



21st

ANNUAL REPORT

2013 - 2014

Plot No.32, Flat No.302, Vijaya Enclave,
Srinagar Colony, HYDERABAD – 500 073.

BOARD OF DIRECTORS

Sri. G. SURENDER REDDY
Sri G. RAMESH BABU
Sri SHAILESH SHIVRAM MISTRY
Sri L. MADHU KUMAR REDDY
Sri. G. LAXMA REDDY

Managing Director
Director (upto 29th May 2014)
Director
Director
Director (from 29th May 2014)

Registered Office:

Plot No. 32, Flat No. 302,
Vijaya Enclave, Srinagar Colony,
HYDERABAD – 500 073.
Tele : 040 - 23542871
Email : Inpolyester@yahoo.com

Works:

- 1) Plot No. 186,
Second Phase,
G I D C,
VAPI - 396 195
GUJARAT
2. Plot No.1/D,
Sarigam Industrial Estate,
Nargol Char Rashta, GIDC,
SARIGAM - 396 155
GUJARAT.

Auditors:

M/s. KUMAR & GIRI,
Chartered Accountants,
1-11-126/D, Opp. Aeroview Towers,
Begumpet,
HYDERABAD – 500 016.

Physical and Demat Registrars :

Venture Capital and Corporate Investments Pvt. Limited

12-10-167
Bharat Nagar Colony
Hyderabad – 500018
Tel: 040-23818475 / 76
Fax: 91-40-23868024 email: info@vccilindia.com

Bankers:

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

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
- 2 Pursuant to the provisions of Clause 16 of the Listing Agreement read with Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from 24th September' 2014 to 30th September'2014 (both days inclusive).
- 3 Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company quoting their Registered Folio.

If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.

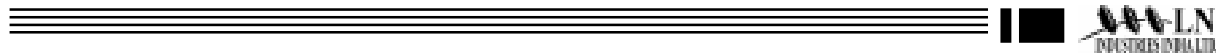
- 4 In accordance with Section 101 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Report (Audited Financial Statements, Directors Report, Auditors Report etc.) is being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding).

We, therefore request and encourage you to register your email ID in the records of your Depository Participant (in case of electronic holding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding) mentioning your folio no. / demat account details.

However, in case you wish to receive the above shareholder communication in paper or, you may write to the Company's Registrar and Share Transfer Agents, Venture Capital and Corporate Investments Limited, 12 – 10 – 167, Bharat Nagar, Hyderabad – 500 018. Tele: 23818475, 23818476, 23868023, Unit: LN Industries India Limited, or send an email at mentioning your folio no. / demat account details.

The soft copy of the Annual Report 2013 – 2014 can also be downloaded from the company's websites i.e., www.lnindustriesindia.com & www.lnindustriesindialimited.com.

- 5 Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
- 6 Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
7. **E-Voting:**
The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) for all shareholders to enable them to cast their votes electronically on the items mentioned in this notice of the 21st Annual General Meeting of the Company. The voting rights of shareholders shall



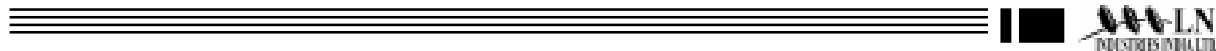
be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st of September, 2014.

The instructions for E-Voting are as under:

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

	For Members holding shares in Demat Form and Physical Form
PAN*	<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. - 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.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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



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

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25th September, 2014 at 9.00 a. m., and ends on 26th September, 2014 at 6.00 p. m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - I. The company has appointed N.Satyanarayana, a practicing Chartered Accountant, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
 - II. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any forthwith to the Chairman of the Company.

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- III. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's report shall be placed on the Company's Website and the website of CDSL.

PROFILE OF DIRECTORS RETIRING BY ROTATION AND BEING APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

PROFILE OF SRI.L.MADHU KUMAR REDDY:

Sri.L.Madhu Kumar Reddy, is aged 56 years is Graduate in Commerce, and he has vast experience in project civil, administrative & liaison with Government Authorities.

PROFILE OF Mr.G.LAXMA REDDY:

Mr.G.Laxma Reddy, is aged 30 years is an Engineering Graduate, and has experience in the areas of Technical & Management.

STATEMENT AS REQUIRED UNDER THE PROVISIONS OF SECTION 101 (2) OF THE COMPANIES ACT, 2013:

Item No. 4:

Mr. G. Laxma Reddy was appointed as Additional Director of the Company with effect from 29th May '2014 and holds office till the date of the ensuing Annual General Meeting. The management is of the opinion that continuation of Mr.G.Laxma Reddy as Director would immensely benefit the Company. The Company has received a notice from the member of the Company along with a deposit of Rs.1,00,000/- under Section 160 of the Companies Act, 2013 proposing the appointment of Mr.G.Laxma Reddy as Director of the Company liable to retire by rotation.

The Company has received from Mr. G. Laxma Reddy (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Appointment of Mr. G. Laxma Reddy as Director liable to retire by rotation requires the approval of members by way of Ordinary Resolution. Hence this resolution is placed before you for approval.

No director, key managerial personnel or their relatives, except Mr. G. Laxma Reddy and his relatives to whom the resolution relates is interested or concerned in the resolution.

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

G. SURENDER REDDY.
Managing Director.
DIN : 00109441

Place: Hyderabad
Date: 30.08.2014

Registered Office: Plot No.32, Flat No.302, Vijaya Enclave,
Srinagar Colony, Hyderabad – 500 073.
Phone:04023542871,
Fax:04023551044
Email id: Inpolyester@yahoo.com
Website: www.lnindustriesindialimited.com
CIN:L18100TG1993PLC015268

DIRECTORS REPORT

Dear Share Holders,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts of the Company for the Year Ended 31st March '2014.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Sl. No.	Particulars	For the year ended 31st March ' 2014	For the year ended 31st March ' 2013
1.	Net Income from Operations	310.30	1476.15
2.	Gross Profit/(Loss) (before Finance Charges, Depreciation, Taxation & Extraordinary Items)	(42.14)	250.78
3.	Less : Finance Charges	770.87	191.01
4.	Less : Depreciation	164.90	189.47
5.	Less : Provision for Taxation	0.00	0.00
6.	Less : Extraordinary Items	1859.09	151.35
	Profit / (Loss)	(2837.00)	(281.05)

OPERATIONS:

During the year the Company, operations are adversely effected due to low level of operations. During the year the Company has relocated its Dyeing facilities to Sarigam. The same also effected the production during the year. The volatile foreign exchange rates fluctuations have totally curtailed the Company export market. The fact that the entire south textile market was under the grip of erratic power supply has put the Company turnovers under strain. The Company is also venturing for enhancement of its product mix and the new markets and distributions in improving its turnovers and the Company performance stands to improve in the coming periods. The land development activity on the land belonging to the Company has not yet commenced during the year, owing to the state bifurcation tussle.

MARKETING:

The domestic markets where the Company's products are sold have not registered significant growth during the year. The Company with its proven quality products has been able to sustain its markets. The Company has identified new product mix, potential market areas for spreading its products range which are encouraging.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposit within the meaning of Section 58A of the Companies Act, 1956, and Rules made there under.

BOARD OF DIRECTORS:

During the year Sri.L.Madhu Kuamr Reddy, Director of the Company, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors confirms:

- (i) that in the preparation of the Annual Account for the Financial Year Ended 31st March ' 2014, the applicable accounting standards had been followed along with proper explanation relating to material departure's;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;



- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31st March ' 2014, on a "going concern basis".

AUDITORS:

M/s. Kumar & Giri, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s. Kumar & Giri to the effect that their appointment as Auditors if made would be within the limits under Section 224 (1-B) of the Companies Act, 1956.

PERSONNEL:

There are no employees in the Company whose particulars are required to be given pursuant to section 217 (2A) of the Companies Act, 1956.

REPLIES TO QUALIFICATIONS MADE BY THE AUDITORS:

Ref. No. (vii)

- a) The Company is taking effective steps to clear off the payables at the earliest.

Ref. No. (ix)

- b) The Company is in the process of mobilizing funds for repaying the loan outstanding to M/s.JM Financial Asset Reconstruction Company Private Limited.

Ref. No. (xi)

- c) The Company has initiated steps towards identifying Internal Auditors and also drawing the scope of the Internal Auditors.

CONSERVATION OF ENERGERY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217 (e) of the Companies (Disclosure of Particulars in the Report of Board Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this report.

COMPLIANCE CERTIFICATE:

The Company has complied with the provision of Corporate Governance as required under the provisions of Clause 49 of the Listing Agreement.

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing agreement is attached to this report.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the continuous support, assistance extended by all the Government Authorities, Financial Institutions Viz., JM Financial Asset Reconstruction Company Private Limited, Company Banker's State Bank of Hyderabad, Consultants, Shareholders and the dedicated and sincere services rendered by the employees of the Company.

on behalf of the Board of Directors
for LN INDUSTRIES INDIA LIMITED

Place: Hyderabad.
Date: 30-08-2014.

G. SURENDER REDDY
Managing Director
DIN : 00109441

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY :

- a) Energy Conservation measures taken:
 - Installation of Load Capacitors at junctions in curtailing High Power Load.
 - Installation of reduced horsepower motors in line with the load Requirement.
 - Installation of efficient Air Handling Units.
 - Close supervision on the usage of Coal, Electricity.
- b) Additional investment and proposals, if any, being implemented for reduction of Consumption of energy:
 - Realignment of the pipelining for the boiler resulting in the saving of the consumption of energy.
- c) Impact of measures at (a) and (B) above for reduction of Energy consumption and consequent impact on the cost of Production of goods.
 - Their has been an improvement in the quality of steam produced and used in the Boiler resulting in the saving of the consumption of energy .
- d) Total energy consumption and energy consumption per unit of production as per Form – A.

		2013 - 2014	2012 - 2013
1. Electricity:			
a) Purchased:			
Units		3,12,952	15,45,528
Total Amount	Rs.	28,86,806	92,62,295/-
Rate Per Unit	Rs.	9.22	5.99
b) Own Generation:			
i) Through Diesel Generator			
Units		0.00	0.00
Units Per Ltr.of Diesel		0.00	0.00
Rate Per Unit	Rs.	0.00	0.00
ii) Through Steam turbine / Generator:			
Units			
Units Per Ltr. Of Fuel Oil / Gas		Nil	Nil
Rate Per Unit			
2. Coal for Boiler:			
Quantity (Tons)		287.43	577.470
Total Cost	Rs.	16,48,677	32,33,385/-
Average Rate Per Ton	Rs.	5,736	5,599/-
3. Furnace Oil:			
Quantity (K.Ltrs.)			
Total Cost		Nil	Nil
Average Rate			
4. Others / internal generation (please give details):			
Quantity ()			
Total Cost		Nil	Nil
Rate Per Unit			
A) Consumption per unit of production:			
Particulars		2013 - 2014	2012 - 2013
Products (with details) Units:			
Dyed Yarn Production (MT)		370.83	720.05
Electricity (Purchased) / MT	Rs.	7,785/-	12,863/-
Coal / MT	Rs.	4,446/-	4,491/-

II. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form – B

- a) Research & Development (R & D)



Specific Areas:

The Company's initiatives resulted in the development of the new products targeting specific market segments and also resulted in the increased satisfaction to the Customers in form of superior quality.

Benefits Derived:

The Products have been well accepted by the Consumers. The new products are successfully positioned in the market.

Plan of Action:

Higher Focus on Research and Development to improve productivity and higher range of product mix.

b) Technology Absorption, Adoption and Innovation:

The Company has continuous interaction with the Manufactures / Suppliers of Machinery and is seeking and upgrading its equipment as and when required and also development of new product range is initiated in close coordination with manufacturers of Dyes and Chemicals.

III. Foreign Earnings and Outgo:

		2013 - 2014	2012 - 2013
Earnings	::	Rs. 0.00	Rs. 0.00
Outgo	::	Rs. 0.00	Rs. 0.00

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Board of Directors
LN Industries India Limited,

We have reviewed the implementation of Corporate Governance procedures by LN Industries India Limited during the period ended 31st March ' 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of 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.

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.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the stock exchanges have been complied with in all material respect by the Company and no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

for KUMAR & GIRI.
Chartered Accountants
FRN 01584S

J. Bhadra Kumar.
Partner.
M. No.025480.
Date: 29-05-2014.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is engaged in the manufacture of Texturized Twisted Polyester Dyed Yarn and Nylon Dyed Yarn. It has also significant presence in the trading of various textile products.

One of the major finished products of the Company Polyester Dyed Yarn is used in the manufacturing of Dress Materials, Sarees, Shirting, Suiting and Furnishing Fabrics. Another product Nylon Dyed Yarn is used in the manufacture of Socks, Sports Gear etc.,

The industry offers significant leverage to the Company for scaling up its operations both in terms of the higher volumes of the existing products as well as the scope for setting up new and enhanced facilities which can facilitate back ward integration for the present product line of the Company. Because of the products application and utility across the wide spectrum of the users segment, offers significant opportunities for growth.

REVIEW OF OPERATIONS:

Company during the period processed materials to the tune of 370.83 MT's including undertaking job works for Reliance Industries Limited. Though the markets have been hit by erratic power supply the capacities of end customers and interruption of operations due to relocation of texturizing facility of the Company during the year the production is adversely affected.

FINANCIAL REVIEW:

The Company during the year has achieved a turnover of Rs.310 Lakhs.

The Company incurred a Loss (Earnings before Interest, Deprecation, Taxes & Extraordinary items) of (Rs.42 Lakhs).

The paid up Equity Share Capital as at 31st March '2014 stood at Rs.10,168.59 Lakhs.

Earning per share for the period was at Rs.(2.79).

The Company's contribution to the national exchequer in the form of various taxes and duties amounts to Rs.0.61 Lakhs.

OPPORTUNITIES:

The nature of the Products Company presently operates in, provides for excellent and good opportunities to venture into backward integration in manufacturing the required raw materials. The Company product portfolio is also encouraging for adding value added products. The outlook as well as the demand for the Company products being manufactured is very encouraging in the long run.

CHALLENGES:

Presently the majority of the Company revenues are derived from the sale of Texturized Twisted Polyester Dyed Yarn in the domestic market. The enhanced product mix producing a wide range of quality products would enable the Company to perform better. The Company's proposal of development of the land at Patancheru, Hyderabad offers the Company to consolidate its cash flows once revenue commences from development.

OUTLOOK:

Presently the Company's majority of the revenues are derived from the sale of Texturized Twisted Polyester Dyed Yarn in the domestic market. The success of the Nylon Dyed Yarn which the Company has earlier exported and kept on hold due the dollar fluctuation, will on resumption after the stabilization of the dollar rates will give the Company wide market base and flexibility. The Company's proposal of development of the land at Patancheru, Hyderabad after shifting of the facilities to Silvassa and Vapi gives the Company the leverage to enlarge its business operations over the next 3 – 5 years.

RISKS AND CONCERNS:

The domestic and regional macro economic environment directly influences the spending habits of the population. Any perceived economic slow down could have an impact on the demand and supply dynamics. One of the areas of concern in the present line of business for the Company is the fluctuations in the prices of the basic raw material used in the production i.e Partially Oriented Yarn (POY) whose cost is directly proportional to the fluctuations in the international prices of petroleum products which has been witnessing frequent fluctuations in the prices.

The Company is in the process of diversifying into other related business segments and also the real estate development of the land belonging to it. The progress of these depends on the various market conditions which are not directly under control of the Company.

ADEQUACY OF INTERNAL CONTROLS:

LNIL has a proper and adequate system of internal controls to ensure that all the assets are safe guarded and protected against loss or misuse or disposition and the transaction are authorized, recorded and reported correctly.

Majority of the critical production operations are automated providing systems based check and control at every critical point.

The internal control system is designed to ensure that the financial and other records are reliable for preparing financial statements, other data on timely basis and also in maintaining accountability of assets.

QUALITY:

“Consistency in the Quality of the product & high level of after sales follow up” are the hall marks of the Company Products.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

LNIL employs 18 people, on full time employment basis.

LNIL recognizes the contribution of its people in creating a Company which products are ranked amongst the best Dyed Yarn in the Country.

LNIL provides continuous learning and personal development programs by conducting training and evaluation. The relations with the workmen have been cordial during the period.

CORPORATE GOVERNANCE DISCLOSURE:**1. COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The basic philosophy of Corporate Governance in the Company is to attain excellence in the operation keeping in view the interest of the shareholders, employees, government and lenders.

Company is committed to achieving the high standards of Corporate Governance.

Company believes that all its operations and acts should serve the underlying goal of enhancing overall stakeholders' value, sustained over a period of time.

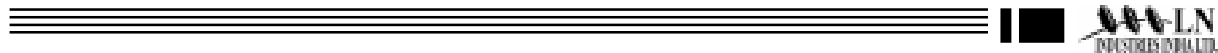
2. BOARD OF DIRECTORS:

The Board of Directors of the Company consists of 4 Directors, Viz., Managing Director, and 3 Non – Executive Directors.

During the period April ' 2013 to March ' 2014 the Board has met 4 (Four) times, on the following date namely:

1. 25th May ' 2013.
2. 12th August ' 2013.
3. 12th November ' 2013.
4. 14th February ' 2014.

The maximum time gap between any two meetings was not more than four calendar months.



The following table gives details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting number of memberships held by Directors in the other Committees.

Name	Category	Attendance Particulars		Committee Memberships	Committee Chairmanships
		Board Meetings	Last AGM		
Sri G. Surender Reddy (Promoter and Managing Director)	MD	4	Yes	1	1
Sri G. Ramesh Babu (upto 29th May 2014) (Independent and Non Executive Director)	NED	1	Yes	1	1
Sri L. Madhu Kumar Reddy (Independent and Non Executive Director)	NED	4	No	1	1
Sri Shailesh Shivram Mistry (Independent & Non Executive Member)	NED	0	No	1	1
Sri G. Laxma Reddy (from 29th May 2014) (Independent & Non Executive Member)	NED	0	No	1	1

Sl. No.	Name of the Director	Other Directorships
1.	Sri G. Surender Reddy	2
2.	Sri G. Ramesh Babu (upto 29th May 2014)	- No -
3.	Sri L. Madhu Kumar Reddy	- No -
4.	Sri Shailesh Shivram Mistry	- No -
5.	Sri G. Laxma Reddy (from 29th May 2014)	- No -

1. AUDIT COMMITTEE:

The Audit Committee constituted by the Board of Directors consists of Four Directors as its Members namely:

1. Sri. G.Surender Reddy
2. Sri. G.Ramesh Babu (upto 29th May 2014)
3. Sri. L.Madhu Kumar Reddy
4. Sri. Shailesh Shivram Mistry

Sri L. Madhu Kumar Reddy is the Chairman of the Audit Committee.

The Audit Committee reviews the adequacy of Internal Control Systems and the Internal Audit Reports, and their compliance thereof as well as the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible. The Committee recommends the appointment of External Auditors and fixation of their audit fee and approves the payment for any other services rendered by them. The Committee also monitors and reports on the status of implementation of statutory audit recommendations. The Statutory Auditors attend as invitees to the meetings of the Audit Committee.



Four meetings were held during the period April ' 2013 to March ' 2014. The dates on which the meetings were held are:

1. 25th May' 2013.
2. 12th August ' 2013.
3. 12th November ' 2013.
4. 14th February ' 2014.

The attendance of each member of the Committee is given below:

Sl. No.	Name of the Director	No. of Meetings Attended
1.	Sri G. Surender Reddy	4
2.	Sri G. Ramesh Babu (upto 29th May 2014)	1
3.	Sri L. Madhu Kumar Reddy	4
4.	Sri Shailesh Shivram Mistry	0

1. REMUNERATION COMMITTEE:

The Remuneration Committee of the Company comprises of Three Directors. The Chairman of the committee is Sri. G. Ramesh Babu (upto 29th May 2014) Non Executive Director.

The members of the Committee are:

1. Sri. L.Madhu Kumar Reddy.
2. Sri. G.Ramesh Babu (upto 29th May 2014)
3. Sri. Shailesh Shivram Mistry.

None of the Non-Executive Directors are being paid any remuneration except sitting fee for attending the Board Meetings. The Remuneration Committee did not met during the year.

2. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Committee comprises of:

1. Sri. Shailesh Shivram Mistry.
2. Sri. G.Surender Reddy.
3. Sri. L.Madhu Kumar Reddy.

Sri. Shailesh Shivram Mistry, is the Chairman of the Shareholders / Investors Grievance Committee.

The committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressing of shareholders / investor's complaints like transfer of shares, non – receipt of balance sheet, etc., The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investor's services.

During the year under review the Company has not received any complaints from the shareholders. And as on 31st March, 2014, no requests for transfer are pending.



6. GENERAL BODY MEETINGS :

The last three Annual General Meeting of the Company were held as under:

Year	Location	Date	Time
2010 - 2011	Swagath-De-Royal, Kondapur X Roads, Madhapur, Hyderabad - 500 080.	30 th September, 2011	3:30 P.M
2011 - 2012	Swagath-De-Royal, Kondapur X Roads, Madhapur, Hyderabad - 500 080.	10 th September, 2012	11.00 A.M.
2012 - 2013	Majestica Inn, @ 2-41/2/A, Sy. # 4, End Floor, Pavan Priyanka Plaza, Kothaguda X Road, Kondapur, Hyderabad - 500084.	30th Septber, 2013	02.00 P.M.

1. DISCLOSURES:

- (i) Disclosure on materially significant related party transaction, i.e., transaction of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relative etc., that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- (ii) Details of the non – compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

There were no instances of non – compliance of any matter related to the Capital markets during the last three years.

2. MEANS OF COMMUNICATION:

The Quarterly Results of the Company are published in English & Vernacular – Telugu Daily News Papers. Following are the details of Paper Publications of the Results.

Sr. No.	Quarter Ended	English Daily	Telugu (Vernacular) Daily	Date of Publication
1.	June 2013	Business Standard	Andhra Prabha	14th August, 2013
2.	September 2013	Business Standard	Andhra Prabha	14th November, 2013
3.	December 2013	Business Standard	Andhra Prabha	16th February, 2014
4.	March 2014	Business Standard	Andhra Prabha	31st May, 2014

9. GENERAL SHAREHOLDER INFORMATION:

9.1 Annual General Meeting:	
Date and Time	30th September, 2014 at 9.30 A.M
Venue	Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad - 500084.

9.2 Financial Report for the Quarter Ending (subject to change):		
1	June 2014	12 th August ' 2014.
2	September ' 2014	15 th November ' 2014.
3	December ' 2014	15 th February, 2015
4	March '2015	15 th May, 2015

9.3 Book Closure Date:	
Dates	24th September, 2014 to 30th September 2014 (inclusive of both the Days)

9.4 Listing of Equity shares on Stock Exchanges:	
At	The Bombay Stock Exchange Limited, Mumbai.
	The Madras Stock Exchange Limited.

9.5 Stock Code: 530745	
(a) Trading Symbol	LNPL at all the Stock Exchanges In Physical & Demat Segment.
(b) ISIN Number	Equity shares - INE366C01013

9.6 Stock Market Data:			
	Month	High	Low
1	Apr ' 2013	7.08	5.78
2	May '2013	6.05	3.90
3	June '2013	7.14	5.94
4	July '2013	6.65	6.00
5	Aug '2013	6.93	6.00
6	Sep '2013	6.56	5.64
7	Oct '2013	5.55	5.09
8	Nov '2013	6.82	5.77
9	Dec '2013	7.10	6.32
10	Jan '2014	6.80	5.99
11	Feb '2014	6.30	5.42
12	Mar '2014	6.30	5.07

9.7 Registrar and Transfer Agents :	
Name & Address:	Venture Capital and Corporate Investments Limited, 12 – 10 – 167, Bharat Nagar, Hyderabad – 500 018. Tele: 23818475, 23818476, 23868023.

9.8 Share Transfer Systems:	
System:	Presently the share transfers, which are received in physical form, are processed and the share certificates are dispatched to the members within 30 days from the date of receipt subject to the documents being valid and complete in all respects. Even the requests for transfers, which are rejected on technical grounds, are also dispatched within the said 30 days.

9.9 Share Holding Pattern:	
Category	% of Total Capital
Promoters & Associates	13.60%
Bodies Corporate	60.53%
Banks	00.01%
NRI's	00.38%
Others	25.48%

9.10 Distribution of Share Holding (As of 31st March ' 2014)	
Range in No. of Shares	% of Total Capital
Up to 5000	0.32%
5001 to 10000	0.28%
10001 to 20000	0.30%
20001 to 30000	0.32%
30001 to 40000	0.16%
40001 to 50000	0.26%
50001 to 100000	0.67%
100001 & above	97.69%

9.11 Dematerialization of Shares:	
Status:	Approximately 35.55% of the shares issued by the Company have been dematerialized up to 31 st March 2014.

9.12 Plant Location:	
Address:	Plot No. 1/D Sarigam Industrial Estate Nargol Char Rastha, GIDC, SARIGAM - 396155, GUJARAT.

9.13 Address for Investor Correspondence:	
Address:	The Compliance Officer, LN INDUSTRIES INDIA LIMITED, (Formerly known as LN Polyesters Limited) Plot No.32, Flat No. 302, Vijaya Enclave, Srinagar Colony, HYDERABAD – 500 073.



Compliance with non mandatory requirements : The company has opted not to adopt any of the non-mandatory requirements specified in clause 49 of the listing agreement.

Other Disclosures:

Code of Conduct for the Board Members and Senior Management Personnel

The Board of Directors had approved a Code of Conduct for Board Members and Senior Management Personnel of L N Industries India Limited.

This code is also available on the website of the Company. In terms of Clause 49 of the listing agreement a confirmation from Managing Director regarding compliance with the code by all the Directors and Senior Management is furnished below:

I, Confirm that all Directors and Senior Management Personnel have affirmed compliance with the L N Industries India Limited Code of Conduct for Board Members and Senior Management Personnel.

G.SURENDER REDDY
Managing Director

CEO CERTIFICATION

I, G. Surender Reddy, Managing Director of LN Industries India Limited hereby certify that:

- i. I had reviewed financial statements and the cash flow statement for the period ended 31st March, 2014, to the best of my knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
- ii. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- iii. I accept responsibility for establishing and maintaining internal controls and I had evaluated the effectiveness of internal control systems of the Company and I had disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. I had indicated to the Auditors and the Audit Committee:
 - a) Significant Changes in internal controls during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - c) That there have been no instances of significant fraud of which we have become aware, involving the management or an employee having a significant role in the Company's internal control system.

Place: Hyderabad.
Date:30-08-2014.

G.SURENDER REDDY
Managing Director
DIN : 00109441

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

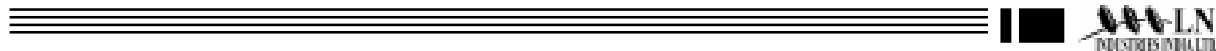
For M/s.KUMAR & GIRI
Chartered Accountants
FRN 01584 S

J.BHADRA KUMAR
Partner
M.No.025480

Place: Hyderabad
Date: 29th May ' 2014.

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF THE REPORT OF EVEN DATE:

- (i)
 - (a) The Company is compiling the Fixed Assets Register consequent to the relocation and merging of the facilities at the new locations.
 - (b) The Company has conducted physical verification of the fixed assets at one of its two manufacturing locations. The Company has detailed a plan of physical verification of the fixed asset in relation to the assets at the second manufacturing location.
 - (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected, excepting the factory buildings situated at Patancheru, Vapi & Silvassa there on incurring a loss of Rs.6,06,66,011/-.
- (ii)
 - (a) The stocks of raw materials, consumables, stores, work in progress and finished goods have been physically verified during the year by the management of the Company.
 - (b) The procedure of the physical verification of the Inventories followed by the management are to be strengthened so as to be reasonable and commensurate with the size of the Company and the nature of its business.
 - (c) The discrepancies noticed on verification of inventories as compared to the books were not material and it has been properly dealt with in the books of account of the Company.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has outstanding loans from three parties. The maximum amount outstanding during the year in relation to the loans taken aggregate to Rs.1,056.02 Lakhs.
 - (b) In our opinion and according to the information and explanations given to us, no rates of interests are



specified for the loans taken. The other terms and conditions for these loans are not prima facie prejudicial to the interest of the Company.

- (c) The loan taken from Directors (three parties) are interest free and subordinate to the debts of the Financial Institutions so as to the repayment of principal.
- (d) The loan taken by the Company from JMF ARC amounting to Rs.9,11,74,420/- as on 31st March ' 2014 has been restructured and no dues are for repayment during the year. There are no other overdue amounts in respect of loans taken by the Company and also in relation to the loans given by the Company.
- (iv) In our opinion and according to the information and explanations given to us, the internal control procedures in the Company needs to be strengthened so as to be commensurate with the size of the Company and the nature of its business with regard to Purchases of Inventory, Fixed Assets and with regard to the Sale of Goods.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public excepting loans taken from others.
- (vii) The Company has no internal audit system during the year.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March ' 2014, for a period of more than six months from the date they became payable, excepting the following.

S.No.	Particulars	Amount	Remarks
1.	Deferred Sales Tax	118.63	Which has become due on account of the Unit being shifted from Andhra Pradesh
2	Provident Fund	4.29	
3	Tax Deducted At Source::	2.29	
	On Rent	0.68	
	On Interest Others	1.20	
	On Consultancy	0.41	



(c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except the following.

Sl.No.	Particulars	Amount (Rs. in Lacs)	Remarks
1.	Income Tax – A.Y.2011–2012 – Demand raised by the Department	272.96	Appeal filed with CIT Appeals – V, Hyderabad, pending disposal.

- (x) The Company has incurred a cash loss of Rs.813.01 lacs- for the financial year 2013 - 14 and a cash profit of Rs.122.53 lacs for financial year 2012 - 13 and the accumulated loss as on 31st March ' 2014 was Rs.2655.40 Lacs.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of dues to financial institution or bank as at the Balance Sheet date and the amount of default could not be quantified.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's Report) Order'2003 is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us the Company is not dealing in shares and securities. In the case of investments held by the Company in shares the same are in the name of the Company.
- (xv) In our opinion and according to the information and explanations given to us the Company has not given guarantees for the loans taken by others from Banks or Financial Institutions.
- (xvi) No new loan was sanctioned to the Company during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the Company has not utilized any amount out of short terms sources for long term uses and vice versa.
- (xviii) No new allotments were made by the Company during the year.
- (xix) The Clause 4(xix) of the Companies (Audit Report) Order '2003 relating to the creation of security for the Debentures is not applicable to the Company as no debentures are raised by the Company.
- (xx) The Company has not raised any money by way of public issue during the year excepting the balance monies to be received against the yet to allot Fully Convertible Equity Warrants.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that caused the financial statements to be materially misstated.

For M/S.KUMAR & GIRI.
 CHARTERED ACCOUNTANTS.
 FRN 01584 S

Place: Hyderabad.
 Date: 29th May ' 2014.

J.BHADRA KUMAR
 Partner.
 M.No.025480.

BALANCE SHEET AS AT 31st MARCH, 2014



Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I. EQUITY OF LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2		1,016,859,000		1,016,859,000
b) Reserves and Surplus	3		825,479,582		1,109,178,888
2. Non - Current Liabilities					
a) Long Term Borrowings	4		134,174,420		97,956,974
3. Current Liabilities					
a) Short Term Borrowings	5		247,075,871		218,438,626
b) Trade Payables	6		50,111,824		55,474,251
c) Other Current Liabilities	7		8,714,526		16,000,768
Total			2,282,415,223		2,513,908,507
II. ASSETS					
1. Non - Current Assets					
a) Fixed Assets					
(i) Tangible Assets	8	495,918,347		574,948,753	
(ii) Capital Work-in-Progress	9	34,599,504		39,156,122	
			530,517,851		614,104,875
Less : Depreciation			289,385,261		291,260,101
			241,132,590		322,844,774
b) Non-Current Investments	10		1,151,838,000		1,647,821,000
c) Long Term Loans and Advances	11		4,501,720		11,893,899
2. Current Assets					
a) Inventories	12		54,945,260		52,715,752
b) Trade Receivables	13		165,279,714		186,759,175
c) Cash and Cash Equipments	14		5,893,547		9,084,332
d) Short Term Loans and Advances	15		658,824,392		282,789,575
Total			2,282,415,223		2,513,908,507

The notes referred to above are an integral part of Balance Sheet.

Significant Accounting Policies as Notes No.1

As per our report of even date

For and behalf of the Board

For M/s KUMAR & GIRI

Chartered Accountants

FRN : 01584 S

J. BHADRA KUMAR

Partner

M.No. 025480

Hyderabad.

Date : 29th May, 2014.

G. SURENDER REDDY

Managing Director

L. MADHU KUMAR REDDY

Director

Profit & Loss Account for the Period ended 31st March, 2013

Particulars					
I.	Revenue from Operations	16		31,633,830	146,000,356
II.	Other Income	17		1,070,025	4,667,400
III.	Total Revenue (I + II)			32,703,855	150,667,756
IV.	Expenses :				
	Cost of Materials Consumed	18		13,896,307	76,584,516
	Changes in Inventories of :				
	Work-in-Progress (Increase)/Decrease	19		(2,334,645)	8,426,395
	Finished Goods (Increase) / Decrease	20		808,962	2,323,785
	Employee Benefit Expense	21		7,516,990	13,031,897
	Financial Costs	22		77,087,041	19,101,159
	Depreciation and Amortization Expense	8		16,489,555	18,947,004
	Other Expenses	23		17,029,940	25,222,895
	Total Expenses			130,494,150	163,637,651
V.	Profit before exceptional and Extraordinary Items and Tax		(III - IV)	(97,790,295)	(12,969,895)
VI.	Exceptional Items - Loss on Sales of Assets			185,909,011	15,134,928
VII.	Profit before Extraordinary Items and Tax (V-VI)			(283,699,306)	(28,104,822)
VIII.	Extraordinary Items			0	0
IX.	Profit Before Tax (VII - VIII)			(283,699,306)	(28,104,822)
X.	Tax Expense :				
	1) Current Tax			0	0
	2) Deferred Tax			0	0
XI.	Profit / (Loss) from the Period from Continuing Operations			(283,699,306)	(28,104,822)
XII.	Profit / (Loss) from Discontinuing Operations			0	0
XIII.	Tax Expense of Discounting Operations			0	0
XIV.	Profit / (Loss) from Discontinuing Operations		(XII - XIII)	0	0
XV.	Profit / (Loss) for the Period			(283,699,306)	(28,104,822)
XVI.	Earnings Per Equity Share :				
	1) Basic			(2.79)	(0.28)
	2) Diluted			(2.79)	(0.28)

The notes referred to above are an integral part of Balance Sheet.
Significant Accounting Policies as Notes No.1

As per our report of even date

For and behalf of the Board

For M/s KUMAR & GIRI

Chartered Accountants

FRN : 01584 S

J. BHADRA KUMAR

Partner

M.No. 025480

Hyderabad.

Date : 29th May, 2014.

G. SURENDER REDDY

Managing Director

L. MADHU KUMAR REDDY

Director

CASH FLOW STATEMENT
For the year ended on 31 March 2014

	Particulars	Amount Rs.	Amount Rs.
I.	CASHFLOW		
1.	Cash inflow from Operating activities		
	<i>a) Profit from operating activities</i>	(283,699,306)	
	Adjustments :		
	Depreciation and amortization	16,489,555	
	Interest & Finance Charges	77,087,041	
	(Gain)/Loss on sale of fixed assets	60,666,011	
	<i>b) Working Capital Changes</i>		
	- Decrease in trade receivables	21,479,461	
	- Increase in other current liabilities	2,833,758	
	Total of (1)		(105,143,480)
2.	Cash inflow from Investing Activities		
	a) Proceeds from sale of fixed assets	4,556,618	
	b) Decrease in other long-term loans and advances	7,392,179	
	c) Decrease in non current investments	495,983,000	
	Total of (2)		507,931,797
3.	Cash inflow from Financing Activities		
	a) Proceeds from long-term borrowings	36,217,446	
	b) Proceeds from short-term borrowings	28,637,245	
	Total of (3)		64,854,691
	TOTAL CASH INFLOWS (1+2+3) (I)		467,643,008
II.	CASH OUTFLOW :		
1.	Cash outflow from Operating activities		
	<i>a) Loss from operating activities</i>		
	<i>b) Working capital changes :</i>		
	- Increase in trade receivables	2,229,508	
	- Increase in short-term loans and advances	386,154,817	
	- Decrease in trade payables	5,362,427	
	Total of (1)		393,746,752
2.	Cash Outflow from Investing Activities		
	Total of (2)		-
3.	Cash Outflow from Financing Activities		
	a) Interest and other finance costs	77,087,041	
	Total of (3)		77,087,041
	TOTAL CASH OUTFLOWS (1+2+3) (II)		470,833,793
III.	Net (decrease) / increase in cash and cash equivalents (I-II)		(3,190,785)
	Add : Cash and cash equivalents at the beginning of the period		9,084,332
IV.	Cash and cash equivalents at the end of the period		5,893,547

NOTES FORMING PART OF BALANCE SHEET



Particulars	As at 31-March-14		As at 31-March-13		
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)	
Note:2 Share Capital AUTHORISED SHARE CAPITAL : Equity Shares of Rs.10/- each	145,000,000		145,000,000		
	145,000,000		145,000,000		
ISSUED Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	101,685,900		101,685,900		
SUBSCRIBED : Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	101,685,900		101,685,900		
PAID UP CAPITAL : Equity Shares of Rs.10/- each fully paid up	101,685,900	1,016,859,000	101,685,900	1,016,859,000	
	101,685,900	1,016,859,000	101,685,900	1,016,859,000	
Details of Shares held by each Shareholder Holding more than 5%					
	Name of the Shareholder	No.of Shares	% of Holding	No.of Shares	% of Holding
	Patel & Patel Team Developers LLP	6,500,000	6.39%	6,500,000	6.39%
	Meritorious Realty Private Limited	0	0.00%	6,590,000	6.48%
	HN Organisers & Developers LLP	6,750,000	6.64%	6,750,000	6.64%
	Nirvana Mall Management Pvt. Ltd.	7,200,000	7.08%	7,200,000	7.08%
	CVK Infrastructure Pvt. Ltd.	9,500,000	9.34%	9,500,000	9.34%
	LN Projects Private Limited	10,000,000	9.83%	10,000,000	9.83%
	Secunderabad Healthcare Limited	14,800,000	14.55%	14,800,000	14.55%
		54,750,000	53.84%	61,340,000	60.32%
Note :3 Reserve & Surplus A) Share Premium Reserves As at commencement of the year		1,089,520,000		940,384,600	
		0		149,135,400	
		1,089,520,000		1,089,520,000	
B) Other Reserves Central Subsidy As at Commencement of the year Add : Received further		1,500,000		1,500,000	
		0		0	
		1,500,000		1,500,000	
C) Surplus Opening Balance Add : Net Profit for Current Year		18,158,888		46,263,711	
		(283,699,306)		(28,104,822)	
Closing Balance		(265,540,418)		18,158,888	
		825,479,582		1,109,178,888	

Notes on Accounts for the Year Ended 31st March, 2014

(Amt. in Rs.)

Note No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		As at 01-Apr-13	Additions during the year	Disposal during the year	As at 31-Mar-14	As at 01-Apr-13	Depreciation for the year	Depreciation on disposals	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
8	Tangible Assets										
a)	Land	2,699,620	0	0	2,699,620	0	0	0	0	2,699,620	2,699,620
b)	Buildings	79,030,406	0	79,030,406	0	18,346,812	17,583	18,364,395	(0)	0	60,683,595
c)	Plant and Machinery	444,506,112	0	0	444,506,112	242,068,730	15,498,607	0	257,567,337	186,938,775	202,437,382
d)	Electrical Installations	24,912,612	0	0	24,912,612	12,451,041	0	0	12,451,041	12,461,571	12,461,571
e)	Borewell	2,069,219	0	0	2,069,219	536,476	0	0	536,476	1,532,743	1,532,743
f)	Office Equipment	1,620,277	0	0	1,620,277	1,275,244	62,216	0	1,337,461	282,816	345,033
g)	Furniture and Fixtures	6,182,872	0	0	6,182,872	1,583,504	57,141	0	1,640,644	4,542,228	122,437
h)	Computers	1,871,566	0	0	1,871,566	6,060,435	45,548	0	6,105,983	(4,234,417)	288,062
i)	Vehicles	12,056,069	0	0	12,056,069	8,937,859	808,459	0	9,746,319	2,309,751	3,118,210
	Total	574,948,754	0	79,030,406	495,918,347	291,260,101	16,489,555	18,364,395	289,385,261	206,533,086	283,688,652
9	Capital Work-in-Progress	39,156,122	75,000	4,631,618	34,599,504	0	0	0	0	34,599,504	39,156,122
	Total	39,156,122	75,000	4,631,618	34,599,504	0	0	0	0	34,599,504	39,156,122
	Grand Total	614,104,875	75,000	83,662,024	530,517,851	291,260,101	16,489,555	18,364,395	289,385,261	241,132,590	322,844,774

Note : During the year the Company has incurred Loss on Disposal of Factory Building at Patancheru, Vapi & Silvassa, incurring a Loss of Rs.6,06,66,011/- The break – up of the same is as under.

Amount (Rs.)

Sl. No.	Description of Asset	Gross Block	Accumulated Depreciation	Sale Consideration	Loss on Disposal of Asset
1	Buildings	79,030,406	18,364,395	0	60,666,011
	Total	79,030,406	18,364,395	0	60,666,011

NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-14		As at 31-March-13	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Note:4				
Long-Term Borrowings				
A) Secured Loans				
Long term Loans - From Banks / Financial Institutions				
Rupee Term Loan (Secured by First Charge on Entire Fixed Assets and Personal Guarantee of Directors of the Company)		91,174,420		54,933,492
Car Finance Loans from Banks (Secured by Hpothecation of Vehicles Financed out of proceeds of Loans)		0		23,482
		91,174,420		54,956,974
Long Term Loans - Others				
Land Dev. Deposits from Developers		43,000,000		43,000,000
		43,000,000		43,000,000
		134,174,420		97,956,974
Note :5				
Short Term Loans - From Banks				
A) Secured Loans				
Packing Credit / Post Shipment Loans secured by charge on stock, book-debts and other cureent assets.		70,477,045		75,142,686
Short Term Corporate Loan from State Bank of Hyderabad		23,575,550		20,000,000
		94,052,595		95,142,686
B) Unsecured Loans				
Short Term Loans : Others				
From Directors (See Note : Schedule 24)		105,601,624		61,334,305
From Bodies Corporate & Others		32,158,277		46,698,260
Trade Deposits		3,400,000		3,400,000
Interest Free Sales Tax Loan		11,863,374		11,863,374
		153,023,276		123,295,940
		247,075,871		218,438,626
Note :6				
Trade Payables				
Sundry Creditors		50,111,824		55,474,251
		50,111,824		55,474,251
Note : 7				
Other Current Liabilities				
Duties & Taxes Payable		0		11,073,433
Outstanding Liabilities		8,714,526		4,927,335
		8,714,526		16,000,768

NOTES FORMING PART OF BALANCE SHEET



Particulars	As at 31-March-14		As at 31-March-13	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Note:10 Non-Current Investments				
Long Term Investment				
Unquoted Equity Shares (at Cost)		114,588,000		706,069,400
Convertible Warrants		0		670,223,600
Share Application Money under allotments		234,020,000		271,528,000
Quotated Equity Shares (at Cost)		803,230,000		0
		1,151,838,000		1,647,821,000
Note:11 Long - Term Loans & Advances				
A) Secured Advances				
Security Deposits		4,501,720		11,893,899
		4,501,720		11,893,899
Note:12 Inventories				
Raw Material		7,315,340		6,525,501
Consumables		8,262,163		8,157,530
Packing Material		8,315,533		8,506,180
Stock in Process		29,056,250		26,721,605
Finished Goods		1,995,974		2,804,936
		54,945,260		52,715,752
Note:13 Trade Receivables				
Debtors Outstanding for a period exceeding six months				
Considered Goods		135,409,968		81,883,679
Other Debts				
Considered Goods		29,869,746		104,875,496
		165,279,714		186,759,175
Note:14 Cash & Bank Balances				
Cash in Hand		97,227		47,139
Balance with Scheduled Banks :				
In Current Accounts		53,329		419,201
In Fixed Deposit Accounts (Pledged with Banks)		5,742,992		8,617,992
		5,893,547		9,084,332
Note:15 Short-Term Loans & Advances				
A) Secured Advances				
Tax Deduction at source		5,495,799		8,513,053
Advance Tax A.Y. 2014-15		1,569,980		0
		7,065,779		8,513,053
B) Unsecured Advances				
Prepaid Expenses		0		58,679
Advance to Suppliers & Others		651,758,613		274,217,842
		651,758,613		274,276,522
		658,824,392		282,789,575

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS



Particulars		As at 31-March-14		As at 31-March-13	
		Amount (Rs.)		Amount (Rs.)	
Note:18	Revenue from Operations				
	a) Sale of Products	1,346,849		108,068,786	
	b) Other Operating Revenues (Conversion Charges)	29,683,535		39,545,974	
	c) Less : Excise Duty & Sales Tax		31,030,384 (603,446)		147,614,760 1,614,404
	Net Sales		31,633,830		146,000,356
Note:19	Other Incomes				
	a) Interest Income		410,947		1,671,169
	b) Net Gain / (Loss) on Sale of Investments		0		1,727,690
	c) Other Non-Operating Income		659,078		1,268,541
			1,070,025		4,667,400
Note:20	Cost of Materials Consumed				
	A) Raw Material Consumed				
	Opening Stock				
	a) Partially Oriented Yarn & Fabric	34,595		1,510,983	
	b) Dyes	2,609,749		2,934,773	
	c) Chemicals	3,538,220		3,882,254	
	d) Coning Oil	218,501		235,020	
			6,401,065		8,563,030
	Add : Purchases				
	a) Partially Oriented Yarn & Fabric	3,063,333		56,441,429	
	b) Dyes	5,618,096		7,499,257	
	c) Chemicals	778,941		1,435,632	
	d) Coning Oil	2,011,087		3,851,157	
	e) Freight & Carriage Inwards	385,975		689,535	
		11,857,432		69,917,010	
Less : Closing Stock					
a) Partially Oriented Yarn & Fabric	129,222		34,595		
b) Dyes	3,332,800		2,609,749		
c) Chemicals	3,776,049		3,538,220		
d) Coning Oil	77,269		218,501		
		7,315,340		6,401,065	
Raw Material Consumed					
a) Partially Oriented Yarn & Fabric	2,968,706		57,917,817		
b) Dyes	4,895,045		7,824,281		
c) Chemicals	541,112		1,779,666		
d) Coning Oil	2,152,319		3,867,676		
e) Freight & Carriage Inwards	385,975		689,535		
TOTAL (A)		10,943,157		72,078,975	

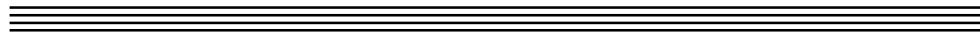
NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS



Particulars		As at 31-March-14		As at 31-March-13	
		Amount (Rs.)		Amount (Rs.)	
Note:21	B) Stores, Spares & Packing Material Consumed				
	Opening Stock				
	a) Stores & Spares	8,157,530		8,140,258	
	b) Packing Material	8,506,180		8,736,788	
			16,663,710		16,877,046
	Add : Purchases				
	a) Stores & Spares	365,725		15,750	
	b) Packing Material	2,458,006		4,161,400	
	c) Freight & Carriage Inwards	43,405		115,055	
			2,867,136		4,292,205
Less : Closing Stock					
a) Stores & Spares	8,262,163		8,150,030		
b) Packing Material	8,315,533		8,513,680		
		16,577,696		16,663,710	
Stores, Spares & Packing Material Consumed					
a) Stores & Spares	261,092		5,978		
b) Packing Material	2,648,653		4,384,508		
c) Freight & Carriage Inwards	43,405		115,055		
TOTAL (B)		2,953,150		4,505,541	
GRAND TOTAL (A+B)		13,896,307		76,584,516	
Note:21	Increase/(Decrease) in Work in Progress				
	A) Closing Stock of :				
	Yarn	29,056,250		26,721,605	
			29,056,250		26,721,605
	B) Opening Stock of :				
	Yarn	26,721,605		35,148,000	
			26,721,605		35,148,000
	Increase/(Decrease) in Stock (A-B)		2,334,645		(8,426,395)
Note:22	Increase / (Decrease) in Finished Goods				
	A) Closing Stock of :				
	Dyed Yarn	1,995,974		2,804,936	
			1,995,974		2,804,936
	B) Opening Stock of :				
	Dyed Yarn	2,804,936		5,128,721	
			2,804,936		5,128,721
	Increase / (Decrease) in Stock (A-B)		(808,962)		(2,323,785)
Note:23	Employees Remuneration & Benefits				
	Salary, Wages, Allowances & Other Benefits		7,399,688		12,848,607
	P.F. Contribution		117,302		183,290
			7,516,990		13,031,897

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars		As at		As at	
		31-March-14		31-March-13	
		Amount (Rs.)		Amount (Rs.)	
Note:24	Financial Cost				
	Bank Charges		108,805		536,436
	Interest on :				
	Term Loan		59,816,478		0
	Working Capital Loans		12,521,702		14,794,790
	Vehicle Loan		39,194		55,510
	Unsecured Loans		4,600,863		3,714,423
			77,087,041		19,101,159
Note:25	Other Expenses				
	A) Selling & Distribution Expenses				
	Business Promotion Expenses		139,775		152,255
	Clearing, Forwarding & Freight		486,100		594,382
	Discount Allowed		1,580,980		1,207,117
			2,206,855		1,953,754
	B) Operating, Administrative & Other Expenses				
	Audit Fee		421,352		413,624
	Conveyance Exp.		102,655		320,095
	Factory Power & Fuel		4,535,483		12,405,938
	Insurance Charges		58,679		161,079
	Legal & Professional Fee		147,864		142,864
	Office & General Exp.		810,925		1,254,534
	Postage, Telegram, Printing & Stationary		22,522		68,625
	Rent, Rates & Taxes		1,054,028		1,239,600
	Repairs & Maintenance		7,055,993		5,639,898
	Security Exp.		292,629		944,746
	Telephone & Telex Charges		210,955		173,103
	Tour & Travelling Exp.		110,000		505,035
			14,823,085		23,269,141
			17,029,940		25,222,895



24) NOTES TO ACCOUNTS:

24.1 CONTINGENT LIABILITIES:

All known and undisputed liabilities have been duly provided for, except the following:

- a. Capital Commitments: Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for, amounts to Rs.1,400 Lacs - (previous Year Rs.1,400 Lacs).

24.2 Secured Loans:

- a. Dues to JMF ARC Pvt. Ltd., are secured by Joint – Equitable mortgage of tile deeds relating to the Company's immovable properties and are further secured by the personal guarantees of the Directors of the Company, and pledge of Shares of the Promoters.
- b. The Credit facilities from State Bank of Hyderabad are secured by way of hypothecation of present and future stock of raw materials, work – in – process, all finished and manufactured goods, stores, component and spares (not relating to Plant and Machinery) and book debts of the Company. The Working Capital facilities are further secured by Second charge on the fixed assets of the Company to the extent of Rs.840 Lakhs and the personal guarantees of the Directors of the Company.
- c. Vehicles acquired under Hire – Purchase agreement from, ICICI Bank Limited are secured by hypothecation of the respective vehicles. The Loans are further secured by the personal guarantee of the Directors.

24.3. Unsecured Loans:

- a. The Government of Andhra Pradesh, Commissionerate of Industries, has vide its letter no. 20/2/6/01826, dated 16th February '1996, fixed eligibility towards Sales Tax Deferment on the Sales Tax Payable by the Company for a period of 10 years with effect from July '28, 1995. As the Company has shifted its Manufacturing Facilities from Andhra Pradesh, the Company has to repay the said Sales Tax Deferment unsecured loan in full. As at 31st March '2014 out of the total Rs.502.84 Lacs availed an amount of Rs. 384.21 is paid back. The Sales Tax amount due as at March, 31st 2014 is shown under the head of account Unsecured Loans.

24.4 Balances appearing under Unsecured Loans, Investments, Sundry Debtors, Loans and Advances, Capital Work – in – Progress are subject to Confirmation and / or Reconciliation, if any.

24.5 REMUNERATION TO AUDITORS:	2013 – 2014	2012 - 2013
(Including Service Tax)		
As Auditors	3,37,080	3,30,900
In Other Capacity:		
i) Tax Audit & Tax Consultancy	50,562	49,634
ii) Certification	33,708	33,090
	4,21,350	4,13,624

24.6 The Company has only one segment of activity of dealing in textile products during the period, hence segment wise reporting as defined in Accounting Standard – 17 is not furnished.

24.7 The benefit of tax losses has not been brought to account, as the related benefits are not considered virtually certain. Hence the value of Deferred Tax is not determined and accounted as per the Provisions of Accounting Standard – 22 on Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India.

NOTES TO ACCOUNTS

24.08 Quantitative Information

(Pursuant to the provisions of paragraphs 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956)

CLASS OF GOODS, CAPACITY & PRODUCTION

Class of Goods manufactured: Polyester / Nylon Texturised, Twisted Dyed Yarn.

Particulars	2013 - 2014		2012-2013	
	Quantity (Tonnes)	Value (Rs.)	Quantity (Tonnes)	Value (Rs.)
a) Capacity				
Registered/Licensed (As per letter of intent)	3,600.000	—	3,600.000	—
b) Installed - Annualised				
Polyester / Nylon Texturised & Twisted Yarn @	3,483.000	—	3,483.000	—
Polyester / Nylon Dyed Yarn (@ Capacities arrived at as per the product mix)	3,483.000	—	3,483.000	—
c) Actual Production				
Polyester Texturised & Twisted Yarn #	0.00	—	0.00	—
Polyester / Nylon Dyed Yarn (# Captive consumption of Texturised & for Reliance. Previous Year conversion of 593.71 MT)	370.826	—	720.054	—
d) Particulars in respect of Sales				
Polyester Texturised & Twisted Yarn	0.00	0.00	0.00	0.00
Polyester / Nylon Dyed Yarn & Grey Yarn *	15.760	1,346,849	193.670	108,068,786
Conversion Sales of Dyed Yarn	371.426	29,683,535	602.926	39,545,974
Conversion Sales of Text Yarn (*Includes - Waste Yarn Sale of 30 MT, Previous Year Waste Yarn Sale of 18 MT)	0.00	0.00	0.00	0.00
e) Details of Stock-in-trade				
Opening stock				
Polyester / Nylon Texturised & Twisted Yarn	128.626	26,756,201	180.261	36,658,982
Polyester / Nylon Dyed Yarn	32.440	2,804,936	43.791	5,128,721
Closing Stock				
Polyester / Nylon Texturised & Twisted Yarn	144.165	29,056,250	128.626	26,756,201
Polyester / Nylon Dyed Yarn	27.695	1,995,974	32.440	2,804,936
f) Details of Raw Materials Consumed				
Partially Oriented Yarn / Nylon		3,354,681		57,917,817
Dyes & Chemicals		5,436,157		9,603,947
Others		5,105,469		9,062,752
g) Value of Raw Materials, Spare parts and Components consumed				
Imported	0%	—	5%	3,852,203
Indigenous	100%	13,896,307	95%	72,732,313
h) Exports and Imports				
a) Value of imports calculated on CIF basis				
i. Raw material	—	—	—	—
ii. Components & Spare Parts	—	—	—	—
iii. Capital goods	—	—	—	—
b) Expenditure in foreign currency				
Travelling	—	—	—	—
l) Technical know-how Fees	—	—	—	—

NOTE TO ACCOUNTS

24.09 Additional information pursuant to the Part IV of Schedule VI of the Companies Act, 1956.

a) Registration details	
Registration Number	15268
State Code Number	01
Balance Sheet date	31-Mar-14
b) Capital raised during the year (Rupees)	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement (Firm allotment to the Promoters and their associates)	-
c) Position of mobilisation and development of funds (Rupees)	
Total Liabilities	2,282,415,223
Total Assets	2,282,415,223
Sources of Funds	
Paid-up Capital	1,016,859,000
Convertible Warrants Monies	-
Reserves & Surplus	825,479,582
Secured Loans	228,227,015
Unsecured Loans	153,023,276
Application of Funds	
Net Fixed Assets	241,132,590
Investments	1,151,838,000
Net Current Assets	830,618,284
Miscellaneous Expenditure	-
Accumulated losses	-
d) Performance of the Company (Rupees)	
Turnover	32,703,855
Total Expenditure	130,494,150
Profit Before Tax & Extraordinary Items	(97,790,295)
Profit After Tax & Extraordinary Items	(283,699,306)
Earning Per Share (Rs.)	(2.79)
e) Generic name of the Principal product of the Company	
Item Code Number	5402209
Product Description	Polyester & Nylon Texturised, Twisted, Dyed Yarn

24.10 Figures have been rounded off to the nearest rupee.

24.11 Previous year figures have been regrouped where necessary. The previous year figures and current year figures are not comparable since financial year 2010-11 data represents operations for 6 (Six) Months, whereas current year data is for a period of 12 (Twelve) Months.

24.12 Notes 2 to 23 form an integral part of the Balance Sheet and Profit & Loss account.

As per our report of even date

For and behalf of the Board

For M/s KUMAR & GIRI

Chartered Accountants
FRN : 01584 S

J. BHADRA KUMAR

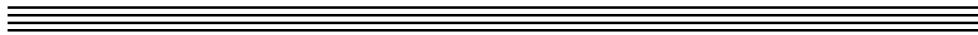
Partner
M.No. 025480
Hyderabad.
Date : 29th May, 2014.

G. SURENDER REDDY

Managing Director

L. MADHU KUMAR REDDY

Director



LN INDUSTRIES INDIA LIMITED

Registered Office: Plot No.32, Flat No.302, Vijaya Enclave,
Srinagar Colony, Hyderabad – 500 073.
Tel:040 23542871 Fax:04023551044, CIN:L18100TG1993PLC015268
Email ID:lnpolyester@yahoo.com,
Website: www.lnindustriesindia.com & www.lnindustriesindialimited.com

ATTENDANCE SLIP

**PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND HAND IT
OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS**

I / We hereby record my / our presence at the 21st Annual General Meeting of LN INDUSTRIES INDIA LIMITED held at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, on Tuesday the 30th of September, 2014 at 9.30 A.M.

Name of the Shareholder:

Folio No. / Client ID / DP ID:

Name of the proxy / representative, if any:

I certify that I am a registered Shareholder / Proxy for the Shareholder of the Company

Signature of the Shareholder / Proxy

Notes:

1. Attendance slip which is not complete in all respects shall not be accepted.
2. The registration counter will remain open between 10.00 A.M to 11.00 A. M.
3. Joint Shareholders may obtain additional attendance slip on request.

**MGT – 11
PROXY FORM**



[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

LN INDUSTRIES INDIA LIMITED

Registered Office: Plot No.32, Flat No.302, Vijaya Enclave, Srinagar Colony, Hyderabad – 500 073.
Tel:040 23542871 Fax:04023551044, CIN:L18100TG1993PLC015268 Email ID:lnpolyester@yahoo.com,
Website: www.lnindustriesindia.com & www.lnindustriesindialimited.com

Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of _____ shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail ID	
	Signature	_____ or failing him
2.	Name	
	Address	
	E-mail ID	
	Signature	_____ or failing him
3.	Name	
	Address	
	E-mail ID	
	Signatur	

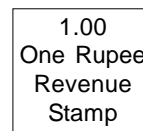
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 21st Annual General Meeting of the Company to be held on the Tuesday the 30th of September, 2014 at 9.30 a.m., at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	To receive, consider, approve and adopt the Financial Statements as on 31st March, 2014 together with the schedules and notes thereon and the Directors' and Auditor's Report thereof.
2	Appointment of Sri.L.Madhu Kumar Reddy as Director.
3	Reappointment of M/s.Kumar & Giri, Chartered Accounts as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.
4	Appointment of Mr.G.Laxma Reddy as Director.

Signed this _____ day of September, 2014

Signature of the Shareholder:

Signature of the Proxy holder(s):



NOTE: 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 Meeting.

PRINTED MATTER
BOOK - POST

If Undelivered Please Return to :
LN INDUSTRIES INDIA LIMITED
Plot No.32, Flat No.302, Vijaya Enclave,
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