



LS INDUSTRIES LIMITED

(Formerly known as Lifestyle Fabrics Limited)

15th

ANNUAL REPORT
& ACCOUNTS
2008-2009



LS INDUSTRIES LIMITED
(FORMERLY KNOWN AS LIFESTYLE FABRICS LIMITED)

COMPANY INFORMATION

Board of Directors

Mr. Birendra Kumar, Chairman *
Mr. Vikash Shekhar, Additional Director *
Mr. Rajesh Kumar Garg, Additional Director *

* Appointed w.e.f. 7.5.09.

Company Secretary

CS. Dinesh Bhandari

Statutory Auditors

M/s Doogar & Associates, Chartered Accountants
New Delhi.

Bankers

AXIS BANK LIMITED

Registered Office

30 Omkar House, C. G. Road,
Navrangpura, Ahmedabad- 380009
Contact Person :
Mr. Dinesh Bhandari, Company Secretary
Mobile : 093168 65220
Email : dinesh_6520@yahoo.com

Corporate Office

SCO 27, Swastik Vihar, Sector 5,
Mansa Devi Complex, Panchkula-134109
Mobile : 093168 65220
Email : dinesh_6520@yahoo.com

Registrar and Transfer Agents (RTA)

Beetal Financial & Computer Services Pvt Ltd.
99 Madangir, New Delhi - 110062
Phone -011-29961281-283, Fax 011-29961284

ISIN Details : INE345D01015.

Demat Connectivity : Central Depository Services (India) Limited (CDSL)

Stock Code :

Bombay Stock Exchange Limited	514446
Ahmedabad Stock Exchange Limited	32383

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LS INDUSTRIES LIMITED

(FORMERLY KNOWN AS LIFESTYLE FABRICS LIMITED)

Regd. Office : 30 Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380009

Notice

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Shareholders of the Company will be held on Friday, 28th day of August, 2009 at Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad-380009 at 4.00 p.m to transact the following Businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Account for the financial year ended on 31st March, 2009 and Reports of the Directors and Auditors thereon.
2. To appoint M/s Doogar & Associates, Chartered Accountants as Statutory Auditor for the financial year 2009-10 in place of M/s G K Choksi & Co., Chartered Accountants and to fix their remuneration.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Section 257 and other applicable provisions, if any of the Companies Act, 1956, Mr. Kwangsoo Kim, be and is hereby appointed as a Director of the Company liable to retire by rotation."
4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
RESOLVED THAT Mr. Vikash Shekhar, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 151 of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Special Resolution**:
RESOLVED THAT pursuant to the provision of section 149(2A) of the Companies Act, 1956, the consent of the company be and is hereby accorded to carry on the business activities as covered under the Other Objects Clause Nos. 164 of the Memorandum of Association of the Company and the Board of Directors of the Company be and is hereby authorized to take all such effective steps to implement the decision of the members of the Company as they may consider appropriate in the interest of the Company and to do all such acts, deeds and things from time to time for and on behalf of the Company.

By Order of the Board,
sd/-
CS. Dinesh Bhandari
Company Secretary

Place : Panchkula
Date : 29th July, 2009

NOTES:

- (1) **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the PROXY need not be a member of the Company. The proxy form, in order to be effective, must be deposited with the Company so as to reach the registered office of the company not less than 48 hours before the time fixed for commencement of the Meeting.**
- (2) **The shareholders are informed that Registrar of companies, Ahmedabad has approved the change of name from erstwhile Lifestyle Fabrics Ltd to LS Industries Limited w.e.f. 24th July, 2009. However, the shareholders can get their shares dematerialised against the same ISIN No. INE345D01015 by submitting the existing share certificate to their respective Depositories Participants. Please note further that the company will endorse new name on existing share certificates at the time of receipt of physical share certificates from the shareholder by the company or its Registrar and Transfer Agent.**
- (3) The shareholders are welcome to communicate at any of the following addresses :

Corporate Office :

LS Industries Limited, SCO 27, Swastik Vihar, Sector 5, Mansa Devi Complex, Panchkula-134 109
Contact Person: Mr. Dinesh Bhandari, Company Secretary
Phone: 093168 65220, E-mail: dinesh_6520@yahoo.com

RTA :

Beetal Financial & Computer Services Pvt Ltd 99, Madangir, New Delhi 110 062, 011-2996 1281-283 Fax 011-2996 1284 **Contact Person:** Mr S P Gupta, Vice President Mobile: 098101 86621.

The shareholders may contact for matters relating to dematerialization of shares to RTA directly.

- (4) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd August, 2009 to Friday, 28th August, 2009 (Both days inclusive).
- (5) Members are requested to bring their copies of the Annual Report to the Meeting.
- (6) The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- (7) Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
- (8) Requisition of information on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the information may be readily available at the Meeting.
- (9) Information and Disclosures pursuant to Clause 49 IV (G) of the Listing Agreement for the Directors who are being appointed is annexed as Annexure II to the Notice.
- (10) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed to this Notice as Annexure I.

ANNEXURE I

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 2

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad, were statutory Auditors of the Company for the financial year 2008-09 and now, have tendered their resignation on 7th July, 2009. Therefore, Board of Directors of the Company at their meeting held on 10th July, 2009 has recommended the appointment of M/s Doogar & Associates for the financial year 2009-10 as a Statutory Auditor of the Company, subject to approval of members of the Company.

It is therefore proposed to appoint M/s. Doogar & Associates, Chartered Accountants, Delhi as Auditors of the Company who have given their consent to act as the Auditors, if appointed.

Members are requested to consider the appointment of Auditors u/s 224(6) of Companies Act, 1956 and to fix their remuneration.

Item No. 3

Mr. Kwangsoo Kim is 43 years old. He did B.A Degree from Yonsei University in Korea and MBA from Korea Advanced Institute of Science and Technology. He has experience of more than 19 years in distribution and has worked at different levels of management positions in different MNCs. He is not holding directorship in any other Bodies Corporate.

In terms of Section 257 of the Companies Act, 1956, the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Kim Kwang Soo for the office of a Director.

The Board commends the resolution at item No. 3 of Notice for approval of members.

None of Directors of the Company except Mr. Kwangsoo Kim, is in any way concerned or interested in the resolution.

Item No. 4

The Board of Directors at their meeting held on 7th May, 2009 appointed Mr. Vikash Shekhar as additional Director of the Company. The said appointment was in pursuance of the provisions of Section 260 of the Companies Act, 1956 and Article 151 of the Articles of the Association of the Company and accordingly the said Director holds office only upto the date of this Annual General Meeting. The Company has received notice in writing alongwith the necessary amounts as a deposit from a member proposing candidature of Director in accordance with the requirements of Section 257 of the Companies Act, 1956.

The Board commends the resolution at item No. 4 of Notice for approval of members. Mr. Vikash Shekhar may be deemed to be concerned or interested in the said resolution relating to his appointment. No other Directors are in any manner concerned or interested in the said resolution.

Item No. 5

The Company was originally incorporated for manufacturing of various textile products. The Company has closed down unit of manufacturing of textile products several years ago and there has been hardly any business activity in the Company in the last couple of years.

The new management after acquiring control and management of the Company is exploring to start various business activities viz. Computer Hardware and Software trading and other related activities.

The new management has taken several steps to start new business activities in the Company for its long term survival and growth.

The Board of Directors of the Company have also explored business opportunity in textile business. The Company also wishes to encash the goodwill earned by past management in the line of business of manufacturer of Fabric . Therefore, to re-start fabric business mentioned in clause 164 under Other Objects incidental or ancillary to the Main Objects given under Memorandum of Association of the Company, permission of shareholders is required under Section 149(2A) of the Companies Act, 1956.

Yours directors consider the said resolution to be in the interest of the Company and therefore, recommends the same for your approval.

None of Directors of the Company is in any way concerned or interested in the said resolution.

By Order of the Board,
Sd/-
CS. Dinesh Bhandari
Company Secretary

Place : Panchkula
Date : 29th July, 2009

ANNEXURE II

Brief resume and name of the Companies in which the Directors who are being appointed as a Directors, having directorship in other companies is given below :

Mr. Kwangsoo Kim

Mr. Kwangsoo Kim is 43 years old. He did B.A. Degree from Yonsei University in Korea and MBA from Korea Advanced Institute of Science and Technology. He has experience of more than 19 years in distribution and has worked at different levels of management positions in different MNCs. He is not holding directorship in any other Bodies Corporate.

He is neither director nor members of any Committee in any other Company. He is holding Nil shares in the Company.

None of the Directors of the Company other than Mr. Kwangsoo Kim, himself is concerned or interested in the aforesaid resolution.

Mr. Vikash Shekhar

Vikash Shekhar, aged 47 years is an Independent Director. He is MBA and did Course in Supply Chain & Retail Mgmt. from IIT, Delhi and having over 22 years of extensive experience in business operations involving marketing, operations, business development & product launches with ROI accountability, contributing with his in-depth management expertise in operations of the company. He is also a keen planner & strategist in managing business with focus on top-line as well as bottom-line performance and expertise in determining company's mission & strategic direction. He has proven abilities in driving growth through leadership in highly competitive markets.

He is neither director nor members of any Committee in any other Company. He is holding Nil shares in the Company.

None of the Directors of the Company other than Mr. Vikash Shekhar, himself is concerned or interested in the aforesaid resolution.

LS INDUSTRIES LIMITED
(Formerly known as Lifestyle Fabrics Ltd.)

Directors' Report

TO,
THE MEMBERS,

Your Directors present their Fifteenth Annual Report along with the audited Financial Statements for the year ended on 31st March, 2009.

1. FINANCIAL RESULTS

(Rs. in lacs)

	2008-09	2007-08
Sales & Other Income	Nil	Nil
Profit/(Loss) before Depreciation, Interest and taxation	(2.03)	(1.94)
Less: Net Interest	Nil	Nil
Profit / (Loss) after Interest but before Depreciation and Taxation	(2.03)	(1.94)
Less: Depreciation	Nil	Nil
Profit/(Loss) before tax	(2.03)	(1.94)
Less : Short provision for Income Tax of earlier years	Nil	Nil
Profit / (Loss) for the year	(2.03)	(1.94)
Balance as per last year's Balance Sheet	653.03	651.09
Balance carried to Balance Sheet	655.05	653.03

2. Change in Management and Control

There has been a change in management and shareholding control in the company.

During the year, pursuant to share purchase agreement vide dated 3rd December, 2008 entered by M/s Strategybot Finance Pvt. Ltd. with M/s Asman Investments Limited and Mr. Sanjay Shrenikbhai, ex-promoters of the Company and post offer made to shareholders of the Company under Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, M/s Strategybot Finance Pvt. Ltd. acquired 40,60,393 (73.83%) equity shares on 06.05.2009 from the ex-promoters and thus acquired control over the Company and immediate thereafter, change in management took place. Mr. Birendra Kumar, was appointed as Additional Director as well as Whole Time Director of the Company under the category of promoter director and also Mr. Rajesh Kumar Garg and Mr. Vikash Shekhar as Additional Director under the category of Independent directors under the new

management.

3. OPERATIONS

As reported earlier, the Company is not carrying any manufacturing operations since August, 2001 and the expenses incurred during the year were mainly towards administration and general office purposes etc.

The new management has taken several steps to start new business activities in the Company for its long term survival and growth.

4. DIVIDEND

In view of the loss for the year and carried forward losses of the Company, your directors do not recommend any dividend for the year under review.

5. DIRECTORS

Mr. Vikash Shekhar & Mr. Rajesh Kumar Garg who were appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 7th May, 2009, holds the office upto the date of this ensuing Annual General Meeting.

The Company has received the notices in writing under Section 257 from the members proposing their candidature of Mr. Vikash Shekhar and Mr. Kwangsoo Kim as Directors of the company.

Yours directors recommends the above appointments for the approval of the members.

Mr. Bhupendra M. Shah, Mr. Jayesh K. Shah, Mr. Shreyas C. Sheth, Mr. Kamal R. Sheth and Mr. I. S. Shah, Directors of the Company have resigned as a Director of the Company with effect from 7th May, 2009 immediate after change in control and management. The Board of Directors took note of the same & recorded its appreciation for the valuable services rendered by the said directors.

6. REPORT ON CORPORATE GOVERNANCE

A separate report on Corporate Governance is being published as a part of the Annual Report of the Company. A certificate from M/s V. Gupta & Associates, practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

7. AUDITORS

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad, Auditors of the Company have tendered their resignation due to pre-occupations on 7th July, 2009. Therefore, Board of Directors of the Company at their meeting held

on 10th July, 2009 has recommended the appointment of M/s Doogar & Associates for the financial year 2009-10 as a Statutory Auditor of the Company, subject to approval of members.

It is therefore proposed to appoint M/s. Doogar & Associates, Chartered Accountants, Delhi as Auditors of the Company who have given their consent to act as the Auditors, if appointed. Members are requested to consider the appointment of Statutory Auditors u/s 224(6) of Companies Act, 1956 and fix their remuneration.

8. LISTING WITH STOCK EXCHANGES

The shares of the Company are presently listed at Bombay Stock Exchange limited and Ahmedabad Stock Exchange Limited. The Board of Directors of the Company at their meeting held on 10.7.2009 has approved the voluntary delisting of equity shares from Ahmedabad Stock Exchange Limited under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and company is in process of filing application for delisting to Ahmedabad Stock Exchange. However, the equity shares of the Company shall continue to remain listed at Bombay Stock Exchange Limited, having national wide terminals.

9. AUDITORS' REMARKS

Regarding, observation/qualification made by the previous Statutory Auditor on the Annual Audited Accounts of the Company for the financial year ended 31st March, 2009 that the accounts have been prepared on the basis that the Company will continue as a going concern, in spite of the fact that the carried forward losses as at 31st March, 2009 being Rs. 6,55,05,979 have exceeded the paid up share capital thus wiping off its capital base, which is not in accordance with Accounting Standard-1 issued by the ICAI. The directors of new Management comments that Company has already taken steps in this regard to make its net worth positive by reducing the share capital to adjust past accumulated losses and also by augmenting the capital base of the Company.

10. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

A. PARTICULARS OF EMPLOYEES

As the Company does not have any employees during the financial year, the Particulars of employees as required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not being given.

B. INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

After the closure of the factory in August, 2001, the Company had disposed off Lease hold Land and Factory Building during the financial year 2002-03, hence information required under Section 217(1)(e) of the Companies Act, read with Rule 2 of the Companies [Disclosure of Particulars in the Report of Board of Directors) Rules 1988 has not been given.

C. CEO/CFO CERTIFICATION

The Certificate addressed to the Board of Directors of the Company required under Corporate Governance concerning the annual financial statement is annexed to the Corporate Governance Report.

D. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies (amendment) Act, 2000, the Directors state that :

1. In the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
2. Such accounting policies have been selected and applied consistently and such judgments and estimates have been made as 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 ended on and loss of the Company for the year.
3. Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. In view of the sale of all the fixed assets and in absence of any business activity the attached annual account could not be termed as prepared on a going concern basis. However, the directors have prepared the Annual Accounts after providing for all the potential losses and expenses and as such no further adjustments were required to be made in respect thereof.

11. ACKNOWLEDGEMENT

Your Directors record their appreciation of support and co-operation extended by all shareholders, banks, business associates and government authorities.

For and on behalf of the Board

For LS Industries Limited
(Formerly known as Lifestyle Fabrics Ltd.)

Place : Panchkula Birendra Kumar Vikash Shekhar
Date : 29.07.2009 Chairman Director

LS INDUSTRIES LIMITED (Formerly known as Lifestyle Fabrics Ltd.)

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of business and in meeting its obligations to shareholders. The Board supports the broad principles of corporate governance and lays strong emphasis on transparency and accountability.

2. BOARD OF DIRECTORS

Composition of the Board

The Board has 5 Non-Executive Directors including 3 Independent Directors who bring in Independent Judgment to the Board's discussions and deliberations.

The following was the composition of the Board as at 31st March, 2009 :

Sr. No.	Name of the Director	Executive / Non-executive/ Independent	Number of other Directorships In Public Limited Companies	Number of other Board Committees of which Member/Chairman
1.	Mr. Jayesh K. Shah*	Non-Executive	9	Nil
2.	Mr. Bhupendra M. Shah*	Non-Executive	2	Nil
3.	Mr. Kamal R. Sheth*	Non-Executive, Independent	6	Nil
4.	Mr. I. S. Shah*	Non-Executive, Independent	Nil	Nil
5.	Mr. Shreyas C. Sheth*	Non-Executive, Independent	6	1 as Member

*Pursuance to share purchase agreement dated 3rd December, 2008 entered by M/s Strategybot Finance Pvt. Ltd. with ex-promoters of the Company and post offer made to shareholders of the Company under Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, M/s Strategybot Finance Pvt. Ltd. acquired 40,60,393 (73.83%) equity shares on 06.05.2009 from the promoters of the Company and thus acquired control of the Company and thereafter, management of the Company was taken over M/s Strategybot Finance Pvt. Ltd. on 7th May, 2009 and accordingly, Board was re-constituted and Mr. Birendra Kumar was appointed as Additional Director as well as Whole Time Director of the Company under the category of promoter director and also Mr. Rajesh Kumar Garg and Mr. Vikash Shekhar were appointed as Additional Directors under the category of Independent directors. Consequent upon change in control and management by Strategybot Finance Pvt. Limited, all directors viz. Mr. Jayesh Kantilal Shah, Mr. Shreyas Chinubhai Sheth, Mr. Bhupendra Mangaldas Shah, Mr. Kamalbai Rameshbhai Sheth, Mr. Indrakumar Somchand Shah tendered their resignations from the directorship of the Board of the Company on 7th May, 2009.

BOARD MEETINGS

Although the Company has closed its manufacturing operations, the meetings of Board of Directors are regularly held for transacting all relevant businesses.

During the financial year the Board of Directors met 4 (Four) times on 22.04.2008, 22.07.2008, 21.10.2008 and 20.01.2009. The dates of Board Meetings were generally decided in advance.

The attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr.	Name of Director	Number of Board Meetings attended	Whether present at the previous AGM
1.	Mr. Jayesh K. Shah*	4	No
2.	Mr. Bhupendra M. Shah*	4	Yes
3.	Mr. Kamal R. Sheth*	4	No
4.	Mr. I. S. Shah*	4	No
5.	Mr. Shreyas C. Sheth*	4	No

* Ceased as Directors w.e.f. 7th may, 2009, consequent upon change in management and control by M/s Strategybot Finance Pvt. Ltd.

3. AUDIT COMMITTEE

The Audit Committee was constituted in financial year 2000-2001 and were reconstituted by the Board of Directors on 28th March, 2003 and 23rd January, 2007. The Audit Committee comprises of 3 members, 2 are Non-Executive Independent Directors and 1 is Non-Executive Director as on 31st March, 2009. The terms of reference of the Committee are same as are described in Clause 49 of the Listing Agreement.

MEETINGS AND ATTENDANCE

During the year, 4 Audit Committee meetings were held on 22.04.2008, 22.07.2008, 21.10.2008 and 20.01.2009.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No. of meetings held during relevant period	No. of Meetings attended
1.	Mr. Kamal R. Sheth*	Chairman	4	4
2.	Mr. Bhupendra M. Shah*	Member	4	4
3.	Mr. Shreyas C. Sheth*	Member	4	4

* Ceased as members of the Committee w.e.f. 7th may, 2009.

Consequent upon change in control and management by M/s Strategybot Finance Pvt. Limited on 7th May, 2009, the Committee was re-constituted as follows :

Sr.No.	Name	Category	Position
1.	Mr. Rajesh Kumar Garg	Non-Executive and Independent Director	Chairman
2.	Mr. Vikash Shekhar	Non-Executive and Independent Director	Member
3.	Mr. Birendra Kumar	Executive and Non-Independent Director	Member

Mr. Dinesh Bhandari, Company Secretary of the Company was appointed as a Secretary of the Committee.

4. INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievances and Share Transfer Committee was formed in financial year 2000-2001 and was reconstituted by the Board of Directors on 28th March, 2003. Mr. Bhupendra M. Shah acted as Chairman and Mr. Kamal R. Sheth and Mr. I. S. Shah acted as members upto 7th May, 2009. The terms of reference are as under:

To specifically look into the redressal of Investors' Grievances pertaining to

- Transfer of shares and its dematerialisation, replacement of lost, stolen, mutilated shares, etc.
- To look into other related issues towards strengthening investors' relations.
- To consider and approve issuance of share certificates including duplicate share certificates.

During the period from 1st April, 2008 to 31st March, 2009 Company has not received any complaint from shareholders.

During the year, meetings were held on 22.04.08, 22.07.08, 21.10.08 and 20.1.09.

Consequent upon change in control and management by M/s Strategybot Finance Pvt. Limited on 7th May, 2009, the Committee was re-constituted and re-designated as 'Shareholders/Investors Grievance Committee' as follows :

Sr.No.	Name	Category	Position
1.	Mr. Rajesh Kumar Garg	Non-Executive and Independent Director	Chairman
2.	Mr. Vikash Shekhar	Non-Executive and Independent Director	Member

Mr. Dinesh Bhandari, Company Secretary of the Company is the compliance officer.

5. REMUNERATION COMMITTEE AND REMUNERATION OF DIRECTORS

The Company did not form a formal Remuneration Committee during the year 2008-09. None of the directors was paid any remuneration or commission during the year.

Consequent upon change in control and management by M/s Strategybot Finance Pvt. Limited on 7th May, 2009, the Remuneration Committee was constituted to determine and recommend to the Board and the Members, compensation payable to Whole Time Directors/Managing Director, to determine and advise the Board for the payment of annual increments and commission to Whole Time Directors and to determine and recommend policy for the retirement benefits payable to its whole Time Director/Managing Director.

Sr.No.	Name	Category	Position
1.	Mr. Vikash Shekhar	Non-Executive and Independent Director	Chairman
2.	Mr. Rajesh Kumar Garg	Non-Executive and Independent Director	Member

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Company was originally incorporated for manufacturing of various textile products. However, the manufacturing activities had been suspended for a long time and there has been hardly any business activity in the Company after the closure of the manufacturing operations in 2001 and subsequent disposal of fixed assets.

Pursuance to share purchase agreement dated 3rd December, 2008 entered by M/s Strategybot Finance Pvt. Ltd. with ex-promoters of the Company and post offer made to shareholders of the Company under Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, M/s Strategybot Finance Pvt. Ltd. acquired 40,60,393 (73.83%) equity shares on 06.05.2009 from the promoters of the Company and thus acquired control of the Company and thereafter, management of the Company was taken over M/s Strategybot Finance Pvt. Ltd. on 7th May, 2009 by complying with the necessary formalities as required under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations and accordingly, Board was re-constituted. Consequent upon change in control and management, all directors of previous management tendered their resignations from the Board of the Company.

Since, the Company had suffered heavy losses in the manufacturing activities, it has accumulated losses to the tune of Rs. 6,55,05,979 as on 31st March, 2009 against the total paid share capital of Rs. 5,50,00,000. Thus, the Company has negative net worth. Your Board is of the opinion that the Balance Sheet of the Company should be cleaned up to the best possible extent, but the same is not possible in normal course as it will be very difficult to invite any new investment or loan in the Company having huge accumulated losses. Accordingly, your Directors has proposed reduction in share capital for writing off the substantial part of accumulated losses. It is proposed to reduce 80% paid up equity capital and writing off debit balance of the Profit & Loss Account by an equivalent amount. The post reduction paid up value on each equity share will be Rs. 2 as against Rs. 10 at present. Hence, the numbers of issued shares will remain the same. The necessary approval for reduction of capital of the Company has already been taken from the shareholders. Now, the company is in process of filing petition with Hon'ble Gujrat High Court for its approval.

The new management of the Company is proposing to take several other steps to commence new business activities in the Company for its long term survival and growth. Since the Company has a negative net worth, substantial funds are required to start any business activity. The Company has proposed to raise funds through Redeemable Preference Shares and other non-convertible instruments through preferential allotment, approval of which has already been taken from the shareholders.

7. Information required under Clause 49 of the Listing Agreement with respect to the Directors seeking appointment at the ensuing Annual General Meeting is as under:

Name of the Director	Mr. Kwangsoo Kim
Date of Birth	5th October, 1965
Expertise in specific functional areas	Distribution
Qualifications	B.A. from Yonsei University and MBA from Korea Advance Institute of Science & Technology , Korea
Other Public Companies in which Directorship Held	Nil
Other Public Companies in which Membership of Committees of Directors Held	Nil

Name of the Director	Mr. Vikash Shekhar
Date of Birth	2nd January, 1962
Date of appointment	07.05.09
Expertise in specific functional areas	Marketing, Operations, Business development & Product launches
Qualifications	MBA and a Course in Supply Chain & Retail Mgmt. from IIT, Delhi
Other Public Companies in which Directorship Held	Nil
Other Public Companies in which Membership of Committees of Directors Held	Nil

8. Secretarial Audit Report

As Stipulated by the Securities & Exchange Board of India, the Secretarial Audit to reconcile the total admitted capital with Central Depository Services (India) Limited and the total issued and listed capital is carried at the end of each quarter and report thereto is submitted to the stock exchanges after it is placed before the Board of Directors. The audit, inter-alia, confirm that the total listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

9. CEO/CFO Certification

As required by Clause 49 of the listing agreement, the certificate duly signed by Mr. Bhupendra K. Shah and Mr. Jayesh K. Shah, Director was placed before the Board of Directors at its meeting held on 7th May, 2009 as annexed at the end of corporate governance report.

10. Codes of Conduct

The Board of Directors of the Company has adopted the following codes :

a. PREVENTION OF INSIDER TRADING

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the code for Prevention of Insider Trading. Under this code, obligations are cast upon Directors and Officers to preserve Price Sensitive Information, which is likely to have a bearing on share price of the Company. Procedures are prescribed to ensure that such information is not misused for any personal advantage.

b. Code of Conduct for Directors and Senior Management Personnel

In terms of para No. 1 - D of Clause 49, the Board of Directors of the Company has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the code.

Mr. Bhupendra M. Shah & Mr. Jayesh K. Shah, Director has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code in respect of financial year ended 31st March, 2009, as reproduced here below.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel.

We confirm that the Company has in respect of the Financial year ended March 31, 2009, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Ahmedabad
7th May, 2009

Bhupendra M. Shah
Director

Jayesh K. Shah
Director

The newly constituted Board decided to place the compliances received from time to time under the above codes before Shareholders/Investors Grievance Committee Meeting for its noting. The Board also appointed Company Secretary as Compliance officer for implementation of the above codes on 7th May, 2009.

11. DISCLOSURE:

- i) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large.
Transactions with related parties are disclosed in detail in Note No. 5 in Schedule H "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years : Nil
- iii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49.

The Company has complied with the mandatory requirements relating to strengthening the responsibilities

of Audit Committee, improving the quality of financial disclosures, including related party transactions, calling upon Company Board to adopt formal code of conduct, clearly setting out the position of nominee directors and improving disclosure relating to the compensation of non-executive directors and securing the approval of shareholders for this compensation, setting the procedure for legal compliance and periodical review by the Board. Company has not adopted the non-mandatory requirements.

The Company has not made whistle blower policy, as it is non mandatory requirement of the listing agreement.

12. SHAREHOLDERS' INFORMATION

a. Name and Designation of Compliance Officer

Mr. Dinesh Bhandari, Compliance Officer
Email id : dinesh_6520@yahoo.com, Contact No. : 093168 65220 (M)

b. Details of Complaints / Queries received and redressed during 1st April, 2008 to 31st March, 2009 : NIL

c. Share Transfer Details for the period from 1st April, 2008 to 31st March, 2009

Transactions	Physical	Demat	Total
Number of Transfers	29	33	62
Number of Shares Transferred	7100	9400	16500
No. of Pending Share Transfers	Nil	Nil	Nil

d. Investors' Grievances :

The Registrars and Transfer Agents, under supervision of the Company look after investors' grievances. At each Meeting of Investors' Grievance Committee, all matters pertaining to investors including their grievances and redressal are reported.

e. Information on General Body Meetings :

The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
2nd August 2008	11.00 am	Registered Office of the Company at Anup Engineering Limited Premises, Behind 66 KV Electric Sub Station, Odhav Road, Ahmedabad 382 415
27th September, 2007	11.00 am	Registered Office of the Company at Anup Engineering Limited Premises, Behind 66 KV Electric Sub Station, Odhav Road, Ahmedabad 382 415
28th September, 2006	11.00 am	Registered Office of the Company at 10, Laxmi Towers, G-Block, C-25, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Whether special resolutions were put through postal ballot last year, details of voting pattern :

Resolutions at above Annual General Meetings were passed by show of hands. None of the Resolutions placed before the previous AGM required a postal ballot under Section 192A of the Companies Act, 1956.

However, the Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

f. Means of Communication :

- (i) Half-Yearly Report is not being sent to each household of shareholders as half yearly results are intimated to Stock Exchanges.
- (ii) The Quarterly Results are usually published in Financial Express in English in National daily and in the newspaper of vernacular language i.e Financial Express- Gujrati daily Edition.
- (iii) Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors.
- (iv) Management Discussion and Analysis forms part of the Corporate Governance Report.

g. Annual General Meeting :

Date & Time : 28th August, 2009 at 4.00 p.m.

Venue : Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad.

h. Financial Calendar :

The financial year of the Company is for a period of 12 months from 1st April to 31st March.

First Quarter results	by end of July, 2009
Second Quarter results	by end of October, 2009
Third Quarter results	by end of January, 2010
Fourth Quarter results / Year end results	by end of May, 2010

i. Book Closure :

Saturday, the 22nd August, 2009 to Friday, the 28th Day of August, 2009 (both days inclusive).

j. Dividend Payment Date :

Not applicable as the Board has not recommended any dividend for the financial year.

k. Listing on Stock Exchanges :

Shares of the Company are listed on the following Stock Exchanges.

Sr. No.	Name of the Stock Exchange	Code No.	Address
1.	Ahmedabad Stock Exchange Limited	32383	Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad-380 015
2.	Bombay Stock Exchange Limited	514446	Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001

The Company has paid Annual Listing Fees for the year 2009-10 to the above Stock Exchanges.

The Board of Directors of the Company at their meeting held on 10.7.2009 has approved the voluntary delisting of equity shares from Ahmedabad Stock Exchange Limited under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and company is in process of filing application for delisting to Ahmedabad Stock Exchange. However, the equity shares of the Company shall continue to remain listed at Bombay Stock Exchange Limited, having national wide terminals.

l. Market Price Data:

The data on price of equity shares of the Company are as under :

High, Low during each month in last financial year and performance in comparison to broad based BSE Sensex.

Month	Share Price BSE		BSE Sensex		Volumes
	High (Rs.)	Low (Rs.)	High	Low	No. of shares
Apr-08	16.85	16.85	17480.84	15297.96	200
May-08	-	-	17735.70	16196.02	0
Jun-08	16.05	15.90	16632.72	13405.54	200
Jul-08	15.15	14.40	15130.09	12514.02	200
Aug-08	15.50	15.10	15579.78	14002.43	400
Sep-08	16.25	16.25	15107.01	12153.55	100
Oct-08	-	-	13203.86	7697.39	0
Nov-08	15.45	15.45	10945.41	8316.39	100
Dec-08	-	-	10188.54	8467.43	0
Jan-09	-	-	10469.72	8631.60	0
Feb-09	-	-	9724.87	8619.22	0
Mar-09	14.70	14.70	10127.09	8047.17	300

m. Registrars and Transfer Agents

The Company has changed registrars and transfer agent of the Company for administrative control and CDSL has approved and switch over the connectivity from Pinnacle Share Registry Pvt. Ltd., Ahmedabad to M/s Beetal Financial & Computer Services Pvt Ltd, New Delhi, new Registrar & Share Transfer Agent (RTA) of the Company w.e.f. 22nd May, 2009. The address of new Registrar & Transfer Agent is given below :

Mr. S P GUPTA, Vice President, Beetal Financial & Computer Services Pvt Ltd.
99 Madangir, New Delhi - 110062, Phone -011-29961281-283, Fax 011-29961284

n. Delegation of Share Transfer Formalities

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form.

The Board decided to delegate the power to approve share transfer in physical form under the signatures of any director or Company Secretary and confirmation of shares in demat mode to depositories / depositories participants by M/s Beetal Financial & Computer Services Pvt. Ltd., Registrar & Share Transfer Agent (RTA) of the Company w.e.f. 7th May, 2009.

There are no transfer pending as on 31st March, 2009.

o. E-mail ID for redressal of Investor Grievances

As per Listing Agreement Clause 47(f), Company has a separate E-mail ID for redressal of Investor Complaints and Grievances. The E-mail ID for redressal of Investor Grievances is dinesh_6520@yahoo.com

p. Shareholding Pattern as on 31st March, 2009 :

Sr No.	Category	No. of Share held	percentage of shareholding
1.	Holding of Promoter Group("Group" as per MRTF Act, 1969):		
	Asman Investments Limited	3949093*	71.802%
	Sanjay Shrenikbhai & Jayshree Sanjaybhai	111300*	2.024%
	Total Promoter Group Holding	4060393	73.826%
	Public Shareholding:		
2.	Mutual Funds and UTI	4200	0.076%
3.	Banks, Financial Institutions, Insurance Companies	81700	1.485%
4.	Foreign Institutional Investors, NRIs/OCBs	50000	0.909%
5.	Private Corporate Bodies	85400	1.552%
6.	Indian Public	1218307	22.151%
	Total Public Shareholding	1439607	26.174%
	GRAND TOTAL	5500000	100.00%

*Pursuance to share purchase agreement vide dated 3rd December, 2008 entered by M/s Strategybot Finance Pvt. Ltd. with Asman Investments Limited and Mr. Sanjay Shrenikbhai ex-promoters of the Company and post offer made to shareholders of the Company under Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, M/s Strategybot Finance Pvt. Ltd. has acquired 40,60,393 (73.83%) equity shares on 06.05.09.

q. Distribution of shareholding as on 31st March, 2009 :

No. of Shares	PHYSICAL MODE		ELECTRONIC MODE		TOTAL		TOTAL	
	No. of Holders	No. of shares	No. of Holders	No. of shares	No. of Holders	%	No. of Shares	%
1 to 500	3590	629607	337	69200	3927	93.4%	698807	12.7%
501 to 1000	113	97400	36	28500	149	3.5%	125900	2.3%
1001 to 2000	46	70800	15	22300	61	1.5%	93100	1.7%
2001 to 3000	22	55800	17	42700	39	0.9%	98500	1.8%
3001 to 4000	1	4000	2	6500	3	0.1%	10500	0.2%
4001 to 5000	4	18700	3	13500	7	0.2%	32200	0.6%
5001 to 10000	5	32600	4	29300	9	0.2%	61900	1.1%
10001 & above	6	224600	4	4154493	10	0.2%	4379093	79.6%
Total	3787	1133507	418	4366493	4205	100.0%	5500000	100.0%

r. Dematerialisation of Shares and Liquidity :

Shares of the Company are available for dematerialisation on Central Depository Securities Limited (CDSL). As on 31st March, 2009, 4366493 Equity Shares representing 79.39% of the issued capital have been

dematerialised by investors.

Demat ISIN Number : INE345D01015.

s.Plant Locations :

The Company does not have any Plant and Building.

t.Nomination Facility :

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose. Shareholders may write to the Company or its Registrars and Transfer Agents for a copy of the Form.

Place : Panchkula
Date : 29th July, 2009

For and on behalf of the Board
Sd/- Birendra Kumar Chairman
Sd/- Vikash Shekhar Director

Compliance of conditions of Corporate Governance

To the Members of LS Industries Limited (Formerly known as Lifestyle Fabrics Limited)

We have examined the compliance of conditions of Corporate Governance by LS Industries Limited, for the period of 12 months ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

Place : Chandigarh
Date : 29th July, 2009
Membership No. : FCS-5157
CP NO. : 3847

For V. Gupta & Associates
Practising Company Secretaries
Sd/- Vishawjeet Gupta
Proprietor

CEO / CFO Certification

The Board of Directors, Lifestyle Fabrics Limited

Re : Financial Statements for the year 2008-09 - Certification by CEO and CFO

We, Bhupendra M. Shah and Jayesh K. Shah, Directors of Lifestyle Fabrics Limited, on the basis of review of the financial statements and the Cash Flow Statement for the financial year ending 31st March, 2009 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2009 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - (a) there have been no significant changes in internal control during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Ahmedabad
7th May, 2009

Bhupendra M. Shah
Director

Jayesh K. Shah
Director

Note : After the closure of the manufacturing operations in 2001 and subsequent disposal of fixed assets, the Company does not have any business activities. Hence, the CEO / CFO certification is done by two Directors of the Company.

To
The Members,
LIFESTYLE FABRICS LIMITED
Ahmedabad.

1. We have audited the attached Balance Sheet of LIFESTYLE FABRICS LIMITED as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. ***The accounts have been prepared on the basis that the company will continue as a Going Concern in spite of the fact that the carried forward losses as at 31st March, 2009 being Rs. 6,55,05,979/-, have exceeded the paid up share capital thus wiping off its capital base, which is not in accordance with Accounting Standard 1 Issued by the 1CA1. The ability of the company to continue as a going concern is dependent upon availability of adequate continued finance from the parent organisation and future profitability.***
5. Further to our comments in the Annexure refer to above, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except as referred to in Para 4 above.
 - e. On the basis of written representation received from the directors of the company as at March 31st, 2009 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
and
 - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date.
and
 - iii. In the case of cash flow statements for the year ended on that date.

For G. K. CHOKSI & CO.
Chartered Accountants
SANDIP A. PARIKH
Partner
Membership No. 40727

Place: Ahmedabad.
Date : 7th May, 2009

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in the Auditors Report to the members of Lifestyle Fabrics Limited (the company) for the year ended 31st March 2009. We report that:

1. In respect of Fixed Assets;
The Company does not have any Fixed assets for the year under review and therefore the clauses 4 (i) (a) to (c) of the Order are not applicable.
2. The Company does not carry any inventories during the year and therefore the clauses 4 (ii) (a) to (c) of the Order are not applicable
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956. Accordingly the clauses 4(ii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable. (b) The company has taken an interest free unsecured loan from the Holding company. The maximum amount involved during the year was Rs. 676000/- and the year end balance was Rs. 56/-. (c) The terms and conditions of such interest free loan are not prima fade prejudicial to the interest of the company. (d) According to the information and explanation given to us, the principal amount of such interest free loan is repayable on demand.
4. The company has not entered into any transaction with regard to purchase of inventory and fixed assets and sale of goods, and hence, in our opinion, the question of evaluation of adequacy of internal control does not arise. Accordingly, the clause 4 (iv) of the Order is not applicable.
5. (a) There are no transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956. (b) There are no transactions of purchase and sale of goods, material and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5 lacs or more in respect of each party.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.
7. The company does not have any internal audit system as such, because in the opinion of the management, the same was not considered essential in view of low volume of transactions.
8. According to information and explanation given to us, the central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of services carried out by the company.
9. (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. (b) According to the information and explanations given to us, the Company had disputed Income tax dues amounting to Rs. 4,99,800/- relevant to Assessment Year 2002-2003 which is at present pending with CIT (Appeals), Mumbai.
10. The accumulated losses of the company exceed 50 percent of its net worth and has incurred cash losses in the current financial year as well as and in the immediately preceding financial year.
11. According to the records of the company examined by us and on the basis of information and explanations given to us, the company has neither taken any loans from a financial institutions and a bank nor issued any debentures. Accordingly clause 4(xi) of the order is not applicable.
12. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the order is not applicable.
13. The company is not Chit fund, Nidhi, Mutual Benefit Funds or a Society. Accordingly clause 4(xiii) of the order is not applicable.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of clause 4 (xiv) are not applicable to the company.
15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year. Accordingly clause 4(xv) of the order is not applicable.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year under review. Accordingly clause 4(xvi) of the order is not applicable.
17. On the basis of an overall examination of the balance sheet of the company in our opinion and according to the information and explanations given to us, the company has not raised any funds on short term basis which has been used for long term investment.
18. The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of The Companies Act, 1956 during the year. Accordingly clause 4(xviii) of the order is not applicable.
19. During the period covered by audit report, the company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
20. The company has not raised any money by public issues during the year. Accordingly clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

Place : Ahmedabad
Date : 7th May, 2009
Membership No. 40727

For G. K. CHOKSI & CO.
Chartered Accountants
SANDIP A. PARIKH
Partner

LS INDUSTRIES LIMITED
(Formerly known as Lifestyle Fabrics Ltd.)

Balance Sheet As at 31st March, 2009

	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS :				
Shareholder's Funds				
Share Capital	A	55,000,000		55,000,000
Reserves & Surplus	B	<u>9,831,129</u>	64,831,129	<u>9,831,129</u> 64,831,129
Loan Funds :				
Unsecured Loan	C		<u>6,50,056</u>	<u>4,81,000</u>
Total			<u>65,481,185</u>	<u>65,312,129</u>
APPLICATION OF FUNDS				
Current Assets, Loans and Advances				
Cash and Bank Balances	D	7490		38634
Less : Current Liabilities and provisions				
Current Liabilities	E	<u>32284</u>		<u>29618</u>
Net Current Assets			(24794)	9016
Balance in Profit and Loss account			<u>65,505,979</u>	<u>65,303,113</u>
Total			<u>65,481,185</u>	<u>65,312,129</u>
Significant Accounting Policies	G			
Notes forming part of accounts	H			

As per our attached report on even date

For G.K. CHOKSI & CO.

For and on behalf of the Board

Chartered Accountants
SANDIP A PARIKH
Partner

Bhupendra M Shah
Director

Jayesh K. Shah
Director

Dinesh Bhandari
Company Secretary

Place : Ahmedabad
Date : 7th May, 2009

Place : Ahmedabad
Date : 7th May, 2009

Profit & Loss Account for the year ended on 31st March, 2009

	Schedule	As at 31.3.2009 Rupees	As at 31.03.2008 Rupees
INCOME		0	0
EXPENDITURE			
Administrative and Other Expenses	F	2,02,866	1,94,345
Profit/(Loss) before tax		(2,02,866)	(1,94,345)
Provision for taxation Current Taxes		0	0
Profit/(Loss) after tax		(2,02,866)	(1,94,345)
Balance brought forward		(65,303,113)	(65,108,768)
Balance carried to Balance Sheet		(65,505,979)	(65,303,113)
Basic and Diluted Earnings per Equity Share (Refer Note No. 3 of Schedule - 'H')		(0.04)	(0.04)
Significant Accounting Policies	G		
Notes forming part of Accounts	H		

As per our attached report on even date

For G.K. CHOKSI & CO.

For and on behalf of the Board

Chartered Accountants
SANDIP A PARIKH
Partner

Bhupendra M Shah
Director

Jayesh K. Shah
Director

Dinesh Bhandari
Company Secretary

Place : Ahmedabad
Date : 7th May, 2009

Place : Ahmedabad
Date : 7th May, 2009

LS INDUSTRIES LIMITED
(Formerly known as Lifestyle Fabrics Ltd.)

Schedules forming part of the accounts

	<u>As at 31.3.2009</u> <u>Rupees</u>	<u>As at 31.3.2008</u> <u>Rupees</u>
SCHEDULE - 'A' : SHARE CAPITAL		
Authorised :		
70,00,000 Equity Share of Rs. 10/- each	<u>70,00,000</u>	<u>70,00,000</u>
Issued, Subscribed and Paid-up :		
55,00,000 Equity Shares of Rs. 10/- each Fully paid up (of the above 39,49,093 shares are held in escrow account pursuant to share purchase agreement dt. 3.12.2008 (previous year by the holding company, Asman Investments Limited, a subsidiary of Arvind Mills Ltd.)	<u>55,00,000</u>	<u>55,00,000</u>
SCHEDULE - 'B' RESERVES AND SURPLUS		
Capital Reserves	<u>9,831,129</u>	<u>9,831,129</u>
SCHEDULE - 'C' : UNSECURED LOANS		
Intercompany Deposits		
Paonta Finance and Deposits Pvt. Ltd.	6,50,000	0
Asman Investments Limited-(Holding Company)	<u>56</u>	<u>4,81,000</u>
TOTAL	<u>6,50,056</u>	<u>4,81,000</u>
SCHEDULE - 'D' : CURRENT ASSETS, LOANS AND ADVANCES		
Bank Balances		
In Current account with		
UCO Bank	0	19,767
HDFC Bank	<u>7,490</u>	<u>18,867</u>
TOTAL	<u>7490</u>	<u>38,634</u>
SCHEDULE - 'E' CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
For Expenses	32,068	29,618
Other Liabilities	<u>216</u>	<u>0</u>
TOTAL	<u>32,284</u>	<u>29,618</u>
SCHEDULE - 'F' : ADMINISTRATIVE AND OTHER EXPENSES		
Advertisement Expenses	86,634	57,298
Printing and Stationery	25,000	28,125
Postage and Telephone	696	19,825
Membership & Subscription	11,236	11,236
Listing Fees		
(Inclusive of Interest Rs. 150/- PY Nil)	39,097	35,150
Legal and Professional Expenses	24,236	26,846
Auditor's Remuneration	13,236	13,483
Filing Fees	2,056	1,500
Bank Charges	675	596
Miscellaneous Expenses	<u>0</u>	<u>286</u>
TOTAL	<u>2,02,866</u>	<u>1,94,345</u>

Schedule - `G': Significant Accounting Policies

(a) Basis of preparation of financial statements

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standard issued by The Institute of Chartered Accountants of India.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/ determined.

(c) Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes.

(d) Taxation

(i) Current year tax is provided based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Schedule - `H': Notes forming part of Accounts

1. Contingent liabilities and capital commitments:

Particulars	2008-09	2007-08
Disputed Income tax Demand for A. Y. 2002-2003	4,99,800	4,99,800
TOTAL	4,99,800	4,99,800

2. Subsequent to Balance Sheet date, Asman Investment Limited, hitherto the Holding Company, has sold its entire holding in the company to Strategybot Finance Pvt. Ltd. pursuant to an agreement dated 3rd December, 2008 further pursuant to intimation under Regulation 7 (1A) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, submitted to Ahmedabad Stock Exchange on 27th April, 2009 the Asman Investment Limited ceases to be holding company with effect from 27th April, 2009.

3. Particulars of Earning per Share

Particulars	2008-09	2007-08
Net Profit/(Loss) for the year	(202866)	(194345)
Number of equity shares	55,00,000	55,00,000
Nominal value of the share	10	10
Earning per Share	(0.04)	(0.04)

There is no change in the number of equity shares during the period.

4. In absence of virtual certainty the company has not recognized Deferred-tax Asset on carry forward Losses.

5. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year :
Holding Company
◆ Asman Investments Limited

(b) Transaction with related party	March 31, 2009	March 31, 2008
(i) Asman Investment Limited Unsecured Loan : Taken during the year Repaid during the year	195056 676000	2,10,000 0
(ii) Outstanding balances as at the end of the year.	56	4,81,000

6. There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at the Balance Sheet date. Further, the company has neither paid or payable any interest to any Micro, Small and Medium Enterprise on the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

7. In respect of amounts mentioned under section 205C of the Companies Act, 1956, there is no amount due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2009.
8. In the opinion of the Directors, Current Assets, Loans and Advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.
9. Balance of sundry debtors, creditors, loans and advances and deposits are subject to confirmation.
10. Auditors' Remuneration is made up of:

Particulars	2008-09	2007-08
	Rs.	Rs.
Audit Fees	13,236	13,483
Total	13,236	13,483

11. In view of losses the company does not expect any Income-tax liability and therefore no provision is made.
12. Other information required in terms of Para 4C and 4D of part II of Schedule VI to the Companies Act, 1956, are not applicable to the company.
13. Previous Year Figures have been regrouped, rearranged and reclassified where ever applicable.

As per our attached report on even date

For **G.K. CHOKSI & CO.**

Chartered Accountants
SANDIP A PARIKH
Partner

Place : Ahmedabad
Date : 7th May, 2009

For and on behalf of the Board

Bhupendra M Shah
Director

Place : Ahmedabad
Date : 7th May, 2009

Jayesh K. Shah
Director

Dinesh Bhandari
Company Secretary

LS INDUSTRIES LIMITED

(Formerly known as Lifestyle Fabrics Ltd.)

Cash Flow Statement for the year ended 31st March, 2009

(Figures in Rupees)

Particulars	2008-2009	2007-2008
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net operating loss before working capital changes	(202,866)	(194,345)
Adjustments for :		
Trade Payable	2,666	16,135
Cash Generated from Operations	(200,200)	(178,210)
Direct taxes paid (Net of Refund)	0	-
Net Cash from Operating Activities	(200,200)	(178,210)
(B) CASH FLOW FROM INVESTING ACTIVITIES	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured loan	169,056	210,000
Net cash from financing activities	169,056	210,000
NET DECREASE IN CASH & CASH EQUIVALENTS	(31,144)	31,790
CASH & CASH EQUIVALENTS		
Opening Balance at Beginning of the year	38,634	6,844
Closing Balance at the End of the year	7,490	38,634
NET DECREASE IN CASH & CASH EQUIVALENTS	(31,144)	31,790

Explanatory Notes to Cash Flow Statement

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountant of India. 2. In Part A of the Cash Flow Statements, figures in brackets indicates cash outflows. In part B there is neither cash inflow nor cash outflow. 3. Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

LS INDUSTRIES LIMITED (Formerly known as Lifestyle Fabrics Limited) BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE

<p>I. Registration Details:</p> <p>Registration No. U17120GJ1993PLW49941</p> <p>State Code 04</p> <p>Balance Sheet Date 31st March, 2009.</p> <p>II. Capital Raised during the year (Amt. in Rs. Thousand)</p> <p>Public Issue -</p> <p>Right Issue -</p> <p>Bonus Issue -</p> <p>Private Placement -</p> <p>III. Position of mobilisation and Deployment of Funds (Amount in Rs. Thousand)</p> <p>Total Liabilities 65481</p> <p>Sources of Funds</p> <p>Paid-up Capital 55000</p> <p>Reserve and Surplus 9831</p> <p>Share Application Money -</p> <p>Secured Loans -</p> <p>Unsecured Loans 650</p> <p>Deferred Tax Liability -</p>	<p>Total Assets 65481</p> <p>Application of Funds</p> <p>Net Fixed Assets -</p> <p>Investments -</p> <p>Net Current Assets (25)</p> <p>Misc. Expenditure -</p> <p>Accumulated Losses 65506</p> <p>IV. Performance of Company (Amt. in Rs. Thousand)</p> <p>Turnover and Other Income -</p> <p>Total Expenditure 203</p> <p>(+) Profit/(Loss) before tax (203)</p> <p>(+) Profit/(Loss) after tax (203)</p> <p>Earnings per share (Rs.) (0.04)</p> <p>Dividend Rate (%) -</p> <p>V. Generic names of three principal products/ services of company (as per monetary terms)</p> <p>Product/Service Description Item Code No.</p> <p>-Not Applicable.....</p>
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As per our attached report on even date

For **G.K. CHOKSI & CO.**

Chartered Accountants
SANDIP A PARIKH
Partner

Bhupendra M Shah
Director

Jayesh K. Shah
Director

Dinesh Bhandari
Company Secretary

Place : Ahmedabad
Date : 7th May, 2009

Place : Ahmedabad
Date : 7th May, 2009

For and on behalf of the Board

LS INDUSTRIES LIMITED

(Formerly known as Lifestyle Fabrics Limited)

Regd. Office : 30 Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380009

ATTENDANCE SLIP

Name of the Shareholder (in Block Letters) :

Ledger Folio Number/DP ID/Client ID :

Name of the Proxy(s) (in block letters) :

(to be filled in, if a proxy attends instead of a member)

No. of Shares held :

I hereby record my presence at the 15th Annual General Meeting of the Company to be held on Friday, 28th day of August, 2009 at Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad-380009 at 4.00 p.m

Shareholder / Proxy Signature.....

Notes :

- 1.You are requested to sign and hand over this slip at the entrance of the Meeting venue.
- 2.If you intend to appoint a proxy to attend the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.



LS INDUSTRIES LTD.

(Formerly known as Lifestyle Fabrics Limited)

Regd. Office : 30 Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380009

PROXY FORM

I/We of

.....being a member /members of the above-named Company hereby

appoint Mrof

Mr..... of..... as my/our proxy to vote for me/us on

my/our behalf at the 15th Annual General Meeting of the Company to be held on Friday, 28th day of August, 2009 at Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad-380009 at 4.00 p.m and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Reference Folio No./DPID/Client ID :

No. of Shares Held :

Notes :

1. The proxy, to be effective, should be deposited at the Registered Office of the Company at 30 Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380009 not later than FORTY EIGHT HOURS before the commencement of the aforesaid meeting.
2. A proxy need not be a Member of the Company.

Affix
Re. 1/-
Revenue
Stamp

BOOK-POST

If undelivered, please return to :

LS INDUSTRIES LIMITED

(Formerly known as Lifestyle Fabrics Limited)

Corporate Office :

SCO 27, Swastik Vihar, Sector 5,

Mansa Devi Complex, Panchkula-134109