



LS Industries Ltd

LS INDUSTRIES LIMITED

(Formerly Known as Lifestyle Fabrics Ltd.)

18th

ANNUAL REPORT

2011-12

Board of Directors

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

Statutory Auditors

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

Bankers

AXIS BANK LIMITED

Registered Office & Corporate Office

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

Registered and Transfer Agents (RTA)

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

Demat Connectivity

Central Depository Services (India) Limited
(CDSL)

National Securities Depository Limited (NSDL)

ISIN Details

INE345D01023

Stock Exchange Listing

Bombay Stock Exchange Limited

Stock Code

514446

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LS INDUSTRIES LIMITED

(Formerly Known as Lifestyle Fabrics Ltd.)

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

Notice of annual general meeting

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the Company will be held on Monday, 31st December, 2012, at Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh-174101 at 10.30 am to transact the following businesses.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Account for the financial year ended on 31st March, 2012 and Reports of the Directors and Auditors thereon.
2. To appoint M/s Doogar & Associates, Chartered Accountants as Statutory Auditor for the financial year 2011-12 and to fix their remuneration
3. To appoint a Director in place of **Mr. Joel Anthony Stead**, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

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

NOTES :

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the PROXY need not be a member of the Company. The proxy form, in order to be effective, must be deposited with the Company so as to reach the registered office of the company not less than 48 hours before the time fixed for commencement of the Meeting.

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

By Order of the Board,

Sd/-

Abhishake Bansal
Whole Time Director

Place : Nalagarh
Date : 29th November, 2012

Registrar and Transfer Agent (RTA) :

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

Beetal Financial & Computer Services Pvt Ltd

99, Madangir, New Delhi 110 062

011-2996 1281-283 Fax 011-2996 1284

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

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

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

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

Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

Requisition of information on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the information may be readily available at the Meeting.

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

Information and Disclosures pursuant to Clause 49 IV (G) of the Listing Agreement for the Directors who are being appointed is annexed as Annexure II to the Notice.

Members holding shares in single name may avail nomination facility.

ANNEXURE I

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

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

He is not holding directorship in any other Bodies Corporate.

The Company has received notice in writing along with the necessary amounts as a deposit from a member proposing candidature of Director in accordance with the requirements of Section 257 of the Companies Act, 1956. None of Directors of the Company except Mr. Joel Anthony Stead, is in any way concerned or interest in this resolution. The Board commends the resolution at item No. 3 for approval of members.

By Order of the Board,

Sd/-

Abhishake Bansal
Whole Time Director

Place : Nalagarh
Date : 29th November, 2012

ANNEXURE II

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

Mr. Abhishake Bansal

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

Mr. Avtar Singh

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

LIST OF DIRECTORSHIP IN OTHER COMPANIES

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

Mr. Kwangsoo Kim

Mr. Kim Kwang Soo is 43 years old. He did B.A Degree from Yonsei University in Korea and MBA from Korea Advanced Institute of Science and Technology. He has experience of more than 19 years in distribution and has worked at different levels of management positions in different MNCs. He is not holding directorship in any other Bodies Corporate. He is neither director nor members of any Committee in any other Company. He is holding Nil shares in the Company.

Mr. Joel Anthony Stead

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

Place : Nalagarh
Date : 29th November, 2012

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

Item No. 4

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

Mr. Abhishake Bansal was appointed as a Whole time Director of the Company for a period of 5 years with effect from 22nd December ,2012 at a remuneration of Rs. 40,000 per month.

LIST OF DIRECTORSHIP IN OTHER COMPANIES

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

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

Item No. 5

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

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

LIST OF DIRECTORSHIP IN OTHER COMPANIES

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

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

Place : Nalagarh
Date : 29th November, 2012

By Order of the Board,

Sd/-
Abhishake Bansal
Whole Time Director

DIRECTOR REPORT'S

To,

The members
FINANCIALS RESULTS (Figures in Lacs)
(Amt in Rs.)

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

1. OPERATIONS

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

financial year under review, the Company achieved sales and other income of Rs. 10550.22 as compare sale of Rs13334.99 Lacs in the previous year. The performance in terms of net profit was substantially below expectations mainly because of appreciation of rupee

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

2. SUBSIDIARIES

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

3. DIVIDEND

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

4. DIRECTORS

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

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

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

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

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

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

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

5. FIXED DEPOSITS

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

6. INTERNAL CONTROL SYSTEM

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

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

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. CORPORATE GOVERNANCE

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

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

9. DEPOSITORY SYSTEM

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

10. AUDITORS

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

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

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

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

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

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

13. PARTICULARS OF EMPLOYEES

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

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

15. PERSONNEL

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

16. TRADE RELATIONS

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

17. LISTING WITH STOCKEXCHANGE

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

18. AUDITORS' REMARKS

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

19. CEO/CFO CERTIFICATION

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

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

b. Such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the

financial year ended on and loss of the Company for the year.

c. Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

21. ACKNOWLEDGEMENT

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

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

Sd/-

Place: Nalagarh

Date: 29th November, 2012

Abhishake Bansal

Whole time director

ANNEXURE TO THE DIRECTORS' REPORT

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

I. Conservation of energy:-

(a) Energy conservation measures taken :

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

(b) Additional investments and proposals, if any,

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

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

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

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

FORM A (See rule 2)

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

II) Technology Absorption

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

FORM B

Form for disclosure of particulars with respect to absorption.

(a) Research and development (R & D)

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

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

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

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

3. Future plan of action