



24th

ANNUAL REPORT

2016 - 2017

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

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: Inpolyester@yahoo.com

Works:

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

Auditors:

M/s. C M T & ASSOCIATES
Chartered Accountants,
Flat No. 101, B-Block, H.No. 6-3-664,
203 & 204, Prestige Raj Towers,
Insider Croma Building, Opp. NIMS,
Punjagutta, HYDERABAD - 500082.
Email : cmtclients@gmail.com

Physical and Demat Registrars :

M/s Skyline Financial Services Private Limited,
D-153A, 1st Floor,
Phase - I, Okhla Industrial Area,
New Delhi - 110 020.
Email : info@skylinerta.com
Website : skylinerta.com

Bankers:

- 1) ICICI Bank Limited,
Jubilee Hills Branch,
HYDERABAD – 500 033.



NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of LN INDUSTRIES INDIA LIMITED will be held on Thursday the 28th day of September ' 2017, at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, at 09 : 00 A.M., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shailesh Shivram Mistry (DIN 02828383), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri. L.Madhu Kumar Reddy (DIN 07604968), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s.C M T Associates, Chartered Accountants (Registration No.011515S) as Statutory Auditors:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, (Including any statutory modification(s) or re-enactment thereof for the time being in force) be and are hereby appointed 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.”

By order of the Board
for LN INDUSTRIES INDIA LIMITED

G. SURENDER REDDY
Managing Director
DIN:00109441

Place: Hyderabad
Date: 28.08.2017

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: Inpolyester@yahoo.com,
Website: www.lnindustriesindia.com
CIN:L18100TG1993PLC015268.

The soft copy of the Annual Report 2016 – 2017 can also be downloaded from the Company's website i.e., www.lnindustriesindia.com & www.lnindustriesindialimited.com.

9. Requests for transfer of physical shares received during the period of book closure shall be considered only after the reopening of Books.
10. Shareholders may avail the nomination facility under Section 72 of the Companies Act, 2013. The relevant nomination form is appended to this notice
11. 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.

12. 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 24th 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, 2017.

The instructions for E-Voting are as under:

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

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25th September, 2017 at 9.00 a.m., and ends on 27th September, 2017 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

- I. The Company has appointed N.Satyanarayana, a practicing Chartered Accountant, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- II. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any forthwith to the Chairman of the Company.
- 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.Shaliesh Shivram Mistry (DIN:02828383):

Mr.Shaliesh Shivram Mistry, is a Commerce Graduate aged 33 years, having experience in administrative matters and liaison with Government Authorities.

PROFILE OF Sri. L.Madhu Kumar Reddy (DIN:07604968):

Mr.L.Madhu Kumar Reddy, is a Commerce Graduate aged 59 years, having experience in project civil, administration & liaison with Government Authorities.

By order of the Board
for LN INDUSTRIES INDIA LIMITED

G. SURENDER REDDY.

Managing Director.

DIN:00109441

Place: Hyderabad

Date: 28.08.2017

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: Inpolyester@yahoo.com
Website: www.lnindustriesindia.com
CIN:L18100TG1993PLC015268.



DIRECTORS REPORT

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

Yours Directors hereby present the Twenty Fourth Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2017 and the Report of the Auditor thereon.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	For the year ended 31st March ' 2017	For the year ended 31st March ' 2016
Revenue from operations	0.00	0.00
Other Income	3.59	5.68
Total Income	3.59	5.68
Total Expenditure	333.04	2,875.88
Profit / (Loss) before exceptional items	(329.44)	(2,870.20)
Exceptional Items	1.92	2.60
Profit / (Loss) before extraordinary items	(331.36)	(2,872.80)
Extraordinary items	0.00	0.00
Profit / (Loss) before tax	(331.36)	(2,872.80)
Less : Provision for tax	0.00	0.00
Profit / (Loss) after tax for the year	(331.36)	(2,872.80)
Basic and Diluted EPS	(0.33)	(2.83)

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 capitals from the banks. Company is taking steps to resume the operations by entering into job work arrangement with various vendors and third party business. 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 has settled its complete dues and closed all its loans with the Financial Institutions and Banks.

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, Shirtings, Suiting and Furnishing Fabrics and other Product Nylon Dyed Yarn is used in the manufacture of Socks, Sports 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 its excellence presence over the 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 2016 – 2017.

TRANSFER TO RESERVES:

The Company has incurred a loss of Rs.331.36 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, 2017 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:

A separate report Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure 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 under review there were no Inductions on to the Board of the Company.

RE – APPOINTMENTS:

As per the provisions of the Companies Act 2013, Mr. Shailesh Shivram Mistry (DIN:02828383) retires at the ensuing Annual General Meeting and being eligible, seek his re-appointment. The Board recommends his re-appointment.

As per the provisions of the Companies Act 2013, Sri.L.Madhu Kumar Reddy (DIN:07604968) 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:

During the year under review Sri.G.Surender Reddy has resigned from his Directorship, with effect from 28th August '2017.

The Board noted and places on record its appreciation for the valuable services rendered by Sri.G.Surender Reddy during his tenure as Director with the Company.

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. 30th May'2016.
2. 13th August ' 2016.
3. 30th August ' 2016.
4. 30th September ' 2016.
5. 14th November ' 2016.
6. 13th February ' 2017.

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 2016 – 17, 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 2016 – 17.

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 a 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:**

The Auditors appointed by the members at the 23rd Annual General Meeting held on 30th September '2016, having completed a consecutive tenure of five years leading to cooling period, event to the Company has identified M/s. C M T Associates, Chartered Accountants (FR No.011515S), as the Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting to till the conclusion of the 29th Annual General Meeting. Accordingly, the appointment of M/s. C M T Associates, Chartered Accountants, as the statutory auditors of the Company is placed for ratification at every such Annual General Meeting. 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.

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 2016-17, 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.

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

Place: Hyderabad.

Date: 28-08-2017.

G. SURENDER REDDY

Managing Director

DIN:00109441

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: 28-08-2017.

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.

	2016 - 2017	2015 - 2016
1. Electricity:		
a) Purchased:		
Units	Nil	Nil
Total Amount	Rs.0.00	Rs. 0.00
Rate Per Unit	Rs.0.00	Rs. 0.00
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		
2. Coal for Boiler:		
Quantity (Tons)	Nil	Nil
Total Cost	Rs. 0.00	Rs. 0.00
Average Rate Per Ton	Rs. 0.00	Rs. 0.00
3. Furnace Oil:		
Quantity (K.Ltrs.)		
Total Cost	Nil	Nil
Average Rate		
4. Others / internal generation (please give details):		
Quantity ()		
Total Cost	Nil	Nil
Rate Per Unit		

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.,

New shades in tandem with the market, reduction in the engery 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	2016 - 2017 (in Rs.)	2015 - 2016 (in Rs.)
1.	Total Foreign Exchange earnings	Nil	Nil
2.	Foreign Exchange outgo	Nil	Nil
	Total Foreign Exchange outgo	Nil	Nil

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

Place: Hyderabad.

Date: 28-08-2017.

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, 2017

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 2016 – 17	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 2016 – 17	NA																					
3	The percentage increase in the median remuneration of employees in the financial year 2016 – 17	No Change																					
4	The number of permanent employees on the rolls of the Company as on 31st March, 2017	2 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>Date</th> <th>Closing Price</th> <th>No. of Shares</th> <th>Value in (Rs. in Crores)</th> <th>Last Public Offer Price (Rs.) (F.Value Rs.10+ Premium Rs.12)</th> <th>Variation</th> <th>In %</th> </tr> </thead> <tbody> <tr> <td>31.03.2017</td> <td>3.58</td> <td>10,16,85,900</td> <td>36.40</td> <td>22.00</td> <td>-18.42</td> <td>-83.73%</td> </tr> <tr> <td>31.03.2016</td> <td>2.95</td> <td>10,16,85,900</td> <td>30.00</td> <td>22.00</td> <td>-19.05</td> <td>-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 %	31.03.2017	3.58	10,16,85,900	36.40	22.00	-18.42	-83.73%	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 %																	
31.03.2017	3.58	10,16,85,900	36.40	22.00	-18.42	-83.73%																	
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, 2017.

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, 2017

(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: 28-08-2017.

G. SURENDER REDDY
 Managing Director
 DIN:00109441

“ANNEXURE IV”**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on Financial year ended on 31-03-2017**

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: Inpolyester@yahoo.com
6.	Whether listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-153A, 1st Floor, Phase – I, Okhla Industrial Area, New Delhi – 110 020. Telephone – +91-11-64732681-88, 26812682-83, e-Mail id: info@skylinerta.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-2016)				No. of Shares held at the beginning of the year (As on 31-March-2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individuals/ HUF	3790189	42020	3832209	3.77	3551209	42000	3593209	3.54	(0.23)
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
Total Share holding of (A)1	11214439	2617770	13832209	13.60	10975459	2617750	13593209	13.37	(0.23)
2. Foreign									
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
TOTAL (A)	11214439	2617770	13832209	13.60	10975459	2617750	13593209	13.37	(0.23)
B. Public Shareholding									
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
Sub Total (B)(1)	NIL	2900	2900	0.00	NIL	2900	2900	0.00	0.00
2. Non-Institutions									
a. Bodies Corp									
i. Indian	14271965	44551000	58822965	57.85	19040781	39561000	58601781	57.63	(0.22)
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	2299215	408728	2707943	2.66	6565223	407228	6972451	6.86	4.20
ii. Individual shareholders holding nominal share capital excess Rs.1 lakh	5346204	17760000	23106204	22.72	5866258	16250000	22116258	21.75	(0.97)
c. Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	205351	197800	403151	0.40	198251	197800	396051	0.39	(0.01)
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	2811228	NIL	2811228	2.76	3250	NIL	3250	0.00	(2.76)
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (B) (2)	24933963	62917528	87851491	86.40	31673763	56416028	88089791	86.63	0.23
Total Public Shareholding (B) = (B)(1)+ (B)(2)	24933263	62920428	87854391	86.40	31673763	56418928	88092691	86.63	NIL

C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	36147702	65538198	101685900	100.00	42649222	59036678	101685900	100	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	1375080	1.36	0.00	(0.23)
2.	G. Surender Reddy	1317306	1.30	96.96	1317306	1.30	72.22	0.00
3.	G. Pushpa Leela	684913	0.67	100.00	684913	0.67	1.02	0.00
4.	S. Sarala Devi	173910	0.17	99.99	173910	0.17	0.00	0.00
5.	M. Raghava Reddy	42000	0.04	0.00	42000	0.04	0.00	0.00
6.	LN Projects Pvt. Ltd.	10000000	9.83	0.00	10000000	9.83	74.24	0.00
	Total	13832209	13.60	79.06	13593209	13.37	61.67	(0.23)

C) Change in Promoters' Shareholding (please specify, if there is 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
	TOTAL	1,38,82,209	13.60	1,38,82,209	13.60
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)				
	At the end of the year				
1.	S. Man Mohan Rao	13,75,080	1.35	13,75,080	1.36
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
	TOTAL	1,35,93,209	13.36	1,35,93,209	13.36

**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 (01-04-2016 to 31-03-2017)	
		No. of shares at the beginning 1-4-2016/ end of the year 31-3-2017	% of total shares of the company			No. of shares	% of total shares of the company

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
1.	Mr G. Surender Reddy				
	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
2.	Mr Shailesh Shivram Mistry				
	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
3.	Mr L. Madhu Kumar Reddy				
	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
4.	Mr. G. Laxma Reddy (from 29.05.2014)				
	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
5.	Mr. G. Ramesh Babu (Upto 29.05.2014)				
	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
Indebtedness at the beginning of the Financial Year				
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
Total (i+ ii + iii)	1988.10	1727.03	0.00	3715.13
Change in Indebtedness during the Financial Year				
* Addition	0.00	1907.95	0.00	1907.95
* Reduction	1988.10	122.08	0.00	2110.18
Net Change	1988.10	1785.87	0.00	202.23
Indebtedness at the end of the Financial Year				
i) Principal Amount	0.00	3512.90	0.00	3512.90
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i + ii + iii)	0.00	3512.90	0.00	3512.90

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		
	Total (A)		
	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, 2017

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

Place: Hyderabad.

Date: 28-08-2017.

G. SURENDER REDDY
 Managing Director
 DIN:00109441

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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,
Nagar juna Nagar Colony, Road No.2,
Srinagar Colony, Hyderabad. Telangana-500073.
India.

AUTHORISED CAPITAL Rs. 255,000,000/-
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 31.03.2017 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 31.03.2017 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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. 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 : 30-05-2017.

Annexure' A'

To,
The Members,
M/s. LN Industries India Limited
H.No.8-3-898/16/4,
Sri Laxmi Narasmiha Niwas,
Nagar juna Nagar Colony, Road No.2,
Srinagar Colony, Hyderabad.
Telangana-500073.
India.

My report of even date is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.

I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS Rakesh Kapur
FCS No. 3863
C P No.: 12085

Place : Mumbai
Date : 30-05-2017.

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 ' 2017, 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 Clause 49 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: 28-08-2017.

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 ' 2016 to March ' 2017 the Board has met 6 (Six) times, on the following date namely:

1. 30th May'2016.
2. 13th August ' 2016.
3. 30th August ' 2016.
4. 30th September ' 2016.
5. 14th November ' 2016.
6. 13th February ' 2017.

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	1	2
Sri L. Madhu Kumar Reddy (Independent and Non Executive Director)	NED	6	Yes	1	1
Sri Shailesh Shivram Mistry (Independent & Non Executive Member)	NED	0	No	1	0
Sri G. Laxma Reddy (Independent & Non Executive Member)	NED	6	Yes	1	1
Mrs. Sneha Rupesh Talreja (Independent & Non Executive Member)	NED	0	No	1	0

Sl. No.	Name of the Director	Other Directorships
1.	Sri G. Surender Reddy	1
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 Members 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 ' 2016 to March ' 2017. The dates on which the meetings were held are:

1. 30th May'2016.
2. 13th August ' 2016.
3. 14th November ' 2016.
4. 13th February ' 2017.

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

4. 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.

5. 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. G.Surender Reddy, 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, 2017, 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
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.
2015 - 2016	Swagath-De-Royal, Kondapur X Roads, Madhapur, Hyderabad - 500080.	30th September, 2016	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 2016	Business Standard	Vishal Andhra	14th August, 2016
2.	September 2016	Business Standard	Vishal Andhra	17th November, 2016
3.	December 2016	Business Standard	Vishal Andhra	15th February, 2017
4.	March 2017	Business Standard	Vishal Andhra	1st June, 2017

9. GENERAL SHAREHOLDER INFORMATION:

9.1 Annual General Meeting:	
Date and Time	28th September, 2017 at 9.00 A.M
Venue	Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad - 500084.

9.2 Financial Report for the Quarter Ending (subject to change):		
1	June 2017	14 th August ' 2017.
2	September ' 2017	15 th November ' 2017.
3	December ' 2017	15 th February, 2018
4	March '2018	30 th May, 2018

9.3 Book Closure Date:	
Dates	22nd September, 2017 to 28th September 2017 (inclusive of both the Days)

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

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

9.6 Stock Market Data:			
	Month	High	Low
1	Apr ' 2016	3.12	2.98
2	May '2016	3.48	2.94
3	June '2016	3.77	3.33
4	July '2016	4.03	3.64
5	Aug '2016	4.09	3.83
6	Sep '2016	4.44	3.95
7	Oct '2016	5.25	4.34
8	Nov '2016	5.22	4.21
9	Dec '2016	4.26	4.19
10	Jan '2017	4.72	4.72
11	Feb '2017	5.44	4.47
12	Mar '2017	4.39	3.58

9.7 Registrar and Transfer Agents :	
Name & Address:	M/s. Skyline Financial Services Private Limited, D-153A, 1st Floor, Phase - I, Okha Industrial Area, New Delhi - 110020. Email : info@skylinerta.com, Website : www.skylinerta.com

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	13.37%
Bodies Corporate	55.49%
Banks	00.01%
NRI's	00.39%
Others	30.74%

9.10 Distribution of Share Holding (As of 31st March ' 2017)

Range in No. of Shares	% of Total Capital
Up to 5000	0.06
5001 10000	0.98
10001 20000	0.90
20001 30000	0.64
30001 40000	0.42
40001 50000	0.88
50001 100000	1.63
100001 & above	93.94

9.11 Dematerialization of Shares:


Status:	Approximately 42% of the shares issued by the Company have been dematerialized up to 31 st March 2017.
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9.12 Plant Location:

Address:	Plot No. 1-D Sarigam Industrial Estate Nargol Char Rastha, GIDC, SARIGAM - 396155, GUJARAT.
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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, 2017, 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:28-08-2017.

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.60.35 Lakhs).

The paid up Equity Share Capital as at 31st March '2017 stood at Rs.10,168.59 Lakhs.

Earning per share for the period was at Rs.(0.33).

The Company's contribution to the national exchequer in the form of various taxes and duties amounts to Rs.0.09 Lakhs.

OPPORTUNITIES:

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

CHALLENGES:

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

OUTLOOK:

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

RISKS AND CONCERNS:

The domestic and regional 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 2 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.

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, 2017, 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.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

8. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22.7 – to financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No.22.10.

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

J.BHADRA KUMAR
Partner
Membership No.025480

Place: Hyderabad
Date: 30 May, 2017.

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

- (i) (a) The Company has maintained proper records showing full 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 physically 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, as their stands no Inventories of raw materials, consumables, stores, packing materials, work -in- progress and finished goods no physically verification was taken place during the year by the management.
- (iii) Accordingly to the information and explanations given to us, the Company has not granted any 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 aggregated to Rs.824.73 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 loans taken from Directors are interest free and subordinate to the debts of the Financial Institutions so as to the repayment of principal.
 - (d) There are no loans dues as the Company has settled all its loans given by Banks and Financial Institutions.
- (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 no 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, Employees State Insurance, Income tax, Wealth Tax, Sales tax, Service tax, Customs Duty Excise Duty, Cess and other applicable material statutory dues applicable it.
- (b) According to the information and explanations given to us no un-disputed amounts payable in respect of wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March ' 2017, for period more than six months from the date they became payable, expecting the following.

Sl.No.	Particulars	Amount (Rs.Lacs)	Remarks
1.	Deferred Sales Tax	68.63	Which has become due on account of the Unit being shifted from Telangana.
2.	Sales Tax	10.25	Assessment Tax of Vapi Sales Tax
3.	Tax Deducted at Source	4.76	

- (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	10.73	Appeal filed with CIT Appeals, Mumbai, pending disposal.
3.	Income Tax - A.Y. 2013 - 2014 Demand raised by the Department	17.71	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 cleared all its loans with Bank and Financial Institutions 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.
- (xii) 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.
- (xiii) 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.
- (xiv) The Company has not made any preferential allotment of shares during the year.
- (xv) 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.
- (xvi) 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, 2017.



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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 judgement, 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 transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2017.

BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	As at 31st March 2017		As at 31st March 2016	
I. EQUITY OF LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2		1,016,859,000		1,016,859,000
b) Reserves and Surplus	3		473,207,366		474,908,508
2. Non - Current Liabilities					
a) Long Term Borrowings	4		43,000,000		154,756,714
3. Current Liabilities					
a) Short Term Borrowings	5		351,290,578		259,756,004
b) Trade Payables	6		44,726,851		44,777,606
c) Other Current Liabilities	7		3,005,209		10,566,338
Total			1,932,089,004		1,961,624,170
II. ASSETS					
1. Non - Current Assets					
a) Fixed Assets					
(i) Tangible Assets	8	212,235,976		326,021,238	
(ii) Capital Work-in-Progress	9	34,599,504		34,599,504	
			246,835,479		360,620,741
Less : Depreciation			137,983,345		224,297,740
			108,852,134		136,323,001
b) Non-Current Investments	10		1,144,848,000		1,144,848,000
c) Long Term Loans and Advances	11		4,478,720		4,478,720
2. Current Assets					
a) Cash and Cash Equipments	12		6,534,760		5,794,465
b) Short Term Loans and Advances	13		667,375,390		670,179,984
Total			1,932,089,004		1,961,624,170

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, 2017.

G. SURENDER REDDY

Managing Director
DIN : 00109441

L. MADHU KUMAR REDDY

Director
DIN : 07604968

Profit & Loss Account for the Period ended 31st March, 2017



Particulars		Note No.	As at 31st March, 2017	As at 31st March 2016
I.	Revenue from Operations	14	(9,000)	(47,500)
II.	Other Income	15	359,427	567,500
III.	Total Revenue (I + II)		350,427	520,000
IV.	Expenses :			
	Cost of Materials Consumed	16	0	23,131,018
	Changes in Inventories of :			
	Work-in-Progress (Increase)/Decrease	17	0	29,056,250
	Finished Goods (Increase) / Decrease	18	0	1,995,974
	Employee Benefit Expense	19	1,032,900	736,000
	Financial Costs	20	11,052	3,121
	Depreciation and Amortization Expense	8	27,090,263	63,346,314
	Other Expenses	21	5,160,663	169,271,484
	Total Expenses		33,294,878	287,540,162
V.	Profit before exceptional and Extraordinary Items and Tax	(III - IV)	(32,944,451)	(287,020,162)
VI.	Exceptional Items - Loss on Sales of Assets		191,604	260,115
VII.	Profit before Extraordinary Items and Tax (V-VI)		(33,136,055)	(287,280,277)
VIII.	Extraordinary Items		0	0
IX.	Profit Before Tax (VII - VIII)		(33,136,055)	(287,280,277)
X.	Tax Expense :			
	1) Current Tax		0	0
	2) Deferred Tax		0	0
XI.	Profit / (Loss) from the Period from Continuing Operations		(33,136,055)	(287,280,277)
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)	(33,136,055)	(287,280,277)
XVI.	Earnings Per Equity Share :			
	1) Basic		(0.33)	(2.83)
	2) Diluted		(0.33)	(2.83)

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, 2017.

G. SURENDER REDDY

Managing Director

DIN : 00109441

L. MADHU KUMAR REDDY

Director

DIN : 07604968

CASH FLOW STATEMENT

For the year ended on 31 March 2017

	Particulars	2016-17		2015-16	
I	CASH INFLOW				
1	Cash Inflow from Operating activities				
	(a) Profit/(Loss) from operating activities	(33,136,055)		(287,280,277)	
	Adjustments:				
	Depreciation and amortization	27,090,263		63,346,314	
	Interest & Finance Charges	11,052		3,121	
	(Gain)/Loss on sale of fixed assets	191,604		260,115	
	Provision/ (Reversal) for doubtful debts, advances	-		165,136,996	
	(b) Working capital changes:				
	- Decrease in investments	-		6,990,000	
	- Decrease in inventories	-		54,183,242	
	- Decrease in short-term loans and advances	2,804,594		-	
	- Increase in other current liabilities	-		156,172	
	Total of (1)		(3,038,542)		2,795,684
2	Cash Inflow from Investing Activities				
	(a) Proceeds from sale of fixed assets	189,000		997,500	
	Total of (2)		189,000		997,500
3	Cash Inflow from Financing activities				
	(a) Proceeds from short-term borrowings	178,587,169		6,646,290	
	Total of (3)		178,587,169		6,646,290
	TOTAL CASH INFLOWS (1+2+3) (I)		175,737,627		10,439,474
II	CASH OUTFLOW				
1	Cash outflow from Operating activities				
	(a) Loss from operating activities				
	Adjustments:				
	Depreciation and amortization	-		-	
	(b) Working capital changes:				
	- Increase in short-term loans and advances	-		5,650,044	
	- Decrease in trade payables	50,755		1,076,339	
	- Decrease in other current liabilities	7,561,129		-	
	Total of (1)		7,611,884		6,726,383
2	Cash Outflow from Investing Activities				
	(a) Purchase of fixed assets				
	- Plant & Machinery	-		-	
	Total of (2)		-		-
3	Cash Outflow from Financing activities				
	(a) Repayment of long-term borrowings	100,000,000		3,700,000	
	(b) Repayment of short-term borrowings	67,374,396		-	
	(c) Interest and other finance costs	11,052		3,121	
	Total of (3)		167,385,448		3,703,121
	TOTAL CASH OUTFLOWS (1+2+3) (II)		174,997,333		10,429,504
III	Net (decrease)/increase in cash and cash equivalents (I-II)		740,295		9,970
	Add: Cash and cash equivalents at the beginning of the period		5,794,465		5,784,496
IV	Cash and cash equivalents at the end of the period		6,534,760		5,794,465

NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-17		As at 31-March-16		
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)	
Note:2 Share Capital					
AUTHORISED SHARE CAPITAL :					
Equity Shares of Rs.10/- each	145,000,000		145,000,000		
	145,000,000		145,000,000		
ISSUED					
Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	101,685,900		101,685,900		
SUBSCRIBED :					
Equity Shares of Rs.10/- each	101,685,900		101,685,900		
	101,685,900		101,685,900		
PAID UP CAPITAL :					
Equity Shares of Rs.10/- each fully paid up	101,685,900	1,016,859,000	101,685,900	1,016,859,000	
	101,685,900	1,016,859,000	101,685,900	1,016,859,000	
Details of Shares held by each Shareholder Holding more than 5%					
	Name of the Shareholder	No.of Shares	% of Holding	No.of Shares	% of Holding
	HN Organisers & Developers LLP	6,750,000	6.64%	6,750,000	6.64%
	Akansha Media & Entt. Pvt. Ltd.	7,200,000	7.08%	7,200,000	7.08%
	CVK Infrastructure Pvt. Ltd.	9,500,000	9.34%	9,500,000	9.34%
	LN Projects Private Limited	10,000,000	9.83%	10,000,000	9.83%
	Secunderabad Healthcare Limited	14,800,000	14.55%	14,800,000	14.55%
		54,750,000	53.84%	54,750,000	53.84%
Note :3 Reserve & Surplus					
A) Share Premium Reserves					
As at commencement of the year		1,089,520,000		1,089,520,000	
Add : Recd. on further Issue of Shares		0		0	
		1,089,520,000		1,089,520,000	
B) Other Reserves					
Central Subsidy					
As at Commencement of the year		1,500,000		1,500,000	
Add : Received further		0		0	
		1,500,000		1,500,000	
C) Surplus					
Opening Balance		(616,111,492)		(305,033,507)	
Add : Net Profit for Current Year		(33,136,055)		(287,280,277)	
Less : Assets Written off during the year		31,434,913		(23,797,707)	
Closing Balance		(617,812,634)		(616,111,492)	
		473,207,366		474,908,508	

NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-17		As at 31-March-16	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Note:4 Long-Term Borrowings				
A) Secured Loans				
Long term Loans - From Banks / Financial Institutions				
Rupee Term Loan (Secured by First Charge on Entire Fixed Assets and Personal Guarantee of Directors of the Company)				111,756,714
		-		111,756,714
Long Term Loans - Others				
Land Dev. Deposits from Developers		43,000,000		43,000,000
		43,000,000		43,000,000
		43,000,000		154,756,714
Note :5 Short Term Loans - From Banks				
A) Secured Loans				
Packing Credit / Post Shipment Loans secured by charge on stock, book-debts and other current assets.		-		63,477,045
Short Term Corporate Loan from State Bank of Hyderabad		-		23,575,550
		-		87,052,595
B) Unsecured Loans				
Short Term Loans : Others				
From Directors (See Note : Schedule 22.4)		82,473,244		89,681,785
From Bodies Corporate & Others		139,042,249		67,758,249
Trade Deposits		3,400,000		3,400,000
Interest Free Sales Tax Loan		6,863,374		11,863,374
Land Sale Advance		119,511,711		-
		351,290,578		172,703,409
		351,290,578		259,756,004
Note :6 Trade Payables				
Sundry Creditors		44,726,851		44,777,606
		44,726,851		44,777,606
Note : 7 Other Current Liabilities				
Outstanding Liabilities		3,005,209		10,566,338
		3,005,209		10,566,338

Notes on Accounts for the Year Ended 31st March, 2017

(Amt. in Rs.)

Note No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		As at 01-Apr-16	Additions during the year	Disposal during the year	As at 31-Mar-17	As at 01-Apr-16	Depreciation upto Mar 17	Depreciation on disposals	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
8	Tangible Assets										
a)	Land	2,699,620	0	0	2,699,620	0	0	0	0	2,699,620	2,699,620
b)	Plant and Machinery	201,083,445	-	1,308,944	199,774,501	104,272,158	26,827,078	928,340	130,170,895	69,603,606	96,811,288
c)	Electrical Installations	-	-	-	-	-	-	-	-	-	-
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	71,164	-	-	71,164	57,608	13,555	-	71,164	-	13,555
f)	Furniture and Fixtures	357,006	-	-	357,006	251,101	63,342	-	314,443	42,563	105,905
g)	Computers	-	-	-	-	-	-	-	-	-	-
h)	Vehicles	7,264,466	-	-	7,264,466	6,704,080	186,287	-	6,890,367	374,099	560,387
	Total	213,544,920	-	1,308,944	212,235,976	111,821,422	27,090,263	928,340	137,983,345	74,252,631	101,723,497
9	Capital Work-in-Progress	34,599,504	0	0	34,599,504	0	0	0	0	34,599,504	34,599,504
	Total	34,599,504	0	0	34,599,504	0	0	0	0	34,599,504	34,599,504
	Grand Total	248,144,423	-	1,308,944	246,835,479	111,821,422	27,090,263	928,340	137,983,345	108,852,134	136,323,001

Note : During the year the Company has incurred Loss on sale of Machineries, incurring a Loss of Rs.1,91,604/-
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	1,308,944	928,340	189,000	191,604
	Total	1,308,944	928,340	189,000	191,604

NOTES FORMING PART OF BALANCE SHEET

Particulars	As at 31-March-17		As at 31-March-16	
	Numbers	Amount (Rs.)	Numbers	Amount (Rs.)
Note:10 Non-Current Investments				
Long Term Investment				
Unquoted Equity Shares (at Cost)		112,588,000		112,588,000
Share Application Money under allotments		229,030,000		229,030,000
Quotated Equity Shares (at Cost)		803,230,000		803,230,000
		1,144,848,000		1,144,848,000
Note:11 Long - Term Loans & Advances				
A) Secured Advances				
Security Deposits		4,478,720		4,478,720
		4,478,720		4,478,720
Note:12 Cash & Bank Balances				
Cash in Hand		28,543		7,442
Balance with Scheduled Banks :				
In Current Accounts		763,225		44,032
In Fixed Deposit Accounts (Pledged with Banks)		5,742,992		5,742,992
		6,534,760		5,794,465
Note:13 Short-Term Loans & Advances				
A) Secured Advances				
Tax Deduction at source		3,477,147		5,665,618
Advance Tax A.Y. 2014-15		1,569,980		1,569,980
		5,047,127		7,235,598
B) Unsecured Advances				
Advance to Suppliers & Others		662,328,263		662,944,386
		662,328,263		662,944,386
		667,375,390		670,179,984

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars	As at 31-March-17		As at 31-March-16	
	Amount (Rs.)		Amount (Rs.)	
Note:14 Revenue from Operations				
a) Sale of Products	-			
b) Other Operating Revenues (Conversion Charges)	-			
c) Less : Excise Duty & Sales Tax		9,000		47,500
Net Sales		(9,000)		(47,500)
Note:15 Other Incomes				
a) Other Non-Operating Income		359,427		567,500
		359,427		567,500
Note:16 Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock				
a) Partially Oriented Yarn & Fabric	-		129,222	
b) Dyes	-		2,828,800	
c) Chemicals	-		3,666,804	
d) Coning Oil	-		77,269	
		-		6,702,095
Add : Purchases				
a) Partially Oriented Yarn & Fabric	-		-	
b) Dyes	-		-	
c) Chemicals	-		-	
d) Coning Oil	-		-	
e) Freight & Carriage Inwards	-		-	
		-		-
Less : Closing Stock				
a) Partially Oriented Yarn & Fabric	0		-	
b) Dyes	0		-	
c) Chemicals	0		-	
d) Coning Oil	0		-	
		-		-
Raw Material Consumed				
a) Partially Oriented Yarn & Fabric	-		129,222	
b) Dyes	-		2,828,800	
c) Chemicals	-		3,666,804	
d) Coning Oil	-		77,269	
TOTAL (A)		-		6,702,095

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars		As at 31-March-17		As at 31-March-16	
		Amount (Rs.)		Amount (Rs.)	
	B) Stores, Spares & Packing Material Consumed				
	Opening Stock				
	a) Stores & Spares	-		8,185,163	
	b) Packing Material	-		8,243,760	
			-		16,428,923
	Add : Purchases				
	a) Stores & Spares	-		-	
	b) Packing Material	-		-	
	c) Freight & Carriage Inwards	-		-	
			-		-
	Less : Closing Stock				
	a) Stores & Spares	-		-	
	b) Packing Material	-		-	
			-		-
	Stores, Spares & Packing Material Consumed				
	a) Stores & Spares	-		8,185,163	
	b) Packing Material	-		8,243,760	
			-		
	TOTAL (B)		-		16,428,923
	GRAND TOTAL (A+B)		-		23,131,018
Note:17	Increase/(Decrease) in Work in Progress				
	A) Closing Stock of :				
	Yarn	0		-	
			-		-
	B) Opening Stock of :				
	Yarn	-		29,056,250	
			-		29,056,250
	Increase/(Decrease) in Stock (A-B)		-		(29,056,250)
Note:18	Increase / (Decrease) in Finished Goods				
	A) Closing Stock of :				
	Dyed Yarn	0		0	
			-		1,995,974
	B) Opening Stock of :				
	Dyed Yarn	-		1,995,974	
			-		1,995,974
	Increase / (Decrease) in Stock (A-B)		-		(1,995,974)
Note:19	Employees Remuneration & Benefits				
	Salary, Wages, Allowances & Other Benefits		1,032,900		732,760
	P.F. Contribution		-		3,240
			1,032,900		736,000

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS

Particulars	As at 31-March-17		As at 31-March-16	
	Amount (Rs.)		Amount (Rs.)	
Note:20 Financial Cost				
Bank Charges		11,052		3,121
Interest on :				
		11,052		3,121
Note:21 Other Expenses :				
Operating, Administrative & Other Expenses				
Audit Fee		430,000		427,256
Conveyance Exp.		8,580		11,600
Legal & Professional Fee		75,000		197,557
Loss on Sale of Fixed Assets		191,604		260,115
Office & General Exp.		1,017,391		556,331
Postage, Telegram, Printing & Stationary		1,000		0
Rent, Rates & Taxes		144,127		1,729,744
Repairs & Maintenance		1,213,950		1,212,000
Tour & Travelling Exp.		4,125		0
Written Off of Debtors		0		165,136,996
Income Tax (F.Y. 11-12 & 12-13)		2,266,490		0
		5,352,267		169,531,600
		5,352,267		169,531,600



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.

Note No. 1) SIGNIFICANT ACCOUNTING POLICES:

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.

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 portable 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.

22) NOTES TO ACCOUNTS:

22.1 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).

22.2 Secured Loans:

All loans with Banks and Financial Institutions have been paid in full by the Company during the year.

22.3. Unsecured Loans:

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 ' 2017 out of the total Rs.502.84 Lacs availed an amount of Rs. 434.21 is paid back. The Sales Tax amount due as at March, 31st 2017 is shown under the head of account Unsecured Loans.

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

22.5 The Company has written off the outstanding receivables considering the non realisability of the same.

22.6 REMUNERATION TO AUDITORS:	2016 – 2017	2015 - 2016
(Including Service Tax)		

As Auditors, Tax Audit, Consultancy
And Certification

4,30,000/-

4,27,256/-

22.7 Pending Litigations 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	10.73	Appeal filed with CIT Appeals, Mumbai, pending disposal.
3	Income Tax – A.Y.2013–2014 – Demand raised by the Department	17.71	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.

22.8 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.

22.9 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.

22.10 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had “NO” specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

NOTES TO ACCOUNTS

22.11 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	2016 - 2017		2015-2016	
	Quantity (Tonnes)	Value (Rs.)	Quantity (Tonnes)	Value (Rs.)
a) Capacity				
Registered/Licensed (As per letter of intent)	3,600.000	—	3,600.000	—
b) Installed - Annualised				
Polyester / Nylon Texturised & Twisted Yarn @	3,483.000	—	3,483.000	—
Polyester / Nylon Dyed Yarn (@ Capacities arrived at as per the product mix)	3,483.000	—	3,483.000	—
c) Actual Production				
Polyester Texturised & Twisted Yarn #	0.000		0.000	
Polyester / Nylon Dyed Yarn (#Captive consumption of Texturised & (Includes - Conversion of Dyed Yarn of 602.76 MT for Reliance. Previous Year Conversion of 593.71 MT)	0.000		0.000	
d) Particulars in respect of Sales				
Polyester Texturised & Twisted Yarn	0.000	0	0.000	0
Polyester / Nylon Dyed Yarn & Grey Yarn *	0.000	0	0.000	0
Conversion Sales of Dyed Yarn	0.000	0	0.000	0
Conversion Sales of Text Yarn (*Includes - Waste Yarn Sale of 27 MT, Previous Year Waste Yarn Sale of 30 MT)	0.000	0	0.000	0
e) Details of Stock-in-trade				
Opening stock				
Polyester / Nylon Texturised & Twisted Yarn	0.000	0	144.165	29,056,250
Polyester / Nylon Dyed Yarn	0.000	0	27.695	1,995,974
Closing Stock				
Polyester / Nylon Texturised & Twisted Yarn	0.000	0	0.000	0
Polyester / Nylon Dyed Yarn	0.000	0	0.000	0
f) Details of Raw Materials Consumed				
Partially Oriented Yarn, Nylon Yarn & Grey Fabric		0		129,222
Dyes & Chemicals		0		6,495,604
Others		0		16,506,192
g) Value of Raw Materials, Spare Parts and Components consumed				
Imported		-	0%	-
Indigenous		-	100%	23,131,018
h) Exports and Imports				
a) Value of imports calculated on CIF basis	-	-	-	-
i. Raw material	-	-	-	-
ii Components & Spare Parts	-	-	-	-
iii.Capital goods	-	-	-	-
b) Expenditure in foreign currency				
Traveling	-	-	-	-
i) Technical know-how Fees	-	-	-	-

NOTE TO ACCOUNTS

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

a) Registration details	
Registration Number	15268
State Code Number	01
Balance Sheet date	31-Mar-17
b) Capital raised during the year (Rupees)	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement (Firm allotment to the Promoters and their associates)	-
c) Position of mobilisation and development of funds (Rupees)	
Total Liabilities	1,932,089,004
Total Assets	1,932,089,004
Sources of Funds	
Paid-up Capital	1,016,859,000
Convertible Warrants Monies	-
Reserves & Surplus	473,207,365
Secured Loans	43,000,000
Unsecured Loans	351,290,578
Application of Funds	
Net Fixed Assets	108,852,134
Investments	1,144,848,000
Net Current Assets	630,656,809
Miscellaneous Expenditure	-
Accumulated losses	-
d) Performance of the Company (Rupees)	
Turnover	350,427
Total Expenditure	33,294,877
Profit Before Tax & Extraordinary Items	(32,944,450)
Profit After Tax & Extraordinary Items	(33,136,055)
Earning Per Share (Rs.)	(0.33)
e) Generic name of the Principal product of the Company	
Item Code Number	5402209
Product Description	Polyester & Nylon Texturised, Twisted, Dyed Yarn

22.13 Figures have been rounded off to the nearest rupee.

22.14 Previous year figures have been regrouped where necessary.

22.15 Notes 2 to 21 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, 2017.

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	
DPID	

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 24th Annual General Meeting of the Company to be held on the Thursday the 28th of September, 2017 at 9.00 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 and adopt the audited financial statements for the year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.
2	To appoint a Director in place of Mr. Shailesh Shivram Mistry (DIN 02828383) , who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint a Director in place of Sri. L.Madhu Kumar Reddy (DIN 07604968) , who retires by rotation and being eligible, offers himself for re-appointment.
4	To appoint M/s.C M T Associates , Chartered Accountants (Registration No.011515S) as Statutory Auditors: "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, (Including any statutory modification(s) or re-enactment thereof for the time being in force) be and are hereby appointed 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, 2017

Signature of the Shareholder:

Signature of the Proxy holder(s):

1.00 One Rupee Revenue Stamp

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.

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 24th Annual General Meeting of LN INDUSTRIES INDIA LIMITED held at Swagath De-Royal, Kondapur X Roads, Cyberabad, Hyderabad – 500 084, on Thursday the 28th of September, 2017 at 9.00 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 9.00 A. M.
3. Joint Shareholders may obtain additional attendance slip on request.

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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.

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