



LS Industries Ltd

# LS INDUSTRIES LIMITED

21<sup>ST</sup>  
ANNUAL REPORT  
2014-2015

**MANAGEMENT****BOARD OF DIRECTORS**

Mr. Salim Muhammad	DIN: 06602013	Director
Mr. Kuldeep Singh	DIN: 06601972	Director
Mr. Naresh Kumar	DIN: 07070771	Additional Director
Mr. Dhiraj Gupta	DIN: 03533481	Independent Director
Mr. Jaibir Manjhi	DIN: 06901623	Independent Director

**BANKERS**

HDFC Bank

**REGISTRAR & SHARE TRANSFER AGENT****M/s. Beetal Financial & Computer Service (P) Limited,**

Beetal House 3rd Floor,99, Madangir,  
Bh-Local Shopping, Complex,  
Near Daba Harsukhdas, Mandir,.  
New Delhi – 110062.

**SECRETARIAL AUDITORS****FCS Sudhakar Jha,  
M/s. Sudhakar & Co.**

Practicing Company Secretaries  
New Delhi

**DEMAT CONNECTIVITY**

Central Depository Services (India) Limited  
(CDSL) &  
National Securities Depository Limited  
(NSDL)

**STATUTORY AUDITORS**

**M/s. Deepak Kumar & Company**  
Chartered Accountants, New Delhi

**ISIN DETAILS**

INE345D01031

**STOCK EXCHANGE LISTING**

Bombay Stock Exchange Limited

**REGISTERED OFFICE**

Village Bairsen, P.O. Manjholi, Tehsil-Nalagarh,  
Solan, Himachal Pradesh-174101, India.

Mail Id : lsindustries93@gmail.com

Phone No.9805511297

CIN: L51505HP1993PLC031724

**STOCK CODE-514446**

**\*\* CONTENTS \*\***

<b>Particulars</b>	<b>Page No.</b>
1. Notice of Annual General Meeting	3
2. Directors' Report	7
3. Annexure to Director's Report	
-Annexure 'A' - Secretarial Auditor Report (Form MR-3)	14
-Annexure 'B' - Extract of Annual Return (Form MGT-9)	18
-Annexure 'C' - Conservation of Energy, Technology, Absorption and Foreign Exchange Earning & outgo	23
4. Corporate Governance Report	25
5. Director/CFO Certification	39
6. Auditor's Certificate on Corporate Governance	40
7. Independent Auditor's Report on Standalone Financial Statements	41
8. Standalone Financial Statements & Notes	44
9. Independent Auditor's Report on Consolidated Financial Statements	56
10. Consolidated Financial Statements & Notes	59
11. Attendance Slip	72
12. Proxy Form	73

## **NOTICE OF 21<sup>st</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of LS Industries Limited (the Company) will be held on Wednesday, 30<sup>th</sup> September, 2015 at 11:30 A.M. at the Registered Office of the Company, Village- Bairsen, P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India, to transact the following business:-

### **ORDINARY BUSINESS:**

#### **Item No. 1**

To consider and adopt the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2015 together with the Reports of the Board of Directors and Auditors thereon.

#### **Item No. 2**

To appoint a Director in place of Mr. Kuldeep Singh (DIN:06601972), who retires by rotation and being eligible, offers himself for re-appointment.

#### **Item No. 3**

To ratify the appointment of M/s. Deepak Kumar & Company, Chartered Accountants, Firm's Registration No.024751N as Auditors of the Company to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors and the Auditors.

### **SPECIAL BUSINESS:**

**Item No. 4** To appoint & regularize Mr. Naresh Kumar (DIN: 07070771) as an Independent Director of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 149 read with the Schedule IV, Section 152, Section 161 & other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Clause 49 of the Listing Agreement, and further pursuant to the Articles of the Association of the Company and considering the recommendations made by the Nomination and Remuneration Committee, **Mr. Naresh Kumar (DIN:07070771)**, who was appointed as an Additional Director of the Company w.e.f.15<sup>th</sup> January, 2015, whose term of office expires at this ensuing Annual General Meeting, be and is hereby appointed and regularized as a Director of the Company, designated under category of Independent Director to hold office for a term of 2 (two) year i.e. from **15<sup>th</sup> January, 2015 to 14<sup>th</sup> January, 2017;** with the due consent of the members in this Annual General Meeting.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all the acts and take such steps as may be necessary, papers or expedient to give effect to these resolutions.”

**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 30.05.2015**

**Sd/-**  
**Kuldeep Singh**  
**(Director)**  
**DIN: 06601972**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as Proxy on behalf of the Members, not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. However, a Member holding more than 10% of the total Share Capital may appoint a single person as the Proxy and such person shall not act as the Proxy of any other person or Shareholder.
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 25<sup>th</sup> September, 2015 to Wednesday, 30<sup>th</sup> September, 2015 (both days inclusive) for the purpose of the Annual General Meeting (AGM).
6. The documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days except Sunday(s) and Public holidays, between 11.30 A.M. to 01.30 P.M. up to the date of Annual General Meeting.
7. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/ Proxies are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on the Attendance Slip and hand it over at the counters at the venue.

8. Members who hold the shares in the dematerialized form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
9. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
10. Members holding shares in terms of physical mode and dematerialized mode - are requested to notify immediately the change of their address to the Registrar and Share Transfer Agent M/s. Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, # 99 Madangir, BH-Local Shopping Complex, Near Dada HarsukhdasMandir, New Delhi 110062., Phone -011-29961281-82, Fax 011-29961284, Email Id: beetalrta@gmail.com”.
11. The Company has designated an exclusive Email ID:-“investorlsi1993@gmail.com” for redressal of shareholders’/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write at the above mentioned email address.
12. The Shareholders are requested to update the Contact address and e-mail address and are requested to notify immediately any change in their address, exclusively on separate letter without clubbing it with any other request, for quicker attention directly to the Company’s Share Transfer Agent.
13. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the Registrar and Share Transfer Agent for consolidation of their shareholding into a single folio.
14. Notice of this Annual General Meeting, Audited Financial Statements for Financial Year 2014-2015 along with Directors’ Report and Auditors’ Report are available on the website of the Company “www.lsindustriesltd.com”.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
16. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DOP/CIR-05/2007 dated 27th April, 2007, has made “PAN” the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it

shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Share Transfer Agent for registration of such transfer of shares.

17.Details of the Directors seeking Appointment/Re-Appointment in the ensuing Annual General Meeting:

Name	Mr. Naresh Kumar
Directors Identification Number (DIN)	07070771
Qualification	Undergraduate with diploma in computer hardware and software's
Date of first Appointment on the Board of the Company	15/01/2015
Shareholding in LS Industries Limited	Nil
Directorship held in other Companies	Nil
Membership/Chairmanships of Audit and stakeholders relationship committees in other Companies	Nil

#### **ANNEXURE TO THE NOTICE**

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 REGARDING SPECIAL BUSINESS

##### **Item No. 4**

Pursuant to the provisions of section 161 (1) of the Companies Act, 2013) and the Articles of Association of the Company, the Board of Director has appointed Mr. Naresh Kumar (DIN:07070771) as an Additional Director on the Board of the Company w.e.f 15<sup>th</sup> January, 2015.

In term of the provision of section 161 (1) of the Companies Act, 2013), Mr. Naresh Kumar (DIN:07070771) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mr. Naresh Kumar (07070771) for the office of Director of the Company, designated under category of Independent Director to hold office for a term of 2 (two) year i.e. from 15th January, 2015 to 14th January, 2017.

Mr. Naresh Kumar is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

**DIRECTORS' REPORT 2014-2015**

To,  
The Members of  
**LS Industries Limited**

The Directors hereby present their 21<sup>st</sup> Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

**1. FINANCIAL HIGHLIGHTS**

The performance of your Company for the Financial Year ended 31st March, 2015 is summarized below:

**(Rs. In Lakhs)**

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Revenue from Operations	1925.55	598.03	4319.84	1563.02
Other Income	131.31	15.25	169.27	15.75
Profit/(Loss) before depreciation, finance cost and taxation	596.67	(96.86)	92.05	(131.75)
Less: Depreciation & amortization	562.38	647.60	562.38	647.60
Profit/(Loss) after Depreciation, but before finance cost and Taxation	34.29	(744.46)	(470.33)	(779.74)
Less : Finance Cost	0.97	2.15	0.97	2.15
Profit/(Loss) before tax	33.32	(746.61)	(471.31)	(781.89)
Less: Provision for Current Tax Expenses	Nil	Nil	Nil	Nil
Add: Deferred Tax Assets	(20.81)	(23.08)	(20.81)	(23.08)
Profit/(Loss) for the year	54.13	(723.53)	(450.49)	(758.81)
Balance carried to balance sheet	54.13	(723.53)	(450.49)	(758.81)

**2. OPERATIONS**

During the year under review total standalone income of the Company was Rs.2056.86 Lakhs as against Rs.613.28 Lakhs in the previous year. Same the company has achieved consolidated total income Rs. 4319.84 Lakhs as against Rs.1563.02 Lakhs in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

**3. STATEMENT OF AFFAIRS OF THE COMPANY**

LS Industries Ltd. is incorporated under the Companies Act, 1956 having registered office at Village Bairsen P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India. The Company is listed at Bombay Stock Exchange. During the year Company earned a net profit of Rs.54.13 Lakhs and Export sales of the company during the year is Rs. 1263.48 Lakhs.



**3. DIVIDEND:**

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

**4. RESERVE:**

The company has not transferred any amount in any reserve.

**5. SHARE CAPITAL:**

During the year under review, there was no change in the share capital of the Company.

**6. FINANCE**

Cash and Cash equivalent as at 31 March, 2015 is Rs.4.24 Lakhs. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

**7. DEPOSITS:**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the Notes to Financial Statements.

**9. INDUSTRY AND ECONOMIC SCENARIO & OUTLOOK**

Indian economic growth in 2014 rose to 5.2% from 4.7% last year as a result of the improving macro-economic situation. The wholesale and consumer price inflation has fallen to 4.2% and 7.4% from last year's 6.3% and 10.1% on the back of a strong base effect. However, the slow pace of reforms, lack of impetus for infrastructure projects, high interest rates and tightening of fiscal policies adversely impacted the capital goods sector. Industrial production / output was also sluggish. The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. With the coming of new Govt. in the Centre it is expected that the economy should grow in the coming years and the demand for and prices of textile products should improve which will enable the Company to regain steady or better performance.

**10. FINANCIAL / OPERATIONAL PERFORMANCE**

LS Industries Ltd. is manufacturer and exporter of cotton yarn, synthetic yarn, blended yarn, knitted fabric (both grey and processed) and knitted garments. During the year under review, the Company's revenue from exports of Rs. 1263.48 Lakhs.

**11. CORPORATE SOCIAL RESPONSIBILITY:**

Since the Company does not meet the criteria laid down in Section 135(1) of the Companies Act, 2013, the Company is not required to comply with the provisions

contained in sub-section (2) to (5) of Section 135 and constitute Corporate Social Responsibility Committee.

## **12. HUMAN RESOURCES AND INDUSTRIAL 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 endeavour to build and nurture strong links based on mutuality, respect and co-operation with each other and consistent with customer interest.

## **11. RISK MANAGEMENT POLICY**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

Sustainability is embedded in the Corporate Enterprise Risk Management programme, which gives an opportunity to increase the effectiveness of risk management practices and for improving business efficiency. The Company's social and environmental policies correlate strongly with the risk management strategy and ultimately the financial performance.

This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies. The current risk slate and the comprehensive risk policy have been further redefined during the year. The major risks forming part of the Enterprise Risk Management process are linked to the audit universe and are covered as part of the annual risk based audit plan.

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

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them from time to time.

**13. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The details of the FRM Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**14. SUBSIDIARY COMPANIES**

During the year **LSIL Singapore Pte. Ltd.** was the wholly owned foreign subsidiary company of the company.

**15. EXPANSION PLAN**

No expansion was done during the Financial Year 2014-15.

**16. DIRECTORS/KMP**

During the period of financial year ended 31<sup>st</sup> March, 2015, Mr. Naresh Kumar (DIN: 07070771), was appointed as Additional Director of the Company in the category of Non-Executive Independent director w.e.f. 15<sup>th</sup> January, 2015.

Mr. Kuldeep Singh (DIN No.06601972) Director of the Company, liable to retire by rotation and being eligible offer himself for reappointment at the ensuing Annual General Meeting.

**17. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**18. Declarations by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 146(6) of the companies Act 2013 and clause 49 of the listing Agreement.

**19. Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**20. Meetings**

During the year Seven (7) Board Meetings and Four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**21. COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee

### 3. Stakeholders' Relationship Committee

The other details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

## **22. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:-

- (a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit and loss of the Company for the Financial Year ended 31st March, 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a 'going concern' basis;
- (e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **23. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board.

None of the Independent Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

During the year under review, there are not any significant and material orders passed by the Regulators or Courts to the Company.

**25. AUDITORS:****(a) STATUTORY AUDITORS:**

The Company's Auditors, M/s. Deepak Kumar & Company, Chartered Accountants (FR No-024751N), were appointed as the Statutory Auditors of the Company for a period of 4 years at the 20th Annual General Meeting of the Company up to the conclusion of the 24<sup>th</sup> Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. Being eligible, it is recommended to ratify the appointment of Deepak Kumar & Company, Chartered Accountants (FRN -024751N), in this Annual General Meeting to audit the accounts of the Company for the financial year 2015 – 2016.

**Auditors Report**

There are no qualifications, reservations or adverse remarks made by M/s. Deepak Kumar & Company, Chartered Accountants (FR No-024751N) Statutory Auditors in their report for the Financial Year ending 31st March, 2015.

**(b) SECRETARIAL AUDITORS:**

In terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was appointed CS Sudhakar Jha - M/s. Sudhakar & Co., Practising Company Secretaries to conduct Secretarial Audit for the Financial Year 2014-2015. The Report of the Secretarial Audit Report is annexed herewith as “Annexure A”.

The Board on the recommendation of Audit Committee, appointed M/s. Sudhakar & Co., as Secretarial Auditors for the Financial Year 2015-16.

**26. CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Practising Company Secretary confirming compliance forms an integral part of this Report.

**27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure C”.

**29. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure B”.

**30. LISTING**

The Equity Shares of your Company are listed at The Bombay Stock Exchange Limited.

**31. PARTICULARS OF EMPLOYEES**

There are no employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company has not paid any remuneration to directors. So accordingly the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has not applicable on the Company.

**32. CAUTIONARY STATEMENT**

Statement in this “Management Discussion and Analysis” describing the Company's objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**33. APPRECIATION:**

Your Directors wish to express their gratitude to all the business associates, its management, statutory authorities, Government, banks, Stock Exchanges and to the Investors/Shareholders for the confidence reposed in the Company and supporting the Company at every stage through their kind cooperation. The Directors also convey their deep sense of appreciation for the committed services by the employees at all levels for their enormous personal efforts as well as collective contribution to the Company.

**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 30.05.2015**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN: 06602013</b>	<b>DIN: 06601972</b>

**“ANNEXURE-A”**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

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

**To,**  
**The Members**  
**LS INDUSTRIES LIMITED**  
**Regd. Off: Village Bairsen P.O. Manjholi,**  
**Tehsil-Nalagarh Solan, Himachal Pradesh-174101.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LS Industries Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2015 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made there under;
- (ii). The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi). **We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to all labour & industrial laws, The Competition Act, 2012, all environmental laws.

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

- (i). Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period).
- (ii). The Listing Agreement entered into by the Company with the Stock Exchange.

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:-**

- a) *The Company has been suspended by the BSE due to non-compliance of erstwhile listing agreement;*
- b) *The Company does not properly complied all the applicable provisions or Clause of the Listing Agreement including BSE filing.*
- c)
- d) *The Company does not properly complied all the applicable provisions, Guidelines, Standards etc. of Companies Act 2013 and rules & Regulations, made there under and other statutory applicable laws.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except appointment of woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As per regulation all the members of Nomination and remuneration committee shall be Non-Executive directors, but company has constituted this committee with two Non-executives and one executive director. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a



system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**We further report** that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**M/s. Sudhakar & Co.**  
**(Practicing Company Secretaries)**

**Sd/-**  
**FCS Sudhakar Jha**  
FCS No.- F7537  
COP No.:10737

Place: Nalagarh  
Dated: 30.05.2015

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

**'ANNEXURE'**

**To,  
The Members  
LS INDUSTRIES LIMITED  
Regd. Off: Village Bairsen P.O. Manjholi,  
Tehsil Nalagarh Solan, Himachal Pradesh-174101.**

Our report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**M/s. Sudhakar & Co.  
(Practicing Company Secretaries)**

**Sd/-  
FCS Sudhakar Jha  
FCS No.- F7537  
COP No.:10737**

Place: Nalagarh  
Dated: 30.05.2015

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2015

**Annexure 'B' -Extract of Annual Return**

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L51505HP1993PLC031724
2	Registration Date	26/11/1993
3	Name of the Company	LS INDUSTRIES LIMITED
4	Category/Sub-category of the Company	company limited by shares Indian Non Government Company
5	Address of the Registered office & contact details	Village Bairsen, P.O. Manjhohi, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101.
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ms/- Beetal Financial & Computer Service (P) Limited Address:- Beetal House, 3rd Floor 99, Madangir, Bh-Local Shopping Complex, Near Daba Harsukhdas, Mandir, New Delhi – 110062.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Yarns, Garments and Fabrics	1313 & 1410	100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Profound Finance Private Limited ( Formaly Know Strategybot Finance Private Limited ) Add:- B II - 144 Apo - Aap Street Nabha PB 147201 IN	U65921PB1998PTC021233	Holding	74.28	2(46)
2	Lsil Singapore Pte Ltd. Singapore	NA	Foreign Subsidiary Company	100	2(87)(ii)

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	630470580	0	630470580	74.28%	630470580	0	630470580	74.28%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (1)</b>	<b>630470580</b>	<b>0</b>	<b>630470580</b>	<b>74.28%</b>	<b>630470580</b>	<b>0</b>	<b>630470580</b>	<b>74.28%</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL (A)</b>	<b>630470580</b>	<b>0</b>	<b>630470580</b>	<b>74.28%</b>	<b>630470580</b>	<b>0</b>	<b>63,04,70,580</b>	<b>74.28%</b>	<b>0.00%</b>

<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	8400	8,400	0.00%	0	8400	8400	0.00%	0
b) Banks / FI	1,33,000	3800	1,36,800	0.02%	1,33,000	3800	1,36,800	0.02%	0.00%
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	11228110	11228110	1.32%	0	11228110	11228110	1.32%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>1,33,000</b>	<b>1,12,40,310</b>	<b>1,13,73,310</b>	<b>1.34%</b>	<b>1,33,000</b>	<b>1,12,40,310</b>	<b>1,13,73,310</b>	<b>1.34%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	160780	31200	191980	0.02%	157000	31,200	188200	0.02%	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	13,24,020	8,10,125	21,34,145	0.25%	8,28,105	13,09,220	21,37,325	0.25%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2,08,249	0	2,08,249	0.02%	2,08,249	0	2,08,249	0.02%	0
c) Others (specify)									
N R I - Repatriable	100630	0	100630	0.01%	100630	0	100630	0.01%	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
N R I - Non - Repatriable	204291074	0	204291074	24.07%	204291074	0	204291074	24.07%	0
Clearing Members	1800	0	1800	0.00%	1800	0	1800	0.00%	0
Trusts	0	0	0	0.00%	0	0	0	0.00%	0
Individual-HUF	46132	800	46932	0.01%	46732	800	47532	0.01%	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>206132685</b>	<b>842125</b>	<b>206974810</b>	<b>24.38%</b>	<b>205633590</b>	<b>1341220</b>	<b>206974810</b>	<b>24.38%</b>	<b>0</b>
<b>Total Public (B)</b>	<b>20,62,65,685</b>	<b>12082435</b>	<b>218348120</b>	<b>25.72%</b>	<b>205766590</b>	<b>12581530</b>	<b>218348120</b>	<b>25.72%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>83,67,36,265</b>	<b>1,20,82,435</b>	<b>84,88,18,700</b>	<b>100.00%</b>	<b>836237170</b>	<b>12581530</b>	<b>848818700</b>	<b>100.00%</b>	<b>0.00%</b>

## (ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Profound Finance Private Limited	630470580	74.28%	0	630470580	74.28%	0	0.00%
	<b>Total</b>	<b>630470580</b>	<b>74.28%</b>		<b>63,04,70,580</b>	<b>74.28%</b>	<b>0</b>	<b>0.00%</b>

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			0	0.00%	0	0.00%
	Changes during the year			0	0.00%	0	0.00%
				0	0.00%	0	0.00%
				0	0.00%	0	0.00%
	At the end of the year				0.00%	0	0.00%

**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name SUET MENG CHAY						
	At the beginning of the year			10,28,82,050	12.12%	10,28,82,050	12.12%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10,28,82,050	12.12%	10,28,82,050	12.12%
2	Name CHEE AI LIEW						
	At the beginning of the year			10,14,08,540	11.95%	10,14,08,540	11.95%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10,14,08,540	11.95%	10,14,08,540	11.95%
3	Name A TO Z TECHNOLOGY HOLDING INC.						
	At the beginning of the year			1,12,28,110	1.32%	1,12,28,110	1.32%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,12,28,110	1.32%	1,12,28,110	1.32%
4	Name SURESH GOYAL						
	At the beginning of the year			2,08,249	0.25%	2,08,249	0.25%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,08,249	0.25%	2,08,249	0.25%
5	Name CANARA BANK						
	At the beginning of the year			1,33,000	0.16%	1,33,000	0.16%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,33,000	0.16%	1,33,000	0.16%
6	Name JAYA KANJI VED						
	At the beginning of the year			1,00,000	0.01%	1,00,000	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,00,000	0.01%	1,00,000	0.01%
7	Name Mahesh Menda						
	At the beginning of the year			1,00,000	0.01%	1,00,000	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,00,000	0.01%	1,00,000	0.01%
8	Name SHARAD THADHANI						
	At the beginning of the year			91,100	0.01%	91,100	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			91,100	0.01%	91,100	0.01%
9	Name APARNA BHAGWAN THADHANI						
	At the beginning of the year			87,000	0.01%	87,000	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			87,000	0.01%	87,000	0.01%
10	Name LSE SECURITIES LTD.						
	At the beginning of the year			68,000	0.01%	68,000	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			68,000	0.01%	68,000	0.01%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			0	0.00%	0	0.00%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			0	0.00%	0	0.00%
2	Name					0	
	At the beginning of the year			0	0.00%	0	0.00%
	Changes during the year			0	0.0%	0	0.00%
	At the end of the year			0	0.00%	0	0.00%

**V. INDEBTEDNESS**

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

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	35,87,350.00	0	0	35,87,350.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>35,87,350.00</b>	<b>-</b>	<b>-</b>	<b>35,87,350.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	20,39,380.00	0	0	20,39,380.00
<b>Net Change</b>	<b>20,39,380.00</b>	<b>-</b>	<b>-</b>	<b>20,39,380.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15,47,970.00	0	0	15,47,970.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>15,47,970.00</b>	<b>-</b>	<b>-</b>	<b>15,47,970.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Name	Kuldeep Singh	Salim Muhammad	
		Designation	Director	Director	Additional Director
1	Gross salary		0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission		0	0	0
	- as % of profit		0	0	0
	- others, specify		0	0	0
5	Others, please specify		0	0	0
	<b>Total (A)</b>		<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Act		0	0	0

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
								(Rs.)
1	Independent Directors	Dhiraj Kumar	Jaibir Manjhi	-	-	-	-	
	Fee for attending board committee meetings	0	0	0	0	0	0	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (1)	0	0	0	0	0	0	
2	Other Non-Executive Directors	0	0	0	0	0	0	
	Fee for attending board committee meetings	0	0	0	0	0	0	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (2)	0	0	0	0	0	0	
Total (B)=(1+2)		0	0	0	0	0	0	
Total Managerial Remuneration		0	0	0	0	0	0	
Overall Ceiling as per the Act		0	0	0	0	0	0	

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name			(Rs.)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission	0	0	0	0
	- as % of profit - others, specify	0	0	0	0
5	Others, please specify				
	Total	0	0	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					NA
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	0	0	0	0	0
Punishment	0				
Compounding	0	0	0	0	0

**“ANNEXURE-C”****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**1. CONSERVATION OF ENERGY:**

With continuous efforts, company keeps on trying to reduce and control the consumption of fuel & electricity.

<b>A. Power and fuel consumption</b>	<b>2014-2015</b>	<b>2013-2014</b>
<ul style="list-style-type: none"> <li>• Electricity               <ul style="list-style-type: none"> <li>a). Purchased                   <ul style="list-style-type: none"> <li>Unit (KWH) 15,63,780</li> <li>Total Amount (Rs.) 93,73,785</li> <li>Rate/Unit 5.99</li> </ul> </li> <li>b). Own generation Nil</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>12,02,505</li> <li>73,83,558</li> <li>6.14</li> <li>Nil</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Coal &amp; Lignite</b> <ul style="list-style-type: none"> <li>Quantity (Tonnes) -</li> <li>Total Cost -</li> <li>Average Rate -</li> </ul> </li> </ul>	-	-
<ul style="list-style-type: none"> <li>• <b>Others (Petrol, Diesel etc.)</b> <ul style="list-style-type: none"> <li>Quantity -</li> <li>Total Cost -</li> <li>Average Rate -</li> </ul> </li> </ul>	-	-
<b>B. Consumption per unit of production</b>	-	-
Electricity		

**2. Technology Absorption:**

Technology absorption, Innovation and Research & Development (R & D) is a continuing Process and a continued emphasis is given on quality improvement and product up gradation:

**(a).Research and development (R & D)****i).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.

**ii). Benefits derived as a result of the above R&D:-** The Company has been continuously improving the quality of its products.

**iii). Future plan of action:**

- Management is committed to strengthen R & D activities further to improve its competitiveness in time to come.



**iv. Expenditure on R & D:** At present, this is a general process improvement programme, does not entail specific budget.

	<b>2014-15</b>	<b>2013-14</b>
Capital	-	-
Recurring	-	-
Total	-	-
Total R & D expenditure as a percentage of total turnover is	<b>Nil</b>	<b>Nil</b>

**3. Foreign Exchange Earning and outgo**

**(Rs.)**

Foreign Exchange Earned (FOB value of export)	1263.48 Lakhs	208.85 Lakhs
Foreign Exchange Used (CIF Value of Imports)	Nil	Nil

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Corporate Governance:

The Company, while conducting its business has been upholding the core values such as transparency, integrity, honesty, accountability and compliance of laws. In continuation of its efforts towards performance, the Company intends to seize opportunities of tomorrow and create a future that will make it the best Company in its area of operations. This in turn will help to improve the quality of life of the communities it serves, e.g. customers, suppliers, Government, shareholders, local community, etc.

Your company is committed to follow the best & established corporate practices. We are happy to inform you that your company's practices and policies are significantly in conformity with the requirements stipulated by the SEBI.

### 2. Board of Directors

#### a) Size & Composition of Board

The Board is in conformity with clause 49 of listing agreement and the composition as on 31<sup>st</sup> March, 2015 was as under:

Category	No. of directors
Executive Directors	2
Non-Executive Independent Director	3
<b>TOTAL</b>	<b>5</b>

The Chairman of the Board of Directors is Executive Director.

As required under Section 149(3) of the Companies Act, 2013, the Company has not appointed woman Director in the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The detail of the Composition of the Board, number of directorship and committee position held by each of the directors are given here under:

Name of Directors	Date of appointment	Category	No of Directorship in listed entities (Including LS Industries Ltd.)	Committee(s) position in listed entities (Including LS Industries Ltd.)	
				Member	Chairman

Mr. Kuldeep Singh (DIN: 06601972)	04.10.2013	Chairman & Executive Director	1	2	-
Mr. Jaibir Manjhi (DIN:06901623)	30.09.2014	Non-Executive Independent Director	1	2	1
Mr. Dhiraj Kumar Gupta (DIN:03533481)	04.10.2014	Non-Executive Independent Director	1	2	1
Mr. Salim Muhammad (DIN: 06602013)	15.05.2013	Executive Director	1	-	-
Mr. Naresh Kumar (DIN:07070771)	15.01.2015	Non-Executive Independent Director	1	-	-

- Other Directorships and Committee Memberships details are based on the disclosures received from the directors, as on March 31, 2015.
- Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.
- Committee Membership and Chairmanship is only in respect of Audit Committee and Stakeholder's Relationship Committee of Indian Public Limited Companies.
- During the year under review 2014-2015; Mr. Naresh Kumar (DIN: **07070771**) was appointed as an Additional Director of the Company w. e. f. 15<sup>th</sup> January, 2015.

**b).Number of Board meetings held with dates-**

During the Financial Year ended 31st March, 2015, Board of Directors of the Company met Seven (7) times. The maximum gap between two meetings was not more than 120 days:

**“May 30, 2014, August 14, 2014, September 02, 2014, September 30, 2014, November 14, 2014, January 15, 2015, February 13, 2015”**

Directors' attendance in Board Meetings held during the Financial Year and last Annual General Meeting are as under:

Name of Director	No. of Board Meetings Attended/Held	Attendance at Last Annual General Meeting
Mr. Dhiraj Kumar Gupta	6/7	No

Mr. Jaibir Manjhi	6/7	No
Mr. Kuldeep Singh	7/7	Yes
Mr. Salim Muhammad	7/7	Yes
Mr. Naresh Kumar	1/7	NA

\* Mr. Naresh Kumar was appointed w.e.f. 15<sup>th</sup> January, 2015.

**c). BOARD PROCEDURE-**

The annual calendar of Board Meetings is the beginning of the financial year. The Agenda is circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary.

**d). SHAREHOLDING OF NON-EXECUTIVE DIRECTORS**

None of the Non-executive director as on March 31, 2015 was holding shares of the company.

**e). FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

The Company has also formulated familiarization programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc.

**f). MEETING OF INDEPENDENT DIRECTORS-**

During the year under review, the Independent Directors met on 14<sup>th</sup> November, 2014, inter alia, to discuss:-

- Evaluation of performance of Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

**g). INTER-SE RELATIONSHIPS BETWEEN DIRECTORS**

Directors do not have any inter-se relationship.

**3. COMMITTEES OF THE BOARD**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are also placed before the Board in the next board meeting for noting. The Board currently has following Committees.

## A. AUDIT COMMITTEE

The audit committee has been constituted as per Section 177 of the Companies Act, 2013 and Clause 49 of the listing Agreement.

### Composition and Attendance

During the year ended 31st March, 2015, Four Meetings of the Audit Committee were held on the following dates:

NAME OF THE MEMBER	Designation	Attendance at the Audit Committee Meeting held on			
		30.05.2014	14.08.2014	14.11.2014	13.02.2015
Mr. Dhiraj Kumar Gupta	Chairperson/ Independent director	Present	Present	Present	Present
Mr. Jaibir Manjhi	Member/ independent director	Present	Present	Present	Present
Mr. Kuldeep Singh	Member/ Executive Director	Present	Present	Present	Present

All the members have requisite financial and management expertise. Minutes of meeting of Audit Committee are circulated to members of the committee and Board kept apprised.

### **Powers of Audit committee:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Brief Description of Charter/terms of reference of Audit Committee-**

- Oversight of the Company's financial reporting process and the disclosure of its financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and
- Approval of payment for any other services rendered by the statutory auditors;
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.

- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's Accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

### **Internal Controls and Governance Processes**

The Company continuously invests in strengthening its internal control and Governance processes. The Audit Committee formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings.

### **RISK MANAGEMENT**

The Company is not mandatorily required to constitute Risk Management Committee. Further, the Audit Committee and the Board of Directors review the risks involved in the Company and appropriate measures to minimize the same from time to time. The Board of the Company has also adopted a Risk management policy for the Company.

### **B. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

This Committee comprises of Mr. Dhiraj Kumar Gupta, Mr. Jaibir Manjhi, and Mr. Kuldeep Singh.

The objective of the Shareholders / Investors Grievance and Share Transfer Committee Cum Management Remuneration Committee is to focus on the shareholders Grievance and to strengthen the investor relations.

During the year ended 31 March, 2015, the company has not received any shareholders complaint from Stock Exchange/SEBI/Department of Company Affairs/Registrar of Companies. One meeting of Shareholders/Investors Grievance and Share Transfer cum Management Remuneration Committee was held on 30.05.2014. No requests for share transfer are pending with the company. As on March 31, 2015, no complaints were outstanding.

The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:-

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;

- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture etc.

### **C. Nomination and Remuneration Committee:**

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted its Nomination and Remuneration Committee comprising of the following members

1. Mr. Jaibir Manjhi
2. Mr. Dhiraj Kumar Gupta
3. Mr. Kuldeep Singh

The brief terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial;
- Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

### **Policy on Director's appointment and remuneration:**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is accordingly derived from the said Charter. The Objective and Purpose of this policy is as follows:

#### **I. Criteria of selection of Non Executive Directors**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **ii. REMUNERATION OF DIRECTORS:**

The Non-Executive Independent Directors shall be entitled to receive remuneration by way of sitting fees, and Non-Executive Nominee Directors shall be entitled to reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

**a.** A Non Executive Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

**b.** The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

#### **iii. Managing Director - Criteria for selection /appointment**

For the purpose of selection of the MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **iv. Remuneration for Managing Director**

**i.** At the time of appointment or re-appointment, Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Managing Director within the overall limits prescribed under the Companies Act, 2013.

**ii.** The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

**iii.** In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

- a.** the relationship of remuneration and performance benchmarks is clear;
- b.** balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;



- c. responsibility required to be shouldered by Managing Director, the industry benchmarks and the current trends;
- d. the Company's performance vis-à-vis the annual budget achievement and individual performance.

#### **Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance.

#### **Details of Remuneration to Key Managerial Personnel:**

The details of the Remuneration paid to the Managing Directors & other Directors if any, are stated in the Form MGT- 9 – Extract of the Annual Return which forms part of the Director's Report of this Annual report.

### **5. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## 6. GENERAL BODY MEETINGS

The details of Last 3 Annual General Meetings were:

Date	Time	Venue
30th September, 2014	11:00 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.
30th September, 2013	11:30 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.
31 <sup>st</sup> December, 2012	10:30 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.

The details Special resolutions passed at the last three AGM: Nil

## 7. DISCLOSURES RELATED TO POSTAL BALLOT

During the Financial year ended 31st March, 2015 the Company has not passed any Resolution through Postal Ballot. Further, till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot.

## 8. PROCEDURE OF POSTAL BALLOT

Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March, 2015, as per the prescribed procedure under the Companies Act, 2013.

## 9. DISCLOSURES

### MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATED PARTY POLICY

All transactions entered into with the Related Parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the significant accounting policies and notes forming part of the financial statements in accordance with –Accounting Standard 18. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

### DETAILS OF NON COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS.

The Bombay Stock Exchange has suspended the trading of the shares of the Company due to some non-compliances and penal reasons.

## CODE OF CONDUCT

The Company had adopted the Code of Conduct for all the Board members and senior management personnel. Further all the Board members and senior management personnel (as per Clause 49 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Director form part of this report.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk of fraud and mismanagement Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

**COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS**

The Company does not properly complied all the mandatory requirements and the Company has not adopted any non-mandatory requirement.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary /Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**DISCLOSURE OF ACCOUNTING TREATMENT**

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance and there is no deviation in following the treatment prescribed in any Accounting Standards (AS) in the preparation of financial statements of the company.

**10. GENERAL SHAREHOLDERS INFORMATION**

<b>i. Annual General Meeting</b>	
Day and Date	Wednesday, 30th September, 2015
Time and Venue	At 11.30 a.m. the registered office of the Company at Village Bairsen, P.O. Manjholi, Tehsil. Nalagarh, Distt. Solan, Himachal Pradesh-1 74101.
<b>ii. Date of Book Closure</b>	25th September, 2015 to 30th September, 2015. (Both Days Inclusive)
<b>ii. Dividend Payment Date</b>	No dividend has been recommended for the Financial Year 2014-15
<b>iv. Listing on Stock Exchange</b>	Bombay Stock Exchange Limited BSE Code: 514446 (Suspended due to Penal reasons)

<b>v. Listing Fees</b>		The Company has not paid Annual Listing Fees for the year 2014-15 to the above Stock Exchange.	
International Securities Identification No. (ISIN)		NE345D01031	
<b>vi. Market Price data:</b>		<b>High/low during each month in the last financial year ended 31<sup>st</sup>March, 2015.</b>	
Month	Share Price	BSE	Volumes No. of shares
	High ()	Low ()	
Apr-14	Nil	Nil	Nil
May-14	Nil	Nil	Nil
Jun-14	Nil	Nil	Nil
Jul- 14	Nil	Nil	Nil
Aug-14	Nil	Nil	Nil
Sep-14	Nil	Nil	Nil
Oct-14	Nil	Nil	Nil
Nov-14	Nil	Nil	Nil
Dec-14	Nil	Nil	Nil
Jan-15	Nil	Nil	Nil
Feb-15	Nil	Nil	Nil
Mar-15	Nil	Nil	Nil

\*Market Price data is not available because trading of shares of the Company has been suspended by BSE.

<b>vii. Registrar and Transfer Agent</b>	Beetal Financial & Computer Services Pvt. Ltd. Add:- Beetal House, 3rd Floor, # 99 Madangir, BH-Local Shopping Complex, Near Dada HarsukhdasMandir, New Delhi 110062. Phone -011-29961281-82, Fax 011-29961284 Email Id:beetalrta@gmail.com
<b>viii. Share Transfer System</b>	Physical Shares sent for transfer are duly transferred within 15 days of receipt of documents, if found in order. Shares under objection are in general returned within 15 days. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

**ix. Details of your Company's dematerialized shares as on 31st March, 2015:**

Mode of Holding	No. of Shares	% of Total Shares
Physical	12,581,530	1.482 %

Electronic – NSDL	827,105,917	97.442 %
Electronic – CDSL	9,131,253	1.076 %
Total	84,88,18,700	100.00%

The Company's shares are not traded on the Bombay Stock Exchange Limited because company has Suspended due to Penal reasons.

**x. Shareholding Pattern as on 31st March, 2015.**

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
1	<b>Promoters</b> Corporate Bodies		
	Strategybot Finance Private Limited (Profound Financial)	63,04,70,580	74.28%
	Total Promoter Group Holding	<b>63,04,70,580</b>	<b>74.28 %</b>
	<b>Public Shareholding:</b>		
1	Mutual Funds and UTI	8,400	0.00%
2	Financial Inst./Banks	1,36,800	0.02%
3	Foreign Portfolio Investors	1,12,28,110	1.32%
4	Resident Individual	23,45,574	0.28%
5	Resident Individual- HUF	47,532	0.00%
6	Bodies Corporate	1,88,200	0.02%
7	Clearing Member	1,800	0.00%
8	N R I - Non –Repartriable	20,42,91,074	24.07%
9	N R I - Repartriable	1,00,630	0.01%
	Total Public Shareholding	21,83,48,120	25.72%
	Grand Total	848,818,700	100%

**xi. Distribution of Shareholding as on 31st March, 2015:**

No. of shares	Number of Share	% To Total of	No. of Shares	Amount in Rs.	% of Amoun
1 to 5000	<b>3886</b>	99.01	17,70,670	17,70,670	0.2091
5001 to 10000	<b>18</b>	0.46	1,24,022	1,24,022	0.0146
10001 to 20000	8	0.20	1,20,779	1,20,779	0.0142
20001 to 30000	1	0.03	22600	22600	0.0027
30001 to 40000	-	-	-	-	-
40001 to 50000	-	-	-	-	-
50001 to 100000	5	0.13	4,461600	4,461600	0.0526
100001 And Above	7	0.18	846,330,529	846,330,529	99.707
<b>Total</b>	<b>3,925</b>	<b>100.00</b>	<b>848,818,700</b>	<b>848,818,700</b>	<b>100.00</b>

**xii. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:**

As on March 31, 2015, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

**xiii. Plant Location**

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

**xiv. Address for Correspondence:**

<p><b><u>Investor Correspondence-</u></b> For any queries relating to the shares of your Company, correspondence may please be addressed to- Beetal Financial &amp; Computer Services Pvt. Ltd Beetal House, 3rd Floor, 99, Madangir, BH-Local Shopping Complex, Near Dada HarsukhdasMandir, New Delhi – 110062. Phone:-011- 29961281 – 82 <u>E-mail:beetalrta@gmail.com</u></p>	<p><b><u>Any other query-</u></b> For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company: <b>LS Industries Limited</b> Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101. Phone: 9805511297 Email Id:-lsindustries93@gmail.com</p>
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**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 30.05.2015**

**Sd/-                      Sd/-**  
**Salim Mohammad   Kuldeep Singh**  
**(Director)                (Director)**  
**DIN: 06602013    DIN: 06601972**

**DECLARATION**

We Director of LS Industries Limited; hereby declare that Company has adopted code of conduct for its Directors and the Senior Management personnel.

All the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the stock exchanges, for the year ended March 31, 2015.

**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 30.05.2015**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN: 06602013</b>	<b>DIN: 06601972</b>

**CERTIFICATION**

We hereby further certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of their knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - i. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have effective internal audit & control system commensurate with the size & nature of our business;
- d. We are committed to indicate to the auditors and the Audit committee:-
  - i. significant changes in internal control over financial reporting during the year, if any;
  - ii. significant changes in accounting policies during the year, if any, and that the same shall be disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
  - iv. We have disclosed all the requisite information to Audit Committee & Auditors;
- e. The Company has not been able to comply all the applicable provision of listing agreement. Further there were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;
- f. Secretarial Audit Report regarding reconciliation of shares is being sent regularly to Stock Exchanges.

**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 30.05.2015**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN: 06602013</b>	<b>DIN: 06601972</b>



**Certificate on Compliance From Practicing Company Secretary with the conditions of Corporate Governance under clause 49 of the Listing Agreement**

To,  
The Members of  
**LS INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by LS Industries Limited (“the Company”), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company does not properly complied the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

**For Sudhakar & Co.  
(Practicing Company Secretaries)**

Place: Nalagarh  
Date: 30.05.2015.

**Sd/-  
(Sudhakar Jha)**  
M. No.F7537  
C.P. No.10737

**INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS****TO THE MEMBERS OF  
LS INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **LS INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2015. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal

financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1.As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2.As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Deepak Kumar & Company**  
**(Chartered Accountants)**  
**(FRN: 024751N)**

**Sd/-**

**Murari Sharan**

**(Partner)**

**Membership No.: 521524**

**Place: Nalagarh**  
**Date:30.05.2015**

<b>LS INDUSTRIES LIMITED</b>			
REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.			
<b>BALANCE SHEET AS ON 31ST MARCH, 2015</b>			
(Amount in Rs.)			
PARTICULARS	Note No	As At 31-03-2015	As At 31-03-2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	<b>2</b>	84,88,18,700	84,88,18,700
(b) Reserves & Surplus	<b>3</b>	13,56,93,014	13,02,80,059
	<b>Total Rs.</b>	98,45,11,714	97,90,98,759
<b>2 Share Application Money Pending Allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	<b>4</b>	15,47,970	35,87,350
(b) Deferred tax liabilities (Net)	<b>5</b>	1,76,85,595	1,97,66,963
(c) Other Long term liabilities			
(d) Long-term provisions		-	-
	<b>Total Rs.</b>	1,92,33,565	2,33,54,313
<b>4 Current liabilities</b>			
(a) Short term borrowings		-	-
(b) Trade payables	<b>6</b>	14,10,41,602	13,46,27,987
(c) Other current liabilities	<b>7</b>	19,40,43,208	19,07,53,059
(d) Short-term provisions	<b>8</b>	9,34,784	77,07,790
	<b>Total Rs.</b>	33,60,19,594	33,30,88,836
	<b>Grand Total</b>	<b>1,33,97,64,873</b>	<b>1,33,55,41,908</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	<b>9</b>		
(i) Tangible assets		39,11,27,678	44,73,65,785
(ii) Capital work in progress		-	-
Intangible Assets - Goodwill		-	-
(b) Non-Current Investment	<b>10</b>	6,68,01,397	6,68,01,397
(c) Long Term Loan and Advances	<b>11</b>	35,62,535	35,62,535
	<b>Total Rs.</b>	46,14,91,610	51,77,29,717
<b>2 Current assets</b>			
(a) Trade receivables	<b>12</b>	72,28,56,451	57,04,16,459
(b) Inventory	<b>13</b>	3,80,20,126	6,55,85,941
(c) Deffered Tax Assets (Net)		-	-
(d) Cash and cash equivalents	<b>14</b>	4,24,402	19,14,331
(e) Short-term loans and advances	<b>15</b>	38,94,085	4,83,11,834
(f) Other current assets	<b>16</b>	11,30,78,199	13,15,83,626
	<b>Total Rs.</b>	87,82,73,263	81,78,12,191
	<b>Grand Total</b>	<b>1,33,97,64,873</b>	<b>1,33,55,41,908</b>
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement In terms of our report attached.	<b>1</b>		
<b>For Deepak Kumar &amp; Company</b>	<b>2 to 16</b>		
Chartered Accountants FRN :024751N		<b>For and on behalf of the Board of Directors</b>	
Sd/-	Sd/-	Sd/-	
<b>Murari Sharan</b>	<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>	
<b>Partner</b>	<b>(Director)</b>	<b>(Director)</b>	
<b>M.N. 521524</b>	<b>DIN:06602013</b>	<b>DIN:06601972</b>	
<b>Place :Nalagarh</b>			
<b>Date :30-05-2015.</b>			

**LS INDUSTRIES LIMITED**

REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.

**STATEMENT OF PROFIT & LOSS ACCOUNT**

FOR THE YEAR ENDED ON 31ST MARCH, 2015

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
<b>1 Revenue from operations</b>	<b>17</b>	19,25,55,056	5,98,02,492
<b>2 Other Income</b>	<b>18</b>	1,31,30,499	15,24,629
<b>Total</b>		<b>20,56,85,555</b>	<b>6,13,27,121</b>
<b>3 Expenses</b>			
Cost of Material Consumed	<b>19</b>	10,11,86,234	4,79,95,900
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	<b>20</b>	1,40,59,423	-1,54,10,309
Employee benefits expense	<b>21</b>	1,79,12,720	2,49,94,987
Finance costs	<b>22</b>	97,396	2,14,809
Depreciation and amortization expense	<b>9</b>	5,62,38,107	6,47,59,675
Other expenses	<b>23</b>	1,28,60,088	1,34,32,876
<b>Total Expenses</b>		<b>20,23,53,968</b>	<b>13,59,87,938</b>
<b>4 Profit before exceptional and extraordinary items and tax</b>		33,31,587	-7,46,60,817
Exceptional items		-	-
Extraordinary items		-	-
<b>5 Profit / (Loss) before tax</b>		33,31,587	-7,46,60,817
<b>6 Tax expense:</b>			
Less: Provision for Current tax expense		-	-
Add: Deferred tax Asset		(20,81,368)	-23,07,779
<b>7 Profit / (Loss) for the year (5-6)</b>		54,12,955	-7,23,53,038
<b>8 Earnings per share (of Rs. 1 each):</b>	<b>23.1</b>		
(a) Basic		<b>0.01</b>	<b>-0.08</b>
(b) Diluted		<b>0.01</b>	<b>-0.08</b>
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement	<b>1</b> <b>2 to 16</b>		
In terms of our report attached. <b>For Deepak Kumar &amp; Company</b> Chartered Accountants FRN :024751N		<b>For and on behalf of the Board of Directors</b>	
Sd/-	Sd/-	Sd/-	
<b>Murari Sharan</b> <b>Partner</b> <b>M.N. 521524</b>	<b>Salim Mohammad</b> <b>(Director)</b> <b>DIN:06602013</b>	<b>Kuldeep Singh</b> <b>(Director)</b> <b>DIN:06601972</b>	
<b>Place : Nalagarh</b> <b>Date : 30-05-2015.</b>			

**LS INDUSTRIES LIMITED**  
**REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

(Amount in Rs.)

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit(Loss) Before Tax	33,31,587	(7,46,60,817)
<b>Adjustments for:</b>		
Depreciation	5,62,38,107	6,47,59,675
Interest income on Fixed deposit	(1,31,30,499)	(15,24,450)
Interest and other borrowing cost	97,396	2,14,809
Unrealised foreign exchange fluctuations	-	-
Shares in LLP Losses	-	-
Bad debts	-	-
Advance Balance Written off	-	-
<b>Operating profit/(Loss)</b>	<b>4,65,36,591</b>	<b>(1,12,10,783)</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventories	2,75,65,815	62,62,541
Decrease/(Increase) in trade receivables and loans and advances	(10,80,22,243)	(1,08,24,900)
Increase/(Decrease) in trade and other payables and provisions	29,30,758	1,69,73,428
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(3,09,89,079)</b>	<b>12,00,286</b>
Direct tax paid	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES - (A)</b>	<b>(3,09,89,079)</b>	<b>12,00,286</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	-	-
Sale of fixed assets	-	-
Investment made	-	-
Interest income	3,16,35,926	(11,49,886)
Movement in fixed deposits	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - (B)</b>	<b>3,16,35,926</b>	<b>(11,49,886)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share capital(Including Security premium)	-	-
Repayment of Unsecured loans	-	-
Proceeds from Short term borrowings	-	-
Proceeds from Vehicle loan	-	-
Repayment of Vehicle loan	(20,39,380)	(4,41,654)
Interest and other borrowing cost	(97,396)	(2,14,809)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - (C)</b>	<b>(21,36,776)</b>	<b>(6,56,463)</b>
<b>NET CASH INFLOW / (OUTFLOW) - (A+B+C)</b>	<b>(14,89,929)</b>	<b>(6,06,063)</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	19,14,331	25,20,393
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4,24,402	19,14,331
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)</b>	<b>(14,89,929)</b>	<b>(6,06,063)</b>
In terms of our report attached.		
For Deepak Kumar & Company		For and on behalf of the Board of Directors
Chartered Accountants		
FRN :024751N		
Sd/-	Sd/-	Sd/-
<b>Murari Sharan</b>	<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>
<b>Partner</b>	<b>(Director)</b>	<b>(Director)</b>
<b>M.N. 521524</b>	<b>DIN:06602013</b>	<b>DIN:06601972</b>
<b>Place Nalagarh</b>		
<b>Date 30-05-2015.</b>		

**LS INDUSTRIES LIMITED**

REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.

**Note forming part of the Balance Sheet as on 31-03-2015**

(Amount in Rs.)

PARTICULARS	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
<b>Note 2 Share capital</b>				
<b>(a) Authorised</b>				
Equity shares of Rs. 1/- each	91,00,00,000	91,00,00,000	91,00,00,000	91,00,00,000
Preference shares of Rs. 10/- each	2,20,00,000	22,00,00,000	2,20,00,000	2,20,00,000
	93,20,00,000	1,13,00,00,000	93,20,00,000	93,20,00,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of Rs 1/- each	84,88,18,700	84,88,18,700	84,88,18,700	84,88,18,700
	84,88,18,700	84,88,18,700	84,88,18,700	84,88,18,700
<b>Total</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>

**2.1 Reconciliation of the shares outstanding at the beginning & at the end of the year:**

(figure in rupees)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year:	84,88,18,700	84,88,18,700	84,88,18,700	8,48,81,87,000
Shares outstanding at the end of the year	84,88,18,700	84,88,18,700	84,88,18,700	8,48,81,87,000

**2.2 Detail of the shareholders holding more than 5% of the aggregate shares of the company:**

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	63,04,70,580	74.28	63,04,70,580	74.28
Suet Meng Chay	10,28,82,050	12.12	10,28,82,050	12.12
Chee Ai Liew	10,14,08,540	11.95	10,14,08,540	11.95
<b>Total</b>	<b>83,47,61,170</b>	<b>98.34</b>	<b>83,47,61,170</b>	<b>98.34</b>

**2.3 Detail of the Equity Share in the company held by holding company:**

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	63,04,70,580	74.28	63,04,70,580	74.28
<b>Total</b>	<b>63,04,70,580</b>	<b>74.28</b>	<b>63,04,70,580</b>	<b>74.28</b>



<b>LS INDUSTRIES LIMITED</b>		
REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
<b>Note 3 Reserves and surplus</b>		
<b>Capital Reserve</b>		
At the beginning of the year	98,31,129	98,31,129
Add: Addition during the year	-	-
Less: Utilized during the year	-	-
At the end of the year	98,31,129	98,31,129
<b>Security Premium Account</b>		
At the beginning of the year	18,43,20,114	18,43,20,114
Add: Addition during the year		
Less: Utilized during the year		
At the end of the year	18,43,20,114	18,43,20,114
<b>Surplus in the statement of Profit and Loss</b>		
At the beginning of the year	(6,38,71,184)	84,81,854
Add: Addition during the year	54,12,955	(7,23,53,038)
Less: Adjustment on account of Depreciation	-	-
At the end of the year	<b>(5,84,58,229)</b>	<b>(6,38,71,184)</b>
<b>Total</b>	<b>13,56,93,014</b>	<b>13,02,80,059</b>
<b>Note 4 Long Term Borrowings</b>		
- Vehicle Loan from NBFC Company	15,47,970	35,87,350
<b>Total</b>	15,47,970	35,87,350
<b>Note 5 Deffered Tax Liability (Net)</b>		
Opening Deffered Tax Liability		
- On account of different in Tax base of depreciation	1,97,66,963	1,97,66,963
Add/(Less): During the Year		
- On account of different in Tax base of depreciation	(20,81,368)	-
- On account of Employee Benefits	-	-
<b>Total</b>	<b>1,76,85,595</b>	<b>1,97,66,963</b>
<b>Note 6 Trade Payables</b>		
Trade Payable	14,10,41,602	13,46,27,987
<b>Total</b>	14,10,41,602	13,46,27,987
<b>Note 7 Other Current liabilities</b>		
(a) Current maturities of Long term borrowings	-	-
(b) Interest accrued but not due on borrowings	-	18,536
(c) Other Payable		
(i) Advance from customers	-	-
(ii) Statutory remittances	90,23,321	89,96,791
(iii) Payable on purchase of fixed assets	16,82,23,424	16,82,23,424
(iv) Employee related Liabilities	1,56,22,144	1,21,73,599
(v) Expenses Payable	11,74,319	13,40,709
(vi) Other Liabilities	-	-
<b>Total</b>	<b>19,40,43,208</b>	<b>19,07,53,059</b>
<b>Note 8 Short Term Provisions</b>		
Provision for Gratuity	3,98,664	5,56,287
Provision for Leave	5,36,120	7,48,089
Provision for Losses of LLP	-	1,69,412
Provision for Income Tax	-	62,34,002
<b>Total</b>	<b>9,34,784</b>	<b>77,07,790</b>

**LS INDUSTRIES LIMITED**

REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174

Schedules forming part of the Balance Sheet as on 31-03-2015

## Note 9 Fixed Assets

DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK
	As at 01.04.14	Addition	Deductions/ Adjustment	Balance as at 31.03.15	Upto 31.03.14	For the Year	Deductions / Adjustment	Upto 31.03.15	As at 31.03.15	As at 31.03.14
<b>A) TANGIBLE ASSETS</b>										
Plant & Machinery	39,43,27,310	-	-	39,43,27,310	12,11,90,393	3,79,93,346	-	15,91,83,739	23,51,43,571	27,31,36,917
Furniture & Fixture	29,33,855	-	-	29,33,855	18,55,159	1,95,244	-	20,50,403	8,83,452	10,78,696
Computers	31,78,811	-	-	31,78,811	26,21,930	2,22,751	-	28,44,681	3,34,130	5,56,881
Office Equipment	21,09,185	-	-	21,09,185	8,99,302	1,68,295	-	10,67,597	10,41,588	12,09,883
Vehicle	68,84,636	-	-	68,84,636	36,11,323	8,47,461	-	44,58,784	24,25,852	32,73,313
Building	21,77,75,713	-	-	21,77,75,713	4,96,65,618	1,68,11,010	-	6,64,76,628	15,12,99,085	16,81,10,095
<b>TOTAL</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>17,98,43,725</b>	<b>5,62,38,107</b>	<b>-</b>	<b>23,60,81,832</b>	<b>39,11,27,678</b>	<b>44,73,65,785</b>
<b>Total Current Year</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>17,98,43,725</b>	<b>5,62,38,107</b>	<b>-</b>	<b>23,60,81,832</b>	<b>39,11,27,678</b>	<b>44,73,65,785</b>
<b>Total Previous Year</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>11,50,84,050</b>	<b>6,47,59,675</b>	<b>-</b>	<b>17,98,43,725</b>	<b>44,73,65,785</b>	

<b>LS INDUSTRIES LIMITED</b>		
REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
<b>PARTICULARS</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Note 10 Non - Current Investment</b>		
Investment in equity instruments (Long Term, Trade, Unquoted, at cost)		
(a) In wholly owned subsidiary company		
- 1000(1000) equity share of SG\$ each fully paid up of LSIL Saingapore Pte Ltd	41,333	41,333
- Investment of SGD 1509000 in LSIL Saingapore Pte Ltd	6,66,70,064	6,66,70,064
(b) Capital Balance with Limited Liability Partnership namely LSI Textile LLP	90,000	90,000
	<b>6,68,01,397</b>	<b>6,68,01,397</b>
<b>Note 11 Long Term Loan and Advances</b>		
Security Deposits	35,62,535	35,62,535
Total	35,62,535	35,62,535
<b>Note 12 Trade receivables</b>		
Outstanding for a period not exceeding six months from the date they were due for payment	66,87,59,570	52,73,31,496
Unsecured, considered good	-	-
Less: Provision for doubtful trade receivables	-	-
	66,87,59,570	52,73,31,496
Other Trade receivables	5,40,96,881	4,30,84,963
Unsecured, considered good	-	-
<b>Total</b>	<b>72,28,56,451</b>	<b>57,04,16,459</b>
<b>Note 13 Inventory</b>		
Finished Goods	2,83,28,187	4,22,19,821
Traded Item	58,62,563	58,62,563
Work in Process	5,75,249	7,43,038
Raw Material	32,54,127	1,67,60,519
<b>Total</b>	<b>3,80,20,126</b>	<b>6,55,85,941</b>
<b>Note 14 Cash and cash equivalents</b>		
(a) <b>Cash in hand</b>		
Cash In Hand	3,32,220	7,43,160
(b) <b>Balances with banks</b>		
In Current Accounts	92,182	11,71,171
<b>Total (a + b)</b>	<b>4,24,402</b>	<b>19,14,331</b>
<b>Note 15 Short-term loans and advances</b>		
(Unsecured considered good unless otherwise stated)		
(a) Advance to Related Party	5,02,333	-
(b) Advance to Suppliers	-	4,05,16,665
(c) Prepaid Expenses	-	-
(d) Balance with Revenue Authorities	8,19,006	54,01,981
(e) Loan & Advances to Employees	25,72,746	23,93,188
<b>Total</b>	<b>38,94,085</b>	<b>4,83,11,834</b>
<b>Note 16 Other Current Assets</b>		
Balance with Banks		
- In fixed deposit accounts (Pledged with banks)	9,99,47,700	9,99,47,700
Interest Accrued on Fixed Assets	1,31,30,499	3,16,35,926
<b>Total</b>	<b>11,30,78,199</b>	<b>13,15,83,626</b>

<b>LS INDUSTRIES LIMITED</b>		
REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
<b>PARTICULARS</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
<b>Note 17 Revenue from operations</b>		
Sales of Products		
- Domestic	6,62,07,119	3,89,17,788
- Exports	12,63,47,937	2,08,84,704
	19,25,55,056	5,98,02,492
Other Operating Income		
- Export Incentives	-	-
- Service Charges	-	-
<b>Total</b>	19,25,55,056	5,98,02,492
<b>Note 18 Other income</b>		
Interest Received on Fixed Assets with Bank	1,31,30,499	15,24,450
Net Gain on Foreign Currency transactions & translations	-	-
Misc Income	-	179
<b>Total</b>	1,31,30,499	15,24,629
<b>Note 19 Cost of Material Consumed</b>		
Opening Stock	1,67,60,519	3,84,33,369
Add: Purchase of Raw Material	8,76,79,842	2,70,66,088
Closing Stock	32,54,127	1,75,03,557
<b>Total</b>	10,11,86,234	4,79,95,900
<b>Note 20 Changes in Inventories</b>		
<b>Opening Stock:</b>		
Finished Goods	4,22,19,821	2,68,09,512
Traded Item	58,62,563	58,62,563
Work in Process	7,43,038	7,43,038
<b>Total</b>	4,88,25,422	3,34,15,113
<b>Closing Stock:</b>		
Finished Goods	2,83,28,187	4,22,19,821
Traded Item	58,62,563	58,62,563
Work in Process	5,75,249	7,43,038
<b>Total</b>	3,47,65,999	4,88,25,422
Changes in Inventories of Finished Goods, Work in progress	1,40,59,423	(1,54,10,309)

<b>LS INDUSTRIES LIMITED</b>		
REGD. OFF. VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HP-174101.		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
<b>PARTICULARS</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
<b>Note 21 Employee benefits expense</b>		
Salaries, wages & bonus	1,65,93,751	2,31,95,645
Contributions to provident and other funds	11,42,602	12,65,681
Staff welfare expenses	1,76,367	5,33,661
<b>Total</b>	<b>1,79,12,720</b>	<b>2,49,94,987</b>
<b>Note 22 Finance Cost</b>		
On Bank Overdraft	-	-
On Vehicles Loan	6,550	66,571
Bank Charges	90,846	-
Other Borrowing Charges	-	1,48,238
<b>Total</b>	<b>97,396</b>	<b>2,14,809</b>
<b>Note 23 Operating expenses</b>		
Power & Fuel	82,94,767	73,87,972
Rent	-	2,67,216
Rebate & Discount	-	3,47,676
Job Work Charges	-	-
Repair & Maintenance	3,10,540	2,79,967
Travelling Expenses	12,79,234	12,28,069
Freight & Cartage	5,64,276	3,19,388
Security Expenses	-	19,73,077
Professional Expenses	2,11,081	86,131
Communication Expenses	1,47,471	2,11,836
Advertisement & Selling Expenses	-	6,000
Rates & Taxes, Excluding, Taxes on Income	7,99,110	2,84,328
Printing & Stationary Expenses	31,888	15,711
Insurance	4,45,788	1,64,219
Payments to the auditors comprises (note below)	3,20,980	3,03,372
Other Expenses	4,54,953	5,57,914
<b>Total</b>	<b>1,28,60,088</b>	<b>1,34,32,876</b>
<b>Notes:</b>		
(i) Payments to the auditors comprises		
As auditors - statutory audit	3,20,980	3,03,372
For taxation matters	-	-
For company law matters	-	-
<b>Total</b>	<b>3,20,980</b>	<b>3,03,372</b>

## **1. NOTES TO THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

### **i) Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable. All income and expenditure having a material bearing on the Financial Statements are recognized on an accrual basis. The Accounting Policies adopted in preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on accrual basis under the historical cost convention.

### **ii) Use of estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of the assets and liabilities (including contingent liabilities) and reported income and expenses during the period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Further results could differ due to these estimates and the differences between the actual result and the estimates are recognized in the period in which the result are known / materialize.

### **iii) Fixed Assets and Depreciation / Amortization**

#### **Tangible Assets**

Tangible assets are stated at cost, less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013.

### **iv) Investments**

Investments are classified into long-term and current investment based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long term investment. Current investments are valued at lower of cost of market value. Long term investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value.

### **v) Cash & Cash equivalent**

Cash comprises cash on hand and demand deposits with bank. Cash equivalent are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into the known amounts of cash and which are subject to insignificant risk of change in value.

**vi) Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when the related advertisement or commercial appears before the public and the necessary intimation is received by the agency.

*Bank Interest*

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**vii) Taxes on income**

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**viii) Provisions and contingencies**

A provision is recognised when the Company has 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**ix) Earnings per share**

Basic earnings per share are computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

**x) Foreign Currency transactions & translations**

Foreign exchange transactions are recorded at the rate prevailing at the date of transaction. Realized gains or losses on the foreign exchange transactions during the period are recognized in the statement of profit and loss. Monetary assets and liabilities that are determined in the foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is recorded in the statement of profit and loss.

**xi) Operating Cycle**

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

**xi) RELATED PARTY DISCLOSURE:** Names of the related parties (As Certified by the Management):

- a. **Key Management Personnel:** Mr. Salim Muhammad, Mr. Kuldeep Singh and their relatives.
- b. **Holding Company:** Profound Finance Private Limited (Formerly known as Strategybot Finance Pvt. Ltd.)
- c. **Subsidiaries:** LSIL Singapore Pte Limited, Singapore
- d. **Limited Liability Partnership:** LSI Textile LLP, India (90% Share).



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO THE MEMBERS OF  
LS INDUSTRIES LIMITED  
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **LS INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary namely **LSIL Singapore Pte. Ltd.** (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements.**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group it's as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### **Report on Other Legal & Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial statements;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Deepak Kumar & Company**  
**(Chartered Accountants)**  
**(FRN: 024751N)**

**Sd/-**

**Murari Sharan**  
**(Partner)**

**Membership No.: 521524**

**Place: Nalagarh**  
**Date:30.05.2015**

**LS INDUSTRIES LIMITED**  
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP  
**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2015**

(Amount in Rs.)

PARTICULARS	Note No	As At 31-03-2015	As At 31-03-2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	2	84,88,18,700	84,88,18,700
(b) Reserves & Surplus	3	13,56,93,014	17,95,26,136
(c) Minority Interest		-	-
	<b>Total Rs.</b>	98,45,11,714	1,02,83,44,836
<b>2 Convertible Bonds</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	15,47,970	35,87,350
(b) Deferred tax liabilities (Net)	5	1,76,85,595	1,97,66,963
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
	<b>Total Rs.</b>	1,92,33,565	2,33,54,313
<b>4 Current liabilities</b>			
(a) Short term borrowings	6A	-	-
(b) Trade payables	6	14,14,55,910	13,51,00,506
(c) Other current liabilities	7	19,40,43,208	19,07,53,059
(d) Short-term provisions	8	9,34,784	77,07,790
	<b>Total Rs.</b>	33,64,33,902	33,35,61,355
	<b>Grand Total</b>	<b>1,34,01,79,181</b>	<b>1,38,52,60,504</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		39,11,27,678	44,73,65,785
(ii) Capital work in progress		-	-
Intangible Assets - Goodwill		-	-
(b) Non-Current Investment	10	90,000	90,000
(c) Long Term Loan and Advances	11	35,62,535	35,62,535
(d) Goodwill on Consolidation	11A	5,92,96,390	5,92,96,390
(e) Deferred Tax Assets (Net)		-	-
	<b>Total Rs.</b>	45,40,76,603	51,03,14,710
<b>2 Current assets</b>			
(a) Trade receivables	12	72,31,33,321	57,07,29,471
(b) Inventory	13	3,89,83,187	6,63,03,661
(c) Deffered Tax Assets (Net)		-	-
(d) Cash and cash equivalents	14	18,71,518	23,77,728
(e) Short-term loans and advances	15	85,89,217	10,35,04,171
(f) Other current assets	16	11,35,25,336	13,20,30,763
	<b>Total Rs.</b>	88,61,02,578	87,49,45,794
	<b>Grand Total</b>	<b>1,34,01,79,181</b>	<b>1,38,52,60,504</b>

Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement

1

2 to 16

In terms of our report attached.  
**For Deepak Kumar & Company**  
Chartered Accountants  
FRN :024751N  
Sd/-  
**Murari Sharan**  
**Partner**  
M.N. 521524

For and on behalf of the Board of Directors

Sd/-

Sd/-

**Salim Mohammad**  
(Director)  
DIN:06602013

**Kuldeep Singh**  
(Director)  
DIN:06601972

Place : Nalagarh  
Date : 30-05-2015.

**LS INDUSTRIES LIMITED**  
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP  
**CONSOLIDATION STATEMENT OF PROFIT & LOSS ACCOUNT**  
FOR THE YEAR ENDED ON 31ST MARCH, 2015

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
<b>1 Revenue from operations</b>	<b>17</b>	43,19,84,407	15,63,02,053
<b>2 Other Income</b>	<b>18</b>	1,69,27,076	15,75,259
<b>Total</b>		<b>44,89,11,483</b>	<b>15,78,77,313</b>
<b>3 Expenses</b>			
Cost of Material Consumed	<b>19</b>	33,85,57,031	14,31,15,581
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	<b>20</b>	1,38,45,879	-1,60,93,763
Employee benefits expense	<b>21</b>	1,79,74,502	2,89,79,879
Impairment Loss on investment in subsidiary		-	-
Finance costs	<b>22</b>	97,396	2,14,809
Depreciation and amortization expense	<b>9</b>	5,62,38,107	6,47,98,762
Other expenses	<b>23</b>	6,93,29,357	1,50,50,708
<b>Total Expenses</b>		<b>49,60,42,271</b>	<b>23,60,65,977</b>
<b>4 Profit before exceptional and extraordinary items and tax</b>		(4,71,30,788)	(7,81,88,664)
Exceptional items		-	-
Extraordinary items		-	-
<b>5 Profit / (Loss) before tax</b>		(4,71,30,788)	<b>(7,81,88,664)</b>
<b>6 Tax expense:</b>			
Less: Provision for Current tax expense		-	-
Add: Deferred tax Asset		-20,81,368	(23,07,779)
<b>7 Profit After Tax</b>		<b>(4,50,49,420)</b>	<b>(7,58,80,885)</b>
<b>8 Profit Attributable to Minority Interest</b>		-	-
<b>9 Profit after tax &amp; Minority Interest (IX-X)</b>		(4,50,49,420)	(7,58,80,885)
<b>10 Profit / (Loss) for the year (5-6)</b>		<b>(4,50,49,420)</b>	<b>(7,58,80,885)</b>
<b>11 Earnings per share (of Rs.1 each):</b>			
(a) Basic		-0.05	-0.09
(b) Diluted		-0.05	-0.09
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement	<b>1</b> <b>2 to 16</b>		
In terms of our report attached. <b>For Deepak Kumar &amp; Company</b> Chartered Accountants FRN :024751N Sd/- <b>Murari Sharan</b> <b>Partner</b> M.N. 521524	<b>For and on behalf of the Board of Directors</b>  Sd/- <b>Salim Mohammad</b> <b>(Director)</b> <b>DIN:06602013</b>	Sd/- <b>Kuldeep Singh</b> <b>(Director)</b> <b>DIN:06601972</b>	
<b>Place : Nalagarh</b> <b>Date : 30-05-2015.</b>			

<b>LS INDUSTRIES LIMITED</b>		
<b>VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP</b>		
<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015</b>		
<b>(Amount in Rs.)</b>		
<b>Particulars</b>	<b>Year Ended</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit(Loss) Before Tax	(4,71,30,788)	(7,58,80,885)
<b>Adjustments for:</b>		
Depreciation	5,62,38,107	6,47,98,762
Interest income on Fixed deposit	-	-
Interest and other borrowing cost	-	-
Unrealised foreign exchange fluctuations	12,16,298	(1,76,871)
<b>Operating profit/(Loss)</b>	<b>1,03,23,617</b>	<b>(1,12,58,993)</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventories	2,73,20,474	98,53,38,103
Decrease/(Increase) in trade receivables and loans and advances	(3,89,83,468)	9,35,14,89,932
Increase/(Decrease) in trade and other payables and provisions	8,33,167	(2,15,02,04,574)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(5,06,211)</b>	<b>8,17,53,64,467</b>
Direct tax paid	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES - (A)</b>	<b>(5,06,211)</b>	<b>8,17,53,64,467</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	-	-
Sale of fixed assets	-	18,18,10,843
Investment made	-	-
Sale of the Subsidiary	-	(1,98,86,96,287)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES - (B)</b>	<b>-</b>	<b>(1,80,68,85,444)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share capital(Including Security premium)	-	-
Repayment of Convertible Bonds	-	(6,52,56,00,000)
Proceeds from Short term borrowings	-	-
Proceeds from Vehicle loan	-	-
Repayment of Vehicle loan	-	-
Interest and other borrowing cost	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - (C)</b>	<b>-</b>	<b>(6,52,56,00,000)</b>
<b>NET CASH INFLOW / (OUTFLOW) - (A+B+C)</b>	<b>(5,06,211)</b>	<b>(15,71,20,977)</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>23,77,728</b>	<b>15,94,98,704</b>
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>18,71,518</b>	<b>23,77,728</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)</b>	<b>(5,06,211)</b>	<b>(15,71,20,977)</b>
In terms of our report attached.		
For Deepak Kumar & Company Chartered Accountants FRN :024751N	For and on behalf of the Board of Directors	
Sd/- <b>Murari Sharan</b> Partner M.N. 521524	Sd/- <b>Salim Mohammad</b> (Director) DIN:06602013	Sd/- <b>Kuldeep Singh</b> (Director) DIN:06601972
Place Nalagarh		
Date 30-05-2015.		

**LS INDUSTRIES LIMITED**

VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP

**Note forming part of the Balance Sheet as on 31-03-2015**

(Amount in Rs.)

PARTICULARS	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
<b>Note 2 Share capital</b>				
<b>(a) Authorised</b>				
Equity shares of Rs. 1/- each	91,00,00,000	91,00,00,000	91,00,00,000	91,00,00,000
Preference shares of Rs. 10/- each	2,20,00,000	22,00,00,000	2,20,00,000	2,20,00,000
	93,20,00,000	1,13,00,00,000	93,20,00,000	93,20,00,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of Rs 1/- each	84,88,18,700	84,88,18,700	84,88,18,700	84,88,18,700
	84,88,18,700	84,88,18,700	84,88,18,700	84,88,18,700
<b>Total</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>	<b>84,88,18,700</b>

**2.1 Reconciliation of the shares outstanding at the beginning & at the end of the year:**

(figure in rupees)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year:	84,88,18,700	84,88,18,700	84,88,18,700	8,48,81,87,000
Shares outstanding at the end of the year	84,88,18,700	84,88,18,700	84,88,18,700	8,48,81,87,000

**2.2 Detail of the shareholders holding more than 5% of the aggregate shares of the company:**

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	63,04,70,580	74.28	63,04,70,580	74.28
Suet Meng Chay	10,28,82,050	12.12	10,28,82,050	12.12
Chee Ai Liew	10,14,08,540	11.95	10,14,08,540	11.95
<b>Total</b>	<b>83,47,61,170</b>	<b>98.34</b>	<b>83,47,61,170</b>	<b>98.34</b>

**2.3 Detail of the Equity Share in the company held by holding company:**

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	63,04,70,580	74.28	63,04,70,580	74.28
<b>Total</b>	<b>63,04,70,580</b>	<b>74.28</b>	<b>63,04,70,580</b>	<b>74.28</b>

<b>LS INDUSTRIES LIMITED</b>		
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
PARTICULARS	As at 31st March, 2015 Amount	As at 31st March, 2014 Amount
<b>Note 3 Reserves and surplus</b>		
<b>Capital Reserve</b>		
At the beginning of the year	98,31,129	98,31,129
Add: Addition during the year	-	-
Less: Utilized during the year	-	-
At the end of the year	98,31,129	98,31,129
<b>Security Premium Account</b>		
At the beginning of the year	18,43,20,114	18,43,20,114
Add: Addition during the year	-	-
Less: Utilized during the year	-	-
At the end of the year	18,43,20,114	18,43,20,114
<b>Surplus in the statement of Profit and Loss</b>		
At the beginning of the year	(1,34,08,809)	2,02,06,04,434
Add: Addition during the year	(4,50,49,420)	(7,58,80,885)
Less: Adjustment during the year	-	1,95,81,32,358
At the end of the year	(5,84,58,229)	(1,34,08,809)
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the year	(12,16,298)	(6,08,86,336)
Add: Addition during the year	12,16,298	(1,76,871)
Less: Adjustment during the year	-	(5,98,46,909)
At the end of the year	-	(12,16,298)
<b>Statutory Reserve</b>		
At the beginning of the year	-	12,87,609
Add: Addition during the year	-	-
Less: Adjustment during the year	-	12,87,609
At the end of the year	-	-
<b>Total</b>	<b>13,56,93,014</b>	<b>17,95,26,136</b>
<b>Note 4 Long Term Borrowings</b>		
From NBFC Company		
- Vehicle Loan	15,47,970	35,87,350
<b>Total</b>	<b>15,47,970</b>	<b>35,87,350</b>
<b>Note 5 Deferred Tax Liability (Net)</b>		
Opening Deferred Tax Liability		
- On account of different in Tax base of depreciation	1,97,66,963	1,97,66,963
Add/(Less): During the Year		
- On account of different in Tax base of depreciation	(20,81,368)	-
- On account of Employee Benefits	-	-
<b>Total</b>	<b>1,76,85,595</b>	<b>1,97,66,963</b>
<b>Note 6A Short term borrowings</b>		
<b>Total</b>	-	-
<b>Note 6 Trade Payables</b>		
Trade Payable	14,14,55,910	13,51,00,506
<b>Total</b>	<b>14,14,55,910</b>	<b>13,51,00,506</b>
<b>Note 7 Other Current liabilities</b>		
(a) Current maturities of Long term borrowings	-	-
(b) Interest accrued but not due on borrowings	-	18,536
(c) Other Payable		
(i) Advance from customers	-	-
(ii) Statutory remittances	90,23,321	89,96,791
(iii) Payable on purchase of fixed assets	16,82,23,424	16,82,23,424
(iv) Employee related Liabilities	1,56,22,144	1,21,73,599
(v) Expenses Payable	11,74,319	13,40,709
(vi) Other Liabilities	-	-
<b>Total</b>	<b>19,40,43,208</b>	<b>19,07,53,059</b>
<b>Note 8 Short Term Provisions</b>		
Provision for Gratuity	3,98,664	5,56,287
Provision for Leave	5,36,120	7,48,089
Provision for Losses of LLP	-	1,69,412
Provision for Income Tax	-	62,34,002
<b>Total</b>	<b>9,34,784</b>	<b>77,07,790</b>



**LS INDUSTRIES LIMITED**

VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP  
Schedules forming part of the Balance Sheet as on 31-03-2015

**Note 9 Fixed Assets**

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK
	As at 01.04.14	Addition	Deductions/ Adjustment	Balance as at 31.03.15	Upto 31.03.14	For the Year	Deductions / Adjustment	Upto 31.03.15	As at 31.03.15	As at 31.03.14
<b>A) TANGIBLE ASSETS</b>										
Plant & Machinery	39,43,27,310	-	-	39,43,27,310	12,11,90,393	3,79,93,346	-	15,91,83,739	23,51,43,571	27,31,36,917
Furniture & Fixture	29,33,855	-	-	29,33,855	18,55,159	1,95,244	-	20,50,403	8,83,452	10,78,696
Computers	31,78,811	-	-	31,78,811	26,21,930	2,22,751	-	28,44,681	3,34,130	5,56,881
Office Equipment	21,09,185	-	-	21,09,185	8,99,302	1,68,295	-	10,67,597	10,41,588	12,09,883
Vehicle	68,84,636	-	-	68,84,636	36,11,323	8,47,461	-	44,58,784	24,25,852	32,73,313
Building	21,77,75,713	-	-	21,77,75,713	4,96,65,618	1,68,11,010	-	6,64,76,628	15,12,99,085	16,81,10,095
<b>TOTAL</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>17,98,43,725</b>	<b>5,62,38,107</b>	<b>-</b>	<b>23,60,81,832</b>	<b>39,11,27,678</b>	<b>44,73,65,785</b>
<b>Total Current Year</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>17,98,43,725</b>	<b>5,62,38,107</b>	<b>-</b>	<b>23,60,81,832</b>	<b>39,11,27,678</b>	<b>44,73,65,785</b>
<b>Total Previous Year</b>	<b>62,72,09,510</b>	<b>-</b>	<b>-</b>	<b>62,72,09,510</b>	<b>11,50,84,050</b>	<b>6,47,59,675</b>	<b>-</b>	<b>17,98,43,725</b>	<b>44,73,65,785</b>	

<b>LS INDUSTRIES LIMITED</b>		
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP		
Schedules forming part of the Balance Sheet as on 31-03-2015		
(Amount in Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
<b>Note 10 Non - Current Investment</b>		
Investment in equity instruments (Long Term, Trade, Unquoted, at cost)		
(a) In wholly owned subsidiary company		
- 1000(1000) equity share of SG\$ each fully paid up of LSIL Saingapore Pte Ltd	-	-
- Investment of SGD 1509000 in LSIL Saingapore Pte Ltd	-	-
(b) Capital Balance with Limited Liability Partnership namely LSI Textile LLP	90,000	90,000
	<b>90,000</b>	<b>90,000</b>
<b>Note 11 Long Term Loan and Advances</b>		
Security Deposits	35,62,535	35,62,535
Total	35,62,535	35,62,535
<b>Note 11A Goodwill on Consolidation</b>		
Total	5,92,96,390	5,92,96,390
<b>Note 12 Trade receivables</b>		
Outstanding for a period not exceeding six months from the date they were due for payment	66,90,36,440	52,76,44,508
Unsecured, considered good	-	-
Less: Provision for doubtful trade receivables	-	-
	66,90,36,440	52,76,44,508
Other Trade receivables	5,40,96,881	4,30,84,963
Unsecured, considered good	-	-
<b>Total</b>	<b>72,31,33,321</b>	<b>57,07,29,471</b>
<b>Note 13 Inventory</b>		
Finished Goods	2,83,28,187	4,22,19,821
Traded Item	68,25,624	65,80,283
Work in Process	5,75,249	7,43,038
Raw Material	32,54,127	1,67,60,519
<b>Total</b>	<b>3,89,83,187</b>	<b>6,63,03,661</b>
<b>Note 14 Cash and cash equivalents</b>		
<b>(a) Cash in hand</b>		
Cash In Hand	3,32,220	7,43,160
<b>(b) Balances with banks</b>		
In Current Accounts	15,39,298	16,34,568
<b>Total (a + b)</b>	<b>18,71,518</b>	<b>23,77,728</b>
<b>Note 15 Short-term loans and advances</b>		
(Unsecured considered good unless otherwise stated)		
(a) Advance to Related Party	43,91,351	-
(b) Advance to Suppliers	8,06,114	4,14,16,815
(c) Prepaid Expenses	-	-
(c) Due from Holding Company	-	5,42,92,187
(d) Balance with Revenue Authorities	8,19,006	54,01,981
(e) Loan & Advances to Employees	25,72,746	23,93,188
(f) Other Advances	-	-
(g) Deposits	-	-
<b>Total</b>	<b>85,89,217</b>	<b>10,35,04,171</b>
<b>Note 16 Other Current Assets</b>		
Balance with Banks		
- In fixed deposit accounts (Pledged with banks)	9,99,47,700	9,99,47,700
Interest Accrued on Fixed Assets	1,35,77,636	3,20,83,063
<b>Total</b>	<b>11,35,25,336</b>	<b>13,20,30,763</b>

<b>LS INDUSTRIES LIMITED</b>		
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
<b>PARTICULARS</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
<b>Note 17 Revenue from operations</b>		
Sales of Products		
- Domestic	30,56,36,470	13,54,17,349
- Exports	12,63,47,937	2,08,84,704
	43,19,84,407	15,63,02,053
Other Operating Income		
- Export Incentives	-	-
- Service Charges	-	-
<b>Total</b>	43,19,84,407	15,63,02,053
<b>Note 18 Other income</b>		
Interest Received on Fixed Assets with Bank	1,31,30,499	15,24,450
Net Gain on Foreign Currency transactions & translations	-	50,630
Misc Income	37,96,577	179
<b>Total</b>	1,69,27,076	15,75,259
<b>Note 19 Cost of Material Consumed</b>		
<b>Total</b>	33,85,57,031	14,31,15,581
<b>Note 20 Changes in Invesntories</b>		
Changes in Inventories of Finished Goods, Work in progress	1,38,45,879	(1,60,93,763)
<b>Note 21 Employee benefits expense</b>		
Salaries, wages & bonus	1,66,48,559	2,67,55,436
Contributions to provident and other funds	11,49,575	16,90,783
Staff welfare expenses	1,76,367	5,33,661
<b>Total</b>	<b>1,79,74,502</b>	<b>2,89,79,879</b>

<b>LS INDUSTRIES LIMITED</b>		
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP		
<b>Schedules forming part of the Balance Sheet as on 31-03-2015</b>		
(Amount in Rs.)		
<b>PARTICULARS</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
<b>Note 22 Finance Cost</b>		
On Bank Overdraft	-	-
On Vehicles Loan	6,550	66,571
Other Interest Expenses	90,846	-
Other Borrowing Charges	-	1,48,238
<b>Total</b>	<b>97,396</b>	<b>2,14,809</b>
<b>Note 23 Operating expenses</b>		
Power & Fuel	82,94,767	73,87,972
Rent	-	2,67,216
Rebate & Discount	-	3,47,676
Job Work Charges	-	-
Repair & Maintenance	3,10,540	2,79,967
Travelling Expenses	12,79,234	13,79,960
Freight & Cartage	5,64,276	3,19,388
Security Expenses	-	19,73,077
Professional Expenses	5,48,862	2,70,652
Communication Expenses	2,93,239	4,23,673
Advertisement & Selling Expenses	-	6,000
Rates & Taxes, Excluding, Taxes on Income	7,99,110	2,84,328
Printing & Stationary Expenses	31,888	43,655
Insurance	4,46,339	1,68,848
Payments to the auditors comprises (note below)	5,65,293	4,90,750
Other Expenses	15,50,508	5,94,430
Commission	-	7,11,570
Temporary Staff Expenses	-	25,944
Bank Charges	46,550	75,603
Provision for doubtful debts	-	-
Transportation and Vehicle Running & Maintenance	-	-
Miscellaneous expenses	-	-
Bad Debts	5,45,98,752	-
Exchange Rate Difference (net)	-	-
<b>Total</b>	<b>6,93,29,357</b>	<b>1,50,50,708</b>

## **1. NOTES TO THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

### **i) Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable. All income and expenditure having a material bearing on the Financial Statements are recognized on an accrual basis. The Accounting Policies adopted in preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on accrual basis under the historical cost convention.

### **ii) Use of estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of the assets and liabilities (including contingent liabilities) and reported income and expenses during the period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Further results could differ due to these estimates and the differences between the actual result and the estimates are recognized in the period in which the result are known / materialize.

### **iii) Fixed Assets and Depreciation / Amortization**

#### **Tangible Assets**

Tangible assets are stated at cost, less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013.

### **iv). Investments**

Investments are classified into long-term and current investment based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long term investment. Current investments are valued at lower of cost of market value. Long term investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value.

### **v) Cash & Cash equivalent**

Cash comprises cash on hand and demand deposits with bank. Cash equivalent are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into the known amounts of cash and which are subject to insignificant risk of change in value.

**vi) Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when the related advertisement or commercial appears before the public and the necessary intimation is received by the agency.

*Bank Interest*

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**vii) Taxes on income**

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

**viii). Provisions and contingencies**

A provision is recognised when the Company has 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**ix). Earnings per share**

Basic earnings per share are computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

**x). Foreign Currency transactions & translations**

Foreign exchange transactions are recorded at the rate prevailing at the date of transaction. Realized gains or losses on the foreign exchange transactions during the period are recognized in the statement of profit and loss. Monetary assets and liabilities that are determined in the foreign currency are translated at the exchange rate prevalent

at the date of balance sheet. The resulting difference is recorded in the statement of profit and loss.

**xi) Operating Cycle**

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

**xi) RELATED PARTY DISCLOSURE:** Names of the related parties (As Certified by the Management):

- a. **Key Management Personnel:** Mr. Salim Muhammad, Mr. Kuldeep Singh and their relatives.
- b. **Holding Company:** Profound Finance Private Limited (Formerly known as Strategybot Finance Pvt. Ltd.)
- c. **Subsidiaries:** LSIL Singapore Pte Limited, Singapore
- d. **Limited Liability Partnership:** LSI Textile LLP, India (90% Share).

**Form AOC-I**

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries/  
Associate Companies/ Joint Ventures**

**Part "A": Subsidiaries**

**(Rs. In lakhs)**

1.	<b>Name of the subsidiary</b>	<b>LSIL Singapore Pte. Limited</b>
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same Financial Year as compared to Holding Company i.e. 2014-2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	Rs. 748.44
5	Reserves & Surplus	Rs.(678.76)
6	Total Assets	Rs.73.82
7	Total Liabilities	Rs.4.14
8	Investments	Nil
9	Turnover including other income	Rs.2394.29
10	Profit/Loss before taxation	Rs. (504.62)
11	Provision for taxation	Nil
12	Profit/Loss after taxation	Rs. (504.62)
13	Proposed Dividend	Nil
14	% of shareholding	100%

**Note :**

**1. Names of subsidiaries which are yet to commence operations - Nil**

**2. Names of subsidiaries which have been liquidated or sold during the year – Nil**

**For LS Industries Limited**

**Place: Nalagarh**

**Date: 30.05.2015**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Salim Mohammad</b>	<b>Kuldeep Singh</b>
<b>(Director)</b>	<b>(Director)</b>
<b>DIN: 06602013</b>	<b>DIN: 06601972</b>



**LS INDUSTRIES LIMITED**

CIN: L51505HP1993PLC031724

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

**ATTENDANCE SLIP**

21<sup>st</sup> Annual General Meeting  
Wednesday, 30<sup>th</sup> September, 2015

Reg. Folio/DP & Client No.	
No .of Shares Held	

Member's Name: -----

Proxy's Name:-----

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company on Wednesday, 30<sup>th</sup> September, 2015 at 11:30 A.M. at the Registered Office of the Company, Village-Bairsen, P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India,

-----  
(Member's / Proxy's name (in block letters)

-----  
Signature of member/ proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the Venue.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

**PROXY FORM- MGT-11**

LS INDUSTRIES LIMITED  
CIN:L51505HP1993PLC031724

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

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered address	
E-mail ID	
Folio No/Client ID	
DP ID	

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

- 1) ----- of----- having e-mail id -----or failing him
- 2) ----- of----- having e-mail id -----or failing him
- 3)-----of----- -- having e-mail id-----or failing him

and whose signature(s) are appended below, as my/ our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held on Wednesday, 30<sup>th</sup> September, 2015 at 11:30 A.M. at Village- Bairsen, P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
1.	To consider and adopt the Standalone & Consolidated Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in placed of Mr. Kuldeep Singh (DIN: 06601972), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To ratify the appointment of M/s. Deepak Kumar & Company, Chartered Accountants, Firm's Registration No.024751N as Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors and the Auditors		
4.	To appoint & regularize Mr. Naresh Kumar (DIN: 07070771) as an Independent Director of the Company		

Signed this .....Day of ..... 2015

Signature of shareholder-----

Signature of Proxy holder(s) -----

Affix Revenue Stamp
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**Note:-**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*\* This is only optional. Please put a ' X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.