



# **23rd**

## **ANNUAL REPORT**

### **2015 - 2016**

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H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2, Srinagar Colony (Post),  
HYDERABAD – 500 073.

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## **BOARD OF DIRECTORS**

Sri. G. SURENDER REDDY  
Sri SHAILESH SHIVRAM MISTRY  
Sri L. MADHU KUMAR REDDY  
Sri. G. LAXMA REDDY  
Smt. SNEHA RUPESH TALREJA

Managing Director  
Director  
Director  
Director  
Director

### **Registered Office:**

H.No.8-3-898/16/4,  
Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony,  
Road No.2, Srinagar Colony (Post),  
HYDERABAD – 500 073.  
Tele: 040 – 23542871,  
E – mail: lnpolyester@yahoo.com

### **Works:**

1. Plot No.1/D,  
Sarigam Industrial Estate,  
Nargol Char Rastha, GIDC,  
SARIGAM - 396 155  
**GUJARAT.**

### **Auditors:**

M/s. KUMAR & GIRI,  
Chartered Accountants,  
Flat No. 203 & 204, 12 Vyjayanthi,  
Road No. 12, Banjara Hills,  
**HYDERABAD – 500 034.**  
Email : info@kumarandgiri.com

### **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.**

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## NOTICE



Notice is hereby given that the Twenty Third Annual General Meeting of the members of LN INDUSTRIES INDIA LIMITED will be held on Friday the 30th day of September ' 2016, at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, at 09 : 15 A.M., to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1- Adoption of Financial Statements:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2016, including the Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the reports of the Board of Directors (“the Board”) and Auditors thereon.

#### Item No. 2 – Re – Appointment of Director retiring by rotation:

2. To appoint a Director in place of Mr. G.Laxma Reddy (DIN 06902285), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.

#### Item No. 3 – Appointment of Auditors:

3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT M/s. Kumar & Giri, Chartered Accountants (Registration No.FRN01584 S), be and are hereby appointed 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 of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

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

G. SURENDER REDDY  
Managing Director  
DIN:00109441

Place: Hyderabad  
Date: 30.08.2016

Registered Office: H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2, Srinagar Colony, Hyderabad – 500 073.  
Phone:04023542871, Fax:04023551044  
Email id: lnpolyester@yahoo.com, Website: www.lnindustriesindia.com  
CIN:L18100TG1993PLC015268.

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## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.  
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT 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.
2. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015 read with Section 91 Companies Act, 2013 the Register of Members and Register of Share Transfer Books of the Company will remain closed from 24th September ' 2016 to 30th September (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. Statement as required under the provisions of Section 102 (1) of the Companies Act, 2013 is enclosed to this notice.
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. 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 form, you may write to the Company's Registrar and Share Transfer Agents M/s. 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 lnpolyester@yahoo.com, mentioning your folio no. / demat account details.  
The soft copy of the Annual Report 2015 – 2016 can also be downloaded from the Company's website i.e., [www.lnindustriesindia.com](http://www.lnindustriesindia.com) & [www.lnindustriesindialimited.com](http://www.lnindustriesindialimited.com).
8. Requests for transfer of physical shares received during the period of book closure shall be considered only after the reopening of Books.
9. Shareholders may avail the nomination facility under Section 72 of the Companies Act, 2013. The relevant nomination form is appended to this notice.
10. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details off PAN along with a Photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Bank.

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## 11. E-Voting:

### Instructions for remote 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 23rd 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 22nd September, 2016.

### The instructions for E-Voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>- 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.</li><li>- 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.</li></ul>
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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>- 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.</li></ul>

- (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) 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.
- (xviii) 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 Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 27th September, 2016 at 9.00 a.m., and ends on 29th September, 2016 at 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, 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 with in 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.
  - 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 ROTARION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**

**PROFILE OF Mr.G. Laxma Reddy (DIN:06902285):**

Sri.G.Laxma Reddy, is a Engineering Graduate aged 31 years, having experience in administrative matters and liaison with Government Authorities.

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

**G. SURENDER REDDY.**

Managing Director.

DIN:00109441

Place: Hyderabad

Date: 30.08.2016

Registered Office: H.No.8-3-898/16/4,  
Sri Laxmi Narasimha Niwas,  
Nagarjuna Nagar Colony, Road No.2,  
Srinagar Colony, Hyderabad – 500 073.  
Phone:04023542871, Fax:04023551044  
Email id: lnpolyester@yahoo.com  
Website: www.lnindustriesindia.com  
CIN:L18100TG1993PLC015268.

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## DIRECTORS REPORT

To,  
**The Members of  
LN INDUSTRIES INDIA LIMITED.**

Your Directors hereby present the Twenty Second Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2016 and the Report of the Auditor thereon.

### FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	For the year ended 31st March ' 2016	For the year ended 31st March ' 2015
Revenue from operations	0.00	46.34
Other Income	5.68	2.86
<b>Total Income</b>	<b>5.68</b>	<b>49.20</b>
Total Expenditure	2,875.88	443.17
<b>Profit / (Loss) before exceptional items</b>	<b>(2,870.20)</b>	<b>(393.97)</b>
Exceptional Items	2.60	0.97
<b>Profit / (Loss) before extraordinary items</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
Extraordinary items	0.00	0.00
<b>Profit / (Loss) before tax</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
Less : Provision for tax	0.00	0.00
<b>Profit / (Loss) after tax for the year</b>	<b>(2,872.80)</b>	<b>(394.94)</b>
<b>Basic and Diluted EPS</b>	<b>(2.83)</b>	<b>(0.39)</b>

### STATE OF COMPANY'S AFFAIRS:

The manufacturing operations of the Company have not taken place during the year owing to non-availability of the working capital from the banks as the credit facilities from State Bank of Hyderabad have become NPA. Company is taking steps to resume the operations by entering into job work arrangement with various vendors. The developer to whom the Company has given the Company Land for development has obtained approvals from the regulatory authorities and the development activity is expected to commence. The Company is yet to settle dues of the JM Financial ARC Private Limited with whom the Company assets are charged.

### INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged in the manufacture of Texturized Twisted Polyester Dyed Yarn and Nylon Dyed Yarn.

The product 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, Sport Gear etc.,

With the emphasis of the Government in giving inputs to the Textile Industry Company has opportunity to revive its operations. The products of the Company command good brand recall due to their presence over past 2 decades. The market offers opportunities to the Company to for scaling up its operations.

### LISTING OF EQUITY SHARES:

The Company's Equity shares are presently listed on BSE Limited and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2015 – 2016.



**TRANSFER TO RESERVES:**

The Company has incurred a loss of Rs.2,872.80 lacs during the year. The said loss is set off against the reserves held by the Company.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year under review, there has been no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:**

There are no material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2016 to the date of signing of the Directors Report.

**PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY:**

The Company does not have any subsidiaries or associate companies. Hence the required information under this head is not being attached to the report.

**CORPORATE GOVERNANCE:**

The Corporate Governance Report and a Certificate by the Statutory Auditors regarding compliance of the conditions of Corporate Governance by your Company as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 with Stock Exchanges are annexed to this Report.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All the Independent Directors have given declarations of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

**MEETING OF INDEPENDENT DIRECTORS:**

The performance of the Individual Directors on the Board and the Committees thereof is done by the Board and the Independent Directors in their exclusive meeting done as per the policy formulated by the Board in this regard.

**BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance evaluation of the Board, the Committees of the Board and Individual Directors is done on annual basis.

The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

**CHANGES IN DIRECTORS:****INDUCTIONS:**

During the year there were no inductions on to the Board of the Company.

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## **RE – APPOINTMENTS:**

As per the provisions of the Companies Act 2013, Mr.G.Laxma Reddy (DIN: 06902285) retires at the ensuing Annual General Meeting and being eligible, seek his re-appointment. The Board recommends his re-appointment.

None of the independent directors will retire at the ensuing Annual General Meeting.

## **RESIGNATIONS:**

No Directors have resigned during the year under review.

## **CHANGES IN KEY MANAGERIAL PERSONNEL:**

There have been no changes in the Key Managerial Personnel.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review Six (6) times Board meetings were held on the following dates:

1. 21st April ' 2015.
2. 15th May'2015.
3. 13th August ' 2015.
4. 29th August ' 2015.
5. 14th November ' 2015.
6. 13th February ' 2016.

The intervening gap between any two Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013. All the recommendations given by the Audit Committee are accepted by the Board.

## **INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2015 – 16, the applicable accounting standards have been followed and there are no material departures;
- ii. 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 the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis;
- v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**CORPORATE SOCIAL RESPONSIBILITY:**

Your Company does not fall under any of the criteria specified under the provisions of Companies Act, 2013. Hence the Company has not constituted any committee and is not required to furnish information required under the provisions of the said Act.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2015 – 16.

**TRANSACTIONS WITH RELATED PARTIES:**

There were no related party transactions during the year except that entered in the ordinary course of business and on arms length basis. There were no materially significant related party transactions between your Company and the Directors, promoters, Key Managerial Personnel and other designated persons which may have a potential conflict with the interest of Company at large.

Form AOC – 2 for disclosure of particulars of contracts / arrangements, entered into by your Company with related parties is attached herewith as Annexure – I.

**TECHNOLOGY ABSORPTION, ENERGY CONSERVATION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with clause (m) of sub section (3) of Section 134 of the Companies Act, 2013 is annexed herewith as Annexure – II to this report.

**PARTICULARS OF EMPLOYEES:**

The information and statement containing particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are provided in Annexure – III and forms part of this report.

The Nomination and remuneration committee of the Company has affirmed that the remuneration is as per the Remuneration policy of the Company.

Your Directors take this opportunity to record their deep appreciation of the continuous support and contribution from all employees of the Company.

**EXTRACT OF ANNUAL RETURN:**

As required under Sub-Section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form MGT – 9 forms part of this report as Annexure – IV.

**DEPOSITS:**

During the year under review your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

**AUDITORS:****Statutory Auditors:**

At the Annual General Meeting held on September 30, 2015, M/s. Kumar & Giri, Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 22nd Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly,

the appointment of M/s. Kumar & Giri, Chartered Accountants, as the statutory auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no specifications, reservations, adverse remarks on disclosures by the Statutory Auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

**DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2015-16, the Company has not received any complaints on sexual harassment.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation for the assistance and co-operation extended by the Bankers, State and Central Government Agencies. Your Directors also thank all the Customers, Members and Employees for their valuable support and confidence in the Company.

Place: Hyderabad.

Date: 30-08-2016.

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

**G. SURENDER REDDY**

Managing Director

DIN:00109441

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**ANNEXURE – I TO THE DIRECTORS REPORT****Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**
- a) Name(s) of the related party and nature of relationship
  - b) Nature of contracts/arrangements/transactions
  - c) Duration of the contracts/arrangements/transactions
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - e) Justification for entering into such contracts or arrangements or transactions
  - f) Date(s) of approval by the Board
  - g) Amount paid as advances, if any
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
- 2. Details of material contracts or arrangement or transactions at arm's length basis: Nil**
- a) Name(s) of the related party and nature of relationship
  - b) Nature of contracts/arrangements/transactions
  - c) Duration of the contracts/arrangements/transactions
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - e) Date(s) of approval by the Board, if any
  - f) Amount paid as advances, if any

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

Place: Hyderabad.  
Date: 30-08-2016.

**G. SURENDER REDDY**  
Managing Director  
DIN:00109441

**ANNEXURE – II TO THE DIRECTORS REPORT**

**Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report.**

**A) CONSERVATION OF ENERGY:**

**a. the steps taken or impact on conservation of energy**

- 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. the steps taken by the company for utilizing alternate sources of energy**

Company has been working and in discussion with the machinery manufactures as well as units which are sourcing such alternate energy for putting into application of such energy as an alternate source of energy.

**c. capital investment on energy conservation equipments**

- Realignment of the pipelining for 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.**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
<b>1. Electricity:</b>		
a) Purchased:		
Units	Nil	19,913
Total Amount	Rs.0.00	Rs. 1,94,150/-
Rate Per Unit	Rs.0.00	Rs. 9.75
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	Rs. 0.00
ii) Through Steam turbine / Generator:		
Units		
Units Per Ltr. Of Fuel Oil / Gas	Nil	Nil
Rate Per Unit		
<b>2. Coal for Boiler:</b>		
Quantity (Tons)	Nil	36.40
Total Cost	Rs. 0.00	Rs. 2,46,242/-
Average Rate Per Ton	Rs. 0.00	Rs. 6,765/-
<b>3. Furnace Oil:</b>		
Quantity ( K.Ltrs.)		
Total Cost	Nil	Nil
Average Rate		
<b>4. Others / internal generation (please give details):</b>		
Quantity ( )		
Total Cost	Nil	Nil
Rate Per Unit		

**B) RESEARCH AND DEVELOPMENT:**

**a. Specific areas in which research & development is carried out:**

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.

**b. Benefits derived:**

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

**c. Future plan of action:**

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

**d. Expenditure on R & D:**

Research and Development of New Shades is ongoing process for the Company and achieving the same ingeniously.

**C. TECHNOLOGY ABSORPTION:**

**a. Efforts in brief made towards 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.

**b. Benefits derived as result of the above efforts e.g., product improvement, cost reduction, production development, import substitution etc.,**

Introduction of new shades are in tandem with the market, reduction in the energy costs, facilitating ancillaries.

**D. In case of imported technology, imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished:**

**NIL**

**a. Technology Imported**

**b. Year of Import**

**c. Has technology fully absorbed areas where this has not been taken place, reasons thereof and plan of action**

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:**

The year gone by has not witnessed any activities relating to exports.

**Total Foreign Exchange used and earned:**

S.No.	Particulars of the transaction	2015 - 2016 (in Rs.)	2014 - 2015 (in Rs.)
1.	<b>Total Foreign Exchange earnings</b>	Nil	Nil
2.	Foreign Exchange outgo	Nil	Nil
	<b>Total Foreign Exchange outgo</b>	<b>Nil</b>	<b>Nil</b>

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

Place: Hyderabad.

Date: 30-08-2016.

**G. SURENDER REDDY**

Managing Director

DIN:00109441

## Annexure – III to the Directors Report

Particulars of employees pursuant to Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2016

S. No.	Requirements of Rule 5 (1)	Details																					
1	Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015 – 16	NA																					
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015 – 16	NA																					
3	The percentage increase in the median remuneration of employees in the financial year 2015 – 16	No Change																					
4	The number of permanent employees on the rolls of the Company as on 31st March, 2016	6 Nos																					
5	The explanation on the relationship between average increase in remuneration and company performance	NA																					
6	Comparison of the remuneration of the Key Managerial Personnel against performance of the Company	No Change																					
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Date</th> <th style="text-align: center;">Closing Price</th> <th style="text-align: center;">No. of Shares</th> <th style="text-align: center;">Value in (Rs. in Crores)</th> <th style="text-align: center;">Last Public Offer Price (Rs.) (F.Value Rs.10+ Premium Rs.12)</th> <th style="text-align: center;">Variation</th> <th style="text-align: center;">In %</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">31.03.2015</td> <td style="text-align: center;">2.07</td> <td style="text-align: center;">10,16,85,900</td> <td style="text-align: center;">21.05</td> <td style="text-align: center;">22.00</td> <td style="text-align: center;">-19.93</td> <td style="text-align: center;">-76.36%</td> </tr> <tr> <td style="text-align: center;">31.03.2016</td> <td style="text-align: center;">2.95</td> <td style="text-align: center;">10,16,85,900</td> <td style="text-align: center;">30.00</td> <td style="text-align: center;">22.00</td> <td style="text-align: center;">-19.05</td> <td style="text-align: center;">-86.59%</td> </tr> </tbody> </table>	Date	Closing Price	No. of Shares	Value in (Rs. in Crores)	Last Public Offer Price (Rs.) (F.Value Rs.10+ Premium Rs.12)	Variation	In %	31.03.2015	2.07	10,16,85,900	21.05	22.00	-19.93	-76.36%	31.03.2016	2.95	10,16,85,900	30.00	22.00	-19.05	-86.59%
Date	Closing Price	No. of Shares	Value in (Rs. in Crores)	Last Public Offer Price (Rs.) (F.Value Rs.10+ Premium Rs.12)	Variation	In %																	
31.03.2015	2.07	10,16,85,900	21.05	22.00	-19.93	-76.36%																	
31.03.2016	2.95	10,16,85,900	30.00	22.00	-19.05	-86.59%																	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	No Change																					



S. No.	Requirements of Rule 5 (1)	Details
9	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	NA
10	The key parameters for any variable component of remuneration availed by the Directors	NA
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
12	Affirmation that the remuneration is as per the remuneration policy of the company	No Remuneration has been paid during the year ended 31st March, 2016.

Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2016

(A) Personnel who are in receipt of remuneration aggregating not less than Rs.60,00,000 per annum and employed through out of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

(B) Personnel who are in receipt of remuneration aggregating not less than Rs.5,00,000 per month and employed for part of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

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

Place: Hyderabad.  
Date: 30-08-2016.

**G. SURENDER REDDY**  
Managing Director  
DIN:00109441

**“ANNEXURE IV”****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on Financial year ended on 31-03-2016**

**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	L18100TG1993PLC015268
2.	Registration Date	19/01/1993
3.	Name of the Company	LN INDUSTRIES INDIA LIMITED
4.	Category / Sub-Category of the Company	Public Company / Limited by Shares
5.	Address of the Registered Office & Contact Details	H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas, Nagarjuna Nagar Colony, Road No.2, Srinagar Colony (Post), HYDERABAD – 500 073. Tele: 040 – 23542871, E – mail: lnpolyester@yahoo.com
6.	Whether listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	VENTURE CAPITAL AND CORPORATE INVESTMENT PRIVATE LIMITED 12-10-167, Bharat Nagar, Hyderabad - 500018. Telephone : 040-23818475 / 76 Fax : 040-23868024 Email : info@vccilindia.com

**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 Products / Service	% to Total Turnover of the Company
1.	Manufacturers of Polyester / Nylon Dyed Yarn	5402209	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S.No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	NIL	NIL	N.A.	N.A.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (As on 31-March-2015)				No. of Shares held at the beginning of the year (As on 31-March-2016)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individuals/ HUF	3790189	42020	3832209	3.77	3790189	42020	3832209	3.77	0.00
b. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp	7424250	2575750	10000000	9.83	7424250	2575750	10000000	9.83	0.00
e. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Share holding of (A)1</b>	<b>11214439</b>	<b>2617770</b>	<b>13832209</b>	<b>13.60</b>	<b>11214439</b>	<b>2617770</b>	<b>13832209</b>	<b>13.60</b>	<b>0.00</b>
<b>2. Foreign</b>									
a. NRI Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) 2	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a. Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Banks / FI	NIL	2900	2900	0.00	NIL	2900	2900	0.00	0.00
c. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

g. FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h. Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Other (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total (B)(1)</b>	<b>NIL</b>	<b>2900</b>	<b>2900</b>	<b>0.00</b>	<b>NIL</b>	<b>2900</b>	<b>2900</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a. Bodies Corp									
i. Indian	14492578	44551000	59043578	58.06	17002908	44551000	61553908	60.53	(1.32)
ii. Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	2281890	408028	2689918	2.65	1689362	408728	2098090	2.06	0.01
ii. Individual shareholders holding nominal share capital excess Rs.1 lakh	5334660	17760000	23094660	22.71	5944754	17760000	23704754	23.31	0.02
c. Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	205351	197800	403151	0.40	192583	197800	390383	0.38	0.02
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	2619484	NIL	2619484	2.58	103656	NIL	103656	0.10	1.28
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total (B) (2)</b>	<b>24933963</b>	<b>62916828</b>	<b>87850791</b>	<b>86.40</b>	<b>24933263</b>	<b>62920428</b>	<b>87853691</b>	<b>86.40</b>	<b>0.00</b>
Total Public Shareholding (B) = (B)(1)+ (B)(2)	<b>24933963</b>	<b>62916728</b>	<b>87853691</b>	<b>86.40</b>	<b>24933263</b>	<b>62923328</b>	<b>87856591</b>	<b>86.40</b>	<b>0.00</b>

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	36148402	65537498	101685900	100.00	36147702	65538198	101685900	100.00	0.00

**B. Share holding of Promoter :**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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.	S. Manmohan Rao	1614080	1.59	85.19	1614080	1.59	85.19	0.00
2.	G. Surender Reddy	1317306	1.30	96.96	1317306	1.30	96.96	0.00
3.	G. Pushpa Leela	684913	0.67	100.00	684913	0.67	100.00	0.00
4.	S. Sarala Devi	173910	0.17	99.99	173910	0.17	99.99	0.00
5.	M. Raghava Reddy	42000	0.14	0.00	42000	0.14	0.00	0.00
6.	LN Projects Pvt. Ltd.	10000000	9.83	74.24	10000000	9.83	74.24	0.00
	<b>Total</b>	<b>13832209</b>	<b>13.60</b>	<b>79.06</b>	<b>13832209</b>	<b>13.60</b>	<b>79.06</b>	<b>0.00</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change) :**
**"No Change"**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year				
1.	S. Man Mohan Rao	16,14,080	1.59	16,14,080	1.59
2.	G. Surender Reddy	13,17,306	1.30	13,17,306	1.30
3.	G. Pushpaleela	6,84,913	0.67	6,84,913	0.67
4.	S. Sarala Devi	1,73,910	0.17	1,73,910	0.17
5.	M. Raghava Reddy	42,000	0.14	42,000	0.14
6.	LN Projects Pvt. Ltd.	1,00,00,000	9.83	1,00,00,000	9.83
	<b>TOTAL</b>	<b>1,38,82,209</b>	<b>13.60</b>	<b>1,38,82,209</b>	<b>13.60</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year				
1.	S. Man Mohan Rao	16,14,080	1.59	16,14,080	1.59
2.	G. Surender Reddy	13,17,306	1.30	13,17,306	1.30
3.	G. Pushpaleela	6,84,913	0.67	6,84,913	0.67
4.	S. Sarala Devi	1,73,910	0.17	1,73,910	0.17
5.	M. Raghava Reddy	42,000	0.14	42,000	0.14
6.	LN Projects Pvt. Ltd.	1,00,00,000	9.83	1,00,00,000	9.83
	<b>TOTAL</b>	<b>1,38,82,209</b>	<b>13.60</b>	<b>1,38,82,209</b>	<b>13.60</b>

**D. Shareholding Pattern of top ten Shareholders :  
(Other than Directors, Promoters and Holders of GDRs and ADRs) :**

S. No.	Name	Shareholding		Increase/ decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning 1-4-2015/ end of the year 31-3-2016	% of total shares of the company			No. of shares	% of total shares of the company
1.	NIRVANA MALL MANAGEMENT	7192375	7.07				
		5238145	5.15	-1954230	Transfer	5238145	5.15

**E Shareholding of Directors and Key Managerial Personnel :**

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the during of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mr G. Surender Reddy</b>				
	At the beginning of the year	13,17,306	1.30	13,17,306	1.30
	Date wise Increase / Decrease in Shareholding during the year	NIL		NIL	
	At the end of the year	13,17,306	1.30	13,17,306	1.30
<b>2.</b>	<b>Mr Shailesh Shivram Mistry</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>3.</b>	<b>Mr L. Madhu Kumar Reddy</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>4.</b>	<b>Mr. G. Laxma Reddy (from 29.05.2014)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>5.</b>	<b>Mr. G. Ramesh Babu (Upto 29.05.2014)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

Rs.in Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	1729.36	1660.57	0.00	3389.93
ii) Interest due but not paid	295.74	0.00	0.00	295.74
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i+ ii + iii )</b>	<b>2025.10</b>	<b>1660.57</b>	<b>0.00</b>	<b>3685.67</b>
<b>Change in Indebtedness during the Financial Year</b>				
* Addition	0.00	66.46	0.00	66.46
* Reduction	37.00	0.00	0.00	37.00
<b>Net Change</b>	<b>37.00</b>	<b>66.46</b>	<b>0.00</b>	<b>103.46</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	1729.36	1727.03	0.00	3456.39
ii) Interest due but not paid	258.74	0.00	0.00	258.74
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i + ii + iii )</b>	<b>1988.10</b>	<b>1727.03</b>	<b>0.00</b>	<b>3715.13</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

**NIL**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	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		
	<b>Total (A)</b>		
	Ceiling as per the Act		



**B. Remuneration to other Directors :**
**NIL**

S.No.	Particulars of Remuneration	---	---	---	---	Total Amount
1	Independent Directors					
	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 :**
**NIL**

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
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 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 :**

There were no Penalties / Punishment / Compounding of offences for the year ending 31st March, 2016

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

Place: Hyderabad.

Date: 30-08-2016.

**G. SURENDER REDDY**  
 Managing Director  
 DIN:00109441

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
M/s. LN Industries India Limited  
H.No.8-3-898/16/4, Sri Laxmi Narasmiha Niwas,  
Nagarjuna Nagar Colony, Road No.2,  
Srinagar Colony, Hyderabad, Telangana-500 073  
INDIA

**AUTHORISED CAPITAL RS. 145,000,000/-**  
**CIN L18100TG1993PLC015268**

I, CS Rakesh Kapur , Company Secretary, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. LN Industries India Limited CIN: L18100TG1993PLC015268 ] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the M/s. LN Industries India Limited'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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. LN Industries India Limited ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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. The Company has not received any disclosure under Regulation 29 and 30.
  - (b) The Company has complied with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. However, the Company has adopted the prescribed code of conduct under the Regulations.
  - (c) 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;

(vi) As informed to me the following other Laws specifically applicable to the Company as under:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
2. Employees' State Insurance Act, 1948
3. Equal Remuneration Act, 1976
4. The Industrial Employment (Standing Orders) Act, 1946
5. Maternity Benefit Act, 1961
6. The Minimum Wages Act, 1948
7. The Payment of Wages Act, 1936
8. The Negotiable Instruments Act, 1881
9. The Water (Prevention and Control of Pollution) Act 1974
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not constituted an internal complaints Committee.

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

- (i) Secretarial Standards relating to General and Board Meeting Minutes issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited, Mumbai;

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 observations noted against each legislation.

In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

I 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 carried out in compliance with the provisions of the Act. 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 of the board were unanimous and the same was captured and recorded as part of the minutes.

I further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/ sweat equity.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**CS Rakesh Kapur**

FCS No. 3863

C P No.: 12085

Place : Mumbai

Date : 30/5/2016

## 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 ' 2016, 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, various conditions of Corporate Governance as stipulated in Chapter IV read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the listing agreements with the stock exchanges have not been complied 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: 30-08-2016.**

## REPORT ON CORPORATE GOVERNANCE

### 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 5 Directors, Viz., Managing Director, and 4 Non – Executive Directors. During the period April ' 2015 to March ' 2016 the Board has met 6 (Six) times, on the following date namely:

1. 21st April ' 2015.
2. 15th May'2015.
3. 13th August ' 2015.
4. 29th August ' 2015.
5. 14th November ' 2015.
6. 13th February ' 2016.

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		Number of Committee Member/Chairmanship	
		Board Meetings	Last AGM	Committee Memberships	Committee Chairmanships
Sri G. Surender Reddy (Promoter and Managing Director)	MD	6	Yes	2	0
Sri L. Madhu Kumar Reddy (Independent and Non Executive Director)	NED	6	Yes	3	2
Sri Shailesh Shivram Mistry (Independent & Non Executive Member)	NED	1	No	3	1
Sri G. Laxma Reddy (Independent & Non Executive Member)	NED	6	Yes	2	0
Mrs. Sneha Rupesh Talreja (Independent & Non Executive Member)	NED	1	No	2	0

Sl. No.	Name of the Director	Other Directorships
1.	Sri G. Surender Reddy	2
2.	Sri L. Madhu Kumar Reddy	- No -
3.	Sri Shailesh Shivram Mistry	- No -
4.	Sri G. Laxma Reddy	- No -
5.	Mrs Sneha Rupesh Talreja (from 21st April 2015)	- No -

### 3. AUDIT COMMITTEE:

The Audit Committee constituted by the Board of Directors consists of Five Directors as its Member s namely:

1. Sri. G.Surender Reddy
2. Sri G. Laxma Reddy
3. Sri. L.Madhu Kumar Reddy
4. Sri. Shailesh Shivram Mistry
5. Smt. Sneha Rupesh Talreja

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 ' 2015 to March ' 2016. The dates on which the meetings were held are:

1. 15th May ' 2015.
2. 13th August ' 2015.
3. 14th November ' 2015.
4. 13th February ' 2016.

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 L. Madhu Kumar Reddy	4
3.	Sri G. Laxma Reddy	4
4.	Sri Shailesh Shivram Mistry	0
5.	Smt. Sneha Rupesh Talreja	0

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## 1. REMUNERATION COMMITTEE:

The Remuneration Committee of the Company comprises of Four Directors.

The Chairman of the committee is Sri. G.Laxma Reddy, Non Executive Director.

The members of the Committee are:

1. Sri. L.Madhu Kumar Reddy.
2. Sri. G.Laxma Reddy
3. Sri. Shailesh Shivram Mistry.
4. Smt.Sneha Rupesh Talreja.

None of the Non-Executive Directors are being paid any remuneration except sitting fee for attending the Board Meetings. The Remuneration Committee did not meet 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.
4. Smt.Sneha Rupesh Talreja

Sri. Shailesh Shivaram 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, 2016, 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
2012 - 2013	Majestica Inn, @ 2-41/2/A, Sy. # 4, End Floor, Pavan Priyanka Plaza, Kothaguda X Road, Kondapur, Hyderabad - 500084.	30th September, 2013	02.00 P.M.
2013 - 2014	Swagath-De-Royal, Kondapur X Roads, Madhapur, Hyderabad - 500080.	30th September, 2014	9.30 A.M.
2014 - 2015	Swagath-De-Royal, Kondapur X Roads, Madhapur, Hyderabad - 500080.	30th September, 2015	9.15 A.M.

## 7. 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.

## 8. 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 2015	Business Standard	Vishal Andhra	14th August, 2015
2.	September 2015	Business Standard	Vishal Andhra	17th November, 2015
3.	December 2015	Business Standard	Vishal Andhra	15th February, 2016
4.	March 2016	Business Standard	Vishal Andhra	30th May, 2016



## 9. GENERAL SHAREHOLDER INFORMATION:

<b>9.1 Annual General Meeting:</b>			
Date and Time	30th September, 2016 at 9.15 A.M		
Venue	Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad - 500084.		
<b>9.2 Financial Report for the Quarter Ending (subject to change):</b>			
1	June 2016	13 <sup>th</sup> August ' 2016.	
2	September ' 2016	15 <sup>th</sup> November ' 2016.	
3	December ' 2016	15 <sup>th</sup> February, 2017	
4	March '2017	15 <sup>th</sup> May, 2017	
<b>9.3 Book Closure Date:</b>			
Dates	24th September, 2016 to 30th September 2016 (inclusive of both the Days)		
<b>9.4 Listing of Equity shares on Stock Exchanges:</b>			
At	The Bombay Stock Exchange Limited, Mumbai. The Madras Stock Exchange Limited.		
<b>9.5 Stock Code: 530745</b>			
(a) Trading Symbol	LNPL at all the Stock Exchanges In Physical & Demat Segment.		
(b) ISIN Number	Equity shares - INE366C01013		
<b>9.6 Stock Market Data:</b>			
	<b>Month</b>	<b>High</b>	<b>Low</b>
1	Apr ' 2015	2.27	2.09
2	May '2015	2.09	1.90
3	June '2015	3.37	1.82
4	July '2015	5.04	3.53
5	Aug '2015	4.73	3.83
6	Sep '2015	3.90	2.75
7	Oct '2015	3.84	3.35
8	Nov '2015	3.60	3.32
9	Dec '2015	3.43	2.79
10	Jan '2016	3.12	2.75
11	Feb '2016	3.24	2.86
12	Mar '2016	3.28	2.90
<b>9.7 Registrar and Transfer Agents :</b>			
Name & Address:	Venture Capital and Corporate Investments Limited, 12 – 10 – 167, Bharat Nagar, <b>Hyderabad – 500 018.</b> 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.
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**9.9 Share Holding Pattern:**

Category	% of Total Capital
Promoters & Associates	13.60%
Bodies Corporate	57.85%
Banks	00.01%
NRI's	00.40%
Others	28.14%

**9.10 Distribution of Share Holding ( As of 31<sup>st</sup> March ' 2016 )**

Range in No. of Shares	% of Total Capital
Up to 5000	89.94
5001 10000	3.20
10001 20000	1.95
20001 30000	0.88
30001 40000	0.33
40001 50000	0.29
50001 100000	0.81
100001 & above	2.60

**9.11 Dematerialization of Shares:**

Status:	Approximately <u>35.55%</u> of the shares issued by the Company have been dematerialized up to 31 <sup>st</sup> March 2016.
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**9.12 Plant Location:**

Address:	Plot No. 1-D Sarigam Industrial Estate Nargol Char Rastha, GIDC, SARIGAM - 396155, <b>GUJARAT.</b>
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**9.13 Address for Investor Correspondence:**

Address:	The Compliance Officer, LN INDUSTRIES INDIA LIMITED, H.No.8-3-898/16/4, Sri Laxmi Narasimha Niwas, Nagarjuna Nagar Colony, Road No.2, Srinagar Colony (Post), HYDERABAD – 500 073.
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**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, 2016, 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 violate 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:30-08-2016.

**G.SURENDER REDDY**  
Managing Director  
DIN:00109441

## 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 has not processed any materials. Though the markets have been upright the Company could not match up owing to production operational difficulties which have more or less stopped the productions and the Company operations.

### FINANCIAL REVIEW:

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

The Company incurred a Loss (Earnings before Interest, Deprecation, Taxes & Extraordinary items) of (Rs.2239.31 Lakhs).

The paid up Equity Share Capital as at 31st March '2016 stood at Rs.10,168.59 Lakhs.

Earnings per share for the period was at Rs.(2.83).

The Company's contribution to the national exchequer in the form of various taxes and duties amounts to Rs.0.48 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:

As the Company is not manufacturing the products over the past 2 years ceding market share to other players. Revising the operations of the Company and establishing the products in the market. 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 during the ensuring periods.

**OUTLOOK:**

The Company's proposal of development of the land at Patancheru, Hyderabad would give cash flow to the Company to settle the dues of the lenders and revive the manufacturing operations.

**RISKS AND CONCERNS:**

The domestic and regional macroeconomic environment directly influences the spending habits of the population. Any perceived economic slowdown 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 6 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. The relations with the workmen have been cordial during the period.

LNIL provides continuous learning and personal development programs by conducting training and evaluation.

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## INDEPENDENT AUDITOR'S REPORT



To,  
The Members of  
LN INDUSTRIES INDIA LIMITED,  
HYDERABAD – 500 073.

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of LN Industries India Limited (“the Company”), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements 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 there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 internal financial control 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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



**'Annexure A' referred to in paragraph 7 of our report of even date:**

- (i) (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets. However the Company is yet to update the record relating to the assets which are disposed off.
- (b) The Company has not conducted physical verification of the fixed assets during the year.
- (c) Based upon the audit procedure performed and according to the records of the Company, title deeds of all the immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, the inventories have been physically verified at reasonable interval by the management. In our opinion, the frequency of such verification is not reasonable.
- (b) According to the information and explanations provided to us, the inventories are quantified and the value estimated and certified by the respective manufacturing locations in charges. In our opinion, considering the period since which inventories are held as non-moving, we are unable to comment on the realisability value of inventory.
- (c) The Company is not maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (d) The Company has provided for the full value of inventory as the stocks held have no realisability value.
- (iii) According to the information and explanations given to us, the Company has not granted unsecured loans to Companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provision of clause 3(iii)(a) to (b) of the order are not applicable to the Company.
- (a) The Company has outstanding loans from a party. The maximum amount outstanding during the year in relation to the loans taken aggregates to Rs.896.82 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 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 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 Company has complied with the provisions of section 185 and 186 of Act, in respect of loans, investments, guarantees, and security to the extent applicable to it.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of clause 3(v) of the order are not applicable to the Company.
- (vi) The Central Government has prescribed maintenance of cost records under the provisions of Section 148(1) of the Companies Act, 2013 in respect of manufacture activities of the Company. The Company has not maintained accounts and records of such activities as there are not manufacturing activity during the year.
- (vii) (a) According to the information and explanations given to us, 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 '2016, for a period of more than six months from the date they became payable, excepting the following.

Sl.No.	Particulars	Amount (Rs.Lacs)	Remarks
1.	Deferred Sales Tax	118.63	Which has become due on account of the Unit being shifted from Telangana.
2.	Sales Tax	9.44	Assessment Tax of Vapi Sales Tax
3.	Tax Deducted at Source	4.40	



- (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.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.
2.	Income Tax - A.Y. 2012 - 2013 Demand raised by the Department	67.67	Appeal filed with CIT Appeals, Mumbai, pending disposal.
3.	Income Tax - A.Y. 2013 - 2014 Demand raised by the Department	22.64	Appeal filed with CIT Appeals, Mumbai, pending disposal.
4.	Income Tax - A.Y. 2014 - 2015 Demand raised by the Department	Nil	Appeal filed with CIT Appeals, Mumbai, pending disposal.

- (viii) 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. The Credit facilities of the Company with State Bank of Hyderabad (SBH) are declared as Non Performing Assets (NPA) during the year. The Company also has not paid the dues to JM Financial ARC Private Limited for the loans availed by it which are totally over due during the year.
- (ix) According to the information and explanations given to us and based on our verification, the Company has not raised moneys by way of public issue.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- (xi) No managerial remuneration is paid by the Company during the year hence clause 3(xi) is not applicable
- (xi) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- (xiii) The Company has not made any preferential allotment of shares during the year.
- (xiv) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- (xv) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**for KUMAR & GIRI**  
Chartered Accountants  
Firm Registration No. 001584S

**J.BHADRA KUMAR**  
Partner  
Membership No.025480

Place: Hyderabad  
Date: May 30, 2016.

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## Annexure 'B'

### Annexure to the Independent Auditor's Report of even date on the Standalone financial statements of LN Industries India Limited. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of LN Industries India Limited ("the Company") as of March 31, 2016 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. 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, issued by ICAI and 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 Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatements 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 controls 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, 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 limitation 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 to 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 March 31, 2016, based on the internal controls 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 **KUMAR & GIRI**  
Chartered Accountants  
Firm Registration No. 001584S

**J.BHADRA KUMAR**  
Partner  
Membership No.025480

Place: Hyderabad  
Date: May 30, 2016.

## BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31st March 2016		As at 31st March 2015	
<b>I. EQUITY OF LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a) Share Capital	2		1,016,859,000		1,016,859,000
b) Reserves and Surplus	3		474,908,508		785,986,493
<b>2. Non - Current Liabilities</b>					
a) Long Term Borrowings	4		154,756,714		154,756,714
<b>3. Current Liabilities</b>					
a) Short Term Borrowings	5		259,756,004		256,809,714
b) Trade Payables	6		44,777,606		45,853,945
c) Other Current Liabilities	7		10,566,338		10,410,166
<b>Total</b>			<b>1,961,624,170</b>		<b>2,270,676,032</b>
<b>II. ASSETS</b>					
<b>1. Non - Current Assets</b>					
a) Fixed Assets					
(i) Tangible Assets	8	213,544,920		493,577,927	
(ii) Capital Work-in-Progress	9	34,599,504		34,599,504	
			248,144,423		528,177,431
Less : Depreciation			111,821,422		303,452,793
			<b>136,323,001</b>		<b>224,724,638</b>
b) Non-Current Investments	10		1,144,848,000		1,151,838,000
c) Long Term Loans and Advances	11		4,478,720		4,478,720
<b>2. Current Assets</b>					
a) Inventories	12		0		54,183,242
b) Trade Receivables	13		0		165,136,996
c) Cash and Cash Equipments	14		5,794,465		5,784,496
d) Short Term Loans and Advances	15		670,179,984		664,529,940
<b>Total</b>	<b>1</b>		<b>1,961,624,170</b>		<b>2,270,676,032</b>

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 : 30th May, 2016.

**G. SURENDER REDDY**

Managing Director  
DIN : 00109441

**L. MADHU KUMAR REDDY**

Director  
DIN : 07604968

## Profit & Loss Account for the Period ended 31st March, 2016



Particulars			As at 31st March, 2016	As at 31st March 2015
I.	Revenue from Operations	16	(47,500)	4,633,894
II.	Other Income	17	567,500	286,092
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>520,000</b>	<b>4,919,986</b>
<b>IV.</b>	<b>Expenses :</b>			
	Cost of Materials Consumed	18	23,131,018	1,845,688
	<b>Changes in Inventories of :</b>			
	Work-in-Progress (Increase)/Decrease	19	29,056,250	0
	Finished Goods (Increase) / Decrease	20	1,995,974	0
	Employee Benefit Expense	21	736,000	2,496,878
	Financial Costs	22	3,121	20,610,594
	Depreciation and Amortization Expense	8	63,346,314	15,775,903
	Other Expenses	23	169,271,484	3,587,463
	<b>Total Expenses</b>		<b>287,540,162</b>	<b>44,316,526</b>
<b>V.</b>	<b>Profit before exceptional and Extraordinary Items and Tax</b>	<b>(III - IV)</b>	<b>(287,020,162)</b>	<b>(39,396,540)</b>
VI.	Exceptional Items - Loss on Sales of Assets		260,115	96,549
VII.	Profit before Extraordinary Items and Tax (V-VI)		<b>(287,280,277)</b>	<b>(39,493,089)</b>
VIII.	Extraordinary Items		0	0
<b>IX.</b>	<b>Profit Before Tax (VII - VIII)</b>		<b>(287,280,277)</b>	<b>(39,493,089)</b>
X.	Tax Expense :			
	1) Current Tax		0	0
	2) Deferred Tax		0	0
XI.	Profit / (Loss) from the Period from Continuing Operations		<b>(287,280,277)</b>	<b>(39,493,089)</b>
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	(XI + XIV)	<b>(287,280,277)</b>	<b>(39,493,089)</b>
XVI.	Earnings Per Equity Share :			
	1) Basic		(2.83)	(0.39)
	2) Diluted		(2.83)	(0.39)

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 : 30th May, 2016.

**G. SURENDER REDDY**

Managing Director

DIN : 00109441

**L. MADHU KUMAR REDDY**

Director

DIN : 07604968

**CASH FLOW STATEMENT**  
For the year ended on 31 March 2016

	Particulars	Amount Rs.	Amount Rs.
<b>I.</b>	<b>CASHFLOW</b>		
<b>1.</b>	<b>Cash inflow from Operating activities</b>		
	<i>a) Profit from operating activities</i>	(287,280,277)	
	<b>Adjustments :</b>		
	Depreciation and amortization	63,346,314	
	Interest & Finance Charges	3,121	
	(Gain)/Loss on sale of fixed assets	260,115	
	Provision /(Reversal) for doubtful debts, advances	165,136,996	
	<i>b) Working Capital Changes</i>		
	- Decrease in trade inventories	6,990,000	
	- Decrease in trade receivables	54,183,242	
	- Increase in other current liabilities	156,172	
	<b>Total of (1)</b>		<b>2,795,684</b>
<b>2.</b>	<b>Cash inflow from Investing Activities</b>		
	a) Proceeds from sale of fixed assets	997,500	
	<b>Total of (2)</b>		<b>997,500</b>
<b>3.</b>	<b>Cash inflow from Financing Activities</b>		
	a) Proceeds from short-term borrowings	6,646,290	
	<b>Total of (3)</b>		<b>6,646,290</b>
	<b>TOTAL CASH INFLOWS (1+2+3) (I)</b>		<b>10,439,474</b>
<b>II.</b>	<b>CASH OUTFLOW :</b>		
<b>1.</b>	<b>Cash outflow from Operating activities</b>		
	<i>a) Loss from operating activities</i>		
	<i>b) Working capital changes :</i>		
	- Increase in short-term loans and advances	5,650,044	
	- Decrease in trade payables	1,076,339	
	<b>Total of (1)</b>		<b>6,726,383</b>
<b>2.</b>	<b>Cash Outflow from Financing Activities</b>		
	a) Interest and other finance costs	3,700,000	
	b) Interest and other finance costs	3,121	
	<b>Total of (2)</b>		<b>3,703,121</b>
	<b>TOTAL CASH OUTFLOWS (1+2) (II)</b>		<b>10,429,504</b>
<b>III.</b>	<b>Net (decrease) / increase in cash and cash equivalents (I-II)</b>		<b>9,970</b>
	<b>Add : Cash and cash equivalents at the beginning of the period</b>		<b>5,784,495</b>
<b>IV.</b>	<b>Cash and cash equivalents at the end of the period</b>		<b>5,794,465</b>

## NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-16		As at 31-March-15		
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)	
<b>Note:2</b> <b>Share Capital</b>					
<b>AUTHORISED SHARE CAPITAL :</b>					
Equity Shares of Rs.10/- each	145,000,000		145,000,000		
	<b>145,000,000</b>		<b>145,000,000</b>		
<b>ISSUED</b>					
Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	<b>101,685,900</b>		<b>101,685,900</b>		
<b>SUBSCRIBED :</b>					
Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	<b>101,685,900</b>		<b>101,685,900</b>		
<b>PAID UP CAPITAL :</b>					
Equity Shares of Rs.10/- each fully paid up	101,685,900	1,016,859,000	101,685,900	1,016,859,000	
	<b>101,685,900</b>	<b>1,016,859,000</b>	<b>101,685,900</b>	<b>1,016,859,000</b>	
<b>Details of Shares held by each Shareholder Holding more than 5%</b>					
	<b>Name of the Shareholder</b>	<b>No.of Shares</b>	<b>% of Holding</b>	<b>No.of Shares</b>	<b>% of Holding</b>
	Patel & Patel Team Developers LLP	6,500,000	6.64%	6,500,000	6.64%
	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%
		<b>54,750,000</b>	<b>53.84%</b>	<b>54,750,000</b>	<b>53.84%</b>
<b>Note :3</b> <b>Reserve &amp; Surplus</b>					
<b>A) Share Premium Reserves</b>					
As at commencement of the year		1,089,520,000		1,089,520,000	
<b>Add :</b> Recd. on further Issue of Shares		0		0	
		<b>1,089,520,000</b>		<b>1,089,520,000</b>	
<b>B) Other Reserves</b>					
Central Subsidy					
As at Commencement of the year		1,500,000		1,500,000	
<b>Add :</b> Received further		0		0	
		<b>1,500,000</b>		<b>1,500,000</b>	
<b>C) Surplus</b>					
Opening Balance		(305,033,507)		(265,540,418)	
<b>Add :</b> Net Profit for Current Year		(287,280,277)		(39,493,089)	
Less : Assets Written off during the year		(23,797,707)		0	
<b>Closing Balance</b>		<b>(616,111,492)</b>		<b>(305,033,507)</b>	
		<b>474,908,508</b>		<b>785,986,493</b>	

## NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-16		As at 31-March-15	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
<b>Note:4 Long-Term Borrowings</b>				
<b>A) Secured Loans</b>				
<b>Long term Loans - From Banks / Financial Institutions</b>				
Rupee Term Loan (Secured by First Charge on Entire Fixed Assets and Personal Guarantee of Directors of the Company)		11,756,714		111,756,714
		<b>111,756,714</b>		<b>111,756,714</b>
<b>Long Term Loans - Others</b>				
Land Dev. Deposits from Developers		43,000,000		43,000,000
		<b>43,000,000</b>		<b>43,000,000</b>
		<b>154,756,714</b>		<b>154,756,714</b>
<b>Note :5 Short Term Loans - From Banks</b>				
<b>A) Secured Loans</b>				
Packing Credit / Post Shipment Loans secured by charge on stock, book-debts and other current assets.		63,477,045		67,177,045
Short Term Corporate Loan from State Bank of Hyderabad		23,575,550		23,575,550
		<b>87,052,595</b>		<b>90,752,595</b>
<b>B) Unsecured Loans</b>				
Short Term Loans : Others				
From Directors (See Note : Schedule 24)		89,681,785		88,235,495
From Bodies Corporate & Others		67,758,249		62,558,249
Trade Deposits		3,400,000		3,400,000
Interest Free Sales Tax Loan		11,863,374		11,863,374
		<b>172,703,409</b>		<b>166,057,119</b>
		<b>259,756,004</b>		<b>256,809,714</b>
<b>Note :6 Trade Payables</b>				
Sundry Creditors		44,777,606		45,853,945
		<b>44,777,606</b>		<b>45,853,945</b>
<b>Note : 7 Other Current Liabilities</b>				
Outstanding Liabilities		10,566,338		10,410,166
		<b>10,566,338</b>		<b>10,410,166</b>

**Notes on Accounts for the Year Ended 31st March, 2016**

(Amt. in Rs.)

Note No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		As at 01-Apr-15	Additions during the year	Disposal during the year	As at 31-Mar-16	As at 01-Apr-15	Depreciation for the year	Depreciation on disposals	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
8	Tangible Assets										
a)	Land	2,699,620	0	0	2,699,620	0	0	0	2,699,620	2,699,620	
b)	Plant and Machinery	442,165,692	0	241,082,247	201,083,445	270,753,663	62,180,969	228,662,475	104,272,158	96,811,288	171,412,029
c)	Electrical Installations	24,912,612	0	24,912,612	0	12,451,041	0	12,451,041	0	0	12,461,571
d)	Borewell	2,069,219	0	0	2,069,219	536,476	0	0	536,476	1,532,743	1,532,743
e)	Office Equipment	1,620,277	0	1,549,114	71,164	1,391,419	85,281	1,419,091	57,608	13,555	228,859
f)	Furniture and Fixtures	1,871,566	0	1,515,561	357,006	1,667,539	81,640	1,498,078	251,101	105,905	204,027
g)	Computers	6,182,872	0	6,182,872	0	6,156,666	0	6,156,666	0	0	26,206
h)	Vehicles	12,056,069	0	4,791,603	7,264,466	10,495,990	998,425	4,790,335	6,704,080	560,387	1,560,079
	<b>Total</b>	<b>493,577,927</b>	<b>0</b>	<b>280,033,008</b>	<b>213,544,920</b>	<b>303,452,793</b>	<b>63,346,314</b>	<b>254,977,685</b>	<b>111,821,422</b>	<b>101,723,497</b>	<b>190,125,134</b>
9	Capital Work-in-Progress	34,599,504	0	0	34,599,504	0	0	0	34,599,504	34,599,504	
	<b>Total</b>	<b>34,599,504</b>	<b>0</b>	<b>0</b>	<b>34,599,504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,599,504</b>	<b>34,599,504</b>	
	<b>Grand Total</b>	<b>528,177,431</b>	<b>0</b>	<b>280,033,008</b>	<b>248,44,423</b>	<b>303,452,793</b>	<b>63,346,314</b>	<b>254,977,685</b>	<b>111,821,422</b>	<b>136,323,001</b>	<b>224,724,638</b>

**Note :** During the year the Company has incurred Loss on sale of Machineries, incurring a Loss of Rs.2,60,115/-  
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	Plant Machinery	2,981,980	1,724,365	997,500	260,115
	<b>Total</b>	<b>2,981,980</b>	<b>1,724,365</b>	<b>997,500</b>	<b>260,115</b>



## NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-15		As at 31-March-15	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
<b>Note:10 Non-Current Investments</b>				
<b>Long Term Investment</b>				
Unquoted Equity Shares (at Cost)		112,588,000		114,588,000
Share Application Money under allotments		229,030,000		234,020,000
Quotated Equity Shares (at Cost)		803,230,000		803,230,000
		<b>1,144,848,000</b>		<b>1,151,838,000</b>
<b>Note:11 Long - Term Loans &amp; Advances</b>				
A) Secured Advances				
Security Deposits		4,478,720		4,478,720
		<b>4,478,720</b>		<b>4,478,720</b>
<b>Note:12 Inventories</b>				
Raw Material		0		6,702,095
Consumables		0		8,185,163
Packing Material		0		8,243,760
Stock in Process		0		29,056,250
Finished Goods		0		1,995,974
		<b>0</b>		<b>54,183,242</b>
<b>Note:13 Trade Receivables</b>				
Debtors Outstanding for a period exceeding six months				
Considered Goods		0		133,451,968
Other Debtors				
Considered Goods		0		31,685,028
		<b>0</b>		<b>165,136,996</b>
<b>Note:14 Cash &amp; Bank Balances</b>				
Cash in Hand		7,442		9,442
<b>Balance with Scheduled Banks :</b>				
In Current Accounts		44,032		32,062
In Fixed Deposit Accounts (Pledged with Banks)		5,742,992		5,742,992
		<b>5,794,465</b>		<b>5,784,496</b>
<b>Note:15 Short-Term Loans &amp; Advances</b>				
<b>A) Secured Advances</b>				
Tax Deduction at source		5,665,618		5,608,868
Advance Tax A.Y. 2014-15		1,569,980		1,569,980
		<b>7,235,598</b>		<b>7,178,848</b>
<b>B) Unsecured Advances</b>				
Advance to Suppliers & Others		662,944,386		657,351,092
		<b>662,944,386</b>		<b>657,351,092</b>
		<b>670,179,984</b>		<b>664,529,940</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars	As at 31-March-16		As at 31-March-15	
	Amount (Rs.)		Amount (Rs.)	
<b>Note:16 Revenue from Operations</b>				
a) Sale of Products	-		464,520	
b) Other Operating Revenues (Conversion Charges)	-		4,223,016	
		-		4,687,536
c) Less : Excise Duty & Sales Tax		47,500		53,642
<b>Net Sales</b>		<b>(47,500)</b>		<b>4,633,894</b>
<b>Note:17 Other Incomes</b>				
a) Other Non-Operating Income		567,500		286,092
		<b>567,500</b>		<b>286,092</b>
<b>Note:18 Cost of Materials Consumed</b>				
<b>A) Raw Material Consumed</b>				
<b>Opening Stock</b>				
a) Partially Oriented Yarn & Fabric	129,222		129,222	
b) Dyes	2,828,800		3,332,800	
c) Chemicals	3,666,804		3,776,049	
d) Coning Oil	77,269		77,269	
		<b>6,702,095</b>		<b>7,315,340</b>
<b>Add : Purchases</b>				
a) Partially Oriented Yarn & Fabric	0		0	
b) Dyes	0		153,772	
c) Chemicals	0		278,643	
d) Coning Oil	0		308,203	
e) Freight & Carriage Inwards	0			
		<b>0</b>		<b>740,618</b>
<b>Less : Closing Stock</b>				
a) Partially Oriented Yarn & Fabric	0		129,222	
b) Dyes	0		2,828,800	
c) Chemicals	0		3,666,804	
d) Coning Oil	0		77,269	
		<b>0</b>		<b>6,702,095</b>
<b>Raw Material Consumed</b>				
a) Partially Oriented Yarn & Fabric	129,222		0	
b) Dyes	2,828,800		657,772	
c) Chemicals	3,666,804		387,888	
d) Coning Oil	77,269		308,203	
e) Freight & Carriage Inwards	0			
<b>TOTAL (A)</b>		<b>6,702,095</b>		<b>1,353,863</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars		As at 31-March-16		As at 31-March-15	
		Amount (Rs.)		Amount (Rs.)	
	<b>B) Stores, Spares &amp; Packing Material Consumed</b>				
	<b>Opening Stock</b>				
	a) Stores & Spares	8,185,163		8,262,163	
	b) Packing Material	8,243,760		8,315,533	
			<b>16,428,923</b>		<b>16,577,696</b>
	<b>Add : Purchases</b>				
	a) Stores & Spares	0		0	
	b) Packing Material	0		343,052	
	c) Freight & Carriage Inwards	0		0	
			<b>0</b>		<b>343,052</b>
	<b>Less : Closing Stock</b>				
	a) Stores & Spares	0		8,185,163	
	b) Packing Material	0		8,243,760	
			<b>0</b>		<b>16,428,923</b>
	<b>Stores, Spares &amp; Packing Material Consumed</b>				
	a) Stores & Spares	8,185,163		77,000	
	b) Packing Material	8,243,760		414,825	
	c) Freight & Carriage Inwards	0		0	
			<b>16,428,923</b>		<b>491,825</b>
	<b>TOTAL (B)</b>		<b>16,428,923</b>		<b>491,825</b>
	<b>GRAND TOTAL (A+B)</b>		<b>23,131,018</b>		<b>1,845,688</b>
<b>Note:19</b>	Increase/(Decrease) in Work in Progress				
	<b>A) Closing Stock of :</b>				
	Yarn	0		29,056,250	
			<b>0</b>		<b>29,056,250</b>
	<b>B) Opening Stock of :</b>				
	Yarn	29,056,250		29,056,250	
			<b>29,056,250</b>		<b>29,056,250</b>
	<b>Increase/(Decrease) in Stock (A-B)</b>		<b>(29,056,250)</b>		<b>0</b>
<b>Note:20</b>	Increase / (Decrease) in Finished Goods				
	<b>A) Closing Stock of :</b>				
	Dyed Yarn	0		1,995,974	
			<b>0</b>		<b>1,995,974</b>
	<b>B) Opening Stock of :</b>				
	Dyed Yarn	1,995,974		1,995,974	
			<b>1,995,974</b>		<b>1,995,974</b>
	<b>Increase / (Decrease) in Stock (A-B)</b>		<b>(1,995,974)</b>		<b>0</b>
<b>Note:21</b>	<b>Employees Remuneration &amp; Benefits</b>				
	Salary, Wages, Allowances & Other Benefits		732,760		2,360,392
	P.F. Contribution		3,240		136,486
			<b>736,000</b>		<b>2,496,878</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars	As at 31-March-16		As at 31-March-15	
	Amount (Rs.)		Amount (Rs.)	
<b>Note:22 Financial Cost</b>				
Bank Charges		3,121		28,300
Interest on : Term Loan		0		20,582,294
		<b>3,121</b>		<b>20,610,594</b>
<b>Note:23 Operating, Administrative &amp; Other Expenses</b>				
Audit Fee		427,256		421,354
Conveyance Exp.		11,600		30,468
Factory Power & Fuel		0		440,392
Legal & Professional Fee		197,557		155,864
Loss on Sale of Fixed Assets		260,115		96,549
Office & General Exp.		556,331		1,106,113
Postage, Telegram, Printing & Stationary		0		1,798
Rent, Rates & Taxes		1,729,744		190,200
Repairs & Maintenance		1,212,000		1,236,774
Tour & Travelling Exp.		0		4,500
Written Off of Debtors		165,136,996		0
		<b>169,531,600</b>		<b>3,684,012</b>
		<b>169,531,600</b>		<b>3,684,012</b>

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## Note No. 1) SIGNIFICANT ACCOUNTING POLICES:

### Company Overview

LN Industries India Limited (LNIL) is a Public Limited Company incorporated and domiciled in India and has its Registered Office at Hyderabad, Telangana, India. The Company has its primary listings on the BSE Limited. The Company deals in manufacturing and trading of different dyed yarns.

#### 1.1. Basis of Preparations of Financial Statements:

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the Historical Cost Convention methods in accordance with the generally accepted accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 1.2. Use of Estimates:

The presentation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expense during the reporting period. Difference between the actual results and estimated are recognizes in the period in which the results are known / materialized.

#### 1.3. Revenue Recognition:

Revenue is recognized from Sale of Goods where significant risks and rewards of ownership in respect of the goods are transferred to the buyer, and further no significant uncertainties exists regarding the amount of consideration that would be received from the sale of goods. Interest income is recognized on time end accrued basis.

#### 1.4. Provision and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

#### 1.5. Tangible assets and capital work – in – progress:

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work – in – progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

#### 1.6. Intangible assets:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

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**1.7. Depreciation and amortization:**

Depreciation on tangible assets is provided on the straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the Company for its use. The Management estimates the useful lives for the other fixed assets.

**1.8. Impairment of Assets:**

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

**1.9. Investments:**

Investments are classified into current investments and long-term investments. Current Investments are valued, scrip wise, at cost or fair value, whichever is lower. Long-term investments are valued at cost. Provision for diminution is made script wise to recognize a decline, other than temporary.

**1.10. Inventories:**

Items of inventories are measured lower of cost or net realizable value. Cost of inventories comprises of Cost of purchase, cost of conversions and other cost incurred in bringing them to their present location and condition I) Raw Materials, consumable, stores and packing material are valued at Cost. II) Stock – in – process are valued at estimated Cost. III) Finished Stocks are valued at estimate Cost or net realizable value whichever is less.

**1.11. Employee Retirement Benefits:**

Company's contribution to Provident Fund and Superannuation Fund are charged to Profit and Loss Account, Gratuity and Leave Encashment benefits are charged to Profit and Loss Account on the basis of actuarial valuation.

**1.12. Foreign Currency Transactions:**

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**1.13. Borrowing Costs:**

Borrowing costs, which are directly attributable to the acquisition/ construction of fixed assets. Till the time such asset are ready for intended use are capitalized as part of the cost of the assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

**1.14. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be out flow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 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 provide 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.

### 24.3. Unsecured Loans:

- a. The Government of Andhra Pradesh, Commissiorate 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 ' 2016 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 2016 is shown under the head of account Unsecured Loans.

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

24.5 The Company has return of the outstanding receivables considering the non realisability of the same.

### 24.6 REMUNERATION TO AUDITORS:

(Including Service Tax)

As Auditors

2015 – 2016

2014 - 2015

3,41,805

3,37,080

In Other Capacity:

i) Tax Audit & Tax  
Consultancy

51,271

50,564

ii) Certification

34,181

33,710

4,27,256

4,21,354

### 24.7 Pending Ligitations with various authorities :

S.No.	Particulars	Amount	Remarks
1	Income Tax – A.Y.2011–2012 – Demand raised by the Department	272.96	Appeal filed with CIT Appeals – V, Hyderabad, pending disposal.
2	Income Tax – A.Y.2012–2013 – Demand raised by the Department	67.67	Appeal filed with CIT Appeals, Mumbai, pending disposal.
3	Income Tax – A.Y.2013–2014 – Demand raised by the Department	22.64	Appeal filed with CIT Appeals, Mumbai, pending disposal.
4	Income Tax – A.Y.2014–2015 – Demand raised by the Department	Nil	Appeal filed with CIT Appeals, Mumbai, pending disposal.

24.8 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.

24.9 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

### 24.10 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	2015 - 2016		2014-2015	
	Quantity (Tonnes)	Value (Rs.)	Quantity (Tonnes)	Value (Rs.)
<b>a) Capacity</b>				
Registered/Licensed (As per letter of intent)	3,600.000	—	3,600.000	—
<b>b) Installed - Annualised</b>				
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	—
<b>c) Actual Production</b>				
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)	0.00	—	84.942	—
<b>d) Particulars in respect of Sales</b>				
Polyester Texturised & Twisted Yarn	0.00	0.00	0.00	0.00
Polyester / Nylon Dyed Yarn & Grey Yarn *	0.00	0.00	0.00	0.00
Conversion Sales of Dyed Yarn	0.00	0.00	84.942	4,223,017
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
<b>e) Details of Stock-in-trade</b>				
<b>Opening stock</b>				
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
<b>Closing Stock</b>				
Polyester / Nylon Texturised & Twisted Yarn	0.00	0.00	144.165	29,056,250
Polyester / Nylon Dyed Yarn	0.00	0.00	27.695	1,995,974
<b>f) Details of Raw Materials Consumed</b>				
Partially Oriented Yarn / Nylon		129,222		0
Dyes & Chemicals		6,495,604		1,045,660
Others		16,506,192		800,028
<b>g) Value of Raw Materials, Spare parts and Components consumed</b>				
Imported	0%	—	0%	—
Indigenous	100%	23,31,018	100%	1,845,688
<b>h) Exports and Imports</b>				
<b>a) Value of imports calculated on CIF basis</b>				
i. Raw material	—	—	—	—
ii. Components & Spare Parts	—	—	—	—
iii. Capital goods	—	—	—	—
<b>b) Expenditure in foreign currency</b>				
Travelling	—	—	—	—
<b>l) Technical know-how Fees</b>				
	—	—	—	—



## NOTE TO ACCOUNTS

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

<b>a) Registration details</b>	
Registration Number	15268
State Code Number	01
Balance Sheet date	31-Mar-16
<b>b) Capital raised during the year (Rupees)</b>	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement (Firm allotment to the Promoters and their associates)	-
<b>c) Position of mobilisation and development of funds (Rupees)</b>	
Total Liabilities	1,961,624,170
Total Assets	1,961,624,170
<b>Sources of Funds</b>	
Paid-up Capital	1,016,859,000
Convertible Warrants Monies	-
Reserves & Surplus	474,908,508
Secured Loans	241,809,309
Unsecured Loans	172,703,409
<b>Application of Funds</b>	
Net Fixed Assets	136,323,001
Investments	1,144,848,000
Net Current Assets	625,109,225
Miscellaneous Expenditure	-
Accumulated losses	-
<b>d) Performance of the Company (Rupees)</b>	
Turnover	520,000
Total Expenditure	287,540,162
Profit Before Tax & Extraordinary Items	(287,020,162)
Profit After Tax & Extraordinary Items	(287,280,277)
Earning Per Share (Rs.)	(2.83)
<b>e) Generic name of the Principal product of the Company</b>	
Item Code Number	5402209
Product Description	Polyester & Nylon Texturised, Twisted, Dyed Yarn

24.12 Figures have been rounded off to the nearest rupee.

24.13 Previous year figures have been regrouped where necessary.

24.14 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 : 30th May, 2016.

**G. SURENDER REDDY**

Managing Director

DIN : 00109441

**L. MADHU KUMAR REDDY**

Director

DIN : 07604968

**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: H.No. 8-3-898/16/4, Sri Laxmi Narasimha Niwas, Nagarjuna Colony, Road No. 2,  
Srinagar Colony (Post), HYDERABAD - 500073.

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 23rd Annual General Meeting of the Company to be held on the Wednesday the 30th of September, 2016 at 9.15 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, 2016 together with the schedules and notes thereon and the Directors' and Auditor's Report thereof.
2	Appointment of Sri G. Laxma 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.

Signed this \_\_\_\_\_ day of September, 2016

Signature of the Shareholder:

Signature of the Proxy holder(s):

1.00 One Rupee Revenue Stamp
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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.

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## LN INDUSTRIES INDIA LIMITED

Registered Office: H.No.8-3-898/16/4,  
Sri Laxmi Narasimha Niwas, Nagarjuna Nagar Colony,  
Road No.2, Srinagar Colony (Post), 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 23rd Annual General Meeting of LN INDUSTRIES INDIA LIMITED held at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, on Wednesday the 30th of September, 2016 at 9.15 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 8.15 A.M to 9.15 A. M.
3. Joint Shareholders may obtain additional attendance slip on request.

**PRINTED MATTER**  
REGISTERED POST / COURIER

If Undelivered Please Return to :

**LN INDUSTRIES INDIA LIMITED**

Registered Office: H.No.8-3-898/16/4,

Sri Laxmi Narasimha Niwas, Nagarjuna Nagar Colony,

Road No.2, Srinagar Colony (Post), HYDERABAD – 500 073.

Tel:040 23542871 Fax:04023551044, CIN:L18100TG1993PLC015268

Email ID:lnpolyester@yahoo.com,

Website: www.lnindustriesindia.com & www.lnindustriesindialimited.com

**Anjana Graphics**  
98494 79396

