



# **23rd**

## **ANNUAL REPORT**

### **2015 - 2016**

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H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2, Srinagar Colony (Post),  
HYDERABAD – 500 073.

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## **BOARD OF DIRECTORS**

Sri. G. SURENDER REDDY  
Sri SHAILESH SHIVRAM MISTRY  
Sri L. MADHU KUMAR REDDY  
Sri. G. LAXMA REDDY  
Smt. SNEHA RUPESH TALREJA

Managing Director  
Director  
Director  
Director  
Director

### **Registered Office:**

H.No.8-3-898/16/4,  
Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony,  
Road No.2, Srinagar Colony (Post),  
HYDERABAD – 500 073.  
Tele: 040 – 23542871,  
E – mail: Inpolyester@yahoo.com

### **Works:**

1. Plot No.1/D,  
Sarigam Industrial Estate,  
Nargol Char Rastha, GIDC,  
SARIGAM - 396 155  
**GUJARAT.**

### **Auditors:**

M/s. KUMAR & GIRI,  
Chartered Accountants,  
Flat No. 203 & 204, 12 Vyjayanthi,  
Road No. 12, Banjara Hills,  
**HYDERABAD – 500 034.**  
Email : info@kumarandgiri.com

### **Physical and Demat Registrars :**

**Venture Capital and Corporate Investments Pvt. Limited**  
12-10-167  
Bharat Nagar Colony  
Hyderabad – 500018  
Tel: 040-23818475 / 76  
Fax: 91-40-23868024 email: info@vccilindia.com

### **Bankers:**

- 1) State Bank of Hyderabad,  
Overseas Branch,  
Somajiguda,  
**HYDERABAD – 500 082.**

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## NOTICE



Notice is hereby given that the Twenty Third Annual General Meeting of the members of LN INDUSTRIES INDIA LIMITED will be held on Friday the 30th day of September ' 2016, at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, at 09 : 15 A.M., to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1- Adoption of Financial Statements:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2016, including the Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the reports of the Board of Directors (“the Board”) and Auditors thereon.

#### Item No. 2 – Re – Appointment of Director retiring by rotation:

2. To appoint a Director in place of Mr. G.Laxma Reddy (DIN 06902285), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.

#### Item No. 3 – Appointment of Auditors:

3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT M/s. Kumar & Giri, Chartered Accountants (Registration No.FRN01584 S), be and are hereby appointed 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 of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

By order of the Board  
**for LN INDUSTRIES INDIA LIMITED**

G. SURENDER REDDY  
Managing Director  
DIN:00109441

Place: Hyderabad  
Date: 30.08.2016

Registered Office: H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2, Srinagar Colony, Hyderabad – 500 073.  
Phone:04023542871, Fax:04023551044  
Email id: lnpolyester@yahoo.com, Website: www.lnindustriesindia.com  
CIN:L18100TG1993PLC015268.



## 11. E-Voting:

### Instructions for remote E-voting:

The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) for all shareholders to enable them to cast their votes electronically on the items mentioned in this notice of the 23rd Annual General Meeting of the Company. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2016.

### The instructions for E-Voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 27th September, 2016 at 9.00 a.m., and ends on 29th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - I. The Company has appointed N.Satyanarayana, a practicing Chartered Accountant, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
  - II. The Scrutinizer shall with in a period not exceeding three working days from the conclusion of the e-voting period shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against , if any forthwith to the Chairman of the Company.
  - III. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's report shall be placed on the Company's Website and the website of CDSL.

**PROFILE OF DIRECTORS RETIRING BY ROTARION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**

**PROFILE OF Mr.G. Laxma Reddy (DIN:06902285):**

Sri.G.Laxma Reddy, is a Engineering Graduate aged 31 years, having experience in administrative matters and liaison with Government Authorities.

By order of the Board  
for **LN INDUSTRIES INDIA LIMITED**

**G. SURENDER REDDY.**

Managing Director.

DIN:00109441

Place: Hyderabad

Date: 30.08.2016

Registered Office: H.No.8-3-898/16/4,  
Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2,  
Srinagar Colony, Hyderabad – 500 073.  
Phone:04023542871, Fax:04023551044  
Email id: Inpolyester@yahoo.com  
Website: www.lnindustriesindia.com  
CIN:L18100TG1993PLC015268.

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## DIRECTORS REPORT

To,  
**The Members of  
LN INDUSTRIES INDIA LIMITED.**

Your Directors hereby present the Twenty Second Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2016 and the Report of the Auditor thereon.

### FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	For the year ended 31st March ' 2016	For the year ended 31st March ' 2015
Revenue from operations	0.00	46.34
Other Income	5.68	2.86
<b>Total Income</b>	<b>5.68</b>	<b>49.20</b>
Total Expenditure	2,875.88	443.17
<b>Profit / (Loss) before exceptional items</b>	<b>(2,870.20)</b>	<b>(393.97)</b>
Exceptional Items	2.60	0.97
<b>Profit / (Loss) before extraordinary items</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
Extraordinary items	0.00	0.00
<b>Profit / (Loss) before tax</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
Less : Provision for tax	0.00	0.00
<b>Profit / (Loss) after tax for the year</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
<b>Basic and Diluted EPS</b>	<b>(2.83)</b>	<b>(0.39)</b>

### STATE OF COMPANY'S AFFAIRS:

The manufacturing operations of the Company have not taken place during the year owing to non-availability of the working capital from the banks as the credit facilities from State Bank of Hyderabad have become NPA. Company is taking steps to resume the operations by entering into job work arrangement with various vendors. The developer to whom the Company has given the Company Land for development has obtained approvals from the regulatory authorities and the development activity is expected to commence. The Company is yet to settle dues of the JM Financial ARC Private Limited with whom the Company assets are charged.

### INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged in the manufacture of Texturized Twisted Polyester Dyed Yarn and Nylon Dyed Yarn.

The product of the Company Polyester Dyed Yarn is used in the manufacturing of Dress Materials, Sarees, Shirting, Suiting and Furnishing Fabrics. Another Product Nylon Dyed Yarn is used in the manufacture of Socks, Sport Gear etc.,

With the emphasis of the Government in giving inputs to the Textile Industry Company has opportunity to revive its operations. The products of the Company command good brand recall due to their presence over past 2 decades. The market offers opportunities to the Company to for scaling up its operations.

### LISTING OF EQUITY SHARES:

The Company's Equity shares are presently listed on BSE Limited and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2015 – 2016.



**TRANSFER TO RESERVES:**

The Company has incurred a loss of Rs.2,872.80 lacs during the year. The said loss is set off against the reserves held by the Company.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year under review, there has been no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:**

There are no material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2016 to the date of signing of the Directors Report.

**PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY:**

The Company does not have any subsidiaries or associate companies. Hence the required information under this head is not being attached to the report.

**CORPORATE GOVERNANCE:**

The Corporate Governance Report and a Certificate by the Statutory Auditors regarding compliance of the conditions of Corporate Governance by your Company as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 with Stock Exchanges are annexed to this Report.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All the Independent Directors have given declarations of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

**MEETING OF INDEPENDENT DIRECTORS:**

The performance of the Individual Directors on the Board and the Committees thereof is done by the Board and the Independent Directors in their exclusive meeting done as per the policy formulated by the Board in this regard.

**BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance evaluation of the Board, the Committees of the Board and Individual Directors is done on annual basis.

The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

**CHANGES IN DIRECTORS:****INDUCTIONS:**

During the year there were no inductions on to the Board of the Company.

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## **RE – APPOINTMENTS:**

As per the provisions of the Companies Act 2013, Mr.G.Laxma Reddy (DIN: 06902285) retires at the ensuing Annual General Meeting and being eligible, seek his re-appointment. The Board recommends his re-appointment.

None of the independent directors will retire at the ensuing Annual General Meeting.

## **RESIGNATIONS:**

No Directors have resigned during the year under review.

## **CHANGES IN KEY MANAGERIAL PERSONNEL:**

There have been no changes in the Key Managerial Personnel.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review Six (6) times Board meetings were held on the following dates:

1. 21st April ' 2015.
2. 15th May'2015.
3. 13th August ' 2015.
4. 29th August ' 2015.
5. 14th November ' 2015.
6. 13th February ' 2016.

The intervening gap between any two Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013. All the recommendations given by the Audit Committee are accepted by the Board.

## **INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2015 – 16, the applicable accounting standards have been followed and there are no material departures;
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis;
- v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively