

LS INDUSTRIES LIMITED

21ST
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

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NOTICE OF 21st ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Members of LS Industries Limited (the Company) will be held on Wednesday, 30th 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 31st 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.15th 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 **15th January, 2015 to 14th 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, 25th September, 2015 to Wednesday, 30th 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 15th 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 21st 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.