



LS Industries Ltd

# LS INDUSTRIES LIMITED

(Formerly Known as Lifestyle Fabrics Ltd.)

18th

ANNUAL REPORT

2011-12

**Board of Directors**

Mr. Abhishake Bansal, Whole Time Director  
Mr. Avtar Singh, Additional Director  
Mr. Kwangsoo Kim, Director  
Mr. Joel Anthony Stead, Director

**Statutory Auditors**

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

**Bankers**

AXIS BANK LIMITED

**Registered Office & Corporate Office**

Village Bairsen, P.O. Manjholi,  
Tehsil Nalagarh, Distt. Solan,  
Himachal Pradesh-174101  
Contact Person: Mr. Abhishake Bansal, Whole Time director  
Email : [arunk@isilglobal.com](mailto:arunk@isilglobal.com)

**Registered and Transfer Agents (RTA)**

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

**Demat Connectivity**

Central Depository Services (India) Limited  
(CDSL)

National Securities Depository Limited (NSDL)

**ISIN Details**

INE345D01023

**Stock Exchange Listing**

Bombay Stock Exchange Limited

**Stock Code**

514446

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## LS INDUSTRIES LIMITED

(Formerly Known as Lifestyle Fabrics Ltd.)

Regd. Office : Village Bairsen, P.O. Manjhohi, Tehsil Nalagarh,  
Distt. Solan, Himachal Pradesh-174101.

### Notice of annual general meeting

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the Company will be held on Monday, 31<sup>st</sup> December, 2012, at Village Bairsen, P.O. Manjhohi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh-174101 at 10.30 am 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, 2012 and Reports of the Directors and Auditors thereon.
2. To appoint M/s Doogar & Associates, Chartered Accountants as Statutory Auditor for the financial year 2011-12 and to fix their remuneration
3. To appoint a Director in placed of **Mr. Joel Anthony Stead**, who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:  
"Resolved That Mr. Avtar Singh, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31<sup>st</sup> August, 2012 in respect of whom the Company has received a notice in Writing under Section 257 of the Companies Act, 1956 together with a deposit of 500 as required under the Act, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation"
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"Resolved That Pursuant to Schedule XIII and other relevant provisions of the Companies Act, 1956 the appointment of Mr. Abhishake Bansal as Whole time Director of the Company for a period of Five (5) years with effect from 22.12.2011, with a remuneration of Rs. 40,000/- per month, for the time being, be and is hereby approved."

#### NOTES :

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.

Members holding shares in physical form are requested to notify their change of address, if any, to the Company / Registrar and Transfer Agent (RTA). In case, shares are held in electronic form, the change of address, if any, may have to be communicated to their respective DPs.

Place : Nalagarh  
Date : 29th November, 2012

By Order of the Board,

Sd/-  
**Abhishake Bansal**  
Whole Time Director

**Registrar and Transfer Agent (RTA) :**

The contact details of Registrar and Transfer Agent is are as under :

**Beetal Financial & Computer Services Pvt Ltd**

# 99, Madangir, New Delhi 110 062

011-2996 1281-283 Fax 011-2996 1284

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

The Register of Members and Share Transfer Books of the Company will remain closed from the 24th December, 2011 to 31st December, 2011 (Both days inclusive).

Members are requested to bring their copies of the Annual Report to the Meeting.

The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

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.

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.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this Notice as Annexure I.

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.

Members holding shares in single name may avail nomination facility.

**ANNEXURE I**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 Item No. 3**

Mr. Joel Anthony Stead is 48 years old. Joel Anthony Stead (48) is Independent and Non Executive Director. He is citizen of United States of America. He is Master of Business Administration. He has worked at different level of top management. He has worked as Vice President of Seagate.

He is not holding directorship in any other Bodies Corporate.

The Company has received notice in writing along with 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. None of Directors of the Company except Mr. Joel Anthony Stead, is in any way concerned or interest in this resolution. The Board commends the resolution at item No. 3 for approval of members.

Place : Nalagarh  
Date : 29th November, 2012

**By Order of the Board,**

Sd/-  
**Abhishake Bansal**  
Whole Time Director

## 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. Abhishake Bansal

Mr. Abhishake Bansal (25 years) is M.B.A (Finance) and had done Diploma in Banking & Finance. He is result oriented professional with experience in Finance. He is keen strategist and planner with skills in conceptualizing and effecting process initiatives to enhance efficiency. He is skillful in enhancing systems to bring greater cost efficiency levels & operational excellency. He has worked with Trading Baron Finance Pvt. Ltd

### Mr. Avtar Singh

Avtar Singh ( 29) has vast experience in personnel management and having expertise in resolving labour disputes and others labour related matter. He was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> August ,2012. He is member of Audit committee of the company. He is holding Nil shares in the Company.

### LIST OF DIRECTORSHIP IN OTHER COMPANIES

Sr. No	Name of the Company	Designation
1	Ezy Computing Solutions private Limited	Director
2.	Strategybot Finance Private Ltd	Director
2	Ezy Infosoft Private Limited	Director

### Mr. Kwangsoo Kim

Mr. Kim Kwang Soo 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.

### Mr. Joel Anthony Stead

Joel Anthony Stead (48) is Independent and Non Executive Director. He is citizen of United States of America. He is Master of Business Administration. He has worked at different level of top management. He has worked as Vice President of Seagate. He is neither director nor member of any committee in India. He is holding Nil Equity Shares in the Company.

Place : Nalagarh  
Date : 29th November, 2012

By Order of the Board,  
Sd/-  
Abhishake Bansal  
Whole Time Director

**Item No. 4**

Mr. Abhishake Bansal (25 years) is M.B.A (Finance) and had done Diploma in Banking & Finance. He is result oriented professional with experience in Finance. He is keen strategist and planner with skills in conceptualizing and effecting process initiatives to enhance efficiency. He is skillful in enhancing systems to bring greater cost efficiency levels & operational Excellency. He has worked with Trading Baron Finance Pvt. Ltd

Mr. Abhishake Bansal was appointed as a Whole time Director of the Company for a period of 5 years with effect from 22<sup>nd</sup> December ,201 2 at a remuneration of Rs. 40,000 per month.

**LIST OF DIRECTORSHIP IN OTHER COMPANIES**

Sr. No	Name of the Company	Designation
1	Trading Barons Private Limited	Director
2	Strategybot Finance Private Ltd	Director

He is neither Chairman nor member of any committee of the company. He is holding Nil shares in the Company  
None of Directors of the company except Mr. Abhishake Bansal, is in any way concerned or interest in this resolution.

**Item No. 5**

Avtar Singh ( 29) has vast experience in personnel management and having expertise in resolving labour disputes and others labour related matter.

Mr. Avtar Singh was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> August ,2012. He is member of Audit committee of the company. He is holding Nil shares in the Company.

**LIST OF DIRECTORSHIP IN OTHER COMPANIES**

Sr. No	Name of the Company	Designation
1	Ezy Computing Solutions private Limited	Director
2	Strategybot Finance Private Ltd	Director
2	Ezy Infosoft Private Limited	Director

None of Directors of the company except Mr. Ashish Wadhwa, is in any way concerned or interest in this resolution.

Place : Nalagarh  
Date : 29th November, 2012

**By Order of the Board,**

Sd/-  
**Abhishake Bansal**  
Whole Time Director



## DIRECTOR REPORT'S

To,

The members

### **FINANCIALS RESULTS (Figures in Lacs)** (Amt in Rs.)

PARTICULAR	2011-12	2010-11
Sales & other Income	10550.22	133334.99
Profit/(Loss) before Depreciation, interest and taxation	4204.27	387.56
Less: Net Interest	Nil	Nil
Profit/(Loss) after interest but before Depreciation and Taxation	4204.27	387.56
Less Depreciation	237.65	51.80
Profit/(Loss) before tax	3966.62	335.76
Less: Exceptional Item	3770.02	Nil
Less: Current Tax	61.83	7.18
Less: Deferred Tax	Nil	10.33
Profit/(Loss) for the year	134.77	318.25
Balance as per last year's	51.65	(706.60)
Balance Sheet Adjustment on account of reduction of capital	Nil	440.00
Balance carried to balance sheet	186.42	51.65

### **1. OPERATIONS**

The company was taken over by new management in the year 2009. The present management has taken lots of steps and initiatives for long term growth and expansion of the Company. It has re-structured itself for a new progress path in term of expansion of business in the textile industry. The company has written off its debts through capital restructuring in the previous year. The company has successfully installed Garment Manufacturing machineries in its plant located at Nalagarh, Himachal Pradesh. The company has made capital expenditure for setting up of Spinning Unit at above said location. The company has started production in that Spinning Unit from May 2012. The production from spinning unit has been solely for in-house manufacturing of garments in the factory. The year saw a decrease in sales in both the Domestic and Export Markets. During the

financial year under review, the Company achieved sales and other income of Rs. 10550.22 as compare sale of Rs.133334.99 Lacs in the previous year. The performance in terms of net profit was substantially below expectations mainly because of appreciation of rupee

The Company is on horizon of expansion track and wish to set international quality standards to mark its presence worldwide in garment business. The Company is also planning to get heights in wholesale distributorship business of Computer hardware, software, papers, etc. Your directors are confident that operations would bring positive results in near future.

### **2. SUBSIDIARIES**

As required under section 212 of the Companies Act, 1956, the audited statements of accounts, along with the Reports of the Board of Directors and Auditors thereon of M/s EZY Infosoft Pvt. Ltd and its group companies is annexed.

### **3. DIVIDEND**

In view of the growth and expansion of the company, The Company would require to make more investment for capital machinery. Therefore, your directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2012.

### **4. DIRECTORS**

During the year, Sh. Yogesh Thakur was appointed as whole Time director and Sh. Kulbhushan Sharma was appointed as Additional Director on 27<sup>th</sup> day of May 2011 and later Sh. Birender Kumar has submitted its resignation on the same day.

Further Mr. Akashdeep Sharma and Ms. Chat Suet Meng has resigned from directorship w.e.f 31.10.2011

Mr. Abhishake Banal and Mr. Dhinav Singla was appointed as additional directors in the company on 21<sup>st</sup> Novemeber, 2011.

Sh. Yogesh Thakur and Sh Kulbhushan Sharma has submitted its resignation on dated 23rd November, 2011 from directorship of the company.

Mr.Yasonokurobota has resigned from directorship w.e.f 24.12.2011

\*Mr. Dhinav Singla has filed its resignation on dated 1st June, 2012 from the directorship of the company due to pre occupied of personal work. The company has appointed Mr. Ashish Wadhwa as Additional director in the company. Mr. Ashish Wadhwa has resigned from the directorship of the company w.e.f 31.08.2012 and Mr. Avtar Singh has been appointed in replace of vacant position w.e.f. 31.08.2012

In accordance with the provisions of the

Companies Act, 1956 and the Company's Articles of Association, Mr Joel Anthony Stead, director of the Company is liable to retire by rotation

#### **5. FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the Public in the Financial Year 2011-2012.

#### **6. INTERNAL CONTROL SYSTEM**

The Company has a proper and adequate system of internal control. An extensive programme of internal audits and management reviews supplement the process of internal control. Properly documented policies, guidelines and procedures are laid-down for this purpose.

The Company has an Audit Committee comprising of majority of Independent, Non Executive and professionally qualified Directors, who interact with the statutory auditors and internal auditors in dealing with matters within its terms of reference. During the year under review, the Committee met four times.

#### **7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Report on Management Discussion and Analysis, pursuant to Clause 49 of the Listing Agreement is annexed to this report.

#### **8. CORPORATE GOVERNANCE**

The Company has been practicing the principles of good Corporate Governance over years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

The Company has been in compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange and a Certificate from the Whole Time Director to this effect is enclosed as a part of the Corporate Governance Report. In terms of sub-clause (v) of Clause 49 of the Listing Agreement, Whole Time Director have confirmed the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said Clause.

#### **9. DEPOSITORY SYSTEM**

As members are aware, your Company's shares are tradable compulsorily in electronic form and the Company has established connectivity with both the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

#### **10. AUDITORS**

M/s. Doogar & Associates, Chartered Accountants, Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received the letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1 B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

#### **11. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends and interest on fixed deposits which remained unpaid or unclaimed for a period of seven years, if any, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" is annexed and forms an integral part of this Report.

#### **13. PARTICULARS OF EMPLOYEES**

Particulars of employees as required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of



employees) rules, 1975, as amended is annexed and forms integral part of this report

#### **15. PERSONNEL**

Your Directors place on record their appreciation for the significant contribution made by all the employees, who through their competence, hard work, solidarity and co-operation, have enabled the Company to cross new milestones.

#### **16. TRADE RELATIONS**

The Board desires to place on record its appreciation for the support and co-operation that the Company received from its suppliers, distributors, retailers and other associates. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong links based on mutuality, respect and co-operation with each other and consistent with customer interest.

#### **17. LISTING WITH STOCKEXCHANGE**

The shares of the Company are presently listed at Bombay Stock Exchange Limited. The Listing fee for the year 2012-13 has been paid to the Bombay Stock Exchange Limited.

#### **18. AUDITORS' REMARKS**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

#### **19. CEO/CFO CERTIFICATION**

The certificate addressed to the Board of Director of the company required under Corporate Governance concerning the annual financial statement is annexed to the Corporate Governance Report.

#### **20. DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance of Section 217 (2AA) of the Companies Act, 1956, the Directors state that:

a. In the preparation of the annual accounts for the year ended 31 March, 2012, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.

b. 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.

c. 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

The Annual Accounts has been prepared on a going concern basis.

#### **21. ACKNOWLEDGEMENT**

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

For and on behalf of the Board for **LS Industries Limited**

Sd/-

Place: Nalagarh

**Abhishake Bansal**

Date: 29<sup>th</sup> November, 2012

Whole time director

## ANNEXURE TO THE DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### I. Conservation of energy:-

(a) Energy conservation measures taken :

The Company's operations involve low energy consumption in the manufacturing process. However, the company has taken special care to see that the plant gets adequate sunlight. Wherever feasible, CFLs have been used.

(b) Additional investments and proposals, if any,

being implemented for reduction of consumption of energy : - N.A.-

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Above efforts will reduce the energy consumption and consequent impact on cost of production of goods.

(d) Total energy consumption and energy consumption per unit of production as per prescribed Form A.

FORM A  
(See rule 2)

	2011-12	2010-11
<b>A. Power and fuel consumption</b>		
<b>1. Electricity :</b>		
(a) Purchased		
Unit (Kwh)	138375	92250
Total amount	6296522	473931
Rate/unit	5.40	5.14
(b) Own generation		
(i) Through diesel generator		
Unit (Kwh)	12093	125812
Units per ltr. of diesel oil	3.13	2.68
Cost/unit	14.62	14.20
(ii) Through steam turbine/generator		
Units	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/units	-	-
<b>2. Coal</b>		
Quantity (tonnes)	-25	-
Total cost	-118750	-
Average rate	-4.75	-
<b>3. Furnace oil</b>		
Quantity (LTRS)	-	-
s	-	-
Total cost ( )	-	-
<b>4. Others/internal generation</b>		
Quantity (LTRS)	-	-
s	-	-
Total cost ( )	-	-
s	0.	0.63
Rate/unit ( )		
<b>B. Consumption per unit of production</b>		

#### II) Technology Absorption

Efforts made in Technology Absorption are furnished in FORM-B as under:-

#### FORM B

Form for disclosure of particulars with respect to absorption.

#### (a) Research and development (R & D)

1. Specific areas in which R & D carried out by the company :

Research & Development is carried out for development of new products and for improvement in the production process and quality of products.

2. Benefits derived as a result of the above R&D :

-The company has been continuously improving the quality of its products.

3. Future plan of action

- Management is committed to strengthen R & D activities further to improve its competitiveness in time to come.
4. Expenditure on R & D: At present, this is a general process improvement programme, does not entail specific budget.

	2011-12	2010-11
Capital	-	-
Recurring	-	-
Total	-	-
Total R & D expenditure as a percentage of total turnover is	Nil	Nil

### Technology, absorption, adaptation and innovation

1. Efforts made:

The company is continuously making efforts for adaptation of latest technology.

2. Particulars of technology imported in the last five years.

- a) Technology imported Nil  
 b) Year of import N.A  
 c) Has technology been fully absorbed N.A

### III. Foreign Exchange Earning and outgo

a) Participation in various exhibitions:

Activities relating to export initiatives taken to increase exports, development of new export markets for product and export plans:- Made entry into new markets.

c) Total foreign Exchange earned and used. ( in Lacs)

	2011-12	2010-11
i) Earned		4754.82
ii) Used		938.02

*For and on behalf of the Board*

Place : Nalagarh  
 Date : 29.11.2012

Sd/-  
 Abhishake Bansal  
 Whole Time Director

Sd/-  
 Avtar Singh  
 Additional Director

# 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 consist of 1 Executive Director and 3 Non-Executive 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, 2012:

Name of the Director	Business Relationship	Category of Directorship	No. of Directorships in Public Companies	No. of Committee Membership	
				Chairman	Member
Mr. Abhishake Bansal	Director	Executive	Nil	Nil	2
Mr. Dhinav Singla*	Director	Executive	Nil	1	1
Mr. Joel Anthony Stead	Director	Non-Independent-Non Executive	Nil	Nil	1
Mr. Kwangsoo Kim	Chairman	Non Executive-Independent	2	Nil	2

\* Directorship in private companies, foreign companies and associations are excluded.

\*\* As per Clause 49 of Listing Agreement, Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee alone have been considered.

§ Mr. Dhinav Singla, Executive Director resigned from the Directorship of the Company w.e.f 01.06.2012

Since the Chairman of the Board is an Executive Chairman, the Board of Directors comprises of more than 50% of Directors who are Independent.

Independent Director means a Non-Executive Director of the Company who:

- a) apart from receiving director's remuneration, does not have any material/pecuniary relationship or Transaction with the Company, its promoters, its directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the director;
- b) is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c) has not been an executive of the Company in the immediately preceding three financial years;
- d) is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
  - (i) the statutory audit firms or the internal audit firm that is associated with the company; and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the Company.
- e) is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director;
- f) is not a substantial shareholder of the Company, i.e., owning two percent or more of the block of voting shares;
- g) is not less than 21 years of age.

#### **4. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE**

The Board reconstituted and re designated the 'Investor Grievance Committee' as Shareholders/Investors Grievance Committee as per Clause 49 of listing agreement to specifically look into the redressal of shareholder and investors complaints.

During the period from 1st April, 2011 to 31st March, 2012 Company has not received any complaint from shareholders.

#### **5. REMUNERATION OF DIRECTORS**

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 advice 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.

#### **6. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management discussion and Analysis Report, is a reflection of the current state of business. It also deals with the opportunities and challenges faced by your company and outlook in future.

##### **a) Industry Structure and Development**

The Textile Industry faces challenging of operating environment and uncertainty over demand growth along with volatility in raw material prices. However, the industry is showing positive sign with the improvement in demand of garments at global level. The prospects for the Indian economy will be brighter as growth is likely to be expected better due to clear signs of an upturn in the economy and with the forecast of normal monsoon in the current year. India's textile industry has a pervasive effort on its economic life. The Indian textile industry uses a large and diverse range of fibres and yarn, however, cotton is its major determinant of production efficiency and profitability of textile units.

Though the global economy seems to be coming out of the crisis recovery may be unsteady for a while. The Continuous improvement and investment in weaving and processing will help to meet the demand of quantity textile, which give an edge to the Indian textile industry over competitor, Upgrading technologies and infrastructure is an ongoing and, with the added support of Government bodies it should boost the Indian textile further

Your Company is vertically integrated textile Company, manufacturing and exporting various kinds of kinnted fabric, readymade garments and IT products with production facilities at Ludhiana and nalagarh, Himachal Pradesh

During the year under review, the profitability of the Company has increased satisfactorily as compared to the previous year, mainly because of better performance of all the units of the company.

##### **b) COMPANY FINANCIAL PERFORMANACE :**

During the year under review, your company has achieved Gross Sales has been declined to the tune of Rs. 9305.08 lacs as compared to Rs. 12856.72 lacs in the previous year. The profit before tax stood at Rs. 196.60 lacs as compared to Rs. 335.76 lacs during the previous year,. After providing for taxes and other adjustments, the Profit after tax stood at Rs. 134.77 lacs as compared to Rs. 318.25 lacs during the previous year,

##### **c) Outlook**

The outlook for the Textile business remains positive in the opinion of the management. The Company continues to take initiatives to retain its competitive edge and is in a position to meet the challenges inevitably posed by rapidly changing business requirements.

##### **d). Opportunities and Threats**

###### **Opportunities**

The sharp increase in cotton prices and other input costs make it difficult for Indian exporters to compete in the international market. The strengthening of the rupee and non-availability of skilled workers also are hurdles faced by the exporters including the Company. Our principal operating strategies are to We are trying to focus on cost cutting strategies, development of new markets and maintain the quality of our products to satisfy and exceed the expectations of the maket and look forward to a better market sentiment for textiles.



## BOARD MEETINGS

During the financial year the Board of Directors met 24 (Twenty Four) times on 22.03.2011, 31.03.2011, 13.05.2011, 27.05.2011, 09.06.2011, 15.06.2011, 01.07.2011, 19.07.2011, 12.08.2011, 25.08.2011, 30.08.2011, 30.09.2011, 23.09.2011, 09.10.2011, 14.11.2011, 22.12.2011, 31.12.2011, 17.01.2012, 21.01.2012, 23.01.2012, 14.02.2012. 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. No.	Name of Director	Number of Board Meetings attended	Whether present at the previous AGM
1.	Mr. Birendra Kumar*	4	No
2.	Mr. Yogesh Thakur #	12	No
3.	Mr. Akash Deep Sharma@	14	No
4.	Mr. Kwangsoo Kim	NIL	No
5.	Mr. Yasunobu Kuramoto	NIL	No
6.	Mr. Joel Anthony Stead	NIL	No
7.	Ms. Chay Suet Meng	NIL	No
8.	Mr. Abhishake Bansal	6	Yes
9.	Mr. Dhinav Singla	6	Yes

\* Resigned as Director w.e.f. 27.05.2011

@ Resigned director w.e.f 31.10.2011

# Resigned as director w.e.f 23.11.2011

\$ Resigned as director w.e.f .24.12.2012

### 3. AUDIT COMMITTEE

The Audit Committee comprises of 3 members, out of which were two were Non-Executive and Independent Directors and one is executive director as on 31st March, 2012. 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, 5 Audit Committee meetings were held on 13<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 30<sup>th</sup> August 2011, 14<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012

The Attendance of Members at meetings was as under:

Sr. No.	Name	Position	No. of Meetings held during the relevant period of their appointment	No. of Meetings attended
1.	Mr. Birender Kumar *	Chairman	1	1
2.	Mr. Kwangsoo Kim	Member	5	Nil
3.	Mr. Akash Deep Sharma*	Member	2	2
4.	Mr. Abhishake Bansal	Member	1	1
5.	Mr. Yogesh Thakur*	Member	3	3
6.	Mr. Kulbhushan Sharma*	Chairman	3	3
5.	Mr. Dhinav Singla*	Chairman	1	1

\* 1. Ceased as members of the Committee w.e.f. 27th May 2012

\*3. Ceased to be member of the Committee w.e.f 31<sup>st</sup> October 2011

\* 5. Ceased to be member of the committee w.e.f 23<sup>rd</sup> November 2012

\*6. Ceased to be member of the committee w.e.f 23<sup>rd</sup> November 2012

### **Threats, risks and concerns**

A stronger economy and brighter sentiment holds out optimism for the order flow as a general feeling of buoyancy prevails. Advancement in technology may require us to make additional capital expenditure for upgrading our manufacturing facilities or may make our competitors plants more competitive. However, the Company's diversified product profile, quality approach, value-added segments, manufacturing flexibility, modern technology & strong marketing network has equipped the company well to meet competitors. Power and Fuel are major manufacturing costs while producing textiles. Any increase in these costs has a negative impact on the profits of the company. Over the past year, tariff prices for power have been increasing. The Company's captive power plant use to mitigate some of the power cost risk.

### **Cautionary Statement:**

Statements in Management discussion and analysis report with regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the management envisages in terms of performance and outlook. Market data and product information contained in this report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. The management of the Company reserves the right to re-visit any of the predictive statement to decide the best course of action for the maximization of the shareholders' value apart from meeting social and human obligations.

5. 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. Avtar Singh

Date of Birth: 20/04/1984

Date of Appointment: 31/08.2012

Expertise in specific functional areas Qualifications: Human Resource & Administration Skills

Other Public Companies in which Directorship Held in India

**Nil**

Other Public Companies in which Membership of Committees of Directors Held in India

**Nil**

Name of the Director: Mr. Abhishake Bansal

Date of Birth: 20/05/1986

Date of Appointment: 31/08.2012

Expertise in specific functional areas Qualifications: Human Resource & Administration Skills

Other Public Companies in which Directorship Held in India:

**Nil**

Other Public Companies in which Membership of Committees of Directors Held in India

**Nil**

### **9. 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.

### **10. CEO/CFO Certification**

As required by Clause 49 of the listing agreement, the certificate duly signed by Mr. Abhishake Bansal, Whole Time Director was placed before the Board of Directors at its meeting held on 29th November, 2012 as annexed at the end of corporate governance report.

### **11. Secretarial Compliance Certificate**

The company has taken secretarial compliance certificate from M/s V.Gupta & Associates

### **12. Whole Time Director's Declaration on Code of Conduct and Ethics**

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. Abhishake Bansal, Whole Time 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, 2011.

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.

**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 31st, 2012, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place :Nalagarh

Date : 29th November, 2012

Abhishake Bansal  
Whole Time Director

**12. 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. 2 in Schedule B "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.

**13.SHAREHOLDERS' INFORMATION**

a. Name and Designation of compliance Officer

Mr. Abhishake Bansal,

Email id : [arunk@lsilglobal.com](mailto:arunk@lsilglobal.com)

Contact No. : 09216788888(M)

b. Details of Complaints Received and redressed during 1st April, 2011 to 31st March, 2012 : NIL

c. 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 redressed are reported.

**e. Information on General Body Meetings:**

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

Date	Time	Venue
31 <sup>st</sup> December, 2011	10:30 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan-174101
30 <sup>th</sup> September, 2010	10:30 a.m.	Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad-380009.
28 <sup>th</sup> August, 2009	4.00 p.m.	Auditorium of Ahmedabad Textile Mills Association, Ashram Road, Navrangpura, Ahmedabad-380009.

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

Date of EGM	Item of Special Resolution	No. of Postal Ballots received	Voting in Favour of resolution	Voting Against resolution	Result
28.07.2011	To consider granting loan, guarantees or securities, investments in excess of limits u/s 372A of the Companies Act, 1956	5	5	NIL	Passed
28.03.2012	To consider granting loan, guarantees or securities, investments in excess of limits u/s 372A of the Companies Act, 1956	5	5	NIL	Passed

Special Resolutions passed in last 3 AGMs :

Date of AGM	Item	Result
28.08.2009	To carry on 'Other Objects' in clause 164 of Articles of Association of the Company	Carried unanimously
30.09.2010	Amendment in Articles of Association of the Company	Carried unanimously
31.12.2011	Appointment of whole time director	Disapproved

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

**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 Jansatta- Hindi 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 Annual Report.



**g. Annual General Meeting :**

Date & Time : 31<sup>st</sup> December, 2012 at 10.30 a.m.

Venue: Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan,  
Himachal Pradesh-1 74101.

**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 August, 2011
Second Quarter results	by end of November, 2011
Third Quarter results	by end of February, 2012
Fourth Quarter results / Year end results	by end of May, 2012

**i. Book Closure**

Monday, the 22<sup>nd</sup> December, 2012 to Monday, the 29<sup>th</sup> December, 2012 (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 Bombay Stock Exchange Limited.

Scrip Code : 514446

Address : 25th Floor, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001

The Company has paid Annual Listing Fees for the year 2010-11 to the above Stock Exchange.

**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	Volumes No of shares
	High ( )	Low ( )	
Apr-11	6.34	5.00	
May-11	131.5	112.85	4
Jun-11	107.25	7.35	123
Jul-11	7.66	5.49	177
Aug-11	6.34	6.00	5
Sep-11	6.65	5.00	28
Oct-11	11.07	5.25	155
Nov-11	14.6	11.44	89
Dec-11	12.33	9.59	42
Jan-12	10.0	9.6	5
Feb-12	9.6	6.4	47
Mar-12	10.33	7.74	54

**m. Registrars and Transfer Agents** The address of 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**

The Board has delegated 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.

There are no transfers pending as on 31st March, 2011.

**o. E-mail ID for redressed 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 redressed of Investor Grievances is [arunk@isilglobal.com](mailto:arunk@isilglobal.com)

**p. Shareholding Pattern as on 31st March, 2012:**



Sr. No.	Category	No. of Shares held	Percentage of Shareholding
1	<b>Holding of Promoter Group("Group" as per MRTP Act, 1969) :</b>		
	Strategybot Finance Pvt. Ltd.	63,04,70,580	74.28%
	<b>Total Promoter Group Holding</b>	63,04,70,580	74.28 %
	<b>Public Shareholding:</b>		
2	Mutual Funds and UTI	8,400	0.00%
3	Banks, Financial Institutions, Insurance Companies	1,36,800	0.02%
4	Foreign Institutional Investors, NRIs/OCBs	21,56,07,810	25.41%
5	Private Corporate Bodies / Clearing Member	2,85,542	0.03%
6	Indian Public	23,09,568	0.26%
	<b>Total Public Shareholding</b>	<b>21,83,48,120</b>	<b>25.72%</b>
	<b>GRAND TOTAL</b>	<b>84,88,18,700</b>	<b>100.00%</b>

**q. Distribution of shareholding as on 31st March, 2012 :**

No. of shares	No. of shareholders	No. of Shares	%
1 to 5000	4034	18,63,651	0.21
5001 to 10000	25	1,62,774	0.01
10001 to 20000	9	1,24,085	0.01
20001 to 30000	2	42,903	0.005
30001 to 40000	-	-	-
40001 to 50000	-	-	-
50001 to 100000	6	5,03,007	0.0593
Above 100001	6	84,61,22,280	99.68
Total	4084	84,88,18,700	100.0%

**r. Dematerialization of Shares and Liquidity :**

Shares of the Company are available for dematerialization on National Securities Depositories Limited (NSDL) and Central Depository Securities Limited (CDSL). As on 31st March, 2012, 8,35,99,197 Equity Shares representing 98.494% of the issued capital have been dematerialized by investors.

**s. Plant Locations :** The Company has taken plant premises on leasehold basis at the following locations :

Ludhiana Factory : Hosiery Complex, Noor wala Road, Ludhiana, Punjab.

Nalagarh Factory : Village Bairsen, P.O. Manjhohli, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101.

**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.

**u. Address for correspondence :**

Shareholders may correspond with the Company at the Registered Office of the Company or at the office

of Registrars and Transfer Agents of the Company:

LS Industries Limited

Mr. S P GUPTA, Vice President

Registered Office :

Village Bairsen, P.O. Manjhohli, Tehsil  
Nalagarh, Distt. Solan, Himachal  
Pardesh-1 74101

Beetal Financial & Computer Services  
Pvt Ltd. 99 Madangir, New Delhi -  
110062

Phone -011-29961281-283

Fax:01 1-29961284

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The above Report has been placed before the Board at its meeting held on 3<sup>rd</sup> December, 2012 and the same was approved.

For and on behalf of the Board

Place : Nalagarh  
Date : 29<sup>th</sup> November, 2012

Sd/-  
Abhishake Bansal  
Whole Time Director

Sd/-  
Avtar Singh  
Director

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)  
**Balance Sheet as at 31st MARCH 2012**

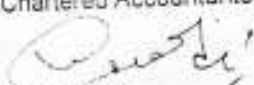
(Amount in ₹)

Particulars		Note No.	As at March 31, 2012	As at March 31, 2011
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds	2	848,818,700	848,818,700
	(a) Share capital	3	212,793,249	199,316,688
	(b) Reserves and surplus		<b>1,061,611,949</b>	<b>1,048,135,388</b>
2	Non-current liabilities	4	2,337,974	-
	(a) Long-term borrowings	5	3,415,835	1,190,227
	(b) Deferred tax liabilities (Net)	6	4,730,039	6,269,783
	(c) Long term provisions		<b>10,483,848</b>	<b>7,460,010</b>
3	Current liabilities	7	46,129,734	-
	(a) Short term borrowings	8	140,348,844	196,987,739
	(b) Trade payables	9	236,363,859	52,981,312
	(c) Other current liabilities	10	364,616	1,092,972
	(d) Short term provisions		<b>423,207,053</b>	<b>251,062,023</b>
	<b>TOTAL</b>		<b>1,495,302,850</b>	<b>1,306,657,421</b>
<b>II</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets	11	281,102,173	78,365,243
	- Tangible assets		296,730,117	101,850
	- Capital work in progress	12	1,131,333	1,131,333
	(b) Non-current Investments	13	2,965,094	1,698,500
	(c) Long term loan & advances		<b>581,928,717</b>	<b>81,296,926</b>
2	Current assets	14	57,551,404	107,732,292
	(a) Inventories	15	519,841,723	407,443,120
	(b) Trade receivables	16	1,550,055	31,563,102
	(c) Cash and cash equivalents	17	162,903,238	623,376,520
	(d) Short term loans and advances	18	171,527,713	55,245,461
	(e) Other current assets		<b>913,374,133</b>	<b>1,225,360,495</b>
	<b>TOTAL</b>		<b>1,495,302,850</b>	<b>1,306,657,421</b>
	Accounting Policies	1		

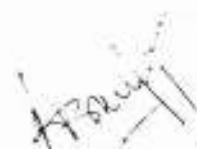
The accompanying notes form an integral part of financial statements


As per our report of even date

For and on behalf of  
**Doogar & Associates**  
(Firm Reg. No. 000561N)  
Chartered Accountants

  
**Vikas Modi**  
Partner  
(M No. 505603)

For and on behalf of the Board of Directors

  
**Abhishek Bansal**  
Whole Time Director

  
**Avtar Singh**  
Director

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Statement of Profit and Loss for the Year Ended 31st March 2012**  
(Amount in ₹)

Particulars	Note No.	Year Ended	
		March 31, 2012	March 31, 2011
<b>I Income</b>	19	975,487,221	1,332,521,220
Revenue from operations	20	79,534,647	978,416
<b>II Other income</b>			
<b>III Total Revenue (I + II)</b>		<b>1,055,021,868</b>	<b>1,333,499,636</b>
<b>IV Expenses</b>			
Cost of materials consumed	21	150,616,276	73,231,178
Purchases of Stock-in-Trade	22	182,959,548	823,643,415
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	45,865,533	(78,758,601)
Employee benefits expense	24	153,701,420	84,144,332
Finance costs	25	1,952,535	84,606
Depreciation and amortization expense	11	23,764,715	5,179,755
Other expenses	26	99,499,938	152,398,475
<b>Total expenses</b>		<b>658,359,965</b>	<b>1,059,923,160</b>
<b>V Profit before tax and exceptional items (III-IV)</b>		396,661,903	273,576,476
<b>VI Exceptional items (refer note no. 27(XII))</b>		377,002,162	240,000,000
<b>VII Profit before tax (V-VI)</b>		19,659,741	33,576,476
<b>VIII Tax expense</b>			
- Current tax	5	3,957,572	718,013
- Deferred tax		2,225,608	1,033,183
<b>IX Profit for the year (VII-VIII)</b>		<b>13,476,561</b>	<b>31,825,280</b>
<b>X Earnings per equity share (of Rs. 1/- each)</b>			
- Basic & Diluted	27(IV)	0.02	0.05
<b>Accounting Policies</b>	1		

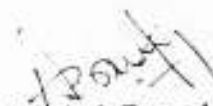
The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of  
**Doogar & Associates**  
(Firm Reg. No. 000561N)  
Chartered Accountants

  
**Vikas Modi**  
Partner  
(M No. 505603)

For and on behalf of the Board of Directors

  
**Abhishek Bansal**  
Whole Time Director

  
**Avtar Singh**  
Director

Place : Nalagarh  
Date : 29.11.2012

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Cash Flow Statement for the Year Ended 31st March 2012**

(Amount in ₹)

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit(Loss) Before Tax	19,659,741	33,576,476
Adjustments for:		
Depreciation	23,764,715	5,179,755
Interest income on Fixed deposit	(23,295,055)	(953,003)
Interest and other borrowing cost	1,952,535	84,606
Unrealised foreign exchange fluctuations	(46,702,688)	3,012,472
Share in LLP Losses	57,834	111,578
Bad debts	-	10,157,055
Advance Balance Written off	377,002,162	240,000,000
<b>Operating profit/(Loss)</b>	<b>352,439,244</b>	<b>291,168,939</b>
Adjustments for:		
Decrease/(Increase) in Inventories	50,180,889	(97,453,226)
Decrease/(Increase) in trade receivables and loans and advances	22,884,043	(780,981,674)
Increase/(Decrease) in trade and other payables and provisions	(50,172,446)	240,762,806
<b>Cash flow from operating activities</b>	<b>375,331,729</b>	<b>(346,483,155)</b>
Deduct tax paid	(4,553,580)	(122,005)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>370,778,149</b>	<b>(346,605,160)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	(355,102,019)	(72,461,278)
Sale of fixed assets	195,530	-
Investment made	-	(1,131,333)
Interest income	1,357,503	953,003
Movement in fixed deposits	(94,344,700)	(52,603,000)
<b>Net cash flow used in investing activities (B)</b>	<b>(447,893,686)</b>	<b>(125,242,608)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share capital(Including Security premium)	-	502,456,000
Repayment of Unsecured loans	-	(1,794,900)
Proceeds from Short term borrowings	46,129,734	-
Proceeds from Vehicle loan	3,300,000	-
Repayment of Vehicle loan	(390,510)	-
Interest and other borrowing cost	(1,936,733)	(84,606)
<b>Net cash flow from financing activities (C)</b>	<b>47,102,491</b>	<b>500,576,494</b>
<b>Net cash inflow / (outflow) - (A+B+C)</b>	<b>(30,013,046)</b>	<b>28,728,726</b>
<b>D Cash and cash equivalents at the beginning of the year</b>	<b>31,563,102</b>	<b>2,834,376</b>
<b>E Cash and cash equivalents at the end of the year</b>	<b>1,550,056</b>	<b>31,563,102</b>
<b>Net increase / (decrease) in cash and cash equivalents (E-D)</b>	<b>(30,013,046)</b>	<b>28,728,726</b>

As per audit Report of even date attached.

For Doo & Associates

Chartered Accountants


(Regn No. 3551N)


Vikas M

Partner

M.No. E/2023

For and on Behalf of the Board of Directors

  
Abhishek Bansal  
Whole Time Director

  
Avtar Singh  
Director

Place: New Delhi

Date: 23 November 2012



**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

**1 Significant Accounting Policies**

**1.1 Accounting convention**

The accounts have been prepared on historical cost convention on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in accordance with the accounting principles generally accepted in India to comply with the accounting standards prescribed in Companies (Accounting Standard) Rules 2006 issued by the Central Government in exercise of power conferred under section 642(1) (a) and relevant provisions of the Act.

**1.2 Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**1.3 Use of estimates**

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date on the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which results materialize.

**1.4 Revenue recognition**

(a) Sales - Sales comprise sale of goods, services and export incentives. Revenue from sale of goods is recognized:-

(i) When all the significant risk & rewards of ownership are transferred to the buyer and the company does not retain any effective control of the goods transferred to a degree usually associated with ownership; and

(ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

(b) Benefit under drawback scheme - Revenue in respect of drawback benefit is recognized on post export basis.

(c) Interest - Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Insurance and other receivables - Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**1.5 Fixed assets**

(a) Fixed Assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

(b) Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet

**1.6 Depreciation**

(a) Depreciation on the fixed assets is provided on Written down value method in accordance with and in the manner specified in schedule XIV to the Companies Act, 1956.

(b) Depreciation on assets costing Rs.5000/- or below is charged @ 100% per annum on proportionate basis.

**1.7 Investments**

Long term investments are stated at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline other than of a temporary nature.

Current investments are stated at lower of cost or net realizable value.

**1.8 Borrowing costs**

Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which incurred.

**1.9 Impairment of assets**

The company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit & loss.

**1.10 Operating lease**

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are recognized as operating lease. Operating lease payments are recognized as an expense in the statement of profit & loss on a straight line basis over the lease term.

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**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

- 1.11 Inventories**  
The inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various item of inventory is computed as under:  
 - In case of raw material, at weighted average cost.  
 - In case of work-in-process, at raw material cost plus conversion cost, depending upon the stage of completion.  
 - In case of finished goods, at raw material cost plus conversion cost, packing cost and other overheads incurred to bring the goods to their present location & condition.  
 - In case of stores & spares, at weighted average cost.  
 - In case of traded goods, at first-in-first-out basis.  
 - In case of waste & scrap, at net realizable value.
- 1.12 Employees' benefits**  
 (a) The company's contribution to Employee provident fund is recognized to revenue on accrual basis.  
 (b) The company has Defined Benefit plans namely Leave Encashment and Gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year.
- 1.13 Foreign currency transactions**  
 (a) Initial recognition :- Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.  
 (b) Conversion :- Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.  
 (c) Exchange differences :- Exchange differences arising on the settlement of monetary items except fixed assets or on reporting the same at closing rate as at the Balance Sheet date at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise. Exchange differences relating to acquisition of imported fixed assets are adjusted in the carrying cost of the fixed assets
- 1.14 Accounting for taxes on income**  
The accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 1.15 Segment disclosure**  
Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the enterprise as a whole in line with Accounting Standard-17.
- 1.16 Earning per share**  
Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.
- 1.17 Provisions for contingent liabilities and contingent assets**  
 (a) Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.  
 (b) A disclosure for a contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources.  
 (c) Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

(Amount in ₹)

2 Share Capital	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 1/- each	910,000,000	910,000,000	910,000,000	910,000,000
Preference Share of Rs. 10/- each	22,000,000	220,000,000	22,000,000	220,000,000
	932,000,000	1,130,000,000	932,000,000	1,130,000,000
Issued, Subsribed & Paid up				
Equity Shares of Rs. 1/- each fully paid up	848,818,700	848,818,700	848,818,700	848,818,700
<b>Total</b>	<b>848,818,700</b>	<b>848,818,700</b>	<b>848,818,700</b>	<b>848,818,700</b>

**Notes:**

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	848,818,700	848,818,700	5,500,000	55,000,000
Less: Reduction in capital and no. of equity shares	-	-	(4,400,000)	(44,000,000)
Add : Shares Issued during the year	-	-	83,781,870	837,818,700
Add : Increase in no. of shares due to subdivision of equity shares from 1/- of Rs. 10/- each to Rs. 1/- each	-	-	763,936,830	-
				848,818,700

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

(ii) Details of equity shares in the company held by each shareholder holding more than 5 percent shares

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Profound Finance Private Limited	630,470,580	74.28	630,470,580	74.28
Suet Meng Chay	102,882,050	12.12	102,882,050	12.12
Chee Ai Liew	101,408,540	11.95	101,408,540	11.95
<b>Total</b>	<b>834,761,170.00</b>	<b>98.34</b>	<b>834,761,170.00</b>	<b>98.34</b>

(iii) Details of Equity Shares in the company held by holding company

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Holding Company Profound Finance Private Limited	630,470,580	74.28	630,470,580	74.28

(iv) Rights, Preferences and Restrictions attached to shares

The company has only one class of equity shares having a par value of Rs.1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Aggregate number of bonus shares issued and shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The company has neither issued any bonus shares or shares for consideration other than cash nor has there been any buy back of shares during the period of five years immediately preceding the reporting date.

(vi) The company has not reserved any shares for issue under options and contracts / commitments for the sale of shares/ disinvestment.

**3 Reserves And Surplus**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
<b>Capital Reserve</b>		
At the beginning of the year	9,831,129	9,831,129
Add : Addition during the year	-	-
Less : Utilized during the year	-	-
At the end of the year	<b>9,831,129</b>	<b>9,831,129</b>
<b>Security Premium Account</b>		
At the beginning of the year	184,320,114	-
Add : Addition during the year	-	184,320,114
Less : Utilized during the year	-	-
At the end of the year	<b>184,320,114</b>	<b>184,320,114</b>
<b>Surplus in the Statement of Profit and Loss</b>		
As per last Balance Sheet	5,165,445	(70,659,835)
Add : Profit/(Loss) for the year	13,476,561	31,825,280
Less : Adjustment on account of reduction in capital	-	44,000,000
At the end of the year	<b>18,642,006</b>	<b>5,165,445</b>
<b>Total</b>	<b>212,793,249</b>	<b>199,316,688</b>

**4 Long Term Borrowings**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
<b>Secured Loans</b>		
Vehicle Loan from NBFC company	2,337,974	-
<b>Total</b>	<b>2,337,974</b>	<b>-</b>

Notes :

(i) Vehicle loan is secured by hypothecation of the vehicle purchased.

(ii) The rate of interest and year wise repayment schedule of long term borrowings are as under :

(Amount in ₹)

Particulars	Rate of interest	Outstanding as at 31.03.2012	Year wise repayment schedule		
			Within 1 year	1-2 year	2-5 year

**LS Industries Limited**  
(Formerly known as LSI (India) Private Limited)

**Notes forming part of the financial statements**

**5 Deferred Tax Liability (net)**

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred tax liabilities		
-on account of differences in tax base of depreciable assets	5,087,902	2,412,558
Deferred tax Assets		
-on account of Provisional expenses u/s 35D	1,597,995	885,983
-on account of referring to an authority	74,072	212,876
-on account of expenses allowed on payment basis	-	123,472
<b>Total</b>	<b>1,672,067</b>	<b>1,222,331</b>
<b>Net Deferred tax liability</b>	<b>3,415,835</b>	<b>1,190,227</b>

(i) Deferred tax charged to statement of profit and loss

2,225,608      1,033,183

**6 Long Term Provisions**

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for gratuity	3,059,315	4,413,532
Provision for leave	1,670,724	1,856,251
<b>Total</b>	<b>4,730,039</b>	<b>6,269,783</b>

**7 Short Term Borrowings**

Particulars	As at March 31, 2012	As at March 31, 2011
Secured		
Bank overdraft against pledged fixed deposits	46,129,734	-
<b>Total</b>	<b>46,129,734</b>	<b>-</b>

**8 Trade Payable**

Particulars	As at March 31, 2012	As at March 31, 2011
Trade payables (see note below)	140,348,844	196,987,739
<b>Total</b>	<b>140,348,844</b>	<b>196,987,739</b>

The company has not supplied its company from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount payable as at the year end together with interest paid / payable under this act has not been given.

**9 Other Current Liabilities**

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long term borrowings	571,516	-
Interest accrued on borrowings	15,802	-
Other Payables:		
- Advance from Customers	51,177,568	16,906,294
- Statutory remittances	3,305,738	22,673,126
- Payables on purchase of fixed assets	168,223,424	-
- Employee related liabilities	12,661,242	8,331,012
- Expenses payable	408,571	5,070,880
<b>Total</b>	<b>236,363,859</b>	<b>52,981,312</b>

**10 Short Term Provisions**

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for gratuity	107,288	183,840
Provision for leave	87,916	201,546
Provision for losses on sale of fixed assets	169,412	111,578
Provision for tax on capital gains	-	596,008
<b>Total</b>	<b>364,616</b>	<b>1,092,972</b>



# LS Industries Limited

(Formerly known as Lifestyle Fabrics limited)

## Assets forming part of the financial statements

11 : Fixed Assets

Particulars	Gross Block			Depreciation			Net Block (WDV)	
	As at April 1, 2011	Additions during the year	Deletions/ Adjustments	As at March 31, 2012	For the Period	Deletions/ Adjustments	As at March 31, 2012	As at March 31, 2011
Fixed Assets	77,345,269	7,310,586	273,320	84,362,535	10,568,470	77,791	69,963,847	73,417,260
Land & Machinery	2,709,650	224,205	-	2,933,855	342,529	-	1,671,035	1,789,359
Leasehold Properties	2,425,780	745,731	-	3,172,511	992,893	-	1,631,330	1,877,492
Plant & Equipments	404,797	1,684,772	-	2,089,569	226,570	-	1,815,314	357,112
Intangible Assets	964,563	3,864,153	-	4,828,716	990,917	-	3,797,255	824,019
Total	-	212,866,728	-	212,866,728	10,643,336	-	202,223,392	-
Total	83,850,059	226,697,175	273,320	310,273,914	23,784,715	77,791	281,102,173	78,365,243
Total	11,288,611	72,561,448	-	83,850,059	5,179,755	-	78,365,242	10,983,549

Consideration paid and possession with the company subject to transfer of legal title in favour of the company



**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

**12 Non Current Investments**

Particulars		As at March 31, 2012	As at March 31, 2011		
<b>Investments in equity instruments (Long term, trade, unquoted, at cost)</b>					
<b>(a) In wholly owned subsidiary company</b>					
-100,000(100,000) equity share of Rs. 10 each fully paid up of EZY Infosoft Pvt. Ltd.		1,000,000	1,000,000		
-1,000(1,000) equity share of SGS 1 each fully paid up of LSIL Singapore Pte. Ltd.		41,333	41,333		
<b>(b) Capital balance with Limited Liability Partnership namely LSI Textile LLP</b>					
		90,000	90,000		
<b>Total</b>		<b>1,131,333</b>	<b>1,131,333</b>		
<b>Details of investment in Limited Liability Partnership</b>					
Name of the Limited Liability Partnership ("LLP")	Name of the partners in the firm	Total Capital		Share of each partner in the profits (losses) of the LLP	
		2011-12	2010-11	2011-12	2010-11
LSI Textile LLP	LS Industries Limited	90,000	90,000	(57,834)	(111,578)
	SB Infosoft India (P) Limited	10,000	10,000	(6,426)	(12,398)
<b>Total</b>		<b>100,000</b>	<b>100,000</b>	<b>(64,260)</b>	<b>(123,976)</b>

**13 Long Term Loan & Advances**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security Deposits	2,965,094	1,698,500
<b>Total</b>	<b>2,965,094</b>	<b>1,698,500</b>

**14 Inventories**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(At lower of cost and net reliable value)</b>		
Finished goods (including stock in transit Rs. 4,414,132/- (Rs. Nil/-))	21,445,674	9,512,875
Stock of traded goods	11,947,394	69,945,849
Work In Process	405,500	205,376
Raw Materials	23,752,836	28,068,192
<b>Total</b>	<b>57,551,404</b>	<b>107,732,292</b>

**15 Trade Receivable**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(Unsecured, considered good unless otherwise stated)</b>		
Trade receivables outstanding for a period more than six months from the date they are due for payment.	179,540,410	3,513,070
Other trade receivables	340,301,313	403,830,050
<b>Total</b>	<b>519,841,723</b>	<b>407,443,120</b>

**16 Cash and cash equivalents and other bank balances**

Particulars	As at March 31, 2012	As at March 31, 2011
Cash on hand	475,586	1,595,624
Balances with banks - In Current accounts	1,074,469	29,967,478
<b>Total</b>	<b>1,550,055</b>	<b>31,563,102</b>

**17 Short Term Loans and Advances**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advance to Related Party	20,176,956	64,795
Advance to Suppliers	136,293,656	593,508,455
Prepaid expenses	861,674	478,815
Balance with Revenue Authorities	3,938,938	29,045,963

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

Notes forming part of the financial statements

18 Other Current Assets		As at March 31, 2012	As at March 31, 2011
<b>Particulars</b>			
Balances with banks		148,732,700	54,388,000
- In fixed deposit accounts (Pledged with banks)		22,795,013	857,461
Interest accrued on Fixed Deposits			
<b>Total</b>		<b>171,527,713</b>	<b>55,245,461</b>

19 Revenue from operations		Year ended 31st March 2012	Year ended 31st March 2011
<b>Particulars</b>			
Sale of products		434,909,088	603,650,149
- Domestic		493,583,930	482,021,716
- Exports		928,493,018	1,285,671,865
Other Operating Income		44,979,256	44,122,674
- Export Incentives		2,014,947	2,726,681
- Service Charges		46,994,203	46,849,355
<b>Total</b>		<b>975,487,221</b>	<b>1,332,521,220</b>
<b>Sale of products comprises:</b>			
Manufactured goods		686,940,533	500,973,047
- Readymade garments			
Traded goods		9,307,885	18,402,877
- Ray Light		30,533,670	87,959,438
- Flex Paper		25,048,221	101,439,750
- Desktop & Laptop		13,274,393	61,996,311
- Monitor & LCD		4,223,367	154,224,474
- Printer		28,025,891	157,427,284
- UPS		54,279,317	-
- Softwares		76,859,741	203,248,664
- Other IT Components			
<b>Total sale of traded goods</b>		<b>241,552,485</b>	<b>784,698,818</b>
<b>Total</b>		<b>928,493,018</b>	<b>1,285,671,865</b>

20 Other income		Year ended 31st March 2012	Year ended 31st March 2011
<b>Particulars</b>			
Interest received on fixed deposits with bank		23,295,055	953,003
Net gain on foreign currency transactions and translations		56,239,592	-
Misc. Income			25,413
<b>Total</b>		<b>79,534,647</b>	<b>978,416</b>

*(Signature)*

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

**21 Cost of materials consumed**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Opening stock	28,068,192	9,373,567
Add: Purchases of raw material	146,300,920	91,925,803
Closing stock	23,752,836	28,068,192
<b>Total</b>	<b>150,616,276</b>	<b>73,231,178</b>
<b>Cost of material consumed comprises:</b>		
- Yarn	94,330,423	57,553,646
- Fabrics	20,975,218	436,153
- Others	35,310,635	15,241,379
<b>Total</b>	<b>150,616,276</b>	<b>73,231,178</b>

Of the above	Year ended 31st March 2012		Year ended 31st March 2011	
	(Amount in ₹)	%	(Amount in ₹)	%
Indigenous	147,224,891	97.75	73,201,427	99.96
Imported	3,391,385	2.25	29,751	0.04
<b>Total</b>	<b>150,616,276</b>	<b>100.00</b>	<b>73,231,178</b>	<b>100.00</b>

**22 Purchases of Stock-in-Trade**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Purchases of traded items net of rebate and discount	182,959,548	823,643,415
<b>Total</b>	<b>182,959,548</b>	<b>823,643,415</b>
<b>Purchase of traded goods comprises:</b>		
- Ray Light	8,637,513	19,251,181
- Flex Paper	25,360,889	86,220,820
- Desktop & Laptop	21,064,115	98,280,772
- Monitor & LCD	8,673,977	64,442,523
- Printer	-	173,817,567
- UPS	13,785,120	168,768,374
- Software	57,354,972	-
- Other IT Components	46,994,871	248,762,438
	181,871,457	859,543,675
Add (Less) : Adjustment for rebate and discount received and direct expenses incurred	1,088,091	(35,900,260)
<b>Total</b>	<b>182,959,548</b>	<b>823,643,415</b>

**23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Opening Stock :		
- Finished Goods	9,512,874	382,433
- Traded Items	69,945,850	-
- Work In Process	205,376	523,067
<b>Total</b>	<b>79,664,100</b>	<b>905,500</b>
Closing Stock :		
- Finished Goods	21,445,673	9,512,875
- Traded Items	11,947,394	69,945,850
- Work In Process	405,500	205,376
<b>Total</b>	<b>33,798,567</b>	<b>79,664,101</b>

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

**24 Employee Benefits Expenses**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Salaries, Wages & Allowances	138,773,723	79,959,315
Contribution to Provident & Other Funds	10,976,144	3,189,048
Staff Welfare Expenses	3,951,553	995,971
<b>Total</b>	<b>153,701,420</b>	<b>84,144,332</b>

**25 Finance Costs**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Interest Expenses		
- On bank overdraft	1,628,904	-
- On vehicle loan	21,940	-
- Other interest expenses	67,302	25,603
- Other borrowing charges	234,389	59,003
<b>Total</b>	<b>1,952,535</b>	<b>84,606</b>

**26 Other Expenses**

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Power and fuel	12,018,332	2,579,699
Rent	15,195,280	14,424,856
Rebate & Discount	15,652,189	74,372,493
Job work charges	14,318,734	11,056,006
Repairs & maintenance	5,638,340	381,110
Travelling Expenses	7,312,796	2,330,342
Freight & Cartage	5,660,114	11,100,183
Security Expenses	8,560,838	3,060,268
Professional Charges	2,834,271	1,993,285
Communication Expenses	2,183,425	299,682
Advertisement and Selling Exp	1,602,961	3,092,321
Rates and taxes, excluding, taxes on income	1,371,913	6,328,152
Printing & Stationery charges	897,800	422,222
Insurance	627,492	238,345
<u>Payments to the auditor as</u>		
a. Audit fees	247,192	187,510
b. For taxation matters	33,708	33,090
c. Reimbursement of Expenses	40,323	9,888
Share in losses of LLP	57,834	111,578
Other expenses	5,246,386	2,470,138
Bad Debts	-	10,157,055
Exchange Rate Difference (net)	-	7,750,251
<b>Total</b>	<b>99,499,938</b>	<b>152,398,475</b>

*Signature*

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

**Notes forming part of the financial statements**

**27 Additional information to financial statements**

**I Commitments and Contingent Liabilities not provided for:**

- (a) Bank guarantee in favour of vendors / Govt. authorities is ₹ Nil (Previous Year- ₹ 66.88 Lac).  
 (b) Standby letter of credit issued by bank on behalf of direct / step down subsidiary company ₹ 8,63,00,000/- (Previous Year - ₹ 4,77,00,000/-).  
 (c) Corporate guarantees on behalf of step down subsidiary companies ₹ Nil (Previous year ₹ 3,572 Lacs equivalent to US\$ 8 million).  
 (d) Import duty saved against EPCG licenses is ₹ 6,85,80,837/- (Previous Year ₹ 1,30,68,279/-).

**II Related party disclosure :**

**(a) Names of the related parties (As Certified by the Management)**

Key Management Personnel	Mr. Abhishek Bansal, Mr. Avtar Singh
Holding Company	Profound Finance Private Limited (Formerly known as Strategybot Finance Private Limited, India)
Subsidiaries	Ezy Infosoft Private Limited, India LSIL Singapore Pte Limited, Singapore
Limited Liability Partnership	LSI Textile LLP, India (90% Share)
Step down subsidiary Companies	Ezy Global Infotech Fze Ezy APAC Limited, Marshall Islands Ezy Infotech America Inc, Seychelles Ezy EMEA Limited, Belize Ezy Central Purchasing Limited, Marshall Islands Esys Distribution(Korea) Ltd, Korea Esys Central Purchasing Limited, Marshall Islands Esys Pakistan Private Limited, Pakistan Ezy Infotech Fze, Dubai Ezy Infotech (USA) Inc, Miami, USA Ezy Infotech (Canada) Inc, Toronto, Canada Ezy Infotech (M) Sdn.Bhd. Malaysia Ezy Infotech (Hong Kong) company Limited, Hongkong Ezy Infotech Private Limited, Bangladesh Ezy Infotech Private Limited, Sri Lanka Ezy Infotech Private Limited, Pakistan Ezy Infotech GmbH, Germany Esys Technologies Lanka Private Limited, Sri Lanka Ezy Infotech D.O.O., Croatia Ezy Infotech Pte Limited, Singapore Ezy Infotech B.V., The Netherlands Esys Technologies Jsc, Vietnam Ezy Computing Solutions Private Limited, India Ezy Logistics Private Limited, India



**LS Industries Limited**  
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**Notes forming part of the financial statements**

(b) During the year, the company entered into transactions with related parties. The value of such transactions, along with related balances as at March 31, 2012, is presented in the following table:

(Amount in ₹)

Particulars	Holding Company		Subsidiaries / Step down Subsidiaries / LLP	
	Current Year	Previous Year	Current Year	Previous Year
<b>(A) Transactions</b>				
<b>(1) Sale of Goods</b>				
- Ezy Infotech Fze, UAE	-	-	934,684	388,039,165
- LSIL Singapore Pte Limited, Singapore	-	-	13,498,534	-
- Ezy Computing Solutions Private Limited, India	-	-	9,228,716	-
- Ezy Infotech BV, The Netherlands	-	-	1,487,407	-
<b>(2) Purchase of Goods</b>				
- Ezy Infotech Fze, UAE	-	-	12,247,720	19,642,943
- Ezy Infotech Pte Limited, Singapore	-	-	904,940	4,848,202
- LSIL Singapore Pte Limited, Singapore	-	-	2,621,431	-
<b>(3) Purchase of Capital Assets</b>				
- Ezy Infotech Fze, UAE	-	-	-	48,803,835
- Ezy Infotech Pte Limited, Singapore	-	-	-	13,902,874
<b>(4) Outstanding balance of Stand by Letter of Credit</b>				
- Ezy Infotech Pte Limited, Singapore	-	-	86,300,000	47,700,000
- Lsil Singapore Pte Limited, Singapore	-	-	-	-
<b>(5) Outstanding balance of Corporate Guarantee</b>				
- Esys Pakistan Private Limited, Pakistan	-	-	-	357,200,000
- Ezy Infotech Pte Limited, Singapore	-	-	-	-
- Ezy Infotech Private Limited, Bangladesh	-	-	-	-
- Esys Technologies Lanka Pvt. Ltd., Srilanka	-	-	-	-
<b>(6) Advance Given(Net)</b>				
- LSI Textiles LLP	-	-	20,112,161	64,795
<b>(6) Allotment of Equity Share</b>				
- Profbund Finance Private Limited	-	759,206,000	-	-
<b>(B) Balance outstanding as at the year end:-</b>				
<b>(1) Balance Receivable</b>				
- Ezy Infotech Fze, UAE	-	-	-	142,076,518
- LSI Textiles LLP	-	-	20,176,956	64,795
<b>(2) Balance Payable</b>				
- Ezy Computing Solution Private Limited, India	-	-	1,686,820	-
- Ezy Infotech Pte Limited, Singapore	-	-	5,888,329	18,307,913
- Ezy Infotech Fze, UAE	-	-	20,571,285	-
- LSIL Singapore Pte Limited, Singapore	-	-	4,753,445	-
- Ezy Infotech BV, The Netherlands	-	-	21,688,568	-

**III Employee Benefits**

The disclosures of employee's benefit as defined in the Accounting standard - 15 (Revised) on "Employees' Benefits" are as follows:

**(A) Defined Benefit Plan :**

**(i) Actuarial Assumption:**

In accordance with accounting standard-15 (revised 2005), an actuarial valuation was carried out on the basis of "Projected unit credit method" in respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Gratuity Liability (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (per annum)	8.75%	8.50%	8.75%	8.50%
Rate of increase in compensation levels(per annum)	10%	10%	10%	10%
Rate of return on plan assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected average remaining working lives of employees (Yrs)	31.01	30.26	31.01	30.26
Mortality table	LIC (1994-96) Ultimate			

The company is not maintaining any fund for payment of gratuity and leave encashment.

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)

Notes forming part of the financial statements

(ii) Change in present value of the Defined Benefit Obligation:

Particulars	Gratuity Liability (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation at beginning of the year	4,597,372	46,096.00	1,856,251.00	44,366.00
Interest cost	345,151.00	3,918.00	116,048.00	3,090.00
Current service cost	1,744,032	1,431,107	1,237,340	999,932
Benefit paid	(1,305,576)	-	(1,059,983)	(16,033)
Actuarial (gain)/loss on obligations	(2,214,376)	3,116,251	(478,932)	824,896
Short term expected liability on the basis of actuary report	-	-	87,916	201,546
Present value of obligation at year end	3,166,603	4,597,372	1,758,640	2,057,797
Above comprises				
-long term obligation	3,059,315	4,413,532	1,670,724	1,856,251
-Short term obligation	107,288	183,840	87,916	201,546
Total	3,166,603	4,597,372	1,758,640	2,057,797

(iii) Expenses recognized during the year in Statement of Profit and Loss:

Particulars	Gratuity Liability (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	1,744,032	1,431,107	1,237,340	999,932
Interest cost	345,151.00	3,918.00	116,048.00	3,090.00
Net actuarial (gain)/loss recognized during the year	(2,214,376)	3,116,251	(478,932)	824,896
Add: Short term expected liability on the basis of actuary report	-	-	87,916	201,546
Less: Accumulated actuarial gain/loss taken under agreement	(125,193)	610,016	962,372	226,281
Expenses recognized in Statement of Profit and Loss				

(iv) Amount recognized in Balance Sheet:

Particulars	Gratuity Liability (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of Defined Benefit obligation	3,166,603	4,597,372	1,758,640	2,057,797
Fair value of Plan Assets	(3,166,603)	(4,597,372)	(1,758,640)	(2,057,797)
Funded Status (Assets) / (Liabilities)				
Unfunded Assets/Liabilities recognized in Balance Sheet	3,166,603	4,597,372	1,758,640	2,057,797

(B) Defined Contribution Plans:  
The company has a defined contribution plan for post retirement employment benefits namely Provident Fund and Employee State Insurance Scheme. The company has recognized the following amount in the Statement of Profit & Loss during the year:

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Employers contribution Provident Fund	7,645,510	3,446,402
Employers contribution Employee State Insurance Fund	3,330,634	711,233
Total	10,976,144	4,157,635

IV Earnings per share (EPS) is calculated as under:  
The basic and diluted earnings per share (EPS) have been calculated by dividing net profit for the year attributable to equity shareholders by the weighted average number of equity shares as per AS-20 as under

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Numerator - Net Profit	13,476,561	31,825,280
No. of equity shares outstanding as at year end	848,818,700	848,818,700
Weighted average number of shares used as denominator for calculating basic & diluted earning per share	848,818,700	596,325,393
Nominal Value of Equity Share (Rs.)	1/-	1/-
Basic and diluted earnings per share (Rs.)	0.02	0.05

**LIT Industries Limited**  
(Formerly known as Lifestyle Fabrics Limited)

**Notes forming part of the financial statements**

**V Segment Reporting**

On the basis of assessment of the risk and reward differential in terms of AS-17, the company has identified 'Wholesale Trading' and 'Manufacturing' as primary reportable businesses of the company. Further, the geographical segments have been considered as secondary segment and bifurcated into 'Within India' and 'Outside India'. The accounting policy in respect of segments is in conformity with the accounting policies of the enterprise as a whole. The revenue and expenditure in relation to the respective segments have been identified and allocated to the extent possible. Other items (e.g. corporate office expenses, etc.) not allocable to specific segments are being disclosed separately as unallocated and adjusted directly against the total income of the company.

**(a) Primary Segment Information**

Particulars	Wholesale Trading		Manufacturing		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue		686,940,533	686,940,533	600,073,047	928,493,018	1,285,671,865
External Sales	241,552,475	2,361,109	45,042,813	44,098,072	46,994,203	47,827,771
Other operating Income	1,214,770	2,361,109	732,179,776	515,198,719	975,487,221	1,333,499,636
<b>Total</b>	<b>242,767,245</b>	<b>4,722,218</b>	<b>737,192,589</b>	<b>559,296,796</b>	<b>975,487,221</b>	<b>1,333,499,636</b>
<b>Result</b>						
Segment Result	(40,204,085)	35,10,858	439,013,824	330,058,652	396,719,739	33,688,054
Un-Allocated Exp	-	-	-	-	(57,834)	(111,578)
Exocspional item	-	-	-	-	(377,002,162)	(240,000,000)
Provision for Tax	-	-	(5,153,180)	(1,751,106)	(6,183,180)	(1,751,196)
Profit After Tax	(40,204,085)	35,10,858	433,860,644	328,307,546	13,476,563	(208,174,720)
<b>Other Information</b>						
Segment Asset	48,303,154	37,108,802	1,445,789,360	297,018,406	1,494,171,517	1,305,526,088
Un-Allocated Asset	-	-	-	-	1,131,333	1,131,333
<b>Total Assets</b>	<b>48,303,154</b>	<b>37,108,802</b>	<b>1,445,789,360</b>	<b>297,018,406</b>	<b>1,495,302,850</b>	<b>1,306,657,421</b>
Segment Liabilities	131,114,862	11,000,010	302,400,429	43,206,510	433,521,489	257,220,228
Un-Allocated Liabilities	-	-	-	-	169,412	111,578
<b>Total Liabilities</b>	<b>131,114,862</b>	<b>11,000,010</b>	<b>302,400,429</b>	<b>43,206,510</b>	<b>433,690,901</b>	<b>257,331,806</b>
Depreciation	-	-	23,204,215	2,307,327	23,764,715	5,179,755
Non cash items Un-allocated	-	-	-	-	57,834	111,578

**(b) Secondary Segment Information**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Segment Revenue - External Sales	476,595,288	803,650,148
- Within India	455,122,930	482,021,716
- Outside India	21,472,358	-
<b>Total</b>	<b>476,595,288</b>	<b>1,285,671,865</b>

**VI CIF value of import**

Particulars	Year ended March 31, 2011
Capital Goods	53,959,981
Trading Goods	39,553,433
Raw material, stores and spares	29,751
<b>Total</b>	<b>93,543,165</b>

**VII Earning in foreign currency**

Particulars	Year ended March 31, 2011
Export of Goods (FOB)	475,482,304

**VIII Expenditure in foreign currency**

Particulars	Year ended March 31, 2011
Travelling Expenses	258,920
Wrap certification Charges	-
<b>Total</b>	<b>258,920</b>

**LS Industries Limited**  
(Formerly known as Lifestyle Fabrics limited)


**Notes forming part of the financial statements**

**IX Detail of unhedged assets and liabilities**

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Amount (US\$)	Exchange rate	Amount (INR)	Amount (US\$)	Exchange rate	Amount (INR)
Receivables	8,807,049	50.87	448,014,558	5,374,378	44.65	239,965,972
Payables	4,374,670	50.87	222,539,480	448,401	44.65	20,021,105

- X Balances of trade receivables, long term and short term loans and advances and other current assets are subject to confirmation and reconciliation from the respective parties. The final adjustment, if any, in the accounts of such trade receivables, long term and short term loans & advances and other current assets would be made as and when the reconciliation is completed.
- XI In the opinion of Management, current and noncurrent assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- XII The company had advanced money for acquiring a running Wholesale Distribution business of an existing established player under an agreement with them. Apart from the transfer of fixed assets including factory land and building where company has installed its readymade garment factory, the seller was required to facilitate and shift the business agreements of various reputed manufacturers in favour of the company. Subsequent to the agreement, disputes were arisen with the seller and deal could not take place in its real terms. Further the seller could not get released the mortgaged factory land and building from the lenders which were required to be transferred to the company. This has been reviewed by the Board of Directors of the company thoroughly, and based on circumstances of the whole situation; it decided to adjust the balance advanced amount partly with capitalization of factory building at a value of Rs. 21.29 crores on the basis of physical possession and subject to transfer of legal title in favor of the company and residual amount of Rs. 37.70 crores to take as a one time acquisition cost of the running established business. However, without prejudice to any accounting treatment, the company had filed a legal suit in the proper court of law for defending its claim. As this is the exceptional and not an ordinary loss for the company, it has been shown as exceptional item in the statement of profit and loss.
- XIII The Revised Schedule VI has become effective from 1<sup>st</sup> April 2011 for the preparation and presentation of the financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification/disclosure.

As per our report of even date attached,  
**For Doogar & Associates**  
Chartered Accountants  
(Regn No. 000561N)



**Vikas Modi**  
Partner  
M.No. 505603

Place : Nalagarh  
Date : 29th November 2012

For and on Behalf of the Board of Directors



**Abhishek Bansal**  
Whole Time Director



**Avtar Singh**  
Director



**LS INDUSTRIES LIMITED**  
(Formerly Known as Lifestyle Fabrics Ltd.)

**Regd., Office:**

Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh-1 74101

**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 Annual General Meeting of LS Industries Limited held on Monday, 31st December, 2012, at 10.30 am at Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh-1 74101.

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.

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**LS INDUSTRIES LIMITED**  
(Formerly Known as Lifestyle Fabrics Ltd.)  
**Regd., Office:** Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan,  
Himachal Pradesh-1 74101

**PROXY FORM**

I/We .....  
..... being a member / members of the above  
named Company hereby appoints Mr .....  
of ..... or failing him Mr.....  
of ..... as my/our proxy to vote for me/us on my/our behalf at the 18th  
Annual General Meeting of the company to be held on 31st December, 2012, at 10.30 am at Village  
Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh-1 74101.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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 not later than FORTY EIGHT HOURS before the commencement of the aforesaid meeting.  
2. A proxy need not be a Member of the Company.



## BOOK POST

*If undelivered, please return to :*

**LS INDUSTRIES LIMITED**

(Formerly known as Lifestyle Fabrics Limited)

**Regd., Office:**

Village Bairsen, P.O. Manjholi,

Tehsil Nalagarh, Distt. Solan,

Himachal Pradesh-174101