



LS Industries Ltd

LS INDUSTRIES LIMITED
VIII. BAIRSEN, P.O. MANJHOLI, TEH. NALAGARH, DISTT. SOLAN H.P-174101

Date: 16/01/2018

THE BOMBAY STOCK EXCHANGE LIMITED

Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

Security Code: 514446

Ref: Company ISIN: INE345D01031

Sub: Submission of Annual Report pursuant to Regulation 34 of SEBI (LODR) Regulations 2015

Dear Sir/Madam,

This is to kindly inform you that 23rd Annual General Meeting of the Company "LS INDUSTRIES LIMITED" was held on Saturday, December, 30, 2017 at 11:30 a.m. at Village Bairsen P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India and concluded at 2:30 p.m.

With reference to above and pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, kindly find enclosed herewith a copy of Annual Report of 23rd Annual General Meeting of the Company (Financial Year 2016-2017).

You are kindly requested to acknowledge and update the same in your records.

**THANKS & REGARDS
FOR LS INDUSTRIES LIMITED**



(Director/ Designated Officer for Filing)

DIN: 07666627

Encl. - "As above"

C/C to:

- Central Depository Services India Limited
(A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013.)
- Beetal Financial Computer Services Pvt. Ltd.
(Beetal House, 3rd Floor, # 99 Madangir, BH-Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi 110062)

LS INDUSTRIES LIMITED

23rd
ANNUAL REPORT
2016-17

23rd
ANNUAL REPORT
2016-2017
LS INDUSTRIES LIMITED
(CIN: L51505HP1993PLC031724)

MANAGEMENT

BOARD OF DIRECTORS

Mr. Shiv Khan	DIN: 07666627	Director
Mr. Kuldeep Singh	DIN: 06601972	Director
Mr. Dhiraj Gupta	DIN: 03533481	Independent Director
Mr. Jaibir Manjhi	DIN: 06901623	Independent Director
Ms. Sneh Singh	DIN: 07931134	Independent Director

(w.e.f 20.10.2017)

BANKERS

HDFC Bank

REGISTRAR & SHARE TRANSFER AGENT

Ms/- Beetal Financial & Computer

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

Demat At CDSL & NSDL

ISIN: INE345D01031

REGISTERED OFFICE

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

mail: lsindustries93@gmail.com

Phone No. 9805511297

CIN: L51505HP1993PLC031724

GST No.02AAACL1987E1ZT

SECRETARIAL AUDITORS

FCS Sudhakar Jha, -M/s Sudhakar & Co.

Practicing Company Secretaries
New Delhi

STATUTORY AUDITORS

M/s Deepak Kumar & Company

Chartered Accountants
New Delhi

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of Ls Industries Limited (the Company) will be held on Saturday, December, 30, 2017 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, 2017 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.

Appointment of Mr. Shiv Khan (DIN: 07666627) as a Director

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT due notice in writing signifying the intention of a member to propose Mr. Shiv Khan (DIN: 07666627) as a Director, have been received pursuant to Section 160 of the Companies Act, 2013, Mr. Shiv Khan be and is hereby appointed as Director of the Company, liable to retire by rotation."

Item No. 5.

Appointment of Ms. Sneha Singh (DIN: 07931134) as an Independent Director

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and rules made thereof and provisions of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, Ms. Sneha Singh (DIN: 07931134) who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing along with requisite deposit under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term, up to 19th October, 2022.

Place: Nalagarh
Date: 4th December, 2017

By Order of the Board
For Ls Industries Limited

Sd/-
Shiv Khan
(Director)
DIN: 07666627

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

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 Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no.4 & 5 as stated above is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 25th December, 2017 to Saturday, 30th December, 2017** (both days inclusive) for the purpose of the 23rd Annual General Meeting (AGM).
7. 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.
8. 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.
9. 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.
10. 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.
11. Members are requested to bring their copy of Annual Report at the Meeting.
12. Members holding shares in terms of physical mode and dematerialized mode - are requested to notify immediately the change of their address and bank particulars 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".
13. 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.
14. 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.
15. 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.
16. Notice of this Annual General Meeting, Audited Financial Statements for Financial Year 2016-2017 along with Directors' Report and Auditors' Report are available on the website of the Company "www.lsiglobal.com".
17. 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.
18. 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.
19. Details of the Directors seeking Appointment / Re-Appointment in the ensuing Annual General Meeting:

Name	Mr. Shiv Khan	Ms. Sneha Singh
Directors Identification Number (DIN)	07666627	07931134
Qualification	Undergraduate	Bachelor of Art
Date of first Appointment on the	29-11-2016	20-10-2017

Board of the Company		
Shareholding in LS Industries Limited	Nil	Nil
Directorship held in other Companies	Nil	Nil
Membership/Chairmanships of Audit and stakeholders relationship committees in other Companies	Nil	Nil

20. A Route map showing directions to reach the venue of the 23rd Annual General Meeting is annexed with this notice as per the requirement of the Secretarial Standards -2 on “General Meeting”.

21. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS:

(i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI (LODR) Regulations 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the ensuing Annual General Meeting (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

(ii) Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners are maintained by the Depositories as on the Cut-off date i.e. 23rd December, 2017, shall be entitled to avail the facility of remote e-voting as well as voting at the ensuing Annual General Meeting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

(iii) A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 23rd December, 2017, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the ensuing Annual General Meeting by following the procedure mentioned in this part.

(iv) The voting period begins on Wednesday, 27th December, 2017 (9:00 A.M.) and ends on Friday, 29th December, 2017 (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 i.e. 23rd December, 2017, may cast their vote electronically. The E-Voting module shall be disabled for voting thereafter.

(v) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(vi) Members who have cast their votes by remote e-voting prior to the ensuing Annual General Meeting may also attend the Meeting but they shall not be entitled to cast their vote again.

(vii) The facility for voting through Poll Paper would be made available at the ensuing Annual General Meeting and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members, who have already cast their vote by remote e-voting prior to the meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.

(viii) The voting rights of the members shall be in proportion of their shares to the paid up equity share capital of the Company as on the Cut-off date i.e. 23rd December, 2017.

(ix) CS Sudhakar Jha – Sudhakar & Co., Practising Company Secretaries, New Delhi, has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the voting through Poll paper at the ensuing Annual General Meeting, in a fair and transparent manner.

(x) The Scrutinizer shall immediately, after the conclusion of voting at ensuing Annual General Meeting, will first count the votes cast at the ensuing Annual General Meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not- in the employment of the Company. Scrutinizer shall, submit a Scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith, within 48 hours of conclusion of the Annual General Meeting.

(xi) The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL “www.cdslindia.com” and on the website of the Company “www.lsiglobal.com”, within 48 hours after the conclusion of the 23rd AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.



22. The instructions for shareholders voting electronically are as under:

- (a) The voting period begins on Wednesday, 27th December, 2017 at 9:00 AM and ends on Friday, 29th December, 2017 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, December 23, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (b) The shareholders should log on to the e-voting website www.evotingindia.com.
- (c) Click on "Shareholders".
- (d) 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.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. The Sequence Number is printed below Attendance Slip. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach 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.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN For LS INDUSTRIES LIMITED on which you choose to vote.
- (l) 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.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) 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.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(r) 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The contact details of the officials responsible to address the grievances connected with e-voting is mentioned below:

Company	LS Industries Limited Village Bairsen P.O. Manjholi, Tehsil Nalagarh, Solan, HP-174101, India. Phone No. 9805511297 Email Id: lsiindustries93@gmail.com
Registrar and Transfer Agent :	M/s. Financial & Computer Services Pvt Ltd. HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062. Phone No. 011-29961281/82/83 Email Id: www.beetalfinancial.com
E-Voting Agency	Central Depository Services (India) Limited E-mail ID : " helpdesk.evoting@cdslindia.com "
Scrutinizer	M/S. Sudhakar & Co. Practicing Company Secretaries, New Delhi E-mail ID: " cssudhakar1@gmail.com "

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. Shiv Khan (DIN: 07666627) as an Additional Director on the Board of the Company w.e.f 29-11-2016.

In term of the provision of section 161 (1) of the Companies Act, 2013), Mr. Shiv Khan (DIN: 07666627) 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. Shiv Khan for the office of Director of the Company. Mr. Shiv Khan 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. Mr. Shiv Khan having a good experience in the matter of human resources management.

It is expected that his appointment on the Board will be beneficial to the Company.

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.

Item No. 5

Ms. Sneh Singh (DIN: 07931134) is an Independent Director of the Company. He was appointed as an Additional Director by the Board with effect from 20th October, 2017. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Sneh Singh will hold office up to the date of the Next Annual General Meeting of the Company. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of requisite amount proposing the candidature of Ms. Sneh Singh for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Ms. Sneh Singh, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Sneh Singh as an Independent Director. Ms. Sneh Singh has good experience in the area of marketing.

Accordingly, the Board recommends the resolution in relation to appointment of Ms. Sneh Singh as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Sneh Singh being the appointee, no one of his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under revised provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the aforesaid resolution as set out at Item No.5 for the approval of the members as an Ordinary Resolution

ROUTE MAP TO THE VENUE OF 23RD ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, 30TH DECEMBER, 2017 AT VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HIMACHAL PRADESH-174101 INDIA.





LS INDUSTRIES LIMITED

CIN: L51505HP1993PLC031724

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

ATTENDANCE SLIP

23rd Annual General Meeting

Saturday, December, 30, 2017

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 23rd Annual General Meeting of the Company on Saturday, December, 30, 2017 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

VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL-NALAGARH, SOLAN, HIMACHAL PRADESH-174101, INDIA

[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 -----

and whose signature(s) are appended below, as my/ our proxy to attend and vote (on a poll) for me/us and on my/belief at the 23rd Annual General Meeting of the Company to be held on Saturday, December, 30, 2017 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, 2017 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. Shiv Khan (DIN: 07666627) as a Director		
5.	To appoint & regularize Ms. Sneha Singh (DIN: 07931134) as an Independent Director of the Company.		

Signed thisDay of 2017

Signature of shareholder-----

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

Affix
Revenue
Stamp

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.



DIRECTORS' REPORT 2016-2017

To,
The Members of
LS Industries Limited

Your Directors have great pleasure in presenting the 23rd Annual Report along with the Audited Accounts of the Company for the Year ended on 31st March, 2017.

1. FINANCIAL HIGHLIGHTS

The performance of your Company for the Financial Year ended 31st March, 2017 is summarized below:

(Amount in Rs`)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Sales & other Income	92,886,417	119,661,030	96,503,799	162,775,768
Profit/(Loss) before Depreciation, interest and taxation	3,678,343	28,715,032	(2,56,951)	25,235,317
Less: Net Interest	Nil	Nil	Nil	Nil
Profit/(Loss) after interest but before Depreciation and Taxation	3,678,343	28,715,032	(2,56,951)	25,235,317
Less Depreciation	47,230,249	47,733,825	47,230,249	47,733,825
Profit/(Loss) before tax	(43,551,906)	(19,018,793)	(47,487,200)	(22,498,508)
Less: Exceptional Item	Nil	Nil	Nil	Nil
Less: Current Tax	Nil	Nil	Nil	Nil
Less: Deferred Tax Assets	3,091,693	1,642,289	3,091,693	1,642,289
Profit/(Loss) for the year	(40,460,213)	(17,376,504)	(44,395,507)	(20,856,219)
Balance carried to balance sheet	(40,460,213)	(17,376,504)	(44,395,507)	(20,856,219)

2. STATE OF COMPANY'S AFFAIRS

During the year under review total standalone income of the Company was Rs.92, 886,417 as against Rs.119, 661,030 in the previous year. Same the company has achieved consolidated total income Rs. 96,503,799 as against Rs.162,775,768 in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

3. DIVIDEND:

The Board has not proposed any dividend for the Financial Year 2016-17, 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. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS):

The Securities Exchange Board of India vide its circular dated 5th July, 2016 has implemented the applicability of Indian Accounting Standards (Ind-AS) in accordance with the Companies (Indian Accounting Standard) Rules, 2015 which was notified on 16th February, 2015 by Ministry of Corporate Affairs.

Pursuant to the applicability criteria of the said circulars and notifications, the Company will be implementing and complying up with the Indian Accounting Standards (Ind-AS) for the accounting periods beginning on or after 1st April, 2017.

6. APPLICABILITY OF GST:

Pursuant to implementation of GST w.e.f 1st July, 2017, the Company has duly registered itself with the statutory authority within the prescribed time frame and has been allotted the GST No.02AAACL1987E1ZT.

7. 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 2016-2017. It forms the part of Director's Report as detailed in "Annexure-D"

8. 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, together with a certificate from the Company's Secretarial Auditors confirming compliance of the same.

9. 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.

10. SHARE CAPITAL:

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

11. MEETINGS OF THE BOARD:

The details of the number of meetings of the Board held during the Financial Year 2016-2017 forms part of the Corporate Governance Report.

12. BOARD OF DIRECTORS:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kuldeep Singh (DIN: 06601972), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

During the period of financial year ended 31st March, 2017 Mr. Salim Muhammad (DIN: 6602013), Director of the Company has resigned w.e.f. 1st July, 2016 and also Mr. Shiv Khan (07666627) was appointed as Additional Director of the Company w.e.f. 29th November, 2016.

Further the Board of Director of the Company has appointed Ms. Sneh Singh (DIN: 07931134) as Additional Director of the Company w.e.f. 10th October, 2017 in the category of Independent Woman Director.

13. 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.

14. EXTRACT OF ANNUAL RETURN "Annexure-A":

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

15. 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 5 years at the 19th Annual General Meeting of the Company up to

the conclusion of the 24th 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 2017 – 2018.

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, 2017.

(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 2017-2018.

Your Company has received consent from CS Sudhakar Jha - M/s. Sudhakar & Co., Practicing Company Secretaries, to act as the auditor for conducting audit of the Secretarial records for the Financial Year ending 31st March, 2018. The Report of the Secretarial Audit Report is annexed herewith as "Annexure-B".

The Secretarial Audit Report for the financial year ended March 31, 2017 contains certain reservation and remarks which are given along with the management reply for the same:

- a) Company has defaulted in payment of statutory payments as required under Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Income Tax Act, 1961.
- c) The company has not filled its previous year's Annual Return and Financials to Registrar of Companies;
- d) Company has not complied properly with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015',
- e) Company has not complied all the provisions, Guidelines, Standards etc. of Companies Act 2013 and rules & Regulations, made there under.

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

(c). INTERNAL AUDITORS:

The Board of Directors has appointed **M/s. Gautam & Associates**, Practising Company Secretaries as the Internal Auditors of the Company for the Financial Year 2017-2018.

16. 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.

17. 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 whistle blower.

18. 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.

19. 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).

20. REPORT ON RISK MANAGEMENT POLICY:

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has a structured Risk Management Policy. The Risk Management Process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are integrated with management process such that they receive the necessary consideration during the decision making. It is dealt with in greater details in management discussion and analysis section

21. ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees. During the year under review, no complaints were reported to the Board.

22. 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.

23. 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, 2017 and of the profit and loss of the Company for the Financial Year ended 31st March, 2017;
- (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.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, annexed as "Annexure-C" and forms an integral part of this Report.

25. INFORMATION & PERFORMANCE OF SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES:

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures as given in Form AOC-1 is duly attached along with the consolidated financial statements and forms an integral part of this Report.

Any shareholder if interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company at the Company's registered office.

26. 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.

27. 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.

28. REMUNERATION AND NOMINATION POLICY:

Pursuant to provisions of Section 178 of the Companies Act, 2013 the Board of Directors has framed a policy which lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

29. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in "Annexure-E" to this report.

30. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-Section (1) OF Section 188:

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, your Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Details of related party transactions are given elsewhere in the Annual Report as per Accounting Standard AS-18.

31. COMPANY LISTED AT:

The Equity Shares of your Company are listed at The Bombay Stock Exchange Limited, but due to penal reasons company has been suspended by Stock Exchange.

32. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (LODR) Regulations, 2015, is not applicable to your Company for the Financial Year ending 31st March, 2017.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year under review, no significant and/ or material orders were passed by any regulator or Court or tribunal impacting the going concern status and the Company's operations in future.

34. 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.



By Order of the Board
For Ls Industries Limited

Place: Nalagarh
Date: 4th December, 2017

Sd/-
KULDEEP SINGH
Director
DIN:06601972

Sd/-
Shiv Khan
(Director)
DIN: 07666627

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



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

Annexure 'A' -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
2	Registration Date
3	Name of the Company
4	Category/Sub-category of the Company
5	Address of the Registered office & contact details
6	Whether listed company
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.

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	Weaving, manufacturing & finishing of Textiles	13121 & 13131	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 (Formally 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 01-04-2016]				No. of Shares held at the end of the year [As on 31-03-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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
Sub Total (A) (1)	630470580	0	630470580	74.28%	630470580	0	630470580	74.28%	0
		-	-						
(2) Foreign									
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
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
TOTAL (A)	630470580	0	630470580	74.28%	630470580	0	63,04,70,580	74.28%	0.00%
B. Public									
1. Institutions									

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
Sub-total (B)(1):-	1,33,000	1,12,40,310	1,13,73,310	1.34%	1,33,000	1,12,40,310	1,13,73,310	1.34%	0.00%
2. Non-Institutions									
a) Bodies Corp.	153382	31200	184582	0.02%	153382	31200	184582	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. 1 lakh	8,45,823	12,91,220	21,37,043	0.25%	8,45,023	12,92,020	21,37,043	0.25%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,10,749	0	2,10,749	0.02%	2,10,749	0	2,10,749	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	48932	0	48932	0.01%	48932	0	48932	0.01%	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	20,56,52,390	13,22,420	20,69,74,810	24.38%	20,56,51,590	13,23,220	20,69,74,810	24.38%	0
Total Public (B)	20,57,85,390	1,25,62,730	21,83,48,120	25.72%	20,57,84,590	1,25,62,730	21,83,48,120	25.72%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	83,62,55,970	1,25,62,730	84,88,18,700	100.00%	83,62,55,170	1,25,63,530	84,88,18,700	100.00%	0.00%

(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%
	Total	630470580	74.28%		63,04,70,580	74.28%	0	0.00%

(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				0.00%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		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			2,10,749	0.02%	2,10,749	0.02%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,10,749	0.02%	2,10,749	0.02%
5	Name CANARA BANK						
	At the beginning of the year			1,33,000	0.02%	1,33,000	0.02%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,33,000	0.02%	1,33,000	0.02%
6	Name LSC SECURITIES LIMITED						
	At the beginning of the year			52,200	0.01%	52,200	0.01%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			52,200	0.01%	52,200	0.01%
7	Name KRIPA SECURITIES PVT LTD						
	At the beginning of the year			19,400	0.00%	19,400	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			19,400	0.00%	19,400	0.00%
8	Name S. P. SCRIPS AND COMMODITIES LTD						
	At the beginning of the year			18,500	0.00%	18,500	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			18,500	0.00%	18,500	0.00%
9	Name SIRIUS CAPITAL SERVICES LIMITED						
	At the beginning of the year			10,000	0.00%	10,000	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			10,000	0.00%	10,000	0.00%
10	Name SOUTHERN INDIA DEPOSITORY SERVICES						
	At the beginning of the year			8,400	0.00%	8,400	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			8,400	0.00%	8,400	0.00%

(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				0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year				0.00%		0.00%

2	Name						0	
	At the beginning of the year				0.00%			0.00%
	Changes during the year			-	0.0%		-	0.00%
	At the end of the year				0.00%			0.00%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction		-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount		-	-	-
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	-	-	-	-

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/WT/ Manager		Total Amount
		Name		(Rs/Lac)
		Designation		
		0	0	0
1	Gross salary	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	0
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount
			(Rs/Lac)
1	Independent Directors	NO CHANGE	
	Fee for attending board committee meetings		-
	Commission		-
	Others, please specify		-
	Total (1)		-
2	Other Non-Executive Directors		-
	Fee for attending board committee meetings		-
	Commission		-
	Others, please specify		-
	Total (2)		-
	Total (B)=(1+2)		-
	Total Managerial Remuneration		-
	Overall Ceiling as per the Act		

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

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

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)
A. COMPANY					
Penalty		NA			
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

“ANNEXURE-B”

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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 Hp 174101, India.**

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, 2017 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, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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, inter alia:
 - All labour & industrial laws;
 - The Competition Act, 2012;
 - All environmental laws;
 - Textiles (Consumer Protection) Regulations, 1988;
 - Textiles (Development and Regulation) Order, 2001;
 - Textiles Committee Act, 1963;
 - Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978;
 - Indian Boilers Act, 1923

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



- (i). Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) Company has defaulted in payment of statutory payments as required under Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Income Tax Act, 1961.
- c) The company has not filed its previous year's Annual Return and Financials to ROC .
- d) Company has not complied properly with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .
- e) Company has not complied all the provisions, Guidelines, Standards etc. of Companies Act 2013 and rules & Regulations, made there under.

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. The changes in the composition of the Board of Directors that took place during the period under review were not fully carried out in compliance with the provisions of the Act. Nomination and remuneration committee of the Company is not constituted as per regulations; there are two Non-executives and one Executive Director in Nomination and Remuneration Committee. 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.

Sd/-
(CS Sudhakar Jha Proprietor)
M/s Sudhakar & Co.
Practising Company Secretaries
FCS No. - F7537 & COP No. - 10737

Place: Nalagarh
Dated: 29.05.2017

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-I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under & The Securities and Exchange Board of India

- (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
 9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
 10. Communications/ Letters issued to and acknowledgements received from the Independent Directors for their appointment.
 11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder: -
 - Ethical Behaviour & Vigil Mechanism
 - Policy on Prevention of Sexual Harassment at the work place
 - Archival Policy
 - Policy For Determination Of Materiality Of Events / Information
 - Policy on Materiality of Transactions and Dealing with Related Party Transactions. Policy for determining Material Subsidiaries
 - Code Of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders
 - Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information
 - Policy on Preservation of Documents - Nomination and Remuneration Policy
 - Policy on Board Diversity –
 - Policy on Familiarization Programme for Independent Directors
 - Policy for Evaluation of Performance of Directors, Committees & Board
 - Code Of Conduct For Board Members And Senior Management

ANNEXURE–II

To,
The Members
LS INDUSTRIES LIMITED
Regd. Off: Village Bairsen P.O. Manjholi,
Tehsil Nalagarh Solan Hp 174101, India.

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.

Sd/-
(CS Sudhakar Jha Proprietor)
M/s Sudhakar & Co.
Practising Company Secretaries
FCS No. - F7537 & COP No. - 10737

Place: Nalagarh
Dated: 29.05.2017

“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.

A. Power and fuel consumption	2016-2017	2015-2016
<ul style="list-style-type: none"> Electricity <ul style="list-style-type: none"> a). Purchased <ul style="list-style-type: none"> Unit (KWH) Total Amount (Rs.) Rate/Unit b). Own generation 	26,34,750 1,55,43,050 5.90 Nil	22,45,400 13,247,860 5.90 Nil
<ul style="list-style-type: none"> Coal & Lignite <ul style="list-style-type: none"> Quantity (Tonnes) Total Cost Average Rate 	Nil Nil Nil	Nil Nil Nil
<ul style="list-style-type: none"> Others (Petrol, Diesel etc.) <ul style="list-style-type: none"> Quantity Total Cost Average Rate 	Nil Nil Nil	Nil Nil Nil
B. Consumption per unit of production	NA	NA
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.

	2016-17	2015-16
Capital	-	-
Recurring	-	-
Total	-	-
Total R & D expenditure as a percentage of total turnover is	Nil	Nil
3. Foreign Exchange Earning and outgo		(Rs.)
Foreign Exchange Earned (FOB value of export)	Nil	14,397,812
Foreign Exchange Used (CIF Value of Imports)	Nil	Nil

By Order of the Board
For Ls Industries Limited

Sd/-
Shiv Khan
(Director)

Place:Nalagarh
Date: 4th December, 2017

“ANNEXURE-D” MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian Economy:

With a GDP at US\$2.25 tr (nominal, 2016), India's economy ranks as the 7th largest in the world. The Indian economy has been growing at an accelerated pace since 2014, supported by favourable government reforms and stringent fiscal regime that reigned in inflation.

The Indian textiles industry is one of the oldest industries in Indian economy and has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The Economic Survey 2017 describes India's stand in the world as 'haven of stability' and positions it as 'an outpost of opportunity'. In 2016-17, India's GDP growth has been pegged at 7.1% down from 7.9% recorded in the previous financial year –largely owing to policy initiatives like demonetization.

BUSINESS OVERVIEW:

Your Company is vertically integrated textile Company, manufacturing and exporting various kinds of fabric, yarn and textiles with production facilities at Nalagarh, Himachal Pradesh. During the year under review, the profitability of the Company has decreased as compared to the previous year.

OPPORTUNITIES AND THREATS:

Opportunities:

- A shift towards the market of branded ready-made garment is being observed.
- Increased Disposable Income and Purchasing Power of Indian Customer open New Market Development.
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels.
- There is a provision of more FDI and investment opportunities.
- Withdrawal of quota restriction is contributing immensely in market development.
- Subsidy from the central government to give boost to the home textiles Industry.

Threats:

- Banking system of the Country which is dealing with large amount of bad loans.
- Continuous Quality Improvement is the need of hour as there are different demand pattern all over the world.
- Prices of Raw Material are subject to significant volatility.
- Striking a balance between the quality and price of products.
- Lack of investment in technology and designing capability has resulted in gaps between foreign manufacturers and Indian manufacturers.
- Removal of quota system will fluctuate the export demand.
- Geographical disadvantages.

COMPANY FINANCIAL PERFORMANCE:

During the year under review, your Company has achieved Standalone Gross Sales and other income has been declined to the Rs.92, 886,417 as compare to Rs.1,19,661,030 in the previous year. After providing for taxes and other adjustments, the profit/loss after tax stood at Rs. (40,460,213) as compared to Rs.17, 376,504 during the previous year.

OUTLOOK:

The outlook for the textile industry remains cautious due to subdued demand although margins are expected to benefit from softening raw material prices. We are introducing new products from time to time to cater to consumer need and in the process we aim not only at Domestic but also International recognition. LS Industries Ltd. continuously works towards its competitive strength and making customer relationship cordial so that the Company overcomes the competition and remains successful globally. The Company is confident of improving margins.

THREATS, RISKS AND CONCERNS:

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk,



Regulatory Risk, Technology Risk, Political Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

INTERNAL CONTROL SYSTEM:

The Company has proper and adequate system of internal control to ensure that all the activities are monitored and controlled against any misuse or disposition of assets and that all the transactions are authorized, recorded and reported correctly. The Audit Committee of the Board of Directors reviews the adequacy of internal control.

HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:

The Company has maintained harmonious and cordial relations in the manufacturing facilities. Here at, we acknowledge the fact that human resources are an invaluable asset to the company and are the key to company's growth and success. We respect the Diversity of the employees and believe in providing equal opportunities to everyone on the board. Being a Textile company we understand the importance of the changing scenarios and we offer our employees with corporate training workshops and seminars to help them keeping updated with the latest trends. Strict working hours and corporate policies as per the Government of India's Labour laws makes Ls Industries Ltd. a good choice for people to work. We offer best compensation and benefit to our employee's to keep them motivated to continuously provide higher performance for the company. The company is also committed to provide the right environment to its employees to work and to inculcate a sense of pride.

CAUTIONARY STATEMENT:

Statements in Management discussion and analysis report with regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the management envisages in terms of performance and outlook. Market data and product information contained in this report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. The management of the Company reserves the right to re-visit any of the predictive statement to decide the best course of action for the maximization of the shareholders' value apart from meeting social and human obligations.

By Order of the Board
For Ls Industries Limited

Place: Nalagarh
Date: 4th December, 2017

Sd/-
Shiv Khan
(Director)
DIN: 07666627

“ANNEXURE-E” REMUNERATION POLICY

1. Preamble

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations]. On the recommendation of Nomination, Remuneration and Compensation Committee, this policy has been approved by the Board of Directors.

2. Objective

The Policy relates to designing the remuneration for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees of the Company.

3. Definitions

For the purpose of this Policy:

- Act' shall mean the Companies Act, 2013;
- Board' shall mean the Board of Directors of Ls Industries Limited;
- Committee' shall mean the Nomination and Remuneration committee of the Company, constituted and re constituted by the Board from time to time;
- Company' shall mean Ls Industries Limited;
- Directors' shall mean the directors of the Company;
- Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- Key Managerial Personnel (KMP)' shall mean the following:-
 - (i). Chairman and Managing Director;
 - (ii). Managing Director;
 - (iii). Chief Financial Officer (CFO);
 - (iv). Company Secretary (CS);
 - (v). Such other officer as may be prescribed.
- Senior Management 'shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

4. KEY PRINCIPLES

The following principles guide the design of remuneration under this Policy-

- i. Attract, retain and motivate the right talent, including the Directors and Employees as required to meet the goals of the Company.
- ii. Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.
- iii. Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual business and overall Company's performance.
- iv. Reflect market trends and practices, competitive positions to attract the required talent.

5. REMUNERATION PAID TO EXECUTIVE DIRECTORS/MANAGING DIRECTORS

(i). The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.

(ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations regarding the limits of remuneration will be ensured.

(iii). The remuneration will include the following components:

a). Basic Salary

-Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.

-Will be subject to an annual increase as per the recommendations of the Committee and the approval of the Board of Directors.

b). Commission

- Executive Directors will be allowed remuneration, by way of commission in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.

-The total amount of remuneration along with Commission paid to all Executive Directors shall not exceed the limits laid down in Sections 197 and 198 of the Companies Act, 2013.

-The amount of commission shall be paid subject to recommendation of the committee and approval of the Board of Directors.

c).Perquisites and Allowances

-Perquisites and Allowances commensurate to the position of Executive Directors.

d).Contribution to Provident, Superannuation fund and Gratuity payments

e). Minimum Remuneration

-In the event of absence or inadequacy of profits in any financial year, the remuneration approved by the shareholders excluding commission is paid to Executive Directors as a minimum remuneration, subject to necessary approvals, if any.

6. REMUNERATION PAID TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commissions as approved by Board and Shareholders. The amount of such fees and commissions shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force.

7. KMPs/SENIOR MANAGEMENT PERSONNEL/OTHER OFFICERS & STAFF

The Remuneration to be paid to KMPs/Senior Management Personnel/other officers & staff is based on the grade, role and position in the Company, the experience, qualification, skills and competencies of the related personnel/employees, the market trends, practices and benchmarks. The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance. The performance of employees is reviewed based on competency assessment and key results delivered, along with using a forced distribution method/bell curve. The performance assessment, more specifically, is used as an input to determine merit/special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

The objective is to ensure that the compensation engage the employees to give their best performance.

8. WORKMEN COMPENSATION

Workmen are paid wages in accordance to the settlement with the recognized union of the workers as per best industry practice, as applicable. Where there is no union, workmen wages are as per the best industry practice and applicable law. All our remuneration components will be in accordance with applicable statutory compliance.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

9. AMENDMENTS

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/or SEBI Listing Regulations in respect of this policy and related matters shall be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

10. DISCLOSURE

The Policy shall be disclosed as required under the Companies Act, 2013 and SEBI Listing Regulations and in the Annual Report as prescribed.

By Order of the Board
For Ls Industries Limited

Place:Nalagarh
Date: 4th December, 2017

Sd/-
Shiv Khan
(Director)
DIN: 07666627

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations).

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 SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 of listing agreement and the composition as on 31.03.2017 was as under:

Category	No. of directors
Executive Directors	2
Non-Executive Independent Director	2
TOTAL	4

The Chairman of the Board of Directors is Non-Executive Director.

Pursuant to Regulation 26(1) of SEBI (LODR) Regulations, 2015, none of the Directors is member of more than 10 (Ten) committees or act as a Chairperson of more than 5 (Five) committees across all the public entities in which they are Director. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s) are as given below:

Name of Directors	Date of appointment	Category	No of Directorship in listed entities (Including STML)	Committee(s) position in listed entities (Including STML)	
				Member	Chairman
Mr. Dhiraj Kumar Gupta (DIN:03533481)	30.09.2013	Chairman & Non Executive Independent Director	-	-	-
Mr. Jaibir Manjhi (DIN: 06901623)	30.09.2013	Non-Executive	-	-	-
Mr. Shiv Khan (DIN: 07666627)	29.11.2016	Executive Director	-	-	-



Mr. Kuldeep Singh (DIN: 06601972)	04.10.2013	Executive Director	-	-	-

- Pursuant to provision of section-167 of the Companies Act, 2013, Mr. Kuldeep Singh (DIN: 06601972) Director of the Company was disqualified w.e.f.01.11.2016.
- Other Directorships and Committee Memberships details are based on the disclosures received from the directors, as on March 31, 2017.
- 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 (excluding Ls Industries Limited).
- During the year under review 2016-2017; Mr. Salim Muhammad (DIN: 6602013) Director of the Company has resigned from the Directorship of the Company with the approval of Board of Directors of the Company w.e.f 01.07.2016.
- Further, as required under Section 149(3) of the Companies Act, 2013, Ms.Sneh Singh, (DIN: 07931134) was appointed a Woman Additional Director of the Company, designated under category of Independent Director, w.e.f 20.10. 2017 and be regularized subject to the approval of the shareholders in the ensuing Annual General Meeting.

b). Independent Directors-

The Non-Executive Independent Directors fulfil the conditions of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A Formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

c). Number of Board meetings held with dates-

During the Financial Year ended 31st March, 2017, Board of Directors of the Company met Seven (7) times. The maximum gap between two meetings was not more than 120 days:

“May 28, 2016, July 01, 2016, August 11, 2016, September 30, 2016, October 28, 2016, November 29, 2016, February 10, 2017”

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	7/7	Yes
Mr. Jaibir Manjhi	7/7	Yes
Mr. Shiv Khan	1/7	No
Mr. Kuldeep Singh	7/7	Yes
Mr. Salim Muhammad	2/7	Yes

* Mr. Salim Muhammad resigned from directorship w.e.f. 01-07-2016.

d). 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.

e). SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

None of the Non-executive director as on March 31, 2017 was holding shares of the company.

f). 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.

g). MEETING OF INDEPENDENT DIRECTORS-

During the year under review, the Independent Directors met on October 28, 2016, 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.

h). BOARD EVALUATION-

The Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, 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. The performance evaluation of the Director and the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

i). CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING-

The Board of Directors has adopted the Insider Trading policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by management and its employees and to maintain the highest ethical standards of dealing in Company securities. The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

J). 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 SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 of the listing Agreement.

Composition and Attendance

During the year ended 31st March, 2017, 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			
		28.05.2016	11.08.2016	28.10.2016	10.02.2017
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.

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. STAKEHOLDER'S GRIEVANCE AND RELATIONSHIP COMMITTEE

- Terms of Reference:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2013. The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter. 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.

This committee comprises of Mr. Jaibir Manjhi, Chairman, Mr. Dhiraj Kumar Gupta, Member and Mr. Kuldeep Singh, Member.

During the year ended 31st March, 2017, the company has not received any shareholders complaint from Stock Exchange/SEBI/Department of Company Affairs/Registrar of Companies. During the year, the committee met four (4) times on 28.05.2016, 11.08.2016, 28.10.2016 and 10.02.2017 at which all the members were present. No requests for share transfer are pending with the company. As on March 31, 2017, no complaints were outstanding.

Name of Member	Designation	28.05.2016	11.08.2016	28.10.2016	10.02.2017
Mr. Jaibir Manjhi	Chairperson	Present	Present	Present	Present
Mr. Dhiraj Kumar Gupta	Member	Present	Present	Present	Present
Mr. Kuldeep Singh	Member	Present	Present	Present	Present

c. Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, the Board has constituted its Nomination and Remuneration Committee. As at March 31, 2017 the Nomination and Remuneration Committee consists of three member's i.e Mr. Dhiraj Kumar Gupta as its Chairman with Mr. Jaibir Manjhi and Mr. Kuldeep Singh as its co-members.

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 Board of the Company has also adopted the Nomination and Remuneration Policy for the Company in Compliance with Regulation 19 of SEBI Listing Regulation read with Provisions of Section 178 of the Companies Act, 2013. The details relating to Remuneration Policy and remuneration to Directors as required under SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, have been given under a separate Section i.e. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION.

The Objective and Purpose of this policy is as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of such Directors, Key Managerial personnel and Other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Details of Remuneration to Key Managerial Personnel:

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

4. GENERAL BODY MEETINGS

The details of Last 3 Annual General Meetings were:

Date	Time	Venue
30th September, 2016	11:30 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.
30th September, 2015	11:30 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.
30th September, 2014	11:00 a.m.	Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101.

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

5. DISCLOSURES RELATED TO POSTAL BALLOT

During the Financial year ended 31st March, 2017 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.

6. PROCEDURE OF POSTAL BALLOT

Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March, 2017, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

7. MEANS OF COMMUNICATION

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

8. 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 and Regulation 23 of the Listing Regulation 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.

As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with related party transactions.



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.

Our Company has suspended by the BSE due to 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 SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 of the listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Director forms 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.

MATERIAL SUBSIDIARY POLICY

Your Company does not have any material subsidiary Company in terms of Regulation 16 of the SEBI (LODR) Regulations, 2015. However, the Company has formulated the Material Subsidiary Policy.

COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has not complied all the mandatory requirements of SEBI (LODR) Regulations, 2015. The Company has not adopted any non-mandatory requirement of the Listing Regulations.

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.

CEO/CFO CERTIFICATION

As required by Regulation 17 of Listing Regulations, 2015, the certificate signed by Director of the Company was placed before the Board of Directors.

DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46 OF LISTING REGULATIONS

The Company has not complied all the applicable provisions of Listing Regulations including Regulation 17 to 27 and Regulation 46.

Compliance of the Conditions of Corporate Governance has also been audited by Practicing Company Secretary. After being satisfied of the above compliances or non-compliances, they have issued a compliance certificate in this respect. The said certificate is reproduced in below point for ready reference of the members of the Company. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company, which is annexed to this report.

9. GENERAL SHAREHOLDERS INFORMATION

i. Annual General Meeting			
Day and Date		Saturday, 30th December, 2017	
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-174101.	
ii. Financial Calendar			
Financial Year		2017-18	
Financial Year Calendar 2017-18 (Tentative) : The Company follows the period of 1 April to 31 March as the Financial			
First Quarter Results		on or before 14th August, 2017	
Second Quarter and Half Yearly		on or before 14th November, 2017	
Third Quarter and Nine Months		on or before 14th February, 2018	
Fourth Quarter and Annual		on or before 30th May, 2018	
iii. Date of Book Closure		25th December, 2017 to 30th December, 2017. (Both Days Inclusive)	
iv. Dividend Payment Date		No dividend has been recommended for the Financial Year 2016-17	
v. Listing on Stock Exchange		Bombay Stock Exchange Limited BSE Code: 514446 (Suspended due to Penal reasons)	
vi. Listing Fees		The Company has not paid Annual Listing Fees for the year 2014-15, 2015-2016, 2016-17 and 2017-18 to the above Stock Exchange.	
International Securities Identification No. (ISIN)		NE345D01031	
viii. Market Price data:		High/low during each month in the last financial year ended 31st March, 2017.	
Month	Share Price	BSE	Volumes No. of shares
	High ()	Low ()	
Apr-16	Nil	Nil	Nil
May-16	Nil	Nil	Nil
Jun-16	Nil	Nil	Nil
Jul- 16	Nil	Nil	Nil
Aug-16	Nil	Nil	Nil
Sep-16	Nil	Nil	Nil
Oct-16	Nil	Nil	Nil
Nov-16	Nil	Nil	Nil
Dec-16	Nil	Nil	Nil
Jan-17	Nil	Nil	Nil
Feb-17	Nil	Nil	Nil
Mar-17	Nil	Nil	Nil

*Market Price data is not available because has suspended in BSE.

ix. Registrar and Transfer Agent	Beetal Financial & Computer Services Pvt Ltd. Add:- 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
x. Share Transfer System	Physical Shares sent for transfer are duly transferred within 15 days of receipt of documents, if found in order. Shares under objection are

	<p>in general returned within 15 days.</p> <p>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.</p>
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xi. Details of your Company's dematerialized shares as on 31st March, 2017:

Mode of Holding	No. of Shares	% of Total Shares
Physical	1,25,63,530	1.480 %
Electronic – NSDL	82,71,33,390	97.445 %
Electronic – CDSL	91,21,780	1.075 %
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.

Xii. Shareholding Pattern as on 31st March, 2017.

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
1	Promoters		
	Corporate Bodies		
	Strategybot Finance Private Limited	63,04,70,580	74.28%
	Total Promoter Group Holding	63,04,70,580	74.28 %
	Public Shareholding:		
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	23,47,792	0.28%
5	Bodies Corporate	1,84,582	0.02%
6	Clearing Member	1,800	0.00%
7	N R I - Non – Repatriable	20,42,91,074	24.07%
8	Resident Individuals-HUF	48,932	0.01%
9	N R I - Repatriable	1,00,630	0.01%
	Total Public Shareholding	21,83,48,120	25.72%
	Grand Total	848,818,700	100%

xiii. Distribution of Shareholding as on 31st March, 2017:

No. of shares	Number of Share holders	% To Total of shareholders	No. of Shares	Amount in Rs.	% of Amount
1 to 5000	3878	99.02	1773450	1773450	0.2089
5001 to 10000	17	.43	117542	117542	0.0138
10001 to 20000	9	0.22	141779	141779	0.0167
20001 to 30000	1	0.02	22600	22600	0.0027
30001 to 40000	-	-	-	-	-
40001 to 50000	-	-	-	--	-



50001 to 100000	5	0.12	430300	430300	0.0507
100001 And Above	6	0.15	846,333,029	846,333,029	99.7072
Total	3916	100.00	848,818,700	848,818,700	100.0000

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

As on March 31, 2017, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

xv. Plant Location

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

xvi. Address for Correspondence:

<u>Investor Correspondence-</u> For any queries relating to the shares of your Company, correspondence may please be addressed to- 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 E-mail: beetalrta@gmail.com	<u>Any other query-</u> For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company: Ls Industries Limited Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101. Phone: 9805511297 Email Id:- lsindustries93@gmail.com
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DECLARATION

I, Shiv Khan, 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 SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015(1) (D) (ii) of the Listing Agreement entered into with the stock exchanges, for the year ended March 31, 2017.

For Ls Industries Limited

Place: Nalagarh
Date: 4th December, 2017

Sd/-
Shiv Khan
(Director)
DIN: 07666627



CEO/CFO/DIRECTOR CERTIFICATION

To,
The Board of Directors
Ls Industries Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violation of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

By Order of the Board
For Ls Industries Limited

Place:Nalagarh
Date: 4th December, 2017

Sd/-
Shiv Khan
(Director)
DIN: 07666627



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
LS INDUSTRIES LIMITED
Regd. Off: Village Bairsen P.O. Manjholi,
Tehsil Nalagarh Solan Hp 174101, India.

We have examined the compliance of conditions of Corporate Governance by "LS INDUSTRIES LIMITED", for the year ended 31st March, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, we certify that the Company is suspended since 13th December 2013 due to penal reason and has not complied completely with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deepak Kumar & Co.
Chartered Accountants

Sd/-
(Murari Sharan)
Partner

Membership No. 521524
FRN 0024751N

Place: Nalagarh
Dated: 29.05.2017



**DEEPAK KUMAR & COMPANY
CHARTERED ACCOUNTANTS**

**128, SOMDUTT CHAMBERS-II
9, BHIKAJI CAMA PLACE,
NEW DELHI-110066
TEL.- 011-26164585**

INDEPENDENT AUDITOR'S REPORT

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 March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of 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 and to express an opinion on the Company's internal financial controls over financial reporting 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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 the internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 Company's internal financial controls system over financial reporting and 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:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2017
- b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure I** 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 purpose 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 reports on the accounts of the branch offices of the Company, which are required to be audited under Section 143(8) of the Act by branch auditors, are not applicable to the company.



- (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (f) In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
- (g) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, one of the directors Mr. Kuldeep Singh (DIN-06601972) is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (h) 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 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
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524

Annexure A to Independent Auditors' Report

As required by the Companies (Auditor's Report) Order, 2016 issued by Central Government of India in terms of sub-section (11) of section 143 of Companies Act 2013 we further report that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The company did not hold any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, sales tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. Accordingly, provisions of clause 3(vii)(b) of the Order are not applicable.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The company did not have any loans or borrowings



payable to the Government. Further, the Company did not have any outstanding debentures during the year.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) or taken any term loans during the year. Accordingly, provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid and provided in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deepak Kumar & Company
Chartered Accountants
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524



Annexure B of Independent Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of LS Industries Limited .on the standalone financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of L.S. Industries Limited. ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal

financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies

and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deepak Kumar & Company
Chartered Accountants
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP STANDALONE 'BALANCE SHEET AS ON 31ST MARCH, 2017			
PARTICULARS	Note No	As At 31-03-2017	As At 31-03-2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	848,818,700	848,818,700
(b) Reserves & Surplus	3	77,681,281	118,141,494
	Total Rs.	926,499,981	966,960,194
2 Share Application Money Pending Allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	12,951,613	16,043,306
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
	Total Rs.	12,951,613	16,043,306
4 Current liabilities			
(a) Loan Funds	6	177,236,074	116,975,554
(b) Trade payables	7	190,649,222	191,725,178
(c) Other current liabilities	8	1,304,376	1,304,376
(d) Short-term provisions		-	-
	Total Rs.	369,189,672	310,005,108
	Grand Total	1,308,641,266	1,293,008,608
B ASSETS			
1 Non-current assets			
(a) Fixed assets	9	296,338,620	343,568,869
(i) Tangible assets		-	-
(ii) Capital work in progress		-	-
(b) Non-Current Investment	10	66,801,397	66,801,397
(c) Long Term Loan and Advances	11	3,927,535	3,627,535
	Total Rs.	367,067,552	413,997,801
2 Current assets			
(a) Trade receivables	12	890,712,920	827,025,860
(b) Inventory	13	18,702,852	19,881,756
(c) Deferred Tax Assets (Net)		-	-
(d) Cash and cash equivalents	14	868,435	898,486
(e) Short-term loans and advances	15	5,459,782	5,449,637
(f) Other current assets	16	25,829,725	25,755,067
	Total Rs.	941,573,714	879,010,807
	Grand Total	1,308,641,266	1,293,008,608
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement			
		1	
		2 to 16	
In terms of our report attached. Deepak Kumar & Company Chartered Accountants FRN 024751N		For and on behalf of the Board of Directors	
Murari Sharan Partner M.N. 521524		Sd/- KULDEEP SINGH Director DIN:06601972	Sd/- SHIV KHAN Director DIN:07666627
Place : Nalagarh Date : 29.05.2017			

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017			
Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
1 Revenue from operations	17	90,990,355	118,146,026
2 Other Income	18	1,896,062	1,515,004
Total		92,886,417	119,661,030
3 Expenses			
Cost of Material Consumed	19	54,169,198	45,095,405
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	1,178,904	18,138,370
Employee benefits expense	21	12,821,903	16,521,777
Finance costs	22	-	-
Depreciation and amortization expense	9	47,230,249	47,733,825
Other expenses	23	21,038,069	11,190,446
Total Expenses		136,438,323	138,679,823
4 Profit before exceptional and extraordinary items and tax		(43,551,906)	(19,018,793)
Exceptional items		-	-
Extraordinary items		-	-
5 Profit / (Loss) before tax		(43,551,906)	(19,018,793)
6 Tax expense:			
Less: Provision for Current tax expense		-	-
Add: Deferred tax Asset		3,091,693	1,642,289
7 Profit / (Loss) for the year (5-6)		(40,460,213)	(17,376,504)
8 Earnings per share (of Rs. 10 each):	23.1		
(a) Basic		(0.04)	(0.02)
(b) Diluted		(0.04)	(0.02)
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement			
In terms of our report attached.			
Deepak Kumar & Company Chartered Accountants FRN 024751N			
Murari Sharan Partner M.N. 521524			
Sd/- KULDEEP SINGH Director DIN:06601972			
Sd/- SHIV KHAN Director DIN:07666627			
Place : Nalagarh Date : 29.05.2017			

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Note forming part of the Balance Sheet as on 31-03-2017				
PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Note 2 Share capital				
<u>(a) Authorised</u>				
Equity shares of Rs. 1/- each	910,000,000	910,000,000	910,000,000	910,000,000
Preference shares of Rs. 10/- each	22,000,000	220,000,000	22,000,000	22,000,000
	932,000,000	1,130,000,000	932,000,000	932,000,000
<u>(b) Issued, Subscribed and fully paid up</u>				
Equity shares of Rs 1/- each	848,818,700	848,818,700	848,818,700	848,818,700
	848,818,700	848,818,700	848,818,700	848,818,700
Total	848,818,700	848,818,700	848,818,700	848,818,700
2.1 Reconciliation of the shares outstanding at the beginning & at the end of the year:				
<i>(figure in rupees)</i>				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year:	848,818,700	848,818,700	848,818,700	8,488,187,000
Shares outstanding at the end of the year	848,818,700	848,818,700	848,818,700	8,488,187,000
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, 2017		As at 31st March, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	630,470,580	74.28	630,470,580	74.28
Suet Meng Chay	102,882,050	12.12	102,882,050	12.12
Chee Ai Liew	101,408,540	11.95	101,408,540	11.95
Total	834,761,170	98.34	834,761,170	98.34
2.3 Detail of the Equity Share in the company held by holding company:				
Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	630,470,580	75.53	630,470,580	75.53
Total	630,470,580	75.53	630,470,580	75.53

LS INDUSTRIES LIMITED VILLAGE BAIKSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the standalone Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017 Amount	As at 31st March, 2016 Amount
Note 3 Reserves and surplus		
Capital Reserve		
At the beginning of the year	9,831,129	9,831,129
Add: Addition during the year		-
Less: Utilized during the year		-
At the end of the year	9,831,129	9,831,129
Security Premium Account		
At the beginning of the year	184,320,114	184,320,114
Add: Addition during the year		
Less: Utilized during the year		
At the end of the year	184,320,114	184,320,114
Surplus in the statement of Profit and Loss		
At the beginning of the year	(76,009,749)	(58,458,229)
Add: Addition during the year	(40,460,213)	(17,376,504)
Less: Adjustment on account of Depreciation	-	175,016
At the end of the year	(116,469,962)	(76,009,749)
Total	77,681,281	118,141,494
Note 4 Long Term Borrowings		
- Vehicle Loan from NBFC Company	-	-
Total	-	-
Note 5 Deferred Tax Liability (Net)		
Opening Deferred Tax Liability		
- On account of different in Tax base of depreciation	16,043,306	17,685,595
Add/(Less): During the Year		
- On account of different in Tax base of depreciation	(3,029,625)	(1,466,018)
- On account of Employee Benefits	(62,068)	(176,272)
Total	12,951,613	16,043,306
Note 6 Trade Payables		
Trade Payable	177,236,074	116,975,554
Total	177,236,074	116,975,554
Note 7 Other Current liabilities		
(i) Statutory remittances	5,998,033	8,495,929
(ii) Payable on purchase of fixed assets	168,223,424	168,223,424
(iii) Employee related Liabilities	13,767,393	12,933,468
(iv) Expenses Payable	2,660,372	2,072,357
Total	190,649,222	191,725,178
Note 8 Short Term Provisions		
Provision for Gratuity	556,287	556,287
Provision for Leave	748,089	748,089
Provision for Income Tax	-	-
Total	1,304,376	1,304,376

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the standalone Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Note 10 Non - Current Investment		
Investment in equity instruments (Long Term, Trade, Unquoted, at cost)		
(a) In wholly owned subsidiary company		
- 100000(100000) equity share of Rs.10 each fully paid up of EZY Infosoft Pvt Ltd	-	-
- 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	66,670,064	66,670,064
(b) Capital Balance with Limited Liability Partnership namely LSI Textile LLP	90,000	90,000
	66,801,397	66,801,397
Note 11 Long Term Loan and Advances		
Security Deposits	3,927,535	3,627,535
Total	3,927,535	3,627,535
Note 12 Trade receivables		
Outstanding for a period not exceeding six months from the date they were due for payment	71,500,737	67,415,273
Unsecured, considered good	-	-
Less: Provision for doubtful trade receivables	-	-
	71,500,737	67,415,273
Other Trade receivables	819,212,183	759,610,587
Unsecured, considered good	-	-
Total	890,712,920	827,025,860
Note 13 Inventory		
Finished Goods	10,068,451.00	9,671,795.00
Traded Item	5,862,563.00	5,889,143.00
Work in Process	-	645,329.00
Raw Material	2,771,838.00	3,675,489.00
Total	18,702,852.00	19,881,756.00
Note 14 Cash and cash equivalents		
(a) Cash in hand		
Cash In Hand	392,215	218,979
(b) Balances with banks		
In Current Accounts	476,220	679,507
Total (a + b)	868,435	898,486
Note 15 Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
(a) Advance to Staff	3,686,217	3,511,400
(b) Advance to Related Party	552,333	552,333
(b) Balance with Revenue Authorities	1,005,887	994,709
(c) Advance Tax & TDS	215,345	391,195
Total	5,459,782	5,449,637
Note 16 Other Current Assets		
Balance with Banks		
- In fixed deposit accounts (Pledged with banks)	24,240,064	24,240,064
Interest Accrued on Fixed Assets	1,589,661	1,515,004
Total	25,829,725	25,755,068

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the standalone Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Note 17 Revenue from operations		
Sales of Products		
- Domestic	90,990,355.00	86,603,416.00
- Exports	-	14,397,812.00
	90,990,355.00	101,001,228.00
Other Operating Income		
- Export Incentives	-	-
- Service Charges	-	17,144,798.00
Total	90,990,355.00	118,146,026.00
Note 18 Other income		
Interest Received on Fixed Assets with Bank	1,589,661.00	1,515,004.00
Misc Income	306,401.00	-
Total	1,896,062.00	1,515,004.00
Note 19 Cost of Material Consumed		
Opening Stock	-	-
Add: Purchase of Raw Material	54,169,198.00	45,095,405.00
Closing Stock	-	-
Total	54,169,198.00	45,095,405.00
Note 20 Changes in Invesntories		
Opening Stock:		
Finished Goods	9,671,795.00	28,328,187.00
Traded Item	5,889,143.00	5,862,563.00
Work in Process	645,329.00	575,249.00
Raw Material	3,675,489.00	3,254,127.00
	-	-
Total	19,881,756.00	38,020,126.00
Closing Stock:		
Finished Goods	10,068,451.00	9,671,795.00
Traded Item	5,862,563.00	5,889,143.00
Work in Process	-	645,329.00
Raw Material	2,771,838.00	3,675,489.00
	-	-
Total	18,702,852.00	19,881,756.00
Changes in Inventories of Finished Goods, Work in progress	1,178,904.00	18,138,370.00
Note 21 Employee benefits expense		
Salaries, wages & bonus	12,517,071.00	16,117,556.00
Contributions to provident and other funds	-	163,721.00
Staff welfare expenses	304,832.00	240,500.00
Total	12,821,903.00	16,521,777.00

Note 23 Operating expenses		
Bank Charges	4,462.00	-
Power & Fuel	15,191,013.00	7,135,030.00
Rent	-	10,800.00
Repair & Maintenance	694,032.00	676,957.00
Travelling Expenses	626,979.00	1,124,904.00
Freight & Cartage	659,143.00	510,735.00
Security Expenses	401,840.00	523,282.00
Professional Expenses	2,013,500.00	530,672.00
Communication Expenses	66,045.00	80,650.00
Rates & Taxes, Excluding, Taxes on Income	144,459.00	105,485.00
Printing & Stationary Expenses	13,346.00	31,858.00
Insurance	309,195.00	-
Other Expenses	593,075.00	139,093.00
Total	20,717,089.00	10,869,466.00
Notes:		
(i) Payments to the auditors comprises		
As auditors - statutory audit	320,980.00	320,980.00
For taxation matters	-	-
For company law matters	-	-
Total	320,980.00	320,980.00

LS INDUSTRIES LIMITED									
VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP									
Schedules forming part of the standalone Balance Sheet as on 31-03-2017									
Note 9	Fixed Assets								
D E S C R I P T I O N	As at 01.04.16	GROSS BLOCK - AT COST		Balance as at 31.03.17	Upto 31.03.16	For the Year	DEPRECIATION		NET BLOCK
	Addition	Deductions/ Adjustment	Deductions / Adjustment				Upto 31.03.17	As at 31.03.17	As at 31.03.16
A) TANGIBLE ASSETS									
Plant & Machinery	394,327,310.00	-	-	394,327,310.00	203,036,111.00	43,884,592.00	-	246,920,703.00	191,291,199.00
Furniture & Fixture	2,933,855.00	-	-	2,933,855.00	2,184,238.00	133,920.00	-	2,318,158.00	749,617.00
Computers	3,178,811.00	-	-	3,178,811.00	2,672,942.00	-	-	2,672,942.00	505,869.00
Office Equipment	2,109,185.00	-	-	2,109,185.00	1,882,818.00	282,136.00	-	2,164,954.00	226,367.00
Vehicle	6,884,636.00	-	-	6,884,636.00	4,914,956.00	456,531.00	-	5,371,487.00	1,969,680.00
Building	217,775,713.00	-	-	217,775,713.00	68,949,576.00	2,473,070.00	-	71,422,646.00	148,826,137.00
TOTAL	627,209,510.00	-	-	627,209,510.00	283,640,641.00	47,230,249.00	-	330,870,890.00	343,568,869.00
Total Previous Year	627,209,510.00	-	-	627,209,510.00	236,081,832.00	47,733,825.00	175,016.00	283,640,641.00	391,127,678.00

Deferred Tax for LS Industries Ltd		
DTA	Amount	Tax
Disallowances		
Gratuity	0	
Bonus	200866	
Total	200866	62068
Depreciation		
Book Depr	47230249	
IT Depr	37131499	
Total	10098750	3029625
Deferred Tax Asset		3091693
Provision for Normal Tax		
Profit Before Tax		-43551906
Add-		
Disallowances u/s 43B	200866	
Book Depreciatoin	47230249	47431115
		3879209
Less - Income Tax Depreciation		37131499
Business income for the year		-33252290
Less - B/f Business Losses		0
Taxable Income		-33252290
Tax @ 30.90%		-10274958
Adv Tax & TDS		215345
Tax Payable		-10490302
Interest u/s 234B /C - Adhoc		0
Self Asset Tax		-10490302
Provision for Tax		-10274958
In round Says		0

Companies	Spinning	Textile	Distribution	Total
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Advance Tax & TDS

Service Tax Recoverable		10,254.00	1,180,127.37	215,344.72
Tax Deducted At Source	163749	-24,265.00	5,288,893.55	
Provision For Losses			-169,412.00	
Provision For Tax		-6,234,002.20		

Trade Debtor:

Trade Debtor - Domestic	17,321,313.00	90,926,504.16	6,429,926.15	923,526,597.44
Trade Debtor -Intra-Co	162,674,568.00		-4,841,833.22	
Trade Debtor - Exports		654,346,798.35		
Trade Debtor- Others		-3,330,679.00		

Statutory Remittance

Addition Tax		-6,408.78	-315,536.83	-5,998,033.09
Advance Sales Tax			42,500.00	
CST	-652,225.28	613	25,101.53	
CST Payable	-1,548.00	-51,943.46		
Customs Duty Payable	-863,929.00			
Duty Draw Back Recoverable		-2,196,446.00		
Ed. Cess Payable	-24	-886.84	-34,697.05	
Ed.Cess Recoverable		204	30,470.32	
Employees ESI Fund				
Entry Tax Payable		2,022.00		
ESI Payable	166,312.00	907,824.00	-660	
P.F. Payable	836,351.00	631,748.00	-254,846.00	
Professional/ Municipal Taxes Payable		-11,955.00	-7,680.00	
SAD Recoverable			19,296.00	
SAT PAYABLE 12.5%			-54,470.72	
SAT PAYABLE 4%			-696,704.44	
SAT Receivable 12.5%			88,449.30	
SAT Receivable 4%			295,352.31	
Service Tax Payable	-1,157.00	264,538.67	-2,383,033.57	
Sh.Ed.Cess Payable	-11	-474.97	-17,348.58	
Sh.Ed.Cess Recoverable		102	15,235.24	
Surcharge Payable			-1,250.57	
TCS - Scrap	-5,069.64	-1,566.48		
TDS Payable - Advertisement			-1,202.00	
TDS Payable - Commission		-5,200.00	5,200.00	
TDS Payable - Contractor	-24,732.00	-291,936.72	34,560.00	
TDS Payable - Prof/Tech Fees		1,108,962.00	-1,575,274.00	
TDS Payable - Salaries		-331,951.00	-37,000.00	
TDS Payable- Rent		-98,601.00	95,718.00	
VAT Payable	752	-10,809.30	1,154.55	
VAT Payable	-219,655.69	-414,264.09		

Trade Payables

Trade Creditors - Domestic	-12,151,922.11	-85,583,149.92	-90,013,830.11	-406,170,689.42
Trade Creditors - Imports	-47,477,031.10	-1,342,716.82	-9,654,759.26	
Trade Creditors - Inter-Co.		-143,486,377.00	-4,652,480.01	
Other Creditors	-2,523,734.12	-5,100,787.36	-74,101.16	
Trade Creditors- Rebates			-3,433,136.00	
Unvouchered Receipts A/c	-676,664.45			

Employee Related Liabilities

Wages Payable		-6,272,185.00		-13,767,393.00
Salary o/s	-85,665.00	-5,017,932.00	-2,190,745.00	

Bonus Payable		-214,007.00	13,141.00	
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Expenses Payable

Elec. & Water Exp Payable	-2,073,914.00			-2,660,372.00
Interest Accrued but Not Due		-18,536.00		
Security Charges Payable		-124,494.00		
Staff Welfare Exp Payable		330		
Consultancy & Professional Chgs Payable			-39,262.00	
Audit Fee Payable		-303,372.00	-101,124.00	

Balance With Revenue Authority

Vat Recoverable	29,499.72	602,566.47	10,625.47	1,005,887.34
Cenvat Recoverable	319,821.31			
Additional Duty 12.5			-236,921.07	
Add Duty receivables4%			280,295.44	

Advance To Staff

Advances to Employees	-190,738.00	3,177,108.00	699,847.00	3,686,217.00
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Advance To Related Party

Loans & Advances & Recoverable			50,000.00	
Branch Imprest			502,333.00	552,333.00

Statement of Depreciation as per Income Tax Act 1961 for the year ended 31-03-2017

Sr. No.	Assets	Rate Of Depreciation	Opening WDV as on 01-04-2016	Addition Before 30-09-2016	Addition After 30-09-2016	Deductions during the year	Total	Depreciation Allowable	WDV as on 31-03-2017	WDV as on 31-03-2016
I]	Land	0%		0	0	0	0	0	0	0
II]	Building	10%	129095392	0	0	0	129095392	12909539	116185853	129095392
1	Building	10%	129095392	0	0	0	129095392	12909539	116185853	129095392
III] a)	Plant and Machinery	15%	157145215	0	0	0	157145215	23571782	133573433	157145215
1	Plant & Machinery	15%	156209379	0	0	0	156209379	23431407	132777972	156209379
2	Office Equipments	15%	935836	0	0	0	935836	140375	795461	935836
c)	Vehicle	15%	3176302	0	0	0	3176302	476445	2699857	3176302
d)	Computers	60%	21718	0	0	0	21718	13031	8687	21718
2	Computer	60%	21718	0	0	0	21718	13031	8687	21718
IV]	Furniture and Fittings	10%	1607017	0	0	0	1607017	160702	1446315	1607017
1	Furniture	10%	1607017	0	0	0	1607017	160702	1446315	1607017
Total Rs.			291045644	0	0	0	291045644	37131499	253914145	291045644

As per our report of even date attached
for, Deepak kumar & Company
CHARTERED ACCOUNTANTS

Murari Sharan
(Partner)
M.NO-521524

Place : Nalagarh
Date :-29.05.2017



DEEPAK KUMAR & COMPANY
CHARTERED ACCOUNTANTS

128, SOMDUTT CHAMBERS-II
9, BHIKAJI CAMA PLACE,
NEW DELHI-110066
TEL.- 011-26164585

INDEPENDENT AUDITOR'S REPORT

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 March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of 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 and to express an opinion on the Company's internal financial controls over financial reporting 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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 the internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 Company's internal financial controls system over financial reporting and 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:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2017
- b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure I** 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 purpose 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 reports on the accounts of the branch offices of the Company, which are required to be audited under Section 143(8) of the Act by branch auditors, are not applicable to the company.



- (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (f) In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
- (g) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, one of the directors Mr. Kuldeep Singh (DIN-06601972) is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (h) 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 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
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524



Annexure A to Independent Auditors' Report

As required by the Companies (Auditor's Report) Order, 2016 issued by Central Government of India in terms of sub-section (11) of section 143 of Companies Act 2013 we further report that:-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The company did not hold any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, sales tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. Accordingly, provisions of clause 3(vii)(b) of the Order are not applicable.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The company did not have any loans or borrowings



payable to the Government. Further, the Company did not have any outstanding debentures during the year.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) or taken any term loans during the year. Accordingly, provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid and provided in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deepak Kumar & Company
Chartered Accountants
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524

Annexure B of Independent Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of LS Industries Limited .on the Consolidated financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of L.S. Industries Limited. ("the Company") as of 31st March, 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal

financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies

and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deepak Kumar & Company
Chartered Accountants
(F. Regn. No.024751N)

Place: Nalagarh
Date: 29.05.2017

Sd/-
(Murari Sharan)
Partner
M.No.521524

LS INDUSTRIES LIMITED VILLAGE BAIERSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP CONSOLIDATED 'BALANCE SHEET AS ON 31ST MARCH, 2017			
PARTICULARS	Note No	As At 31-03-2017	As At 31-03-2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	848,818,700	848,818,700
(b) Reserves & Surplus	3	70,266,272	114,661,779
	Total Rs.	919,084,972	963,480,479
2 Share Application Money Pending Allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	12,951,613	16,043,306
(c) Other Long term liabilities			
(d) Long-term provisions		-	-
	Total Rs.	12,951,613	16,043,306
4 Current liabilities			
(a) Loan Funds	6	177,236,074	117,003,214
(b) Trade payables	7	190,649,222	192,116,260
(c) Other current liabilities	8	1,304,376	1,304,376
(d) Short-term provisions			
	Total Rs.	369,189,672	310,423,849
	Grand Total	1,301,226,259	1,289,947,635
B ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		296,338,620	343,568,869
(ii) Capital work in progress		-	-
Intangible Assets - Goodwill		59,296,390	59,296,390
(b) Non-Current Investment	10	90,000	90,000
(c) Long Term Loan and Advances	11	3,927,535	3,627,535
	Total Rs.	359,652,545	406,582,794
2 Current assets			
(a) Trade receivables	12	890,712,920	830,314,833
(b) Inventory	13	18,702,852	19,881,756
(c) Deffered Tax Assets (Net)		-	-
(d) Cash and cash equivalents	14	868,435	1,133,958
(e) Short-term loans and advances	15	5,459,782	6,279,227
(f) Other current assets	16	25,829,725	25,755,067
	Total Rs.	941,573,714	883,364,841
	Grand Total	1,301,226,259	1,289,947,635
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement			
In terms of our report attached. Deepak Kumar & Company Chartered Accountants FRN 024751N Murari Sharan Partner M.N. 521524 Place : Nalagarh Date : 29.05.2017		For and on behalf of the Board of Directors <div style="display: flex; justify-content: space-around;"> <div> Sd/- KULDEEP SINGH Director DIN:06601972 </div> <div> Sd/- SHIV KHAN Director DIN:07666627 </div> </div>	

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017			
Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
1 Revenue from operations	17	94,600,770	160,594,745
2 Other Income	18	1,903,029	2,181,024
Total		96,503,799	162,775,768
3 Expenses			
Cost of Material Consumed	19	57,234,996	84,883,648
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	1,178,904	18,138,370
Employee benefits expense	21	12,821,903	16,521,777
Finance costs	22	-	-
Depreciation and amortization expense	9	47,230,249	47,733,825
Other expenses	23	25,524,947	17,996,656
Total Expenses		143,990,999	185,274,276
4 Profit before exceptional and extraordinary items and tax		(47,487,199)	(22,498,508)
Exceptional items		-	-
Extraordinary items		-	-
5 Profit / (Loss) before tax		(47,487,199)	(22,498,508)
6 Tax expense:			
Less: Provision for Current tax expense		-	-
Add: Deferred tax Asset		3,091,693	1,642,289
7 Profit / (Loss) for the year (5-6)		(44,395,507)	(20,856,219)
8 Earnings per share (of Rs. 10 each):	23.1		
(a) Basic		(0.05)	(0.02)
(b) Diluted		(0.05)	(0.02)
Significant Accounting Policies and Explanatory Notes are an integral part of the Financial Statement			
In terms of our report attached.			
Deepak Kumar & Company Chartered Accountants FRN 024751N			
Murari Sharan Partner M.N. 521524			
Sd/- KULDEEP SINGH Director DIN:06601972			
Sd/- SHIV KHAN Director DIN:07666627			
Place : Nalagarh Date : 29.05.2017			

LS INDUSTRIES LIMITED VILLAGE BAIKSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2017		
Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A. Cash Flows from Operating Activities		
Net Profit before Tax and extraordinary items	(43,551,906.00)	(19,018,793.00)
Adjustments for non cash and non operating items:		
Add:		
- Depreciation	47,230,249.00	47,733,825.00
- Preliminary Expenses/Discount on issue of Share and	-	-
Transfer to reserve & surplus	-	-
- Debentures written off	-	-
- Goodwill, Patents and Trademarks Amortised	62,776,104.00	-
- Interest on borrowings	-	-
- Loss on Sale of Fixed Assets	-	-
Less:		
- Interest Income	1,589,661.00	1,515,004.00
- Dividend Income	-	-
- Rental Income	-	-
- Profit on sale of Fixed Assets	-	-
Other Income	-	-
Operating Profit before Working Capital Changes	64,864,786.00	27,200,028.00
Add:		
Decrease in current Assets	1,208,955.00	1,201,551.00
Increase in Current Liabilities	60,260,520.00	50,250,100.00
Less:		
Increase in current Assets	63,771,863.00	62,715,950.00
Decrease in Current Liabilities	3,750.00	-
Cash Generated from operations	62,558,648.00	15,935,729.00
Less: Income Tax Paid (Net Tax Refund received)	3,091,693.00	1,642,289.00
Cash Generated before extra-ordinary items	59,466,955.00	14,293,440.00
Extra Ordinary Items Profit (Loss)	-	-
Net Cash from (or used in) Operating Activities	59,466,955.00	14,293,440.00
B. Cash Flows from Investing Activities		
- Proceeds from Sale of Tangible Fixed Assets	-	-
- Proceeds from Sale of intangible Fixed Assets	-	-
- Proceeds from other Non-Current assets	-	-
- Interest and Dividend received	1,589,661.00	1,515,004.00
- Rent received	-	-
- Purchase of Tangible Fixed Assets	-	-
- Purchase of intangible Fixed Assets like goodwill	62,776,104.00	-
- Investment in other Non-Current Assets	-	-
Net Cash from (or used) in Investing Activities	(61,186,443.00)	1,515,004.00
C. Cash Flow from Financing Activities		
- Proceeds from issue of Shares and Debentures	-	-
Proceeds from Share application money	-	-
- Proceeds from Long-term Borrowings	1,672,055.00	-
- Final Dividend Paid	-	-
- Interim Dividend Paid	-	-
- Interest on borrowings Paid	-	-
- Repayment of Loan	-	14,909,958.00
- Redemption of Debentures	-	-
Net Cash from (or used) in financing activities	1,672,055.00	(14,909,958.00)
Net Increase (or Decrease) in Cash & Cash Equivalents (A+B+C)	(47,433.00)	898,486.00
Add: Cash and Cash Equivalents in the beginning	898,486.00	-
Cash and cash Equivalents at the end of the year	868,435.00	898,486.00
<div style="display: flex; justify-content: space-between;"> <div> In terms of our report attached. DEEPAK KUMAR & COMPANY Chartered Accountants FRN -024751N Murari Sharan Partner M.N. -521524 Place : Nalagarh Date : 29.05.2017 </div> <div> For and on behalf of the Board of Directors sd/- SHIV KHAN Director DIN:07666627 </div> <div> sd/- KULDEEP SINGH Director DIN:06601972 </div> </div>		

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Note forming part of the consolidated Balance Sheet as on 31-03-2017				
PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Note 2 Share capital				
(a) Authorised				
Equity shares of Rs. 1/- each	910,000,000	910,000,000	910,000,000	910,000,000
Preference shares of Rs. 10/- each	22,000,000	220,000,000	22,000,000	220,000,000
	932,000,000	1,130,000,000	932,000,000	932,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs 1/- each	848,818,700	848,818,700	848,818,700	848,818,700
	848,818,700	848,818,700	848,818,700	848,818,700
Total	848,818,700	848,818,700	848,818,700	848,818,700
2.1 Reconciliation of the shares outstanding at the beginning & at the end of the year:				
<i>(figure in rupees)</i>				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year:	848,818,700	848,818,700	848,818,700	8,488,187,000
Shares outstanding at the end of the year	848,818,700	848,818,700	848,818,700	8,488,187,000
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, 2017		As at 31st March, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	630,470,580	74.28	630,470,580	74.28
Suet Meng Chay	102,882,050	12.12	102,882,050	12.12
Chee Ai Liew	101,408,540	11.95	101,408,540	11.95
Total	834,761,170	98.34	834,761,170	98.34
2.3 Detail of the Equity Share in the company held by holding company:				
Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Holding Company				-
Profound Finance Private Limited	630,470,580	75.53	630,470,580	75.53
Total	630,470,580	75.53	630,470,580	75.53

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the consolidated Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017 Amount	As at 31st March, 2016 Amount
Note 3 Reserves and surplus		
Capital Reserve		
At the beginning of the year	9,831,129	9,831,129
Add: Addition during the year	-	-
Less: Utilized during the year	-	-
At the end of the year	9,831,129	9,831,129
Security Premium Account		
At the beginning of the year	184,320,114	184,320,114
Add: Addition during the year		
Less: Utilized during the year		
At the end of the year	184,320,114	184,320,114
Surplus in the statement of Profit and Loss		
At the beginning of the year	(79,489,464)	(58,458,229)
Add: Addition during the year	(44,395,507)	(20,856,219)
Less: Adjustment on account of Depreciation	-	175,016
At the end of the year	(123,884,971)	(79,489,464)
Total	70,266,272	114,661,779
Note 4 Long Term Borrowings		
- Vehicle Loan from NBFC Company	-	-
Total	-	-
Note 5 Deferred Tax Liability (Net)		
Opening Deffered Tax Liability		
- On account of different in Tax base of depreciation	16,043,306	17,685,595
Add/(Less): During the Year		
- On account of different in Tax base of depreciation	(3,029,625)	(1,466,018)
- On account of Employee Benefits	(62,068)	(176,272)
Total	12,951,613	16,043,306
Note 6 Trade Payables		
Trade Payable	177,236,074	117,003,214
Total	177,236,074	117,003,214
Note 7 Other Current liabilities		
(i) Statutory remittances	5,998,033	8,534,002
(ii) Payable on purchase of fixed assets	168,223,424	168,223,424
(iii) Employee related Liabilities	13,767,393	12,933,468
(iv) Expenses Payable	2,660,372	2,425,365
Total	190,649,222	192,116,260
Note 8 Short Term Provisions		
Provision for Gratuity	556,287	556,287
Provision for Leave	748,089	748,089
Provision for Income Tax	-	-
Total	1,304,376	1,304,376

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the consolidated Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Note 10 Non - Current Investment		
Investment in equity instruments (Long Term, Trade, Unquoted, at cost)		
(a) In wholly owned subsidiary company		
- 100000(100000) equity share of Rs.10 each fully paid up of EZY Infosoft Pvt Ltd	-	-
- 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
	90,000	90,000
Note 11 Long Term Loan and Advances		
Security Deposits	3,927,535	3,627,535
Total	3,927,535	3,627,535
Note 12 Trade receivables		
Outstanding for a period not exceeding six months from the date they were due for payment	71,500,737	67,415,273
Unsecured, considered good	-	-
Less: Provision for doubtful trade receivables	-	-
	71,500,737	67,415,273
Other Trade receivables	819,212,183	762,899,560
Unsecured, considered good	-	-
Total	890,712,920	830,314,833
Note 13 Inventory		
Finished Goods	10,068,451.00	9,671,795.00
Traded Item	5,862,563.00	5,889,143.00
Work in Process	-	645,329.00
Raw Material	2,771,838.00	3,675,489.00
Total	18,702,852.00	19,881,756.00
Note 14 Cash and cash equivalents		
(a) Cash in hand		
Cash In Hand	392,215	218,979
(b) Balances with banks		
In Current Accounts	476,220	679,507
Total (a + b)	868,435	898,486
Note 15 Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
(a) Advance to Staff	3,686,217	3,511,400
(b) Advance to Related Party	552,333	1,381,922
(b) Balance with Revenue Authorities	1,005,887	994,709
(c) Advance Tax & TDS	215,345	391,195
Total	5,459,782	6,279,227
Note 16 Other Current Assets		
Balance with Banks		
- In fixed deposit accounts (Pledged with banks)	24,240,064	24,240,064
Interest Accrued on Fixed Assets	1,589,661	1,515,004
Total	25,829,725	25,755,068

LS INDUSTRIES LIMITED VILLAGE BAIRSEN P.O. MANJHOLI, TEHSIL NALAGARH SOLAN HP Schedules forming part of the consolidated Balance Sheet as on 31-03-2017		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Note 17 Revenue from operations		
Sales of Products		
- Domestic	94,600,770	129,052,135
- Exports	-	14,397,812
	94,600,770	143,449,947
Other Operating Income		
- Export Incentives	-	-
- Service Charges	-	17,144,798
Total	94,600,770	160,594,745
Note 18 Other income		
Interest Received on Fixed Assets with Bank	1,589,661	1,515,004
Misc Income	313,368	666,020
Total	1,903,029	2,181,024
Note 19 Cost of Material Consumed		
Opening Stock	-	-
Add: Purchase of Raw Material	57,234,996	84,883,648
Closing Stock	-	-
Total	57,234,996	84,883,648
Note 20 Changes in Invesntories		
Opening Stock:		
Finished Goods	9,671,795	28,328,187
Traded Item	5,889,143	5,862,563
Work in Process	645,329	575,249
Raw Material	3,675,489	3,254,127
	-	-
Total	19,881,756	38,020,126
Closing Stock:		
Finished Goods	10,068,451	9,671,795
Traded Item	5,862,563	5,889,143
Work in Process	-	645,329
Raw Material	2,771,838	3,675,489
	-	-
Total	18,702,852	19,881,756
Changes in Inventories of Finished Goods, Work in progress	1,178,904	18,138,370
Note 21 Employee benefits expense		
Salaries, wages & bonus	12,517,071	16,117,556
Contributions to provident and other funds	-	163,721
Staff welfare expenses	304,832	240,500
Total	12,821,903	16,521,777

Note 23 Operating expenses		
Bank Charges	16,763	19,190
Bad Debts Written off	3,719,555	-
Power & Fuel	15,191,013	7,135,030
Rent	-	10,800
Repair & Maintenance	694,032	5,050,742
Travelling Expenses	626,979	1,124,904
Freight & Cartage	659,143	510,735
Foreign exchange gain/loss	351,712	187,539
Security Expenses	401,840	523,282
Professional Expenses	2,244,950	665,837
Communication Expenses	87,742	153,598
Commission expenses	-	1,761,582
Rates & Taxes, Excluding, Taxes on Income	144,459	105,485
Printing & Stationary Expenses	47,369	61,258
Membership and Subscription	20,301	20,626
Insurance	309,195	-
Other Expenses	593,075	139,093
Total	25,108,128	17,469,702
Notes:		
(i) Payments to the auditors comprises		
As auditors - statutory audit	416,819	526,954
For taxation matters	-	-
For company law matters	-	-
Total	416,819	526,954

LS INDUSTRIES LIMITED

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

Schedules forming part of the consolidated Balance Sheet as on 31-03-2017

Note 9 Fixed Assets

D E S C R I P T I O N	GROSS BLOCK - AT COST		DEPRECIATION		NET BLOCK			
	As at 01.04.16	Balance as at 31.03.17	Upto 31.03.16	For the Year	Deductions / Adjustment	Upto 31.03.17	As at 31.03.17	As at 31.03.16
A) TANGIBLE ASSETS								
Plant & Machinery	394,327,310.00	-	203,036,111.00	43,884,592.00	-	246,920,703.00	147,406,607.00	191,291,199.00
Furniture & Fixture	2,933,855.00	-	2,184,238.00	133,920.00	-	2,318,158.00	615,697.00	749,617.00
Computers	3,178,811.00	-	2,672,942.00	-	-	2,672,942.00	505,869.00	505,869.00
Office Equipment	2,109,185.00	-	1,882,818.00	282,136.00	-	2,164,954.00	(55,769.00)	226,367.00
Vehicle	6,884,636.00	-	4,914,956.00	456,531.00	-	5,371,487.00	1,513,149.00	1,969,680.00
Building	217,775,713.00	-	68,949,576.00	2,473,070.00	-	71,422,646.00	146,353,067.00	148,826,137.00
TOTAL	627,209,510.00	-	283,640,641.00	47,230,249.00	-	330,870,890.00	296,338,620.00	343,568,869.00
Total Previous Year	627,209,510.00	-	236,081,832.00	47,733,825.00	175,016.00	283,640,641.00	343,568,869.00	391,127,678.00

Companies	Spinning	Textile	Distribution	Total
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1 Advance Tax & TDS

Service Tax Recoverable		10,254.00	1,180,127.37	215,344.72
Tax Deducted At Source	163749	-24,265.00	5,288,893.55	
Provision For Losses			-169,412.00	
Provision For Tax		-6,234,002.20		

2 Trade Debtor:

Trade Debtor - Domestic	17,321,313.00	90,926,504.16	6,429,926.15	923,526,597.44
Trade Debtor - Intra-Co	162,674,568.00		-4,841,833.22	
Trade Debtor - Exports		654,346,798.35		
Trade Debtor- Others		-3,330,679.00		

3 Statutory Remittance

Addition Tax		-6,408.78	-315,536.83	-5,998,033.09
Advance Sales Tax			42,500.00	
CST	-652,225.28	613	25,101.53	
CST Payable	-1,548.00	-51,943.46		
Customs Duty Payable	-863,929.00			
Duty Draw Back Recoverable		-2,196,446.00		
Ed. Cess Payable	-24	-886.84	-34,697.05	
Ed.Cess Recoverable		204	30,470.32	
Employees ESI Fund				
Entry Tax Payable		2,022.00		
ESI Payable	166,312.00	907,824.00	-660	
P.F. Payable	836,351.00	631,748.00	-254,846.00	
Professional/ Municipal Taxes Payable		-11,955.00	-7,680.00	
SAD Recoverable			19,296.00	
SAT PAYABLE 12.5%			-54,470.72	
SAT PAYABLE 4%			-696,704.44	
SAT Receivable 12.5%			88,449.30	
SAT Receivable 4%			295,352.31	
Service Tax Payable	-1,157.00	264,538.67	-2,383,033.57	
Sh.Ed.Cess Payable	-11	-474.97	-17,348.58	
Sh.Ed.Cess Recoverable		102	15,235.24	
Surcharge Payable			-1,250.57	
TCS - Scrap	-5,069.64	-1,566.48		
TDS Payable - Advertisement			-1,202.00	
TDS Payable - Commission		-5,200.00	5,200.00	
TDS Payable - Contractor	-24,732.00	-291,936.72	34,560.00	
TDS Payable - Prof/Tech Fees		1,108,962.00	-1,575,274.00	
TDS Payable - Salaries		-331,951.00	-37,000.00	
TDS Payable- Rent		-98,601.00	95,718.00	
VAT Payable	752	-10,809.30	1,154.55	
VAT Payable	-219,655.69	-414,264.09		

4 Trade Payables

Trade Creditors - Domestic	-12,151,922.11	-85,583,149.92	-90,013,830.11	-406,170,689.42
Trade Creditors - Imports	-47,477,031.10	-1,342,716.82	-9,654,759.26	
Trade Creditors - Inter-Co.		-143,486,377.00	-4,652,480.01	
Other Creditors	-2,523,734.12	-5,100,787.36	-74,101.16	
Trade Creditors- Rebates			-3,433,136.00	
Unvouchered Receipts A/c	-676,664.45			

5 Employee Related Liabilities

Wages Payable		-6,272,185.00		-13,767,393.00
Salary o/s	-85,665.00	-5,017,932.00	-2,190,745.00	

Bonus Payable		-214,007.00	13,141.00	
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6 Expenses Payable

Elec. & Water Exp Payable	-2,073,914.00			-2,660,372.00
Interest Accrued but Not Due		-18,536.00		
Security Charges Payable		-124,494.00		
Staff Welfare Exp Payable		330		
Consultancy & Professional Chgs Payable			-39,262.00	
Audit Fee Payable		-303,372.00	-101,124.00	

7 Balance With Revenue Authority

Vat Recoverable	29,499.72	602,566.47	10,625.47	1,005,887.34
Cenvat Recoverable	319,821.31			
Additional Duty 12.5			-236,921.07	
Add Duty receivables4%			280,295.44	

8 Advance To Staff

Advances to Employees	-190,738.00	3,177,108.00	699,847.00	3,686,217.00
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9 Advance To Retated Party

Loans & Advances & Recoverable			50,000.00	
Branch Imprest			502,333.00	552,333.00

Statement of Depreciation as per Income Tax Act 1961 for the year ended 31-03-2017

Sr. No.	Assets	Rate Of Depreciation	Opening WDV as on 01-04-2016	Addition Before 30-09-2016	Addition After 30-09-2016	Deductions during the year	Total	Depreciation Allowable	WDV as on 31-03-2017	WDV as on 31-03-2016
I]	Land	0%		0	0	0	0	0	0	0
II]	Building	10%	129095392	0	0	0	129095392	12909539	116185853	129095392
	1 Building	10%	129095392	0	0	0	129095392	12909539	116185853	129095392
III] a)	Plant and Machinery	15%	157145215	0	0	0	157145215	23571782	133573433	157145215
	1 Plant & Machinery	15%	156209379	0	0	0	156209379	23431407	132777972	156209379
	2 Office Equipments	15%	935836	0	0	0	935836	140375	795461	935836
c)	Vehicle	15%	3176302	0	0	0	3176302	476445	2699857	3176302
d)	Computers	60%	21718	0	0	0	21718	13031	8687	21718
	2 Computer	60%	21718	0	0	0	21718	13031	8687	21718
IV]	Furniture and Fittings	10%	1607017	0	0	0	1607017	160702	1446315	1607017
	1 Furniture	10%	1607017	0	0	0	1607017	160702	1446315	1607017
Total Rs.			291045644	0	0	0	291045644	37131499	253914145	291045644

As per our report of even date attached
for, **Deepak kumar & Company**
CHARTERED ACCOUNTANTS

Murari Sharan
(Partner)
M.NO-521524

Place : Nalagarh
Date :-29.05.2017

Disclosure pursuant to section 129 (3) of companies act 2013

Salient features of financial statements of subsidiary companies, joint venture and associate as per Companies Act, 2013 are as per Annexure 'A' [Pursuant to the first proviso to sub-section(3) of section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC 1]

(Rs. In lakh)

S. No.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	Not e No.	Shar e Capit al	Rese rves & Surpl us	Total Asset s	Total Liabilities (Non Current and Current Liability)	Investment s Turn over	Turn over (incl uding other inco me)	Profit/ (loss) before taxation	Pr ovi sio n for tax ati on	Profit/ (loss) after taxation	Prop osed Divid end	% of shar ehol ding
1.	LSIL Singapore Pte. Ltd.	US \$	1	12.00	(12.00)	Nil	Nil	-	36.17	(38.46)	Nil	(38.46)	Nil	100



LS INDUSTRIES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

"NOTE - 21" SIGNIFICANT ACCOUNTING POLICIES

LS Industries Limited was incorporated on 26th November 1993. Its Shares are listed in BSE Ltd. The company is primarily engaged in manufacturing and dealing in textile activities.

➤ **BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

➤ **USE OF ESTIMATES**

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

➤ **FIXED ASSETS**

Fixed Assets are stated at their cost of acquisition including expenses less accumulated depreciation and impairment losses, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

➤ **REVENUE RECOGNITION**

Revenue is recognised when the significant risks and rewards of ownership of goods have been passed to the buyer. Other income such as export benefit, Interest etc, are recognised on accrual basis only when it is reasonably certain that the ultimate collection will be made.

➤ **INVESTMENTS:**

Current Investments are carried at the lower of cost or quoted / fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long term investment made only if such a decline is other than temporary in the opinion of the management.

➤ **INVENTORIES:**

- (a) Raw Materials, Work in Process and consumables are valued at cost.
- (b) Inventories of finished goods are valued at cost or net realisable value, whichever is lower.

➤ **IMPAIRMENT OF ASSETS**

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

➤ **EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the year



LS INDUSTRIES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

➤ **DEPRECIATION**

Depreciation on fixed assets is provided based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.

➤ **FOREIGN EXCHANGE TRANSACTION**

a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of settlement of transactions. Foreign currency transactions remaining unsettled at the end of the year are recorded at the rate prevailing as on 31st March 2017.

b. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expenses of the period in which they arise except that exchange differences related to acquisition of fixed assets are adjusted in the carrying amount of the related fixed assets.

➤ **PROVISIONS AND CONTINGENCIES**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- Present obligation, where a reliable estimate cannot be made.

➤ **PROVISION FOR CURRENT & DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the future taxable income would be available.

21.2 NOTES ON ACCOUNTS

1. The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/ payable as required under the said Act have not been made.
2. Claim against Company not acknowledged as debts NIL (NIL)
3. The balance of creditors, Loans and Advances and Debtors are subject to confirmation and necessary adjustment, if any, will be made on its reconciliation.



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4. In the opinion of the Board, the current assets, Loans and Advance are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount considered necessary.

5. Amount of Sundry Creditors for Goods has been shown net off advance given to the Parties.

6. Since the Company operates in a single segment i.e. "Textiles" Accounting Standard (As)-17 Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.

7. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place:

a. Holding company

Profound Finance Private Limited.

b. Subsidiaries company.

LSIL Singapore Pte Limited, Singapore

c. Associates

LSI Textile LLP, India (90% Shares)

d. Key Managerial Personnel.

Mr. Kuldeep Singh, Mr. Shiv Khan

1. Related Party relationship is identified by the management and relied upon by auditors.

2. There are no provisions for doubtful debts or no amounts have been written off in respect of debts due to or from related parties.

Earnings per share

8. In terms of Accounting Standards - 33 'Earning Per Share' notified under the Companies Act, 2013, Earning per share (Basic & Diluted) is worked out as follows-

Particulars	31 March, 2017	31 March, 2016
Nominal Value of Share (Rupees)	1	1
Number of Equity Shares (Nos)	84,88,18,700	84,88,18,700
Net Profit / (loss) after Tax (Rupees)	(4,43,95,507)	(2,08,56,219)
Earning Per Share - Basic (Rupees)	(0.04)	(0.02)
Earning Per Share - Diluted (Rupees)	(0.04)	(0.02)

9. TAXES ON INCOME

Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income of the period. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax asset are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the period. MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of



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MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period

10. DEFERRED TAX

a) DEFERRED TAX LIABILITY / (ASSETS) ON ACCOUNT OF :

Depreciation 3091693 (2017), 1642289 (2016)

11. AUDITORS REMUNERATION (incl. Service tax)

As Audit Fess `Rs.320980 (2017) Rs. 320980 (2016)

12. The Balance Sheet and Statement of Profit and Loss of the company regrouped and consolidated as required.

13. SBN's details are as under:-

(Amount in Rs`)			
Particulars	SBNs	Other denomination Note	Total
Closing Cash in hand as on 08 November , 2016	46,00,000.00	40,108.00	46,40,108.00
(+) Permitted Receipts	44,99,000.00	-	44,99,000.00
(-) Permitted Payments	43,00,000.00	16,736.00	43,16,736.00
(-) Amount deposited in Banks	46,65,000.00	-	46,65,000.00
Closing Cash in hand as on 30 th December , 2016	1,57,372	-	1,57,372

14. Previous Year's figures have been regrouped /reclassified wherever necessary correspond with the figures for the year under review.

M/s Deepak Kumar & Company
Chartered Accountants
FRNo-024751N

For Ls Industries Limited

Sd/
Murari Sharan
Partner
M. No.- 521524.

Sd/-
Shiv Khan
(Director)
DIN:07666627

Sd/-
Kuldeep Singh
(Director)
DIN: 06601972

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