
| 3.      | Duration of the contracts/ arrangements/ transaction                                      | On going                             |
| 4.      | Amount  | Rs. 13,56,643                        |
| 5.      | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.                                 |
| 6.      | Date of approval by the Board   | 04.05.2016                           |

| SL. No. | Particulars                                  | Details  |
|---------|--|--|
| 1.      | Name (s) of the related party                | <b>Sri Varadharaja Fruits Products Private Limited</b> |
|         | Nature of Relationship                       | Sister Concern   |
| 2.      | Nature of contracts/arrangements/transaction | Purchase   |

|    |   |                  |
|----|---|------------------|
| 3. | Duration of the contracts/ arrangements/ transaction                                      | On going         |
| 4. | Amount  | Rs4,43,91,845.00 |
| 5. | Salient terms of the contracts or arrangements or transaction including the value, if any |                  |
| 6. | Date of approval by the Board   | 04.05.2016       |

| SL. No. | Particulars   | Details               |
|---------|---|-----------------------|
| 1.      | Name (s) of the related party   | <b>Nandan traders</b> |
|         | Nature of Relationship  | Sister Concern        |
| 2.      | Nature of contracts/arrangements/transaction  | Sale                  |
| 3.      | Duration of the contracts/ arrangements/ transaction                                      | On going              |
| 4.      | Amount  | Rs. 1,19,01,140.00    |
| 5.      | Salient terms of the contracts or arrangements or transaction including the value, if any |                       |
| 6.      | Date of approval by the Board   | 04.05.2016            |

| SL. No. | Particulars   | Details   |
|---------|---|---|
| 1.      | Name (s) of the related party   | <b>Revanta Marketing Services private Limited</b> |
|         | Nature of Relationship  | Sister Concern                                    |
| 2.      | Nature of contracts/arrangements/transaction  | Sale  |
| 3.      | Duration of the contracts/ arrangements/ transaction                                      | On going  |
| 4.      | Amount  | Rs. 2,14,44,308.00/-                              |
| 5.      | Salient terms of the contracts or arrangements or transaction including the value, if any |   |
| 6.      | Date of approval by the Board   | 04.05.2016  |

| SL. No. | Particulars   | Details                              |
|---------|---|--------------------------------------|
| 1.      | Name (s) of the related party   | <b>Asianlak Health Foods Limited</b> |
|         | Nature of Relationship  | Sister Concern                       |
| 2.      | Nature of contracts/arrangements/transaction  | Sale                                 |
| 3.      | Duration of the contracts/ arrangements/ transaction                                      | On going                             |
| 4.      | Amount  | Rs. 84,68,103.00/-                   |
| 5.      | Salient terms of the contracts or arrangements or transaction including the value, if any |                                      |
| 6.      | Date of approval by the Board   | 04.05.2016                           |

| <b>SL. No.</b> | <b>Particulars</b>  | <b>Details</b>                          |
|----------------|---|---|
| 1.             | Name (s) of the related party   | <b>Suksha Marketing Private Limited</b> |
|                | Nature of Relationship  | Sister Concern                          |
| 2.             | Nature of contracts/arrangements/transaction  | Sale                                    |
| 3.             | Duration of the contracts/ arrangements/ transaction                                      | On going                                |
| 4.             | Amount  | Rs. 13650110.00/-                       |
| 5.             | Salient terms of the contracts or arrangements or transaction including the value, if any |   |
| 6.             | Date of approval by the Board   | 04.05.2016                              |

By Order of the Board  
For Asian Lakto Industries Limited

**Place: Ludhiana**  
**Date: 20.05.2017**

Sd/-  
**(GopalPoddar)**  
**Managing Director**  
**(DIN: - 01859022)**  
**Add: 509-B, Aggar Nagar,**  
**Ludhiana 141001, PB (IN).**

## ANNEXURE 'C'

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### **A. CONSERVATION OF ENERGY**

##### **1. The steps taken or impact on conservation of energy;**

Asian Lakto Industries Limited continued to emphasize on the conservation and optimal Utilization of energy in manufacturing unit of the Company. The energy conservation measures implemented during FY 2015 are listed below:

- Maintenance of the machines as per schedule.
- Lights in the Factory area are switched off whenever not required.
- Energy audit is conducted and recommendations are implemented.

##### **2. Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy:**

The company continued its efforts towards effective utilization of energy for reduction in power consumption. The Company is constantly exploring the use of alternate sources of energy that are commensurate with the scale of present operations and the type of products being manufactured.

##### **3. The capital investment on energy conservation equipments;**

During the year under review, there was no capital investment on Energy Conservation Equipments.

##### **Disclosure of particulars with respect to conservation of energy:**

| <b>Particulars</b>          | <b>2016-17</b> | <b>2015-16</b> |
|-----------------------------|----------------|----------------|
| <b>POWER CONSUMPTION</b>    |                |                |
| Units Purchased (KWH)       | 3688677.58     | 3705651.5      |
| Amount (Rs.)                | 2,99,52,062    | 2,96,45,212    |
| Average Rate Per Unit (Rs.) | 8.12           | 8.00           |

#### **B. TECHNOLOGY ABSORPTION**

##### **(1) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- Imparting training to personnel in various manufacturing techniques by experts.

##### **(2) Benefits derived like Product Improvement, Cost Reduction, Product Development or**

##### **Import Substitution as a result of above efforts:**

- Increase productivity.
- Power saving.
- Manpower cost reduced.

- Raw materials cost reduction.
- Production wastage reduced.
- (3) **Information regarding technology imported during the last 3 years**
  - The Details of Technology Imported - NIL
  - The Year of Import - Not Applicable
- Whether Technology Has been Fully Absorbed - Not Applicable
- If Not Fully Absorbed, Areas Where Absorption - Not Applicable

has not taken place and the reasons thereof.

**(4) Expenditure on Research and Development**

During the year under review the company did not incurred any expenses on Research and Development.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review the company did not enter into any Foreign exchange transaction.

By Order of the Board  
For **Asian Lakto Industries Limited**

**Place: Ludhiana**  
**Date: 20.05.2017**

Sd/-  
**(Gopal Poddar)**  
**Managing Director**  
**(DIN: - 01859022)**  
**Add: 509-B, Aggar Nagar,**  
**Ludhiana 141001, PB (IN).**



**FORM NO MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2017.**

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

To,

The Members,  
**Asian Lakto Industries Limited**  
**VPO Jandial, Near Kohara, Phase VI,**  
**LUDHIANA-141112**  
**Punjab (India).**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices made by **Asian Lakto Industries Limited** (hereinafter called the company). Secretarial Audit for year ended 31.03.2017 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31.03.2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute book, forms and returns filed and other records maintained by the company for the financial year ended on **31.03.2017** according to the provisions of:

- i) the **Companies Act, 2013** (the Act) and the rules made thereunder;
- ii) The **Securities Contracts (Regulation Act, 1956 ('SCRA'))** and the rules made thereunder: Applicable from 15.09.2017
- iii) The **Depositories Act, 1996** and the Regulations and Bye-laws framed thereunder
- iv) **Foreign Exchange Management Act, 1999** and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not applicable during the audit period.

(v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')**

- a)The Securities and Exchange Board of India (**Substantial Acquisition of Shares and Takeovers**) **Regulations, 2011**; – Applicable from 15.09.2016

- (b) The Securities and Exchange Board of India (**Prohibition of Insider Trading**) Regulations, 1992; – Applicable from 15.09.2016
- c) The Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements**) Regulations, 2009 and amendments from time to time;- applicable during the audit period.
- (d) The Securities and Exchange Board of India (**Employee Stock Option Scheme and Employee Stock Purchase Scheme**) Guidelines, 1999; – Not applicable during the audit period.
- e) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities**) Regulations, 2008; – Not applicable during the audit period.
- (f) The Securities and Exchange Board of India (**Registrar to an Issue and Share Transfer Agents**) **Regulations, 1993** regarding the Companies Act and dealing with client;.
- (g) The Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2009; – Not applicable during the audit period.
- (h) The Securities and Exchange Board of India (**Buyback of Securities**) Regulations, 1998; – Not applicable during the audit period.
- (i) The Securities Exchange Board of India (**Listing Obligations and Disclosure Requirements**) Regulations 2015 (“**Listing Regulation**”) - Applicable from 15.09.2016

(vi) **Other Applicable laws.**

We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws.

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

- A) The Listing Agreements entered into by the Company with Stock Exchange(s) being applicable from 15.09.2016. The Company has got the listing approval from Metropolitan Stock Exchange of India Ltd on 15<sup>th</sup> of September, 2016. After the date of listing with the stock exchange the company has started making the requisite disclosures to the Stock Exchange. The company has not complied with Listing Agreements entered into by the Company with Stock Exchange(s) for the period (01.04.2016 – 15.09.2016) as the same were not applicable during the said period.
- B) The company has not complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. to the extent mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of **Executive Directors, Non-Executive Directors and independent Directors**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

**Adequate notice** given to all the directors to schedule the **Board Meetings, Agenda** and detailed **notes** on agenda not sent at least seven days in advance.

**Adequate notice** not given to all the members/shareholders to schedule the **General Meetings, Agenda** and detailed **notes** on agenda not sent at least twenty one days in advance.

Majority decision is carried through while the dissenting members' views (If any) are captured and recorded as part of the minutes.

The Company has failed to provide the evoting mechanism to the shareholders, and moreover the RTA has not uploaded the Registered of Members on the CDSL website to commence the evoting for the purpose of Annual General Meeting held on 30.09.2016. The member registered maintained by the company is not in legible manner and some folio's were missing in the List of Shareholders as prepared by the company.

As the company has mishandled the shareholders record, the list of shareholders was not prepared properly. During the period company has appointed the Registrar and Transfer Agent and reconciled the shareholders data available with the company, all the entries were updated and recoded with the RTA. The company has filed the fresh Shareholding Pattern with the Stock Exchange with the updated details, as available with the RTA.

We further report that there are minimal adequate systems and processes in the company, commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place:** Ludhiana

**Date:** 20.05.2017

**Signature:**

Sd/-

Ashwani Khanna

**FCS No.** 3254

**CP No.** 2220

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

**LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD**

❖ **List of Labour Laws**

- Factories Act, 1948
- Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employee's State Insurance Act, 1948
- The Payment of Bonus Act, 1972
- The Apprentices Act, 1961
- Employee's Provident Fund and Miscellaneous Provisions Act, 1952

❖ **List of Environmental Laws**

- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981

20.05.2017

The Members,  
**Asian Lakto Industries Limited**  
**VPO Jandial, Near Kohara, Phase VI,**  
**LUDHIANA-141112**  
**Punjab (India).**

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

**Place:** Ludhiana  
**Date:** 20.05.2017

**Signature:** Sd/-  
**(Ashwani Kumar Khanna)**

**FCS No.** 3254

**CP No.** 2220

## ANNEXURE 'E'

### NOMINATION & REMUNERATION POLICY OF THE COMPANY:

#### **1. PREFACE:**

Pursuant to the **Section 178** of the Companies Act, 2013 read with the **Rule 6** of the Companies (Meeting of the Board and its powers) Rules, 2014, the Nomination and Remuneration committee of the Board of the Company has formulated a policy to decide the criteria for the appointment and for the remuneration to the Directors, key managerial personnel and other employees. The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario which is formulated by the Committee and approved by the Board of Directors in their meeting held on **30.06.2015**

Produced here below is the “**Nomination & Remuneration Policy**” of the Company in compliance with **Section 178** of the Companies Act, 2013 for the object as mentioned herein.

#### **2. ROLE OF THE COMMITTEE:**

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Directors (Whole Time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
  - That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
  - That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - That remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.

-To formulate criteria for evaluation of Directors and the Board.

-To devise a policy on Board diversity.

#### **3. MEMBERSHIP:**

- a). The Committee shall consist of a minimum 3 non-executive directors, majority of them being Independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **5. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **6. COMMITTEE MEMBERS' INTERESTS:**

- C) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- D) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **7. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **8. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **9. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

#### **10. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from **30.06.2015** and may be amended subject to the approval of Board of Directors.

By Order of the Board  
For **Asian Lakto Industries Limited**

**Place: Ludhiana**  
**Date: 20.05.2017**

Sd/-  
**(Gopal Poddar)**  
**Managing Director**  
**(DIN: - 01859022)**  
**Add: 509-B, Aggar Nagar,**  
**Ludhiana 141001, PB (IN).**



**ANNEXURE 'F'**

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| <b>Sr. No.</b> | <b>Name of Director/ KMP and Designation</b>            | <b>Remuneration of Director / KMP for the Financial Year 2016-17</b> | <b>% Increase in Remuneration in the Financial Year 2016-17</b> | <b>Ratio of Remuneration of each Director / to median remuneration of employees</b> | <b>Comparison of the Remuneration of the KMP against the performance of the Company</b>  |
|----------------|---|--|---|---|--|
| 1.             | Gopal Poddar, Executive Director                        | 840000   | 21.73%  | 5.00  | Profit before interest, depreciation and tax increased by 12.72% and profit after tax increased by 08.62% in financial year 2016-17. |
| 2.             | Abhishek Poddar, Executive Director                     | 720000   | 26.31%  | 4.28  |  |
| 3.             | Harinder Kumar Sachdeva, Non-Executive Director         | NIL  | NIL   | NIL   |  |
| 4.             | Mandira, Non-Executive Woman Director                   | -  | -   | -   | Not Applicable   |
| 5.             | Rajesh Kumar Sharma, Non-Executive Independent Director | -  | -   | -   | Not Applicable   |
| 6.             | ShatrohanLal, Non-Executive                             | -  | -   | -   | Not Applicable   |

|    |  |          |       |      |                |
|----|--|----------|-------|------|----------------|
|    | Independent Director                       |          |       |      |                |
| 8. | Raspreet Kaur Rajpal,<br>Company Secretary | 1,92,000 | -     | 1.14 | Not Applicable |
| 9. | Ravinder Singh Katoch,<br>CFO              | 4,44,000 | 16.53 | 2.64 | Not Applicable |

By Order of the Board  
For Asian Lakto Industries Limited

Place: Ludhiana  
Date: 20.05.2017

Sd/-  
(Gopal Poddar)  
Managing Director  
(DIN: - 01859022)  
Add: 509-B, Aggar Nagar,  
Ludhiana 141001, PB (IN).



**PAWAN SINGH & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Office No.5, 2<sup>nd</sup> Floor, Guru Har Rai Complex,  
Industrial Estate Road, Ludhiana-141003  
Phone : 0161-2544029, Mobile : 09417074075

## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
Asian Lakto Industries Ltd.  
VPO Jandiali,  
Ludhiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Asian Lakto Industries Ltd., which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit & Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

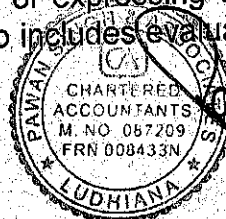
### **Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards 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 of material misstatements.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting



policies used and the reasonableness of 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:

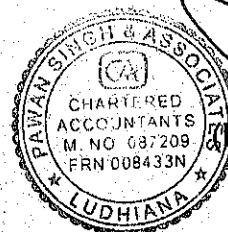
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017 and
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;

### Report on Other Legal and Regulatory requirements

1. As required by the Companies ( Auditors' Report) Order, 2017 ("the order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure, which forms part of this report, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (\*Audit and Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The company doesn't have any pending litigations which would impact its financial position.
    - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

DATE : 20.05.2017  
PLACE: LUDHIANA

FOR PAWAN SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS

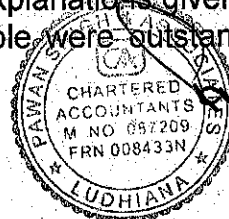


(PAWAN SINGH), PROP.  
M.NO.087209

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (4) thereto)

- i). The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the management during the year and no material discrepancy came to notice. No substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (b) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to the parties covered in the register maintained u/s 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year under the provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014. According to the information and explanations given to us, no order under its aforesaid sections has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal on the company.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (vii) According to the information and explanations given to us, in our opinion the company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- viii) a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in depositing undisputed statutory dues including Income Tax, Excise Duty, Value Added Tax, Cess, Service Tax and any other Statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as at the last day of the

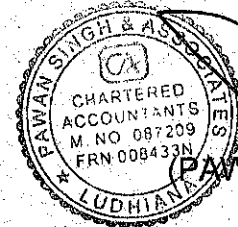


financial year concerned for a period of more than six months from the date they become payable.

- b) According to the records of the company, there are no disputed statutory dues.
- c) No amount is required to be transferred to Investor Education & Protection Fund in accordance with Companies Act, 1956.
- ix) The company is not having any accumulated losses at the end of the financial year. Also the company has not incurred any cash losses in the financial year under report and also in the financial year immediately proceeding such financial year.
- x) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under audit.

DATE : 20.05.2017  
PLACE: LUDHIANA

FOR PAWAN SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS



(PAWAN SINGH), PROP.  
M.NO.087209

ASIAN LAKTO INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

|                                  | Note No | As at 31st March, 2017 | As at 31st March, 2016 |
|----------------------------------|---------|------------------------|------------------------|
| <b>I. EQUITY AND LIABILITIES</b> |         |                        |                        |
| Shareholder's Funds              |         |                        |                        |
| Share Capital                    | 1       | 58033000.00            | 58033000.00            |
| Reserves and Surplus             | 2       | 39891124.62            | 25294398.24            |
| Non-Current Liabilities          |         |                        |                        |
| Long-term borrowings             | 3       | 47024217.47            | 44638533.19            |
| Deferred tax liabilities (Net)   | -       | -                      | -                      |
| Other Long term liabilities      | -       | -                      | -                      |
| Long term provisions             | -       | -                      | -                      |
| Current Liabilities              |         |                        |                        |
| Short-term borrowings            | 4       | 189069274.90           | 132291114.70           |
| Trade payables                   | 5       | 3545987.00             | 10912721.36            |
| Other current liabilities        | 6       | 12075337.52            | 6031833.78             |
| Short-term provisions            | 7       | 5198018.67             | 8450348.54             |
| <b>Total</b>                     |         | <b>354836960.18</b>    | <b>285651949.81</b>    |
| <b>Assets</b>                    |         |                        |                        |
| Non-current assets               |         |                        |                        |
| Fixed assets                     |         |                        |                        |
| Tangible assets                  | 8       | 56527453.02            | 54903679.00            |
| Long term loans and advances     | 9       | 3105590.00             | 3105590.00             |
| Current assets                   |         |                        |                        |
| Inventories                      | 10      | 175317899.00           | 146119702.20           |
| Trade receivables                | 11      | 116725612.00           | 76964481.37            |
| Cash and Bank Balances           | 12      | 2059321.82             | 3460507.24             |
| Short-term loans and advances    | 13      | 183122.00              | 167887.00              |
| Other current assets             | 14      | 917962.34              | 930103.00              |
| Profit and Loss Account          |         | 0.00                   | 0.00                   |
| <b>Total</b>                     |         | <b>354836960.18</b>    | <b>285651949.81</b>    |
|                                  |         | 0.00                   | 0.00                   |

Significant Accounting Policies & Notes on Accounts : Note - 22  
For Asian Lakto Industries Ltd.

*Gopal Poddar*  
Mg. Director  
(Gopal Poddar)

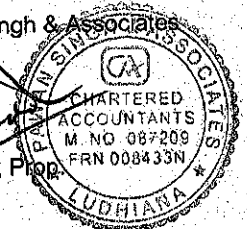
*Abhishek Poddar*  
W.T. Director  
(Abhishek Poddar)

*R.S. Katoch*  
CS  
(R.S. Katoch)

*Prerna*  
CS  
(Prerna Sunda)

Auditors' Report  
As per report of even date  
annexed  
For Pawan Singh & Associates

*Pawan Singh*  
Pawan Singh, Prop.  
M.No.087209



Place: Ludhiana  
Date: 20.05.2017

**ASIAN LAKTO INDUSTRIES LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

| Particulars   | Note No | F. Y. 2016-17       | F. Y. 2015-16       |
|---|---------|---------------------|---------------------|
| <b>INCOME</b>   |         |                     |                     |
| Revenue from operations   | 15      | 834396121.00        | 767254268.00        |
| Other Income  | 16      | 866871.00           | 279575.00           |
| <b>Total Revenue</b>  |         | <b>835262992.00</b> | <b>767533843.00</b> |
| <b>EXPENDITURE</b>  |         |                     |                     |
| Cost of materials consumed  | 17      | 704475908.26        | 660409673.80        |
| Material Consumed   |         | 5495000.00          | 5686000.00          |
| Excise Duty Paid  |         |                     |                     |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 18      | -2325905.00         | -5388035.00         |
| Employee benefit expense  | 19      | 21862308.00         | 11874071.00         |
| Finance costs   | 20      | 16783340.56         | 15643800.62         |
| Depreciation and amortization expense   |         | 4612196.98          | 2601393.02          |
| Other expenses  | 21      | 63527676.94         | 57491893.66         |
| <b>Total Expenses</b>   |         | <b>814410525.74</b> | <b>748318797.10</b> |
| Profit before exceptional and extraordinary items                             |         | 20852466.26         | 19215045.90         |
| Exceptional items   |         | 0.00                | 0.00                |
| Profit before extraordinary items and tax                                     |         | 20852466.26         | 19215045.90         |
| Extraordinary items   |         | 0.00                | 0.00                |
| Profit before tax   |         | 20852466.26         | 19215045.90         |
| Tax expense:  |         |                     |                     |
| Current tax   |         | 6255739.88          | 5764513.77          |
| Deferred tax  |         | 0.00                | 0.00                |
| Earlier Year Tax adjustment   |         | 0                   | 0                   |
| Profit(Loss) from the period from continuing operations                       |         | 14596726.38         | 13450532.13         |
| Profit/(Loss) from discontinuing operations                                   |         | 0.00                | 0.00                |
| Tax expense of discounting operations   |         | 0.00                | 0.00                |
| Profit/(Loss) from Discontinuing operations                                   |         | 0.00                | 0.00                |
| Profit/(Loss) for the period  |         | <b>14596726.38</b>  | <b>13450532.13</b>  |
| Balance brought forward   |         | 25294398.24         | 11843866.11         |
| Balance carried forward Balance Sheet   |         | 31891124.62         | 25294398.24         |
| Earning per equity share:   |         |                     |                     |
| Basic   |         | N.A.                | N.A.                |
| Diluted   |         |                     |                     |

Significant Accounting Policies & Notes on Accounts : Note - 22  
 For Asian Lakto Industries Ltd.

Auditors' Report  
 As per report of even date  
 annexed  
 For Pawan Singh & Associates

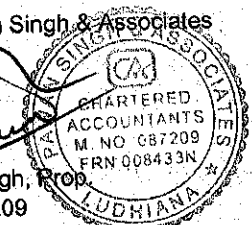
*Gopal Poddar*  
 Mg. Director  
 (Gopal Poddar)

*Abhishek Poddar*  
 W.T. Director  
 (Abhishek Poddar)

*R.S. Katoch*  
 CFO  
 (R.S. Katoch)

*Prerna Sunda*  
 CS  
 (Prerna Sunda)

*Pawan Singh*  
 Pawan Singh, Prop.  
 M.No.087209



Place: Ludhiana  
 Date: 20.05.2017



**ASIAN LAKTO INDUSTRIES LIMITED**  
**NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

| NOTE - 1   |                           | SHARE CAPITAL             |  |
|--|---------------------------|---------------------------|--|
| PARTICULARS  | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| AUTHORISED :<br>6500000 Equity Shares of Rs. 10/- each.                  | 65000000.00               | 65000000.00               |  |
| ISSUED, SUBSCRIBED & PAID UP :<br>6290000 EQUITY SHARES OF RS. 10/- EACH | 62900000.00               | 62900000.00               |  |
| LESS : ALLOTMENT MONEY IN ARREARS  | 4867000.00                | 4867000.00                |  |
| <b>TOTAL</b>   | <b>58033000.00</b>        | <b>58033000.00</b>        |  |

**THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES**

| Name of Shareholder      | 31.03.2017    |        | 31.03.2016    |        |
|--------------------------|---------------|--------|---------------|--------|
|                          | No. of Shares | % Held | No. of Shares | % Held |
| RADHE SHYAM PODDAR       | 725300        | 11.53  | 725300        | 11.53  |
| NEERAJ PODDAR            | 412700        | 6.56   | 412700        | 6.56   |
| IRMAL PODDAR             | 589800        | 9.38   | 589800        | 9.38   |
| ..ANDIRA PODDAR          | 327200        | 5.24   | 327200        | 5.24   |
| GOPAL PODDAR & SONS HUF  | 367200        | 5.55   | 367200        | 5.55   |
| NEERAJ PODDAR & SONS HUF | 672500        | 10.32  | 672500        | 10.32  |

| NOTE - 2  |                           | RESERVES & SURPLUS        |  |
|---|---------------------------|---------------------------|--|
| PARTICULARS                                       | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Capital Reserve                                   | 3000000.00                | 3000000.00                |  |
| Subsidy   | 5000000.00                | 5000000.00                |  |
| PROFIT & LOSS ACCOUNT                             | 31891124.62               | 17294398.24               |  |
| LESS: Depn. Adjustment under PART "C" schedule 11 |                           | 0.00                      |  |
| <b>TOTAL</b>                                      | <b>39891124.62</b>        | <b>25294398.24</b>        |  |

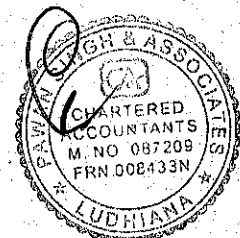
| NOTE 3.                                  |                        | LONG-TERM BORROWINGS |                        |                    |  |
|--|------------------------|----------------------|------------------------|--------------------|--|
| PARTICULARS                              | AMOUNT (Rs) 31.03.2017 |                      | AMOUNT (Rs) 31.03.2016 |                    |  |
|  | Current                | Non - Current        | Current                | Non - Current      |  |
| <b>Secured:</b>                          |                        |                      |                        |                    |  |
| Punjab National Bank ( Loan Against FDR) |                        |                      | 0                      | 0                  |  |
| RELIGARE/INNOVA CAR LOAN                 | 1043595.00             | 0                    | 116085.00              | 0.00               |  |
| TATA ACE LOAN (TATA)                     | 894314.00              | 0.00                 | 1421109.90             | 894314.00          |  |
| TATA ACE /BOLERO LOAN (HDFC)             | 4812553.4              | 4454729              | 1150116.40             | 144877.60          |  |
| HDFC CAR LOAN                            | 3569328.12             | 5791497.49           | 1631861.48             | 6365871.61         |  |
| ICICI UCL                                | 455476                 | 424349               | 403213.00              | 879825.00          |  |
| <b>Unsecured:</b>                        |                        |                      |                        |                    |  |
| Inter Corporate Deposits                 | 0                      | 16343.00             |                        | 16343.00           |  |
| Security & Other Loans                   | 0                      | 36337301.98          |                        | 36337301.98        |  |
| <b>TOTAL</b>                             | <b>10775266.52</b>     | <b>47024217.47</b>   | <b>4722385.78</b>      | <b>44638533.19</b> |  |

| NOTE - 4   |                           | SHORT - TERM BORROWINGS   |  |
|--|---------------------------|---------------------------|--|
| PARTICULARS  | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Secured  |                           |                           |  |
| Working Capital Borrowings from Punjab National Bank | 189069274.90              | 132291114.70              |  |
| <b>TOTAL</b>   | <b>189069274.90</b>       | <b>132291114.70</b>       |  |

\* Secured against Hyp. of Stocks & Receivables and Colleterally Secured by

*Gopal Poddar*

*Ashish Poddar*



## NOTE - 5 TRADE PAYABLES

| PARTICULARS                         | AMOUNT (Rs)       | AMOUNT (Rs)        |
|-------------------------------------|-------------------|--------------------|
|                                     | 31.03.2017        | 31.03.2016         |
| Micro, Small and Medium Enterprises | 0.00              | 0.00               |
| Others                              | 3545987.00        | 10912721.36        |
| <b>TOTAL</b>                        | <b>3545987.00</b> | <b>10912721.36</b> |

## NOTE - 6 OTHER CURRENT LIABILITIES

| PARTICULARS                              | AMOUNT (Rs)        | AMOUNT (Rs)       |
|--|--------------------|-------------------|
|  | 31.03.2017         | 31.03.2016        |
| Current maturities of long - term debts. | 10775266.52        | 4722385.78        |
| Creditors for Capital Expenditure        |                    |                   |
| Other Payables *                         |                    | 35000.00          |
| Audit Fees Payable                       | 35000.00           | 35000.00          |
| Interest Payable                         | 441740.00          | 441740.00         |
| Ganesh Ji Maharaj                        | 5.00               | 5.00              |
| Listing Fee Payable                      | 725070.00          | 725070.00         |
| TDS Payable                              | 98256.00           | 107633.00         |
| <b>TOTAL</b>                             | <b>12075337.52</b> | <b>6031833.78</b> |

## NOTE - 7 SHORT - TERM PROVISIONS

| PARTICULARS                     | AMOUNT (Rs)       | AMOUNT (Rs)       |
|---------------------------------|-------------------|-------------------|
|                                 | 31.03.2017        | 31.03.2016        |
| Provision for Employee Benefits |                   | 675172.00         |
| Salary Payable                  | 1054026.00        | 109367.00         |
| P F Payable                     | 214324.00         | 31711.00          |
| ESI Payable                     | 77281.00          | 1011999.61        |
| Vat Payable                     | 736732.00         | 130000.00         |
| Director Remuneration Payable   | 130000.00         | 13600.00          |
| Welfare Payable                 | 22125.00          | 243622.00         |
| Excise Duty Payable on Stock    | 202873.79         | 162891.00         |
| CST PAYABLE                     | 129576.00         | 2378362.61        |
|                                 | 2566937.79        |                   |
| Other Provision *               |                   | 5764513.77        |
| Provision for Taxation          | 6255739.88        | -3078679.00       |
| Tds (Advance Tax)               | -3624659.00       | 2685834.77        |
| Income tax payable              | 2631080.88        |                   |
| <b>TOTAL</b>                    | <b>5198018.67</b> | <b>8450348.54</b> |

## NOTE - 9 LONG - TERM LOANS &amp; ADVANCES

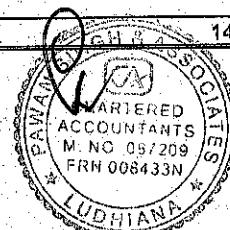
| ARTICULARS                         | AMOUNT (Rs)       | AMOUNT (Rs)       |
|------------------------------------|-------------------|-------------------|
|                                    | 31.03.2017        | 31.03.2016        |
| Unsecured and considered good      |                   |                   |
| Capital Advances                   |                   |                   |
| Security Deposits                  |                   | 5000.00           |
| Security (Chandigarh Tourism)      | 5000.00           | 5000.00           |
| Security (Haryana High Court Case) | 50000.00          | 2141820.00        |
| Security (Electricity)             | 2141820.00        | 31660.00          |
| Security (Telephone)               | 31660.00          | 877110.00         |
| Security indian railways           | 877110.00         |                   |
| <b>TOTAL</b>                       | <b>3105590.00</b> | <b>3105590.00</b> |

## NOTE - 10 INVENTORIES

| PARTICULARS      | AMOUNT (Rs)         | AMOUNT (Rs)         |
|------------------|---------------------|---------------------|
|                  | 31.03.2017          | 31.03.2016          |
| Raw Material     | 119526412.00        | 92654120.20         |
| Finished Goods   | 34050434.00         | 29947615.00         |
| Work In Process  | 17025366.00         | 18802280.00         |
| Consumable Store | 4715687.00          | 4715687.00          |
| <b>TOTAL</b>     | <b>175317899.00</b> | <b>146119702.20</b> |

*Apal Singh*

*Abhishek Poddar*



| NOTE - 11                     |                           | TRADE RECEIVABLES         |  |
|-------------------------------|---------------------------|---------------------------|--|
| PARTICULARS                   | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Unsecured and considered good |                           |                           |  |
| Over Six Months               |                           |                           |  |
| Others                        | 116725612.00              | 76964481.37               |  |
| <b>TOTAL</b>                  | <b>116725612.00</b>       | <b>76964481.37</b>        |  |

| NOTE - 12                        |                           | CASH & BANK BALANCES      |  |
|----------------------------------|---------------------------|---------------------------|--|
| PARTICULARS                      | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Balance with Banks *             |                           |                           |  |
| Punjab National Bank - 12608     | 50767.82                  | 1432240.09                |  |
| Punjab National Bank -kathua     | 5000.00                   | 5000.00                   |  |
| Punjab National Bank - New Delhi | 5000.00                   | 5000.00                   |  |
| FDR(1)                           | 142657.00                 | 142657.00                 |  |
| FDR(3)                           | 50000.00                  | 50000.00                  |  |
| Cash in Hand                     | 1805897.00                | 1825610.15                |  |
| <b>TOTAL</b>                     | <b>2059321.82</b>         | <b>3460507.24</b>         |  |

| NOTE - 13                           |                           | SHORT - TERM LOANS & ADVANCES |  |
|-------------------------------------|---------------------------|-------------------------------|--|
| PARTICULARS                         | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016     |  |
| Unsecured and considered good       |                           |                               |  |
| Loans & Advances to Related Parties |                           |                               |  |
| Others                              |                           |                               |  |
| Excise (PLA)                        | 133122.00                 | 67887.00                      |  |
| Loan to Employees                   | 50000.00                  | 100000.00                     |  |
| <b>TOTAL</b>                        | <b>183122.00</b>          | <b>167887.00</b>              |  |

| NOTE - 14           |                           | OTHER CURRENT ASSETS      |  |
|---------------------|---------------------------|---------------------------|--|
| PARTICULARS         | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Prepaid Expenses    | 602761.34                 | 627874.00                 |  |
| Interest receivable | 278970.00                 | 265998.00                 |  |
| Advance Tax (OLD)   | 36231.00                  | 36231.00                  |  |
| <b>TOTAL</b>        | <b>917962.34</b>          | <b>930103.00</b>          |  |

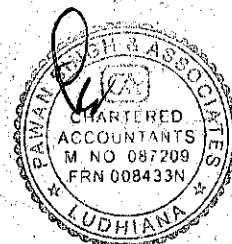
| NOTE - 15       |                           | REVENUE FROM OPERATIONS   |  |
|-----------------|---------------------------|---------------------------|--|
| PARTICULARS     | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Sale of Product | 834396121.00              | 767254268.00              |  |
| <b>TOTAL</b>    | <b>834396121.00</b>       | <b>767254268.00</b>       |  |

| NOTE - 16         |                           | OTHER INCOME              |  |
|-------------------|---------------------------|---------------------------|--|
| PARTICULARS       | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016 |  |
| Rent              | 180000.00                 | 180000.00                 |  |
| Interest Received | 27871.00                  | 63575.00                  |  |
| Misc Income       | 659000.00                 | 36000.00                  |  |
| <b>TOTAL</b>      | <b>866871.00</b>          | <b>279575.00</b>          |  |

| NOTE - 17     |                           | PURCHASES OF STOCK IN TRADE |  |
|---------------|---------------------------|-----------------------------|--|
| PARTICULARS   | AMOUNT (Rs)<br>31.03.2017 | AMOUNT (Rs)<br>31.03.2016   |  |
| Opening Stock | 92654120.20               | 90225124.00                 |  |
| Purchases     | 731348200.06              | 662838670.00                |  |
| Closing Stock | 119526412.00              | 92654120.20                 |  |
| <b>TOTAL</b>  | <b>704475908.26</b>       | <b>660409673.80</b>         |  |

*Spallal*

*Hishik Paddar*



## NOTE - 18

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN -  
- PROGRESS AND STOCK IN TRADE

| PARTICULARS                     | AMOUNT (Rs) | AMOUNT (Rs) |
|---------------------------------|-------------|-------------|
|                                 | 31.03.2017  | 31.03.2016  |
| Inventories ( at Commencement ) | 18802280.00 | 16687015.00 |
| Work In Process                 | 29947615.00 | 26674845.00 |
| Finished Goods                  | 48749895.00 | 43361860.00 |
| Inventories ( at Close )        | 17025366.00 | 18802280.00 |
| Work In Process                 | 34050434.00 | 29947615.00 |
| Finished Goods                  | 51075800.00 | 48749895.00 |
| TOTAL                           | -2325905.00 | -5388035.00 |

## NOTE - 19

## EMPLOYEE BENEFITS EXPENSES

| PARTICULARS                                     | AMOUNT (Rs) | AMOUNT (Rs) |
|---|-------------|-------------|
|   | 31.03.2017  | 31.03.2016  |
| Salaries & Wages                                | 17790487.00 | 9067264.00  |
| Directors' Remuneration                         | 1560000.00  | 1260000.00  |
| Contribution to Provident Funds & Other Funds - |             |             |
| onus  | 897128.00   | 478172.00   |
| S.I. Contribution                               | 464396.00   | 312162.00   |
| Provident Fund                                  | 1150297.00  | 756473.00   |
| TOTAL   | 21862308.00 | 11874071.00 |

## NOTE - 20

## FINANCE COSTS

| PARTICULARS           | AMOUNT (Rs) | AMOUNT (Rs) |
|-----------------------|-------------|-------------|
|                       | 31.03.2017  | 31.03.2016  |
| Bank Charges          | 825373.86   | 701020.62   |
| Interest on term loan | 489603.70   | 0.00        |
| Intrest Others        | 15468363.00 | 14942780.00 |
| TOTAL                 | 16763340.56 | 15643800.62 |

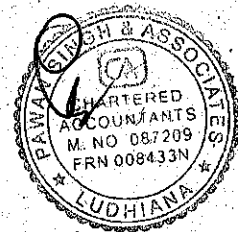
## NOTE - 21

## OTHER EXPENSES

| PARTICULARS                       | AMOUNT (Rs) | AMOUNT (Rs) |
|-----------------------------------|-------------|-------------|
|                                   | 31.03.2017  | 31.03.2016  |
| Administration & Selling Expenses | 18011363.85 | 15871221.10 |
| As per List attached              |             |             |
| Direct Expenses                   | 42074185.09 | 39042046.92 |
| Power & Fuel                      | 3442128.00  | 2578625.64  |
| Stores Consumed                   |             |             |
| TOTAL                             | 63527676.94 | 57491893.66 |

*Opal Bhat*

*Ashish Paddar*



ASIAN LAKTO INDUSTRIES LTD  
2016-17  
RELATED PARTY DISCLOSURE

DISCLOSURE OF RELATED PARTIES AND RELATIUNSHIP BETWEEN PARTY:-

1 Key Management Personnel:-

Mr.Gopal Poddar(Managing Director)  
Mr.Abhishek Poddar( W T Director)  
Mr Ravinder Singh Katoch(Chief Financial Officer)  
Ms.Rasprit Kaur(Company Secretary)

2 Details of transactions entered into the related parties during the year.  
as required by accounting standard (AS)-18 on" related party Disclosure"  
as prescribed under section 133 of the companies act 2013(Act)

| Sr.No. | Related Parties          | Key Management | (Rs.in lacs) |
|--------|--------------------------|----------------|--------------|
| 1      | Sales of goods           |                | 554.64       |
| 2      | Purchase of goods        |                | 457.48       |
| 3      | Contractual remuneration |                | 21.96        |

3 Material transactions with key management personnel (Rs.in lacs)

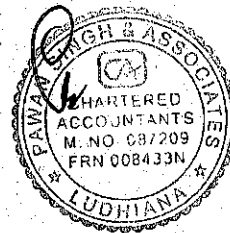
Key Management Personnel

|                       |      |
|-----------------------|------|
| Gopal Poddar          | 8.40 |
| Abhishek Poddar       | 7.20 |
| Ravinder singh katoch | 4.44 |
| Raspreet Kaur         | 1.92 |

*Gopal Poddar*

*Ravinder Singh Katoch*

*Abhishek Poddar*



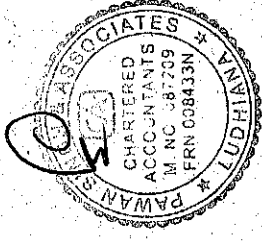
ASIANLAKTO INDUSTRIES LTD

FIXED ASSETS

NOTE - 8

| PARTICULARS              | GROSS BLOCK                |                                  | DEPRECIATION |                           | NET BLOCK                  |                            |
|--------------------------|----------------------------|----------------------------------|--------------|---------------------------|----------------------------|----------------------------|
|                          | AS AT<br>01.04.2016<br>Rs. | ADDITION<br>DURING THE<br>PERIOD | DEP RATE     | DEP<br>ON ADD.<br>ON O.B. | AS AT<br>31.03.2017<br>Rs. | AS AT<br>31.03.2016<br>Rs. |
| <b>TANGIBLE ASSETS</b>   | 1743,310.00                |                                  |              |                           | 1743,310.00                | 1743,310.00                |
| LAND                     | 31,725,951.02              |                                  | 3.17         |                           | 11,370,348.02              | 12,376,061.02              |
| BUILDING                 | 77,562,396.34              | 3,609,166.00                     | 6.33         | 151,368.00                | 16,315,326.00              | 13,531,066.00              |
| PLANT & MACHINERY        | 2,033,652.00               |                                  | 6.33         |                           | 1,931,989.00               | 101,683.00                 |
| EFFLUENT TREATMENT PLANT | 6,237,634.87               |                                  | 6.33         |                           | 5,925,752.87               | 311,882.00                 |
| MILK HANDLING EQUIPMENTS | 14,391,091.44              |                                  | 9.50         |                           | 719,555.00                 | 719,555.00                 |
| ELECTRIC INSTALLATION    | 28,257,804.37              |                                  | 9.50         |                           | 13,371,536.44              | 20,811,831.00              |
| DELIVERY VEHICLES        | 8,800,821.02               |                                  | 9.50         |                           | 8,423,404.37               | 400,985.98                 |
| GLASS BOTTLES            | 949,339.28                 | 150,876.00                       | 9.50         | 8,454.00                  | 110,637.28                 | 99,402.28                  |
| FURNITURE & FIXTURES     | 10,170,026.72              | 2,475,929.00                     | 6.33         | 99,899.00                 | 6,560,273.72               | 4,847,962.72               |
| MISC. FIXED ASSETS       | 181,872,387.06             | 6,235,971.00                     |              | 260,672.00                | 96,527,457.32              | 54,903,679.00              |
| <b>Total</b>             | 146113564.06               | 5184330.00                       |              | 7262369.91                | 10772322.91                | 44652452.06                |
| Previous Year Figures    |                            |                                  |              |                           |                            |                            |

*Asst. Manager*  
*Accountant*  
*Adulish Poddar*

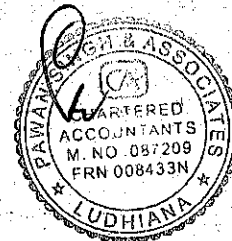


## LIST OF ADMINISTRATION &amp; SELLING EXPS.

| PARTICULARS                       | AMOUNT (Rs)        |                    |
|-----------------------------------|--------------------|--------------------|
|                                   | 31.03.2017         | 31.03.2016         |
| CAR REPAIR & MAINTENANCE          | 165386.00          | 61594.00           |
| RENT, FEE RATE & TAXES            | 892082.00          | 819218.00          |
| POSTAGE & TELEGRAM                | 73019.00           | 10625.00           |
| PRINTING & STATIONERY             | 328125.33          | 413891.00          |
| COMPUTER EXPENSES                 | 1405839.67         | 76556.00           |
| LEGAL & PROFESSIONAL              | 1421516.00         | 468644.00          |
| INSURANCE                         | 457207.00          | 637518.00          |
| RENT PAID                         | 660000.00          | 654000.00          |
| DIWALI EXPENSES                   | 25400.00           | 30600.00           |
| MACHINERY REPAIR & MAINT.         | 2100940.43         | 3868545.00         |
| OTHER REPAIR, VEHICLE REPAIR      | 1830407.32         | 722213.00          |
| COMPENSATION FOR SALE             | 986017.01          | 808185.00          |
| CARRIAGE, FREIGHT /VEHICLE DIESEL | 6687551.09         | 6799319.00         |
| LISTING FEE                       | 50000.00           | 40850.00           |
| AGM EXPENSES                      | 7500.00            | 5600.00            |
| ADVERTISEMENT                     | 885373.00          | 418863.10          |
| <u>PAYMENT TO AUDITORS</u>        |                    |                    |
| AUDIT FEE                         | 35000.00           | 35000.00           |
|                                   | <u>18011363.85</u> | <u>15871221.10</u> |
| <br><u>STORES CONSUMED</u>        |                    |                    |
| OPENING STOCK                     | 3090270.00         | 1576203.00         |
| PURCHASES                         | 1578603.00         | 4092692.64         |
|                                   | <u>4668873.00</u>  | <u>5668895.64</u>  |
| LESS: CLOSING STOCK               | 1226745.00         | 3090270.00         |
| CONSUMED                          | <u>3442128.00</u>  | <u>2578625.64</u>  |
| <br><u>POWER &amp; FUEL</u>       |                    |                    |
| OPENING STOCK                     | 1625417.00         | 2415602.00         |
| ELECTRICITY EXPENSES              | 29952062.00        | 29645412.00        |
| OIL & LUBRICANT                   | 596536.39          | 222026.00          |
| DIESEL                            | 6525612.00         | 4615215.20         |
| FIREWOOD                          | 1925482.00         | 1901284.75         |
| PET COAK/COAL                     | 3039587.70         | 1867923.97         |
|                                   | <u>43664697.09</u> | <u>40667463.92</u> |
| LESS: CLOSING STOCK               | 1590512.00         | 1625417.00         |
| CONSUMED                          | <u>42074185.09</u> | <u>39042046.92</u> |

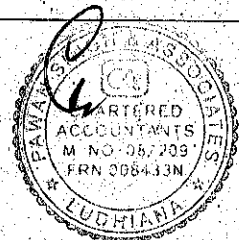
*Apul Singh*

*Atishah Raddar*



**ASIAN LAKTO INDUSTRIES LTD., LUDHIANA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

|   | Figures as at the end of current reporting period 31.03.2017 | Figures as at the end of current reporting period 31.03.2016                              |
|---|--|---|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>         |  |   |
| Net Profit Before Tax Rs.                             | 20852466.26  | 19215045.9  |
| <b>Adjustment For :</b>                               |  |   |
| Depreciation  | 4612196.98   | 2601393.02  |
| Interest Paid   | 16763340.56  | 15643800.62   |
| Other Incomes   | 0  | 0.00  |
| Operating Profit Before Working Capital Changes       | 42228003.8   | 37460239.54   |
| Increase in Inventories                               | -29198196.8  | (8540913.20)  |
| decrease in Trade Payables                            | -7366734.36  | 8885632.36  |
| Increase in Short Term Loans and Advances             | -15235   | 86548.00  |
| Increase in other Current Liabilities                 | 6043503.74   | 233165.74   |
| Increase in Short Term Borrowings                     | 56778160.2   | (493933.01)   |
| Long Term Loans & Advances                            | 0  | (200000.00)   |
| Increase in Trade Receivables                         | -39761130.63   | (742852.37)   |
| Short term Provisions                                 | -3252329.87  | 4646724.01  |
| OTHER CURRENT ASSETS                                  | 12140.66   | (440511.00)   |
| Decrease in Short Term Investments                    | 0  | 0.00  |
| Cash Generated From Operations                        | 25468181.74  | 40894100.07   |
| Adjustment For Income Tax Paid                        | -6255739.88  | (5764513.77)  |
| Adjustment For Income Tax                             | 0  | 0.00  |
| Net cash Flow From Operating Activities (A)           | 19212441.86  | 35129586.30   |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>         |  |   |
| Purchase of Fixed Assets                              | -6235971   | (31574493.00)   |
| Sale of Fixed Assets                                  | 0  | 0.00  |
| Other Incomes   | 0  | 0.00  |
| Subsidy Received                                      | 0  | 0.00  |
| Net Cash Flow in Investing Activities (B)             | -6235971   | (31574493.00)   |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>         |  |   |
| Long term Borrowings                                  | 2385684.28   | 8109392.21  |
| Interest Paid   | -16763340.56   | (15643800.62)   |
| Wealth Tax  | 0  | 0.00  |
| Share Applicatin Money                                | 0  | 0.00  |
| Net Cash From Financing Activities (C)                | -14377656.28   | -7534408.41   |
| Net Increase in Cash and Cash Equivalents (A+B+C)     | -1401185.42  | (3979315.11)  |
| Opening Cash & Cash Equivalents                       | 3460507.24   | 7439822.35  |
| Closing Cash & Cash Equivalents                       | 2059321.82   | 3460507.24  |
| For Asian Lakto Industries Ltd.                       |  | Auditors' Report<br>As per report of even date<br>annexed<br>For Pawan Singh & Associates |
| <i>Gopal Poddar</i><br>Mg. Director<br>(Gopal Poddar) | <i>Abhishek Poddar</i><br>W.T. Director<br>(Abhishek Poddar) | <i>R.S. Katoch</i><br>CFO<br>(R.S. Katoch)  |
|   | <i>Perna Sunda</i><br>CS<br>(Perna Sunda)                    | <i>Pawan Singh</i><br>Pawan Singh, Prop.<br>M.No.087209                                   |
| Place: Ludhiana                                       |  |   |
| Date: 20.05.2017                                      |  |   |





**Form No. MGT-11**

**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)

**of the Companies (Management and Administration) Rules, 2014]**

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**CIN:** L15209PB1994PLC014386

**Name of the company:** Asian Lakto Industries Limited

**Registered office:** VPO JANDIALI, NEAR KOHARA LUDHIANA PUNJAB

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name: .....

Address:

E-mail Id:

**Signature:** -----

2. Name: .....

Address:

E-mail Id:

**Signature:** -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual** general meeting of the company, to be held on the 30<sup>th</sup> day of September, 2017, at **11:00 A.M.** at **VPO Jandiali, Near Kohara, Ludhiana-141112, Punjab** and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolution(S)  | Vote |         |
|---------|--|------|---------|
|         |  | For  | Against |
| 1.      | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2017            |      |         |
| 2.      | Re-appointment of <b>Sh. Harinder Kumar Sachdeva, Director</b> of the Company, who retires by rotation.                                      |      |         |
| 3.      | Appointment Of M/s R.K Deepak & Co. Statutory Auditors Chartered Accountants of the company.   |      |         |
| 4.      | Blanket Approval for related party transaction   |      |         |
| 5       | To increase in borrowing power in terms of section 180 (1) (c) of the Companies Act, 2013  |      |         |
| 6       | To creation of charge/mortgage etc. on company's movable or immovable properties in terms of section 180 (1) (a) of the Companies Act, 2013. |      |         |

**Signed this..... day of..... 2017**

**Signature of shareholder**

**Signature of Proxy holder(s)**

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

