

# **LS INDUSTRIES LIMITED**

22ND  
ANNUAL REPORT  
2015-2016

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

Mr. Salim Muhammad	DIN: 06602013	Director
Mr. Kuldeep Singh	DIN: 06601972	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	6
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
-Annexure 'D' - Management Discussion & Analysis Report	25
4.Corporate Governance Report	28
5.Director/CFO Certification	45
6.Auditor's Certificate on Corporate Governance	46
7.Independent Auditor's Report on Standalone Financial Statements	47
8.Standalone Financial Statements & Notes	53
9.Independent Auditor's Report on Consolidated Financial Statements	65
10.Consolidated Financial Statements & Notes	70
11.Attendance Slip	83
12. Proxy Form	84

## **NOTICE OF 22<sup>nd</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of LS Industries Limited (the Company) will be held on Friday, 30<sup>th</sup> September, 2016 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, 2016 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.

**For LS Industries Limited**

**Place: Nalagarh**  
**Date: 28.05.2016**

**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 Sunday, 25<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of the 22<sup>nd</sup> 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 Harsukhdas Mandir, New Delhi 110062., Phone -011-29961281-82, Fax 011-29961284, Email Id: beetalrta@gmail.com".
11. The Company has designated and 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 2015-2016 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.

**DIRECTORS' REPORT 2015-2016**

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

Your Directors have great pleasure in presenting the 22<sup>nd</sup> Annual Report along with the Audited Financial Accounts of the Company for the Year ended on 31st March, 2016.

**1. FINANCIAL HIGHLIGHTS**

The performance of your Company for the Financial Year ended 31st March, 2016 is summarized below:

**(Rs. In Lakhs)**

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Sales & Other Income	1196.61	2056.86	1627.76	4489.12
Profit/(Loss) before Depreciation, interest and taxation	287.15	596.67	252.35	92.05
Less: Net Interest	0.00	0.97	0.00	0.97
Profit/(Loss) after interest but before Depreciation and Taxation	287.15	595.70	252.35	91.08
Less Depreciation	477.34	562.38	477.34	562.38
Profit/(Loss) before tax	(190.19)	33.32	(224.99)	(471.31)
Less: Exceptional Item	0.00	0.00	0.00	0.00
Less: Current Tax	0.00	0.00	0.00	0.00
Add: Deferred Tax Assets	1,6.42	(20.81)	(16.42)	(20.81)
Profit/(Loss) for the year	(173.77)	54.13	(208.56)	(450.49)
Balance carried to balance sheet	(173.77)	54.13	(208.56)	(450.49)

**2. STATE OF COMPANY'S AFFAIRS**

During the year under review total standalone income of the Company was Rs.1196.61 Lakhs as against Rs.2056.86 Lakhs in the previous year. Same the Company has achieved consolidated total income Rs.1627.76 Lakhs as against Rs.4489.12 Lakhs in the previous year. Your Directors are putting in their best efforts to increase the revenue with the improvement of the performance of the Company.

**3. DIVIDEND:**

The Board has not proposed any dividend for the Financial Year 2015-16, because Company has losses.

**4. AMOUNTS TRANSFERRED TO RESERVES:**

During the year under review, no amount from profit was transferred to General Reserve Account.

**5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) and Schedule V of SEBI (LODR) Regulation 2015 forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., analysis and review of global and Indian textile industry, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the Financial Year 2015-2016. It forms the part of Director's Report as detailed in "**Annexure-D**"

**6. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under Chapter IV, Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, forms an integral part of the Annual Report.

**7. MATERIAL CHANGES:**

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of this Report.

**8. SHARE CAPITAL:**

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

**9. MEETINGS OF THE BOARD:**

The details of the number of meetings of the Board held during the Financial Year 2015-2016 forms part of the Corporate Governance Report.

**10. BOARD OF DIRECTORS:**

During the period of financial year ended 31<sup>st</sup> March, 2016 Mr. Naresh Kumar (DIN: 07070771), Additional Director of the Company has resigned w.e.f. 25<sup>th</sup> February, 2016.

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.

**11. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into



consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee has defined evaluation criteria, procedure and time schedule for Performance Evaluation process for the Board, its Committees and Directors.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## **12. EXTRACT OF ANNUAL RETURN “Annexure-B”:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure-B” to the Board's Report and forms an integral part of this Report.

## **13. 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 2016 – 2017.

### **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, 2016.

### **(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 Board of Directors of the Company appointed CS Sudhakar Jha - M/s Sudhakar & Co., Practising Company Secretaries, to conduct Secretarial Audit for the Financial Year 2016-2017.

Your Company has received consent from CS Sudhakar Jha - M/s. Sudhakar & Co., Practising Company Secretaries, to act as the auditor for conducting audit of the Secretarial records for the Financial Year ending 31st March, 2017.

The Secretarial Audit Report of CS Sudhakar Jha - M/s. Sudhakar & Co., Practising Company Secretary, for the Financial Year ended 31st March, 2016, is annexed as **“Annexure-A”**.

The Secretarial Audit Report for the financial year ended March 31, 2016 contains certain reservation and remarks which are given along with the management reply for the same:-

- 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 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including BSE filing.
- c) 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.

**Company's Remarks:** Your Directors are putting in their best efforts to comply all the applicable provisions/laws on the Company.

#### **14. 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.

#### **15. VIGIL MECHANISM:**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has formulated a 'Whistle Blower Policy' for the Directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct.

During the year under review, no complaints have been received by the Company from any whistleblower.

#### **16. INTERNAL CONTROL SYSTEMS:**

The Company has an Internal Control System, Commensurate with its size, scale and complexity of its operations. Audit Committee reviews internal audit reports and oversees the internal control system of the Company.

#### **17. 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