

LS INDUSTRIES LIMITED

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

CIN: L51505HP1993PLC031724

E-MAIL ID: lsindustries93@gmail.com

Date: March 23, 2022

To :

The BSE Limited

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

Security Code: 514446

Ref: Company ISIN: INE345D01031

**SUBJECT: SUBMISSION OF 26TH ANNUAL REPORT PURSUANT TO REGULATION-34
OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS 2015**

Dear Sir/Madam,

With reference to above and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, kindly find enclosed herewith a copy of Annual Report of 26th Annual General Meeting of the Company (Financial Year 2019-2020).

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

Thanks & Regards

For LS Industries Limited

For LS Industries Ltd.

Jeetendra Kumar Yadav

Director

Jeetendra Kumar Yadav

Designation: Director

DIN: 09184532

Encl. - "As above"



LS Industries Ltd

LS INDUSTRIES LIMITED

26TH ANNUAL REPORT-2019-20

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

| | |
|----------------------------|----------------------|
| Mr. Shiv Khan | Managing Director |
| Ms. Mini Seth | Independent Director |
| Mr. Prateek Puri | Independent Director |
| Mr. Ankurv Mahindru | Independent Director |
| Mr. Pradeep Kumar Mankotia | Director |

REGISTERED & CORPORATE OFFICE AND WORKS

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

CIN No: L51505HP1993PLC031724

Phones: 9805511297

Email: lsindustries93@gmail.in Website: www.lsi.com

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Service Private Limited,
99 Madangir, Behind Local Shopping Centre,
Near Dada HarsukhdasMandir,
New Delhi- 110062
Phone- 91-11-2996 1281-83
Fax- 91-11-2996 1284
Email- beetal@beetalfinancial.com

SECRETARIAL AUDITORS

CS SONIA RANI
M/s. SONIA RANI & ASSOCIATES
Practicing Company Secretaries, Delhi

STATUTORY AUDITORS

M/s. Deepak Kumar & Co.
Chartered Accountants,
Firm Regn. No. -024751N
New Delhi

BANKERS

HDFC Bank
Axis Bank

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LS INDUSTRIES LIMITED

REGD. OFFICE: Village Bairsen P.O Manjholi Tehsil Nalagarh, Solan-174101, Himachal Pradesh

Ph: 01628 - 289842, CIN NO: L51505HP1993PLC031724

Website: www.LSI.com; Email: lsindustries93@gmail.com

DIRECTORS' REPORT

To,
The Members of
LS Industries Limited

Your Directors have great pleasure in presenting the 26th Annual Report along with the Company's Audited Financial Statement for the Financial Year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

The performance of your Company for the Financial Year ended 31st March, 2020 is summarized below:

| Particulars | (Amount in INR.) | |
|---|----------------------|------------------|
| | Financial Year Ended | |
| | 31st March, 2020 | 31st March, 2019 |
| Revenue from operations | 40,15,197 | 1,26,54,489 |
| Profit/(Loss) before tax (after exceptional item) | (49,904,656) | (60,077,565) |
| Tax Expenses (Including Deferred Tax) | (40,84,175) | (4,614,566) |
| Profit/(Loss) after Tax | (45,820,481) | (55,462,999) |
| Profit/(Loss) Carried to Balance Sheet | (45,820,481) | (55,462,999) |
| Earning Per Equity Share - Basic & Diluted | (0.05) | (0.07) |

2. STATE OF COMPANY'S AFFAIRS

During the year under review, the Company temporarily closed its manufacturing operations due to the lower market pricing of yarn and non-availability of labour. During the year under review the Revenue from operations stood at Rs.40,15,197/- as compared with Rs.1,26,59,489 in the Previous Year. The Net Profit/ (Loss) after tax for the current year stood at Rs. (45,820,481) as against Rs. (55,462,999) reported in the Previous Year. Your Directors are putting in their best efforts to improve the performance of the Company. Further during the financial year ended March 31, 2020, there has been no change in the nature of business activities of the Company.

3. DIVIDEND:

The Board has not proposed any dividend for the Financial Year 2019-20, because Company has losses.

4. DEPOSITS:

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

5. AMOUNTS TRANSFERRED TO RESERVES:

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

6. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 containing details as on the Financial Year ended 31st March, 2020 as required under in the prescribed format is appended as “**Annexure- A**” to the Board’s Report which forms an integral part of this Report.

7. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS):

The Securities Exchange Board of India (SEBI) vide its circular dated 5th July, 2016 has implemented the applicability of Indian Accounting Standards (Ind-AS) in accordance with the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 which was notified on 16th February, 2015 by Ministry of Corporate Affairs.

Pursuant to the applicability criteria of the said circulars and notifications, the Company has duly implemented, adopted and complied with the Indian Accounting Standards (Ind-AS) for the accounting periods beginning w.e.f. 1st April, 2017 and the Financial Statements for the Financial Year 2019-2020 are prepared in accordance with Ind-AS.

8. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the Financial Year under review, your Company has duly complied up with the provisions of the Sections 124 & 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), as amended from time to time.

9. AUDITORS:**(a) STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the present auditor (i.e Deepak Kumar & Company) shall be completed on upcoming 26th AGM and shall not be eligible to be reappointment for 27th AGM for Financial Year 2020-21. Therefore audit committee has recommended the appointment of new auditor in the 26th Annual General Meeting to be held on 31st December, 2020, and shall appoint M/s. Mahesh K Gupta & Associates, Chartered Accountants, Chandigarh, as Statutory Auditors for a period of 5 years i.e. up to the conclusion of 31st Annual General Meeting to be held in the year 2025.

Auditors Report and response to auditors’ remarks

There are no qualifications, reservations or adverse remarks made by Deepak Kumar & Company, Chartered Accountants (FR No-024175N) Statutory Auditors in their report for the Financial Year ending 31st March, 2020.

Fraud Reporting:

During the year under review, no incident of fraud has been reported by the Statutory Auditors to the Audit Committee pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

(b) SECRETARIAL AUDITORS:

In terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed CS Sonia Rani-M/s. Sonia Rani & Associates, Practising Company Secretaries to conduct Secretarial Audit for the Financial Year 2019-20. The report of the Secretarial Audit Report is annexed herewith as “**Annexure-C**”.

The Secretarial Audit Report for the financial year ended March 31, 2020 contains certain reservation and remarks which are given along with the management reply for the same:

- a) *Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have certain Key Managerial Personnel (KMP). The Company has not appointed Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013.*
- b) *During the year under review, the Company has not appointed an Internal Auditor as required under section 138 of the Companies Act, 2013 for the financial year ended on 31st March, 2020.*
- c) *Whereas in terms of the provisions of rule 25A of the Companies (Incorporation) Rules, 2014, the Company required to file Form INC-22A (ACTIVE), the Company could not comply with the same.*
- d) *The Company could not file Form BEN-2-declaration required to file with the Registrar of Companies under section 90 of the Companies Act, 2013.*
- e) *The Company could not comply all the applicable provisions regarding conducting the Annual General Meeting for the Financial Year ended on 31st March, 2019.*
- f) *During the Audit period, the Company has not filed all forms/returns required to be submitted with the Registrar of Companies under the provisions of Companies Act, 2013 read with rules made there under, for the appointment of Statutory Auditors, Secretarial Auditor, appointment/re-appointment/ change in designation of directors, filling of financial statements and annual return etc.*
- g) *Whereas in terms of the Regulation-55A of the SEBI (Depositories and Participants) Regulations, 1996, the Company was required to submit Reconciliation of Share Capital Audit within 30 days from the end of each quarter to the Stock Exchange, the Company could not comply with the same.*
- h) *Whereas in terms of the Regulation-74(5) of the SEBI (Depositories and Participants) Regulations, 1996, the Company was required to submit Confirmation certificate for each quarter of the financial year to the Stock Exchange, the Company could not comply with the same.*
- i) *Whereas in terms of the provisions of the Foreign Exchange Management Act, 1999 (“FEMA Act”) and the Rules and Regulations made there under, the Company was required to submit the annual return on Foreign Liabilities and Assets (FLA) to the RBI for every year, the Company could not comply with the same.*
- j) *The Company has not appointed Designated Depository for the Monitoring of Foreign Investment limits, in terms of the SEBI Circular Nos. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 (informed vide NSDL circular no. NSDL/CIR/II/13/2018 dated April 13, 2018.*
- k) *Whereas in terms of the Regulation 6 of the SEBI (LODR) Regulations, 2015, the*

Company was required to appoint a qualified company secretary as the compliance officer, the Company could not comply with the same.

- l) Whereas in terms of the Regulation 7(3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a compliance certificate to the Stock Exchange, within one month of end of each half of the financial year, the Company could not comply with the same.*
- m) Whereas in terms of the Regulation 13(3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a Statement of Investors Complaints to the Stock Exchange, within twenty one days from the end of each quarter, the Company could not comply with the same.*
- n) As required by the Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015, certification is provided by the director of the Company due to non-appointment of the chief executive officer and chief financial officer in the Company.*
- o) During the audit period the Company could not submit the Secretarial Compliance Report for the financial year ended on 31st March, 2020 to the Stock Exchange in terms of the Regulation 24A of the SEBI (LODR) Regulations, 2015.*
- p) Whereas in terms of the Regulation 27(2) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a quarterly compliance report on corporate governance to the Stock Exchange, within fifteen days from close of the quarter, the Company could not comply with the same.*
- q) Whereas in terms of the Regulation 29 of the SEBI (LODR) Regulations, 2015, the Company required to give prior intimation to the Stock Exchange about the specified meeting of the board of directors, the Company could not comply with the same. Further the Company could not make proper disclosure of events or information to the Stock Exchange pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015.*
- r) Whereas in terms of the Regulation 31(1) of the SEBI (LODR) Regulations, 2015, the Company was required to submit shareholding pattern to the Stock Exchange, within twenty one days from the end of each quarter, the Company could not comply with the same.*
- s) Whereas in terms of the Regulation 33 of the SEBI (LODR) Regulations, 2015, the Company could not file the financial results to the Stock Exchange for the quarter, half year and year ended.*
- t) During the audit period the Company could not submit the Annual Report for the financial year ended on 31st March, 2019 to the Stock Exchange in terms of the Regulation 34 of the SEBI (LODR) Regulations, 2015.*
- u) Whereas in terms of the Regulation 40 (9) & (10) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a certificate from a practicing company secretary to the Stock Exchange, within one month from the end of each half of the financial year, the Company could not comply with the same.*

- v) *Whereas in terms of the Regulation 44 (3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit details regarding the voting results of General Meeting to Stock Exchange, within forty-eight hours of conclusion of its General Meeting, the Company could not comply with the same.*
- w) *Whereas in terms of the Regulation 46 (1) of the SEBI (LODR) Regulations, 2015, the company was required to maintain a functional website containing the basic information about the Company and disseminate the information on its website as prescribed under regulation-46(2), the Company could not comply with the same.*
- x) *Whereas in terms of the Regulation 47 of the SEBI (LODR) Regulations, 2015, the Company was required to publish information as specified in above regulation in the newspaper, the company could not comply with the same.*
- y) *During the year under review the Company not be able to comply applicable Secretarial Standards.*

Explanation or comment by the Board on above qualifications, reservations or adverse remarks:

The board of directors have informed that at presently, Company could not able to earn adequate revenue to reach its production cost break even. The lower market pricing of yarn and non-availability of labour has raised serious concern for the Company to run its operations. Therefore, board has decided that company's business operation to be temporary closed. The Company's financial position has been severely impacted due to closure of manufacturing operations. The Company could not afford the salary and remuneration of competent financial and compliance personnel(s) for its respective compliance work. Therefore, Company lacks with timely compliance and in the company.

The Board of Directors of the Company are putting in their best efforts to comply all the provisions applicable to the Company and to arrange funds for running of business.

(c). INTERNAL AUDITORS:

During the year under review, Company could not able to appoint any internal auditor or the position of Internal Auditor of the Company in terms of the provisions of Sec-138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for the current financial year.

10. CORPORATE SOCIAL RESPONSIBILITY:

Since the Company does not meet the criteria laid down in Section 135(1) of the Companies Act, 2013, the Company is not required to comply with the provisions contained in sub- section (2) to (5) of Section 135 and constitute Corporate Social Responsibility Committee.

11.REMUNERATION POLICY

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

12. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company is not required to formulate the Dividend Distribution Policy.

13. REPORT ON RISK MANAGEMENT POLICY:

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

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

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

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report. (“**Annexure–D**”).

16. CORPORATE GOVERNANCE:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance practices followed by the Company, together with a certificate from the Company’s Auditors confirming compliance or non-compliance forms an integral part of this Report.

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

During the year under review, the company has no Subsidiaries, Joint Venture, and Associates companies so there is no requirement of description of performance of Subsidiaries, Joint Venture and Associates companies.

18. MATERIAL CHANGES:

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

19. CHANGES IN SHARE CAPITAL:

The paid up Equity Share Capital as at 31st March, 2020 stood at Rs. 84,88,18,700/- and there has been no change in the Share Capital of the Company during the financial year.

A. Issue of shares or other convertible securities

Company has not issued any equity shares or preference shares or any securities which carry a right or option to convert such securities into shares, so no disclosure is required as per the Companies (Share Capital and Debentures) Rules 2014

B. Issue of equity shares with differential rights

Company has not issued any equity shares with differential rights so no disclosure is required as per rule 4 (4) of the Companies (Share Capital and Debentures) Rules 2014

C. Issue of sweat equity shares

Company has not issued sweat equity shares, so no disclosure is required as per rule 8 (13) of the Companies (Share Capital and Debentures) Rules 2014

D. Issue of employee stock options

Company has not issued employee stock options, so no disclosure is required as per rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014

E. Provision of money by company for purchase of its own share by employees or by trustee for the benefit of employees

Company has not made any provision for purchase of its own share by employees or by trustee for the benefit of employees so no disclosure is required as per rule 16(4) of the Companies (Share Capital and Debentures) Rules 2014

F. Issue of debentures, bonds or any non-convertible securities

Company has not issued any debentures, bonds or any non-convertible securities, so no disclosure is required as per the Companies (Share Capital and Debentures) Rules 2014

G. Issue of warrants

Company has not issued any warrants, so no disclosure is required as per the Companies (Share Capital and Debentures) Rules 2014

20. BOARD OF DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications) Rules, 2014 and the Company's Articles of Association, Mr. Pradeep Kumar Mankotia, (DIN: 02121556), Executive Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

21. NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

22. KEY MANAGERIAL PERSONNEL:

Your Company has been not able to appoint any Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013.

23. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed during the year under review. The performance evaluation of the Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

24. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:-

(a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2020 and of the profit and loss of the Company for the Financial Year ended 31st March, 2020;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a 'going concern' basis;

(e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

(i) Audit Committee

(ii) Remuneration and Nomination Committee

(iii) Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

26. VIGIL MECHANISM:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has formulated a 'Whistle Blower Policy' for the Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. During the year under review, no complaints have been received by the Company from any whistle-blower.

27. INTERNAL CONTROL SYSTEMS:

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

28. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Board desires to place on record its appreciation for the support and co-operation that the Company received from its suppliers, distributors, retailers and other associates. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong links based on mutuality, respect and co-operation with each other and consistent with customer interest.

29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 READ WITH ALLIED RULES AND ENVIRONMENT AND SAFETY:

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

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Pursuant to section 186 of the Companies Act, 2013 with rules made thereunder, the Company has not granted any loan during the year under review and has not given any guarantees for loan taken by others from banks or financial institution. Further the Company has not made investment in shares, securities or others during the financial year.

31. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

During the year under review there are no significant related party transactions made by the Company with related parties including promoters, directors, or other designated persons which were attract the provisions of Section 188 of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required.

32. COMPANY LISTED AT:

The Equity Shares of your Company are listed at the Bombay Stock Exchange Limited (“the Stock Exchange”), but due to some penal reason & non-compliances, the trading in the equity shares of the Company has been suspended by the Stock Exchange.

33. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (LODR) Regulations, 2015, is not applicable to your Company for the Financial Year ending 31st March, 2020.

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review the Company has received show cause notice from the Stock Exchange in the matter of compulsory delisting of securities of the Company under the provisions of SEBI (Delisting of Equity Shares) Regulations, 2009, except this there were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

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

During the year under review the information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, has not applicable to the Company.

36. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS:

The Company has complied with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India except secretarial standards on board meetings.

37. MAINTENANCE OF COST RECORDS

The provision of Cost audit and maintenance of cost records as per section 148 doesn't applicable on the Company.

38. APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, your Company has neither made any application nor any proceedings were initiated/ pending against the Company under the Insolvency and Bankruptcy Code, 2016 as at the year ended 31st March, 2020.

39. DETAILS OF SETTLEMENT DONE WITH BANKS OR FINANCIAL INSTITUTIONS

During the year under review, there exist no such requirement of valuations and one time settlement in respect to the loans availed from banks or financial Institutions, and hence disclosure of details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reason thereof is not applicable to the Company.

40. APPRECIATION:

Your Directors wish to express their gratitude to all the business associates, its management, statutory authorities, Government, banks, Stock Exchanges and to the Investors/Shareholders for the confidence reposed in the Company and supporting the Company at every stage through their kind cooperation. The Directors also convey their deep sense of appreciation for the committed services by the employees at all levels for their enormous personal efforts as well as collective contribution to the Company.

For LS Industries Limited

Date: 02nd December, 2020

Place: Nalagarh

Sd/-

Shiv Khan
(Managing Director)

DIN:07666627

Sd/-

Pardeep Kumar Mankotia
(Director)

DIN: 02121556

| FORM NO. MGT-9 | | | | | | | | | |
|---|---|--|------------------------------------|------------------|--------------------------|--|--|--|---|
| EXTRACT OF ANNUAL RETURN | | | | | | | | | |
| As on financial year ended on 31-03-2020 | | | | | | | | | |
| | | | | | | | | | Annexure 'A' -Extract of Annual Return |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. | | | | | | | | | |
| | | | | | | | | | |
| I. REGISTRATION & OTHER DETAILS: | | | | | | | | | |
| 1 | CIN | L51505HP1993PLC031724 | | | | | | | |
| 2 | Registration Date | 26/11/1993 | | | | | | | |
| 3 | Name of the Company | LS INDUSTRIES LIMITED | | | | | | | |
| 4 | Category/Sub-category of the Company | Company limited by shares Indian Non Government Company | | | | | | | |
| 5 | Address of the Registered office & contact details | Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101. | | | | | | | |
| 6 | Whether listed company | Yes | | | | | | | |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. Beetal Financial & Computer Service (P) Limited Address:- Beetal House, 3rd Floor 99, Madangir, Bh-Local Shopping Complex, Near DabaHarsukhdas, Mandir, New Delhi – 110062. | | | | | | | |
| | | | | | | | | | |
| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY | | | | | | | | | |
| (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) | | | | | | | | | |
| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company | | | | | | |
| 1 | Wholesale of Textiles, Yarn & Fabrics, | 46411 | 100 | | | | | | |
| 2 | | | | | | | | | |
| | | | | | | | | | |
| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | | | | | |
| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section | | | | |
| 1 | Profound Finance Private Limited (Formally Know Strategybot Finance Private Limited) Add:- B II -144, Apo - Aap | U65921PB1998 PTC021233 | Holding | 74.28 | Section-2(87)(ii) | | | | |

| | | Street, Nabha, PB-147201, India | | | | | | | | |
|--|---|--|------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|--------------|
| | | | | | | | | | | - |
| | | | | | | | | | | |
| IV. SHARE HOLDING PATTERN | | | | | | | | | | |
| (Equity share capital breakup as percentage of total equity) | | | | | | | | | | |
| (i) Category-wise Share Holding | | | | | | | | | | |
| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-04-2019] | | | | No. of Shares held at the end of the year [As on 31-03-2020] | | | | % Change during the year | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 630,470,580 | 0 | 630,470,580 | 74.28% | 630,470,580 | 0 | 630,470,580 | 74.28% | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (A) (1) | 630470580 | 0 | 630470580 | 74.28% | 630470580 | 0 | 630470580 | 74.28% | 0 | 0 |
| | | - | - | | | | | | | |
| (2) Foreign | | | | | | | | | | |
| a) NRI Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL (A) | 630470580 | 0 | 630470580 | 74.28% | 630470580 | 0 | 63,04,70,580 | 74.28% | 0.00% | 0.00% |
| | | | | | | | | | | |

| | | | | | | | | | |
|--|-----------------|--------------------|--------------------|---------------|-----------------|--------------------|--------------------|---------------|--------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 8400 | 8,400 | 0.00 % | 0 | 8400 | 8400 | 0.00% | 0 |
| b) Banks / FI | 1,33,000 | 3800 | 1,36,800 | 0.02 % | 1,33,000 | 3800 | 1,36,800 | 0.02% | 0.00% |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 11,228,110 | 11,228,110 | 1.32 % | 0 | 11,228,110 | 11,228,110 | 1.32% | 0.00% |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 1,33,000 | 1,12,40,310 | 1,13,73,310 | 1.34 % | 1,33,000 | 1,12,40,310 | 1,13,73,310 | 1.34 % | 0.00% |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 1,53,382 | 31,200 | 184582 | 0.02 % | 106794 | 31200 | 137994 | 0.01% | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 8,45,823 | 12,91,220 | 21,37,043 | 0.25 % | 9,11,147 | 12,84,020 | 21,95,167 | 0.26% | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 2,10,749 | 0 | 2,10,749 | 0.02 % | 2,10,749 | 0 | 2,10,749 | 0.02% | 0 |
| c) Others | | | | | | | | | |

| (specify) | | | | | | | | | |
|--|---------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|--------------|
| N R I - Repatriable | 1,00,630 | 0 | 1,00,630 | 0.01 % | 1,00,630 | 0 | 1,00,630 | 0.01% | 0 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N R I - Non - Repatriable | 20,42,91,074 | 0 | 20,42,91,074 | 24.07 % | 20,42,91,074 | 0 | 20,42,91,074 | 24.07 % | 0 |
| Clearing Members | 1,800 | 0 | 1,800 | 0.00 % | 1,800 | 0 | 1,800 | 0.00% | 0 |
| Trusts | 0 | 0 | 0 | 0.00 % | 0 | 0 | 0 | 0.00% | 0 |
| Individual-HUF | 48132 | 800 | 48932 | 0.01 % | 55832 | 800 | 56632 | 0.01% | 0 |
| Foreign Bodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 20,56,51,590 | 13,23,220 | 20,69,74,810 | 24.38 % | 20,56,78,026 | 13,16,020 | 20,69,94,046 | 24.38 % | 0 |
| Total Public (B) | 20,57,84,590 | 1,25,63,530 | 21,83,48,120 | 25.72 % | 20,58,11,026 | 1,25,56,330 | 21,83,67,356 | 25.72 % | 0.00% |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 83,62,55,170 | 1,25,63,530 | 84,88,18,700 | 100.0 0% | 83,62,81,606 | 1,25,56,330 | 84,88,37,936 | 100.0 0% | 0.00% |
| (ii) Shareholding of Promoter | | | | | | | | | |
| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year | |
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | | |

| 1 | Profound Finance Private Limited (Formaly Know Strategybot Finance Private Limited) | 63,04,70,580 | 74.28 % | 0 | 63,04,70,580 | 74.28 % | 0 | 0.00% |
|--|---|---------------------|------------------|---|---------------------|---|-------------------|--------------|
| | Total | 63,04,70,580 | 74.28 % | | 63,04,70,580 | 74.28 % | 0 | 0.00% |
| | | | | | | | | |
| | | | | | | | | |
| (iii) Change in Promoters' Shareholding (please specify, if there is no change) | | | | | | | | |
| SN | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
| | | | | No. of shares | % of total shares | No. of shares | % of total shares | |
| | At the beginning of the year | | | | | 0.00% | | 0.00% |
| | Changes during the year | | No change | | | 0.00% | | 0.00% |
| | | | | | | 0.00% | | 0.00% |
| | | | | | | | 0.00% | |
| | At the end of the year | | | | | 0.00% | | 0.00% |
| | | | | | | | | |
| (iv) Shareholding Pattern of top ten Shareholders | | | | | | | | |
| <i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i> | | | | | | | | |
| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
| | | | | No. of shares | % of total shares | No. of shares | % of total shares | |
| 1 | Name SUET MENG CHAY | | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 10,28,82,050 | 12.12 % | 10,28,82,050 | | 12.12 % |
| | Changes during the year | | | - | 0.00% | - | | 0.00% |

| | | | | | | | |
|---|--|------------|--|--------------|--------|--------------|--------|
| | At the end of the year | 31-03-2020 | | 10,28,82,050 | 12.12% | 10,28,82,050 | 12.12% |
| 2 | Name CHEE AI LIEW | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 10,14,08,540 | 11.95% | 10,14,08,540 | 11.95% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 10,14,08,540 | 11.95% | 10,14,08,540 | 11.95% |
| 3 | Name A TO Z TECHNOLOGY HOLDING INC. | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 1,12,28,110 | 1.32% | 1,12,28,110 | 1.32% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 1,12,28,110 | 1.32% | 1,12,28,110 | 1.32% |
| 4 | Name SURESH GOYAL | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 2,10,749 | 0.02% | 2,10,749 | 0.02% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 2,10,749 | 0.02% | 2,10,749 | 0.02% |
| 5 | Name CANARA BANK | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 1,33,700 | 0.02% | 1,33,700 | 0.02% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |

| | | | | | | | |
|---|-------------------------------------|------------|--|----------|-------|----------|-------|
| | At the end of the year | 31-03-2020 | | 1,33,700 | 0.02% | 1,33,700 | 0.02% |
| 6 | Name JAYA KANJI VED | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 1,00,000 | 0.01% | 1,00,000 | 0.01% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 1,00,000 | 0.01% | 1,00,000 | 0.01% |
| 7 | Name MAHESH MENDA | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 1,00,000 | 0.01% | 1,00,000 | 0.01% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 1,00,000 | 0.01% | 1,00,000 | 0.01% |
| 8 | Name SHARAD THADHANI | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 91,100 | 0.01% | 91,100 | 0.01% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | 91,100 | 0.01% | 91,100 | 0.01% |
| 9 | Name APARNA BHAGWAN THADHANI | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 87,000 | 0.01% | 87,000 | 0.01% |
| | Changes during the year | | | | 0.00% | - | 0.00% |
| | At the end of the year | 31-03- | | 87,000 | 0.01% | 87,000 | 0.01% |

| | | 2020 | | | | | | |
|--|--|------------|--------|---|-------------------|---|-------------------|-------|
| 10 | Name VIPAN ARORA | | | | | | | |
| | At the beginning of the year | 01-04-2019 | | 52,000 | 0.01% | 52,000 | | 0.01% |
| | Changes during the year | | | - | 0.00% | - | | 0.00% |
| | At the end of the year | 31-03-2020 | | 52,000 | 0.01% | 52,000 | | 0.01% |
| | | | | | | | | |
| (v) Shareholding of Directors and Key Managerial Personnel: | | | | | | | | |
| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
| | | | | No. of shares | % of total shares | No. of shares | % of total shares | |
| 1 | Name: Shiv Khan | | | | | | | |
| | At the beginning of the year | 01-04-2019 | | - | 0.00% | - | | 0.00% |
| | Changes during the year | | | - | 0.00% | - | | 0.00% |
| | At the end of the year | 31-03-2020 | | - | 0.00% | - | | 0.00% |
| 2 | Name: Mini Seth | | | | | | | |
| | At the beginning of the year | 01-04-2019 | | - | 0.00% | - | | 0.00% |
| | Changes during the year | | | - | 0.0% | - | | 0.00% |
| | At the end of the year | 31-03-2020 | | - | 0.00% | - | | 0.00% |
| 3 | Name: Pradeep Kumar Mankotia | | | | | | | |
| | At the | 01- | | | 0.00% | | | 0.00% |

| | | | | | | | |
|---|------------------------------|------------|--|---|-------|---|-------|
| | beginning of the year | 04-2019 | | - | | - | |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | - | 0.00% | - | 0.00% |
| 4 | Name: Prateek Seth | | | | | | |
| | At the beginning of the year | 01-04-2019 | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | - | 0.00% | - | 0.00% |
| 5 | Name: AnkurMahindru | | | | | | |
| | At the beginning of the year | 01-04-2019 | | - | 0.00% | - | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | 31-03-2020 | | - | 0.00% | - | 0.00% |

V. INDEBTEDNESS

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

| | | | | | | | (Amt. Rs.) |
|--|---|------------------------|-----------------|---------------------------|--|--|------------|
| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness | | | |
| Indebtedness at the beginning of the financial year | | | | | | | |
| i) Principal Amount | NIL | NIL | NIL | NIL | | | |
| ii) Interest due but not paid | - | - | - | - | | | |
| iii) Interest accrued but not due | - | - | - | - | | | |
| Total (i+ii+iii) | - | - | - | - | | | |

| Change in Indebtedness during the financial year | | | | |
|---|---|-------------------------|---|-----------------|
| * Addition | - | - | - | - |
| * Reduction | | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | - | - | - |
| ii) Interest due but not paid | | - | - | - |
| iii) Interest accrued but not due | | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| | | | | |
| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | | | | |
| A. Remuneration to Managing Director, Whole-time Directors and/or Manager: | | | | |
| S.N. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
| | Name | - | | (Amount in Rs.) |
| | Designation | - | - | - |
| 1 | Gross salary | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | | - |
| | (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 | | | | | | | | | | |
| SN. | Particulars of Remuneration | Name of Directors | | | | | Total Amount | | | |
| | | | | | | (Amount in Rs.) | | | | |
| 1 | Independent Directors | Name: Mini Seth | Name: Pradeep Kumar Mankotia | Name: Prateek Seth | | | | | | |
| | Fee for attending board committee meetings | - | - | - | | - | | | | |
| | Commission | - | - | - | | - | | | | |
| | Others, please specify | - | - | - | | - | | | | |
| | Total (1) | - | - | - | | - | | | | |
| 2 | Other Non-Executive Directors | Name: Shiv Khan | Name: Ankur Mahindru | | | - | | | | |
| | Fee for attending board committee meetings | - | - | - | | - | | | | |
| | Commission | - | - | - | | - | | | | |
| | Others, please specify | - | - | - | | - | | | | |
| | Total (2) | - | - | - | | - | | | | |
| | Total (B)=(1+2) | - | - | - | | - | | | | |
| | Total Managerial Remuneration | - | - | - | | - | | | | |
| | Overall Ceiling as per the Act | - | - | - | | - | | | | |

| C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD | | | | | | | |
|--|---|--------------|-------------------|----------------------------------|---------------------|----|--------------|
| SN. | Particulars of Remuneration | | | Name of Key Managerial Personnel | | | Total Amount |
| | Name | | | Shiv Khan | | | (Rs.) |
| | Designation | | | Managing Director | CFO | CS | |
| 1 | Gross salary | | | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | - | - | - | - |
| 2 | Stock Option | | | - | - | - | - |
| 3 | Sweat Equity | | | - | - | - | - |
| 4 | Commission | | | - | - | - | - |
| | - as % of profit | | | - | - | - | - |
| | - others, specify | | | - | - | - | - |
| 5 | Others, please specify | | | - | - | - | - |
| | Total | | | - | - | - | - |
| VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: | | | | | | | |
| Type | Section | Brief | Details of | Authority [RD | Appeal made, | | |

“ANNEXURE-B”
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

I. Steps taken or impact on conservation of energy:

Energy conservation continues to be the key focus area of your Company. The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor consumption of energy during the manufacturing process and other operational activities. The Company has continued taking following steps for conservation of energy during Financial Year 2019-2020:

- ✓ Installation of LED Lights.
- ✓ Continuously monitoring the energy parameters such as maximum demand, power factor etc. on regular basis.
- ✓ Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy.

These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

II. The steps taken by the Company for utilising alternate sources of energy:

During the year under review the Company has not taken any step for utilising alternate sources of energy.

III. The Capital investment on energy conservation equipment- Nil.

B. TECHNOLOGY ABSORPTION:

During the year under review, the Company has made efforts towards Technology Absorption. The advancement in technology acts as a catalyst and enables the Company to be innovative and regularly launch good quality textile products as a result of which the Company has gained benefits like product improvement, cost reduction, increased production. The expenditure incurred on Research and Development: NIL.

C. FOREIGN EXCHANGE EARNING AND OUTGO (Amount in Rs.)

| Particulars | 2018-19 | 2019-20 |
|--------------------------------|-------------|-------------|
| Foreign Exchange Earned | 0.00 | 0.00 |
| Foreign Exchange Used | 0.00 | 0.00 |
| Total | 0.00 | 0.00 |

For LS Industries Limited

Date: 02nd December, 2020

Place: Nalagarh

| | |
|---------------------|-------------------------------|
| Sd/- | Sd/- |
| Shiv Khan | Pardeep Kumar Mankotia |
| (Managing Director) | (Director) |
| DIN:07666627 | DIN: 02121556 |

“ANNEXURE-C”**Form No. MR-3****SECRETARIAL AUDIT REPORT****FORTHEFINANCIALYEARENDEDON31STMARCH, 2020**

[Pursuant to Section 204(1)of the CompaniesAct,2013and RuleNo.9of

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

LS INDUSTRIESLIMITED

Registered Office: Village Bairsen, P.O. Manjholi,

Tehsil-Nalagarh, Solan, Himachal Pradesh-174101,India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **LS INDUSTRIES LIMITED** (CIN: L51505HP1993PLC031724) (hereinafter called “the Company”) for the financial year ended 31st March, 2020. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2020 (‘Audit Period’) has complied all the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

- (i) TheCompaniesAct,2013(the Act) and the rules made there under;
- (ii) The Securities Contracts(Regulation)Act,1956(‘SCRA’)and the rules made there under;
- (iii) The Depositories Act,1996 and the Regulations and Bye-laws 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 Take over) Regulations,2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014;

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (a), (c), (d), (e), (f) and (h) of para (v) mentioned herein above during the period under review.

- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) were not being verified by us.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited (“the BSE”) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. Mentioned above subject to following observations:-

- a) Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have certain Key Managerial Personnel (KMP). The Company has not appointed Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013.*
- b) During the year under review, the Company has not appointed an Internal Auditor as required under section 138 of the Companies Act, 2013 for the financial year ended on 31st March, 2020.*
- c) Whereas in terms of the provisions of rule 25A of the Companies (Incorporation) Rules, 2014, the Company required to file Form INC-22A (ACTIVE), the Company could not comply with the same.*
- d) The Company could not file Form BEN-2-declaration required to file with the Registrar of Companies under section 90 of the Companies Act, 2013.*
- e) The Company could not comply all the applicable provisions regarding conducting the Annual General Meeting for the Financial Year ended on 31st March, 2019.*

- f) During the Audit period, the Company has not filed all forms/returns required to be submitted with the Registrar of Companies under the provisions of Companies Act, 2013 read with rules made there under, for the appointment of Statutory Auditors, Secretarial Auditor, appointment/re-appointment/ change in designation of directors, filling of financial statements and annual return etc.*
- g) Whereas in terms of the Regulation-55A of the SEBI (Depositories and Participants) Regulations, 1996, the Company was required to submit Reconciliation of Share Capital Audit within 30 days from the end of each quarter to the Stock Exchange, the Company could not comply with the same.*
- h) Whereas in terms of the Regulation-74(5) of the SEBI (Depositories and Participants) Regulations, 1996, the Company was required to submit Confirmation certificate for each quarter of the financial year to the Stock Exchange, the Company could not comply with the same.*
- i) Whereas in terms of the provisions of the Foreign Exchange Management Act, 1999("FEMA Act") and the Rules and Regulations made there under, the Company was required to submit the annual return on Foreign Liabilities and Assets (FLA) to the RBI for every year, the Company could not comply with the same.*
- j) The Company has not appointed Designated Depository for the Monitoring of Foreign Investment limits, in terms of the SEBI Circular Nos. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 (informed vide NSDL circular no. NSDL/CIR/II/13/2018 dated April 13, 2018.*
- k) Whereas in terms of the Regulation 6 of the SEBI (LODR) Regulations, 2015, the Company was required to appoint a qualified company secretary as the compliance officer, the Company could not comply with the same.*
- l) Whereas in terms of the Regulation 7(3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a compliance certificate to the Stock Exchange, within one month of end of each half of the financial year, the Company could not comply with the same.*
- m) Whereas in terms of the Regulation 13(3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a Statement of Investors Complaints to the Stock Exchange, within twenty one days from the end of each quarter, the Company could not comply with the same.*
- n) As required by the Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015, certification is provided by the director of the Company due to non-appointment of the chief executive officer and chief financial officer in the Company.*
- o) During the audit period the Company could not submit the Secretarial Compliance Report for the financial year ended on 31st March, 2020 to the Stock Exchange in terms of the Regulation 24A of the SEBI (LODR) Regulations, 2015.*

- p) *Whereas in terms of the Regulation 27(2) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a quarterly compliance report on corporate governance to the Stock Exchange, within fifteen days from close of the quarter, the Company could not comply with the same.*
- q) *Whereas in terms of the Regulation 29 of the SEBI (LODR) Regulations, 2015, the Company required to give prior intimation to the Stock Exchange about the specified meeting of the board of directors, the Company could not comply with the same. Further the Company could not make proper disclosure of events or information to the Stock Exchange pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015.*
- r) *Whereas in terms of the Regulation 31(1) of the SEBI (LODR) Regulations, 2015, the Company was required to submit shareholding pattern to the Stock Exchange, within twenty one days from the end of each quarter, the Company could not comply with the same.*
- s) *Whereas in terms of the Regulation 33 of the SEBI (LODR) Regulations, 2015, the Company could not file the financial results to the Stock Exchange for the quarter, half year and year ended.*
- t) *During the audit period the Company could not submit the Annual Report for the financial year ended on 31st March, 2019 to the Stock Exchange in terms of the Regulation 34 of the SEBI (LODR) Regulations, 2015.*
- u) *Whereas in terms of the Regulation 40 (9) & (10) of the SEBI (LODR) Regulations, 2015, the Company was required to submit a certificate from a practicing company secretary to the Stock Exchange, within one month from the end of each half of the financial year, the Company could not comply with the same.*
- v) *Whereas in terms of the Regulation 44 (3) of the SEBI (LODR) Regulations, 2015, the Company was required to submit details regarding the voting results of General Meeting to Stock Exchange, within forty-eight hours of conclusion of its General Meeting, the Company could not comply with the same.*
- w) *Whereas in terms of the Regulation 46 (1) of the SEBI (LODR) Regulations, 2015, the company was required to maintain a functional website containing the basic information about the Company and disseminate the information on its website as prescribed under regulation-46(2), the Company could not comply with the same.*
- x) *Whereas in terms of the Regulation 47 of the SEBI (LODR) Regulations, 2015, the Company was required to publish information as specified in above regulation in the newspaper, the company could not comply with the same.*
- y) *During the year under review the Company not be able to comply applicable Secretarial Standards.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Woman Independent Director. 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 Board Meetings, Agenda and detailed note on agenda were sent at least seven days in advance except in case of shorter notice 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 the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are no adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., except followings:

- 1. The Company has received show cause notice dated January 08, 2018 from the BSE limited ("the Stock Exchange") in terms of the provisions of section-21A of Securities Contracts (Regulation) Act, 1956 & Rule 21 Securities Contracts (Regulation) Rules, 1957 for attracts of compulsory delisting of securities of the company, if the company is not completing the formalities of revocation of suspension of the trading of the securities within a period of 15 days from the date of this letter. The company after making the major compliances makes an application dated January 23, 2018 to the Stock Exchange for revocation of the suspension of the trading of the securities.*
- 2. Further after ending of the current financial year the company has received another 15 days Show Cause notice dated April 26, 2018 from the Stock Exchange "why the securities of the company should not be compulsorily delisted from the Stock Exchange in terms of Chapter V of Delisting Regulations". Further the company has filed its reply to the above Show Cause notice on May 05, 2018 with payment of all the outstanding fees of the Stock Exchange. The application dated January 23, 2018 is still pending for approval due non-completion of all the legal formalities for the revocation of suspension of the trading in the securities of the company.*

**For SONIA RANI & ASSOCIATES
Company Secretaries**

(Sonia Rani)

Proprietor

ACS: 36984

C.P. No. 20372

UDIN:A036984C001846055

Place: Himachal Pradesh

Date: 2nd December, 2020

Note: This Report to be read with our letter of even date which is marked as Annexure and forms an integral part of this Report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members of
LS INDUSTRIES LIMITED
Village Bairsen P.O. Manjholi,
Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India

Sub: Annexure to Secretarial Audit Report for the Financial Year ended on March 31, 2020.

Sirs,
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For SONIA RANI & ASSOCIATES
Company Secretaries

(Sonia Rani)
Proprietor
ACS: 36984
C.P. No. 20372
UDIN:A036984C001846055

Place: Himachal Pradesh
Date: 2nd December, 2020

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations).

1. Company's Philosophy on Corporate Governance:

Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The core value of the Company's business practices are derived from the four pillars of Trusteeship, i.e. transparency, adequate disclosure, fairness and accountability to all and independent monitoring and supervision. In continuation of its efforts towards performance, the Company intends to seize opportunities of tomorrow and create a future that will make it the best Company in its area of operations. This in turn will help to improve the quality of life of the communities it serves, e.g. customers, suppliers, shareholders, local community etc.

2. Board of Directors

Composition:

The Board of Directors consists of Five members as on 31st March, 2020, comprising three Non-Executive Independent Directors and Two Executive Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section-8 Companies) held by the Directors as on 31st March, 2020, are given below:-

| Name of Directors | Date of Appointment | Category | Directorships in other Indian Public Limited Companies (excluding LS Industries ltd.) | Committee(s) position in listed entities (excluding LS Industries Ltd.) | |
|------------------------------------|---------------------|------------------------------------|---|---|--------|
| | | | | Chairperson | Member |
| Mr. Shiv Khan (DIN:07666627) | 29/11/2016 | Executive Director | - | - | - |
| Ms. Mini Seth (DIN: 07920239) | 20/12/2018 | Non- Executive | - | - | - |
| Mr. Pardeep Kumar Mankotia | 24/12/2018 | Executive Non Independent Director | | | |
| Mr. Prateek Puri (DIN:07194679) | 20/12/2018 | Non-Executive Independent | - | - | - |
| Mr. Ankur Mahindru | 24/12/2018 | Non-Executive Independent | - | - | - |

- Other Directorships and Committee Memberships details are based on the disclosures received from the directors, as on 31st March, 2020.

- Directors do not have any inter-se relationship.
- None of the Non-executive director as on 31st March, 2020 was holding shares of the Company.

Number of Board Meetings held with dates-

During the year under review, the Board of Directors of the Company met Seven (7) times. The maximum gap between two meetings was not more than 120 days:

“April 08, 2019, May 29, 2019, August 13, 2019, September 02, 2019, November 12, 2019, February 12, 2020 and March 11, 2020.

Directors’ attendance in Board Meetings held during the Financial Year and last Annual General Meeting are as under:

| Name of Director | No. of Board Meetings Attended/Held | Attendance at Last Annual General Meeting (30/09/2019) |
|----------------------------|-------------------------------------|--|
| Mr. Prateek Puri | 7/7 | Present |
| Mr. Mini Seth | 7/7 | Absent |
| Mr. Shiv Khan | 7/7 | Present |
| Mr. Pardeep Kumar Mankotia | 7/7 | Present |
| Mr. Ankur Mahindru | 7/7 | Present |

Board Procedure:

The annual calendar of Board Meetings is the beginning of the financial year. The Agenda is circulated in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary.

Meeting of Independent Directors and Attendance Record:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on November 12, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its’ Committees which is necessary to effectively and reasonably perform and discharge their duties. All the Independent Directors were present at the Meeting.

Familiarisation Programme for the Independent Directors:

The Company has also formulated familiarization programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc.

Board Evaluation:

The Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Director and the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

3. Audit Committee

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as Audit Committee. The composition, quorum and the role of the Committee are as per and includes items specified in Section 177 of the Companies Act, 2013, items specified in Part C of Schedule II in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee and such matters as may be assigned from time to time by the Board of Directors.

The Audit Committee inter alia reviews the quarterly (unaudited) financial results, annual financial statements before submitting to the Board of Directors, review internal control system and procedures and its adequacy including internal financial controls, interaction with Statutory and other Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, recommendation for the appointment of Chief Financial Officer, Management Discussions and Analysis, and review related party transactions. The Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy).

Composition of the Committee:

The Committee consists of three Independent Directors as on 31st March, 2020. The attendance of each Committee Member is as under:

The Audit Committee met Five times during the Financial Year 2019-20. The maximum gap between two Meetings was not more than 120 days. The Committee met on **May 29, 2019, August 13, 2019, September 02, 2019, November 12, 2019 and February 12, 2020**. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

| Name of Committee Member | No. of Meetings held | No. of Meetings Attended |
|---|----------------------|--------------------------|
| 1. Mr. Prateek Puri Non-Executive and Independent Director | 5 | 5 |
| 2. Ms. Mini Seth Non-Executive and Independent Director | 5 | 5 |
| 3. Mr. Pardeep Kumar Mankotia Executive Director | 5 | 5 |

4. Nomination and Remuneration Committee:

Composition: The Committee consists of three Directors as on 31st March, 2020. The Remuneration and Nomination Committee met four times during the Financial Year 2019-20. The Committee met on **May 29, 2019, August 13, 2019, November 12, 2019 and February 12, 2020**. The requisite quorum was present at all the Meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company.

The attendance of each Committee Member is as under:

| Name of The Member | No. of Meetings held | No. of Meetings Attended |
|---|-----------------------------|---------------------------------|
| 1. Mr. Ankur Mahindru Non-Executive and Independent Director | 4 | 4 |
| 2. Ms. Mini Seth Non-Executive and Independent Director | 4 | 4 |
| 3. Mr. Shiv Khan Executive Director | 4 | 4 |

The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II – Part D about Role of Nomination and Remuneration Committee of Directors under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors the remuneration policy for the Company, appointment of Director, appointment and remuneration of Whole time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned by the Board of Directors.

Policy on Director’s appointment and remuneration:

The Board on the recommendation of Nomination and Remuneration Committee approved Remuneration policy for Directors, KMP and Senior Management employees.

The remuneration committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy, the committee takes in to consideration the remuneration practice of companies of similar size and stature and the industry standards. At present the Company is not paying any remuneration to Non-Executive Director.

Subject to the approval of the Board and further of the shareholders in the general meeting and such other approvals as may be necessary, the executive Directors are paid remuneration as per the agreements entered into between such Director and the Company. The Nomination and Remuneration Policy is displayed on the Company’s website.

Details of Remuneration to Directors and Key Managerial Personnel:

During the year under review the company has not able to paid any remuneration to Directors.

5. Stakeholders Relationship Committee

Composition and Attendance:

The Stakeholders Relationship Committee comprises of three Directors. The Committee met on **May 29, 2019, August 13, 2019, November 12, 2019 and February 12, 2020**. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

| Name of The Member | No. of Meetings held | No. of Meetings Attended |
|---|-----------------------------|---------------------------------|
| 1. Ms. Mini Seth Non-Executive and Independent Director | 4 | 4 |
| 2. Mr. Ankur Mahindru Non-Executive and Independent Director | 4 | 4 |
| 3. Mr. Shiv Khan, Executive Director | 4 | 4 |

The primary function of the Committee is to address investors’ and stakeholders’ complaints pertaining to transfers/transmission of shares and to look into various aspects of interest of security

holders of the Company. During the year under review there were no any complaints were received from the Members.

6. General Body Meetings

a). Details of last three Annual General Meeting and the summary of Special Resolutions passed therein are as under:

| Date | Time | Venue |
|----------------------------------|------------|--|
| 20 th December 2017 | 11:30 a.m. | Village Bairsen P.O Manjholi, Tehsil Nalagarh, Solan, Himachal Pradesh-174101. |
| 20 th December 2018 | 11:30 a.m. | |
| 30 th September, 2019 | 2:30 p.m. | |

The details Special resolutions passed at the last three Annual General Meeting: **Nil**

b). **Extra Ordinary General Meeting:** There was no Extra Ordinary General Meeting held during the Financial Year 2019-20.

c). Disclosures Related to Postal Ballot

During the Financial Year ended 31st March, 2020 the Company has not passed any Resolution through Postal Ballot. Further, till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot.

7. Means of Communication

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Regulation. The audited financial statements form a part of the Annual Report.

8. Certification of Non-Disqualification of Directors

Pursuant to Regulation 34(3) and Schedule V-Para C- Clause (10)(i) of the SEBI (LODR) (Amendment) Regulations, 2018, a certificate from **M/s. SONIA RANI & ASSOCIATES.**, Practicing Company Secretaries, New Delhi, duly certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed as “Annexure-E” to the Corporate Governance Report which forms part of this Annual Report

9. Other Disclosures:

a). Materially Significant Related Party Transactions

During the Financial Year 2019-2020, there are no any transaction entered with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 which attract the provisions of Section 188 of the Companies Act, 2013. Further as required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with related party transactions.

b). Any Non-compliance, Penalties or Strictures imposed

The trading in the securities of the Company has been suspended by the BSE limited (Stock Exchange) due to violation of SEBI & Exchange Regulations w.e.f. December 30, 2013. During the year under review the BSE limited (“the Stock Exchange”) issued notice to the Company on January 08, 2018 in terms of the provisions of section-21A of Securities Contracts (Regulation) Act, 1956 & Rule 21 Securities Contracts (Regulation) Rules, 1957 for attracts of compulsory delisting of securities, if the Company is not completing the formalities of revocation of suspension of the trading in the securities within a period of 15 days from the date of this letter e.i. January 08, 2018.

In this regard the Board of Directors of the Company after making the major compliances of the company makes application dated January 23, 2018 to the Stock Exchange for revocation of the suspension of the trading in securities of the company. The application dated January 23, 2018 is pending for approval due to non-completion of the all legal formalities for the revocation of suspension of the trading in securities of the company. Further the Board of Directors of the company put their best affords to make the all legal formalities for the revocation of suspension of the trading in securities of the Company. The company has been going deep financial turmoil, however, this year directors are positive to bring back the company on track. The company has paid all the pending dues of BSE and shall all pending documents for removal of suspension from BSE.

Further during the year under review the company’s business operation temporary closed by the Board of Directors of the company, due to the lower market pricing of yarn and non-availability of labours.

c). VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy broadly covers instances of unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company’s assets, manipulation of Company’s data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism.

d). Compliance with mandatory requirements and adoption of non-mandatory requirements

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

e). Material Subsidiary Policy

Your Company does not have any material subsidiary Company in terms of Regulation 16 of the SEBI (LODR) Regulations, 2015.

f). Disclosure of Accounting Treatment

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance and there is no deviation in following the treatment prescribed in any Accounting Standards (AS) in the preparation of financial statements of the company.

9. General Shareholders Information

| | |
|--|---|
| a). Annual General Meeting | |
| Day and Date | Thursday, 31st December, 2020 |
| Time and Venue | At 2.30 p.m. and at the registered office of the Company at Village Bairsen, P.O. Manjholi, Tehsil. Nalagarh, Distt. Solan, Himachal Pradesh-1 74101. |
| b). Financial Calendar | |
| Financial Year | 2020-21 |
| Tentative Schedule for declaration of results during the Financial Year | |
| First Quarter Results | on or before 14th August, 2020 |
| Second Quarter and Half Yearly | on or before 14th December, 2020 |
| Third Quarter and Nine Months | on or before 14th February, 2021 |
| Fourth Quarter and Annual | on or before 31st May, 2021 |
| c) Date of Book Closure | 26th December, 2020 to 31st December, 2020. (Both Days Inclusive) |
| d). Dividend Payment Date | No dividend has been recommended for the Financial Year 2019-20 |
| e). Listing on Stock Exchange | BSE Limited (BSE Scrip:514446) |
| f). Listing Fees | The Company has paid Annual Listing Fees for the year 2019-20 to the Stock Exchange. |
| g). Payment of Depository Fees | Annual Custody / Issuer fee for the Financial Year 2019-2020 has been paid by the Company to NSDL and CDSL. |
| h). Market Price data: | Market price data was not available because the trading in the securities of the company has been suspended by the Stock Exchange. |
| i).Registrar and Transfer Agent | M/s. Beetal Financial & Computer Services Pvt. Ltd. Address:-Beetal House, 3rd Floor, # 99 Madangir, BH-Local Shopping Complex, Near Dada HarsukhdasMandir, New Delhi 110062. Phone -011-29961281-82, Fax 011-29961284 Email Id:beetalrta@gmail.com |
| j). Share Transfer System | The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of Fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by |

| | |
|--|---|
| | NSDL/CDSL through respective Depository Participants. |
|--|---|

k). Details of your Company's dematerialized shares as on 31st March, 2020:

| Mode of Holding | No. of Shares | % of Total Shares |
|-------------------|---------------|-------------------|
| Physical | 1,25,23,130 | 1.47 % |
| Electronic – NSDL | 82,70,97,326 | 97.44 % |
| Electronic – CDSL | 91,98,244 | 1.09 % |
| Total | 84,88,18,700 | 100.00% |

l). Shareholding Pattern as on 31st March, 2020.

| Sr. No. | Category | No. of Shares held | Percentage of Shareholding |
|---------|---|---------------------|----------------------------|
| 1 | Promoters: Corporate Bodies | | |
| | Profound Finance Private Limited (Formaly Know Strategybot Finance Private Limited) | 63,04,70,580 | 74.28% |
| | Total Promoter Group Holding | 63,04,70,580 | 74.28 % |
| | Public Shareholding: | | |
| 1 | Mutual Funds and UTI | 8,400 | 0.00% |
| 2 | Financial Inst./Banks | 1,37,500 | 0.02% |
| 3 | Foreign Portfolio Investors | 1,12,28,110 | 1.32% |
| 4 | Resident Individual | 24,05,916 | 0.28% |
| 5 | Bodies Corporate | 1,21,758 | 0.02% |
| 6 | Clearing Member | 1,800 | 0.00% |
| 7 | N R I - Non –Repartriable | 20,42,91,074 | 24.07% |
| 8 | Resident Individuals-HUF | 52,932 | 0.01% |
| 9 | N R I –Repartriable | 1,00,630 | 0.01% |
| | Total Public Shareholding | 21,83,48,120 | 25.72% |
| | Grand Total | 848,818,700 | 100% |

m). Distribution of Shareholding as on 31st March, 2020:

| No. of shares | Number of Share holders | % To Total of shareholders | No. of Shares | Amount in Rs. | % of Amount |
|------------------|-------------------------|----------------------------|---------------|---------------|-------------|
| 1 to 5000 | 3,876 | 99.02 | 17,73,650 | 17,73,650 | 0.2090 |
| 5001 to 10000 | 17 | 0.43 | 1,17,542 | 1,17,542 | 0.0138 |
| 10001 to 20000 | 9 | 0.23 | 1,41,779 | 1,41,779 | 0.0167 |
| 20001 to 30000 | 1 | 0.02 | 22,600 | 22,600 | 0.0027 |
| 30001 to 40000 | - | - | - | - | - |
| 40001 to 50000 | - | - | - | - | - |
| 50001 to 100000 | 5 | 0.12 | 4,30,100 | 4,30,100 | 0.0507 |
| 100001 And Above | 6 | 0.15 | 84,63,33,029 | 84,63,33,029 | 99.7072 |
| Total | 3,914 | 100.00 | 84,88,18,700 | 84,88,18,700 | 100.0000 |

n). Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

During the year under review the company has not issued any GDRs / Warrants or any other instrument, which is convertible into equity shares of the company.

o). Plant Location:

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

p). Address for Correspondence:

| | |
|--|--|
| <p><u>Investor Correspondence-</u> For any queries relating to the shares of your Company, correspondence may please be addressed to- M/s. Beetal Financial & Computer Services Pvt. Ltd. Address: Beetal House, 3rd Floor,99, Madangir, BH-Local Shopping Complex,Near Dada HarsukhdasMandir,New Delhi – 110062. Phone:-011- 29961281 – 82 <u>E-mail:beetalrta@gmail.com</u></p> | <p><u>Any other query-</u> For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company: LS Industries Limited Village Bairsen, P.O. Manjholi, Tehsil Nalagarh, Distt. Solan, Himachal Pardesh-174101. Phone: 9805511297 Email Id:-lsindustries93@gmail.com</p> |
|--|--|

For LS Industries Limited

Date: 02nd December, 2020

Place: Nalagarh

| | |
|---------------------|-------------------------------|
| Sd/- | Sd/- |
| Shiv Khan | Pardeep Kumar Mankotia |
| (Managing Director) | (Director) |
| DIN:07666627 | DIN: 02121556 |

CEO/CFO CERTIFICATION

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the Financial Year ended 31st March, 2020 and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

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

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

We have indicated to the Auditors and the Audit Committee:

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

For LS Industries Limited

Date: 2nd December, 2020

Place: Nalagarh

Sd/-

Shiv Khan

(Managing Director)

DIN:07666627

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific code of conduct for members of the Board of Directors and senior members of its staff. All the members of the Board and senior management personnel of the Company have affirmed the observance of the said code of conduct during the year ended 31st March, 2020.

Date: 02nd December, 2020

Place: Nalagarh

For LS Industries Limited

Sd/-

Shiv Khan

(Managing Director)

DIN:07666627

“ANNEXURE-D”**MANAGEMENT DISCUSSION AND ANALYSIS**

Your Board of Directors is pleased to share with you the “Management Discussion and Analysis Report” for the Financial Year ended on 31st March 20.

OVERALL REVIEW

The Indian textile industry is among the oldest industries in the country dating back several centuries. The industry contributes 7% to the total industry output and 2% to the GDP. It also contributes 12% to export earnings and holds 5% of the global trade in textiles and apparel.

The Indian textiles industry is also the second largest contributor towards employment generation, after agriculture, contributing 10% to the country’s manufacturing, owing to its labor-intensive nature. India also enjoys a comparative advantage in terms of skilled manpower and cost of production relative to major textile producers.

The Indian textile and apparel industry can be broadly divided into two segments – yarn and fiber, and processed fabrics and apparel. The industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum and the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector.

The industry is also highly sensitive to the cotton market as over 70% of its output is based on cotton - unlike globally where articles made of man-made fibers account for a larger share.

India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. Superior quality makes companies in India a leader in export- almost two-thirds of India’s export of textiles is to US and UK.

India is also a key growth market for the technical textiles sector due to the cost effectiveness, durability and versatility of technical textiles. Technical textile industries major service offerings include thermal protection and blood absorbing materials, seatbelts and adhesive tapes. Healthcare and infrastructure sectors are the major drivers of the technical textile industry.

Increased penetration of organized retail, favorable demographics, and rising income levels are likely to drive demand for textiles.

Among the emerging superpower economies, Republic of India is one of them. India is a country with huge manpower, enormous industrial competitiveness, massive agriculture and agro-based industrial potential, inclusive and quality education, energy competent and has a strong democratic foundation on which it stands. Moreover, positive fundamentals combined with fast-growing markets have made India a striking target for foreign institutional investors. Momentous amounts of capital are flowing from developed world to emerging economies like India.

The Indian textile industry is the second largest industry after agriculture in terms of economic input and employment creation. The crisis has pushed the textile entrepreneurs to take tough decisions such as lay-offs, introducing pay cuts, and asking employees to go on unpaid leaves. All these have resulted in entrepreneurs remaining vulnerable to emotional burnout, taking a toll on their physical and mental health. It therefore becomes essential to highlight the problems faced by this sector.

COMPANY REVIEW

The financial year 2019-20 was challenging and company had severe losses. Further the lower market pricing of yarn and non availability of labour has raised serious concern for the company to run its operations. Therefore, board has decided that company's business operation to be temporary closed. The company's financial position has been severely impacted due to closure of manufacturing operations..

RISK MANAGEMENT

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a Company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

We believe that our employees are the assets of our organization. We are committed to provide opportunities to our employees to re-skill and up-skill themselves, in the face of rapidly evolving technology and increasing automation. Your Company is confident that its human capital will effectively contribute to the long-term value enhancement of the organization. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to the changing business scenario.

OUTLOOK

The outlook for the textile industry remains cautious due to subdued demand although margins are expected to benefit from softening raw material prices. We are introducing new products from time to time to cater to consumer need. Further the LS Industries Limited continuously works towards its competitive strength and making customer relationship cordial so that the Company overcomes the competition and remains successful globally. The Company is confident of improving margins.

For LS Industries Limited

Date: 02nd December, 2020

Place: Nalagarh

Sd/-

Shiv Khan
(Managing Director)

DIN:07666627

Sd/-

Pardeep Kumar Mankotia
(Director)

DIN: 02121556

“ANNEXURE-E”**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C, Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

LS INDUSTRIES LIMITED

Registered Office: Village Bairsen, P.O. Manjholi,

Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India

We have examined the following documents:

- (i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- (ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of M/s. LS INDUSTRIES LIMITED ('the Company') bearing CIN:L51505HP1993PLC031724 and having its Registered Office at Village Bairsen, P.O. Manjholi, Tehsil-Nalagarh, Solan, Himachal Pradesh-174101, India, to the Board of Directors of the Company ('the Board') for the financial years ended on 31/03/2020 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status at the MCA Portal (www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial year ended 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Director Identification Number (DIN) | Name of Director | Date of Appointment in Company | Date of Cessation |
|---------|--------------------------------------|------------------|--------------------------------|-------------------|
| 1 | 07666627 | Mr. Shiv Khan | 29/11/2016 | - |
| 2 | 07194679 | Mr. Prateek Puri | 20/12/2018 | - |
| 3 | 07920239 | Mrs. Mini Seth | 20/12/2018 | - |

| | | | | |
|---|----------|-------------------------------|------------|---|
| 4 | 02121556 | Mr. Pardeep Kumar Mankotia | 24/12/2018 | - |
| 5 | 06592338 | Mr. Ankur Mahindru | 24/12/2018 | - |

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SONIA RANI & ASSOCIATES
Company Secretaries

(Sonia Rani)
Proprietor
ACS: 36984
C.P. No. 20372

UDIN-A036984C001823626

Date: 02/12/2020
Place: Himachal Pradesh

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
LS Industries Limited
Himachal Pradesh

We have examined the compliance of conditions of Corporate Governance by “LS Industries Limited”, for the year ended 31st March, 2020 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI (LODR) Regulations, 2015,).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has not complied the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (LODR) Regulations, 2015, as applicable.

For **Deepak Kumar & Co.**
Chartered Accountants
Firm Regn. No. -024751N

(**CA Murari Sharan**)
Partner
M. No. 521524

Place: Nalagarh
Dated: 02/12/2020



**DEEPAK KUMAR & CO.
CHARTERED ACCOUNTANTS**

128, SOMDATT CHAMBER-II,
9-BHIKAJI CAMA PLACE, NEW DELHI-66,
TELEPHONE : 011-26164585
E-MAIL : FCADEEPAK@YAHOO.COM

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LS INDUSTRIES LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of LS Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. In our opinion, there is no Key Audit Matter to be reported.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 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. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 and as per our observations we would like to take in record the aforesaid points:
 1. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 2. The company has been suspended for listing by Securities and Exchange Board of India under SEBI Act.
 3. The Company has not appointed Key Managerial personnel required under the statutory provisions of Companies Act, 2013 and SEBI. Also we cannot comment upon the composition of the Board and its committees made as per statutory compliance. However, there are not major business operations being carried on in the company during the financial year under review.
- 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 A".

(B) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Deepak Kumar & Company
Chartered Accountants
Firm Regn. No.- 024751N

Sd/
(CA MURARI SHARAN)
Partner
M. No.- 521524

Place: Nalagarh

Dated: 02/12/2020

UDIN-21521524AAAAGX5989

ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF L S INDUSTRIES LIMITED ON THE STANDLONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2020;

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. Inventories as at 31st March 2020 were also physically

verified and valued by an independent firm of chartered accountants. However, there was instance of reporting of fire occurred of stock in the Financial year by Management.

Hence, we cannot comment upon the safeguards taken to protect the assets.

- (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and no discrepancy reported to be more than 10% of the total stock. Also, the same have been properly dealt with in the books of accounts.
 - (c) As explained to us, we cannot comment upon the marketability of the inventory stock laid in the company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.
 4. 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 the Act, with respect to the loans and investments made.
 5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
 6. We have broadly reviewed the cost records maintained by the Company, pursuant to the rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Customs Duty, Excise Duty, Goods and Services Tax, Cess and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of Custom Duty, Goods and Services Tax and Cess which are outstanding as at 31st March, 2020 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of Excise duty, Income Tax and Service Tax have not been deposited by the Company on account of disputes as detailed below:

(Rs. In Millions*)

| Statute | Nature of the Dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|--------------------|---------|------------------------------------|---|
| Income Tax Act, 1961 | Income Tax | 0.41 | Assessment Year 01-02 | Commissioner of Income Tax Appeal |
| Income Tax Act, 1961 | Income Tax | 2.34 | Assessment Year 01-02 | Commissioner of Income Tax Appeal |
| Income Tax Act, 1961 | Income Tax | 0.03 | Assessment Year 03-04 | Income Tax Appellate Tribunal, Delhi |
| Income Tax Act, 1961 | Income Tax | 0.19 | Assessment Year 04-05 | Income Tax Appellate Tribunal, Delhi |
| Income Tax Act, 1961 | Income Tax | -** | Assessment Year 14-15 | Income Tax Appellate Tribunal, Delhi |
| Central Excise Act, 1944 | Excise Duty | 1.05 | Financial Year 07-09 | Joint Secretary, Ministry of Finance, Delhi |
| Central Excise Act, 1944 | Excise Duty | 5.58 | Financial Year 05-06 | CESTAT, Chandigarh |
| Service Tax, 1994 | Service Tax | 5.78*** | Financial Year 09-10 | CESTAT, Chandigarh |
| Service Tax, 1994 | Service Tax | 0.84 | Financial Year 2011-12 | CESTAT, Chandigarh |
| Service Tax, 1994 | Service Tax | 0.08 | Financial Year 2011-2012 | CESTAT, Chandigarh |

*Net of amounts deposited under protest

** In case of adverse judgment, MAT credit entitlement would reduce by 108.34 millions

*** In case demand is confirmed, penalty upto equivalent amount may be imposed.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders and to any other party as at the balance sheet date. However, the company has outstanding creditors since long in its balance sheet and no confirmation of creditors has been provided for such creditors by the company's Management.
9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Deepak Kumar & Company

Chartered Accountants
Firm Regn. No.- 024751N

Sd/

(CA MURARI SHARAN)

Partner
M. No.- 521524

Place: Nalagarh

Dated: 02/12/2020

UDIN-21521524AAAAGX5989

Annexure “B” to the Auditors’ Report**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 **LS INDUSTRIES LIMITED** (“the Company”) as on 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 Companies Act, 2013, 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedure 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deepak Kumar & Company**
Chartered Accountants
Firm Regn. No.- 024751N

Sd/
(CA MURARI SHARAN)
Partner
M. No.- 521524

UDIN-21521524AAAAGX5989
Place: Nalagarh
Dated: 02/12/2020

LS INDUSTRIES LIMITED
Balance sheet
As at March 31, 2020

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|--|-------|-------------------------|-------------------------|
| I. ASSETS | | | |
| 1 Non - current assets | | | |
| (a) Property, Plant and Equipment | 2 | 166,127,331 | 205,649,035 |
| (b) Financial Assets | | | |
| (i) Investments | 3 | 66,801,397 | 66,801,397 |
| (ii) Loans | 9 (a) | 4,110,448 | 3,955,970 |
| | | 237,039,176 | 276,406,402 |
| 2 Current assets | | | |
| (a) Inventories | 7 | 27,284,948 | 23,043,253 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 4 | 909,583,077 | 920,553,787 |
| (ii) Cash and cash equivalents | 8 (a) | 1,603,386 | 1,323,131 |
| (iii) Bank balances other than (iii) above | 8 (b) | 28,385,800 | 26,605,646 |
| (iv) Loans | 9 (b) | 8,340,362 | 7,399,995 |
| (c) Current Tax Assets (Net) | 6 | 596,203 | 352,248 |
| | | 975,793,777 | 979,278,060 |
| Total Assets | | 1,212,832,952 | 1,255,684,462 |
| II. EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity Share capital | 10 | 848,818,700 | 848,818,700 |
| (b) Other equity | | (67,791,417) | (21,970,937) |
| | | 781,027,283 | 826,847,763 |
| 2 Liabilities | | | |
| Non - current liabilities | | | |
| (i) Deferred tax liabilities (Net) | 5 | (466,918) | 3,617,257 |
| | | (466,918) | 3,617,257 |
| 3 Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | 14 | 247,694,226 | 239,802,750 |
| (ii) Other financial liabilities | 11 | 177,266,181 | 177,385,153 |
| (b) Other current liabilities | 13 | 6,172,074 | 6,767,403 |
| (c) Provisions | 12 | 1,140,106 | 1,264,136 |
| | | 432,272,587 | 425,219,442 |
| | | 431,805,670 | 428,836,699 |
| Total Equity and Liabilities | | 1,212,832,952 | 1,255,684,462 |

UDIN-21521524AAAAGX5989

See accompanying notes to the financial statements

1

In terms of our report attached.

For and on behalf of the Board of Directors

For DEEPAK KUMAR & CO

Chartered Accountants

FRN: 024751N

Murari Sharan

Partner

Membership No. :521524

Place : Nalagarh

Date : 02/12/2020

Shiv Khan

(Director)

DIN:07666627

Pardeep Kumar Mankotia

(Director)

DIN: 02121556

LS INDUSTRIES LIMITED
Statement of profit and loss
For the year ended March 31, 2020

| Particulars | Note | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|-------|-----------------------------------|-----------------------------------|
| I Revenue from operations | 15 | 4,015,197 | 12,654,489 |
| II Other income | 16 | 2,053,843 | 3,254,766 |
| III Total income (I + II) | | 6,069,040 | 15,909,256 |
| IV Expenses: | | | |
| (a) Cost of materials consumed | 17 | 5,393,295 | 9,659,306 |
| (b) Changes in inventories of finished goods, stock-in-trade and work in progress | 18 | (4,241,695) | 1,563,062 |
| (c) Employee benefits expense | 19 | 1,613,562 | 4,313,027 |
| (d) Depreciation and amortisation expense | 20 | 37,840,204 | 43,583,701 |
| (e) Other expenses | 21 | 15,368,331 | 16,867,724 |
| Total expenses (IV) | | 55,973,696 | 75,986,820 |
| V Profit before tax (III - IV) | | (49,904,656) | (60,077,565) |
| VI Tax expense: | | | |
| (a) Current tax | 22(a) | - | - |
| (b) Deferred tax charge / (credit) | 22(b) | (4,084,175) | (4,614,566) |
| | | (4,084,175) | (4,614,566) |
| VII Profit for the year (V - VI) | | (45,820,481) | (55,462,999) |
| VIII Other comprehensive income (OCI) | | | |
| Other comprehensive income | | - | - |
| | | - | - |
| IX Total comprehensive income for the year (VII + VIII) | | (45,820,481) | (55,462,999) |
| X Earnings per share (of Rs. 10 each): | | | |
| Basic | 24 | (0.05) | (0.07) |
| Diluted | 24 | (0.05) | (0.07) |

UDIN-21521524AAAAGX5989

See accompanying notes to the financial statements

1

In terms of our report attached.

For DEEPAK KUMAR & CO
Chartered Accountants
FRN: 024751N

For and on behalf of the Board of Directors

Murari Sharan
Partner
Membership No. :521524

Shiv Khan
(Director)
DIN:07666627

Pardeep Kumar Mankotia
(Director)
DIN: 02121556

Place : Nalagarh
Date : 02/12/2020

For the year ended March 31, 2020

(Rs.)

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|--|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Profit before extraordinary items and tax | | (49,904,656) | | (60,077,565) |
| Adjustments for : | | | | |
| Depreciation and amortisation | 37,840,204 | | 43,583,701 | |
| Lease hold land amortisation | - | | - | |
| Loss/Profit on sale of fixed assets | 246,517 | | 346,928 | |
| Interest expenses | - | | - | |
| Other borrowing costs | - | | - | |
| Unwinding of discounts on financial assets | - | | - | |
| Interest income on deposits | (1,979,822) | | (1,803,530) | |
| Interest on investment in commercial paper | - | | - | |
| On Investments in Non convertible debentures and Bonds - measured at FVTOCI | - | | - | |
| Dividend income | - | | - | |
| Gain on sale of investments | - | | - | |
| Liabilities / provisions no longer required written back | - | | - | |
| Provision for slow moving inventory | - | | - | |
| Provision for trade receivables / bad trade receivables written off | - | | - | |
| Provision for foreseeable losses | - | | - | |
| Unrealised foreign exchange loss / (gain) (net) | - | | - | |
| | | 36,106,899 | | 42,127,099 |
| Operating profit before working capital changes | | (13,797,757) | | (17,950,466) |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | (4,241,695) | | 1,563,062 | |
| Trade receivables | 10,970,710 | | 4,512,091 | |
| Other non-current financials assets | - | | - | |
| Other current financials assets | (1,780,154) | | (1,623,174) | |
| Long-term loans and advances | (154,478) | | (28,435) | |
| Other current assets | (1,184,322) | | 487,939 | |
| Other non-current assets | - | | - | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 7,891,476 | | 19,089,422 | |
| Other non-current financials liabilities | - | | - | |
| Other current financials liabilities | (118,972) | | (5,582,841) | |
| Other current liabilities | (595,329) | | (3,216,751) | |
| Other long-term liabilities | - | | - | |
| Short-term provisions | (124,030) | | (40,240) | |
| Long-term provisions | - | | - | |
| | | 10,663,206 | | 15,161,073 |
| Cash generated from operations | | (3,134,550) | | (2,789,393) |
| Income taxes paid | | - | | - |
| Net cash flow (used) / from operating activities (A) | | (3,134,550) | | (2,789,393) |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets (adjusted for suppliers payable and capital work-In-progress including capital advances) | - | | - | |
| Proceeds from sale of fixed assets | 1,434,983 | | 120,024 | |
| Purchase of investments | - | | - | |
| Share application money | - | | - | |
| Sale of investments | - | | - | |
| Loan to Employee and Other related parties | - | | - | |
| Interest income on deposits | 1,979,822 | | 1,803,530 | |
| Dividend income | - | | - | |
| Interest income on Commercial Paper & Debentures | - | | - | |
| Movement in bank balances not considered as cash and cash equivalents | - | | - | |
| Retained earnings utilised in business combination (refer note 1.4) | - | | - | |
| Movement in Security Premium account due to JVA Merger | - | | - | |
| Net cash flow from / (used in) investing activities (B) | | 3,414,805 | | 1,923,554 |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | - | | - | |
| Repayment of long-term borrowings | - | | - | |
| Net increase in working capital borrowings | - | | - | |
| Interest expenses | - | | - | |
| Other borrowing costs | - | | - | |
| Dividends paid | - | | - | |
| Corporate dividend tax | - | | - | |
| Net cash flow from / (used in) financing activities (C) | | - | | - |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 280,255 | | (865,839) |
| Cash and cash equivalents at the beginning of the year | | <u>1,323,131</u> | | <u>2,188,970</u> |
| Cash and cash equivalents at the end of the year | | <u>1,603,386</u> | | <u>1,323,131</u> |

See accompanying notes to the financial statements

In terms of our report attached.

For DEEPAK KUMAR & CO

Chartered Accountants

FRN: 024751N

For and on behalf of the Board of Directors

Murari Sharan
Partner
Membership No. :521524
Place : Nalagarh
Date : 02/12/2020

Shiv Khan
(Director)
DIN:07666627

Pardeep Kumar Mankotia
(Director)
DIN: 02121556

LS INDUSTRIES LIMITED

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital

| Particulars | (Rs.) |
|---|-------------|
| | Amount |
| Balance as at April 1, 2018 | 848,818,700 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2019 | 848,818,700 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2020 | 848,818,700 |

b. Other equity

| Particulars | Other equity | | | Total |
|---|----------------------------|-----------------|--|--------------|
| | Reserves and surplus | | | |
| | Securities premium account | General reserve | Surplus/ (Deficit) in Statement of Profit and Loss | |
| Balance as at April 1, 2018 | 184,320,114 | 9,831,129 | (160,659,182) | 33,492,062 |
| 1. Profit for the year | - | - | (55,462,999) | (55,462,999) |
| 2. Other comprehensive income for the year, net of income tax | - | - | - | - |
| 3. Adjustment on account of depreciation | - | - | - | - |
| Total comprehensive income for the year | - | - | (55,462,999) | (55,462,999) |
| Balance as at March 31, 2019 | 184,320,114 | 9,831,129 | (216,122,180) | (21,970,937) |
| 1. Profit for the year | - | - | (45,820,481) | (45,820,481) |
| 2. Other comprehensive income for the year, net of income tax | - | - | - | - |
| 3. Adjustment on account of depreciation | - | - | - | - |
| Total comprehensive income for the year | - | - | (45,820,481) | (45,820,481) |
| Balance as at March 31, 2020 | 184,320,114 | 9,831,129 | (261,942,661) | (67,791,417) |

See accompanying notes to the financial statements

In terms of our report attached.

For DEEPAK KUMAR & CO

Chartered Accountants

FRN: 024751N

For and on behalf of the Board of Directors

Murari Sharan

Partner

Membership No. :521524

Shiv Khan

(Director)

DIN:07666627

Pardeep Kumar Mankotia

(Director)

DIN: 02121556

Place : Nalagarh

Date : 02/12/2020

Note 1 - General information and Significant Accounting Policies

Note 1.1 - General information

LS INDUSTRIES LIMITED ('The Company') is a limited company incorporated in India, having registered office at Village Barisen, PO -Manjholi, Tehsil- Nalagarh, Solan Himachal Pradesh-174101 and having principal place of business in same place.
The Company's operations and principal activities includes manufacturing and trading business of textiles etc.

Note 1.2 - Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act, as applicable. The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 51 for an explanation of the transition from previous GAAP to Ind AS and the effect on the Company's financial position, financial performance and cash flows.

Note 1.3 - Significant Accounting Policies

I. Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

II. Revenue recognition

Sale of goods : - Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, which generally coincides when the products are dispatched / shipped, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Other income : - Dividend income from investments is recognised when the shareholder's right to receive the payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

III. Property, Plant and Equipment

- i. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold land is not depreciated.

IV. A. Depreciation / amortisation

- i. The Company is following the straight line method of depreciation in respect of buildings, plant and machinery, office equipment acquired.
- ii. Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc.
- iii. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

B. Impairment

(i). Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

(ii). Non - financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss. The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

V. Foreign Currency Transactions

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognised as income / expense in the period in which they arise.

VI. Financial Instruments

Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement

Non derivative financial instruments

(i) Financial assets carried at amortised cost : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI): A financial asset is subsequently measured at FVTOCI if it is held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(iii) Investment in subsidiaries and Joint Venture : Investment in subsidiaries and joint venture is carried at cost less impairment, if any, in the separate financial statements.

(iv) Financial assets carried at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

(v) Financial liabilities : Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

VII. Impairment of investments

The Company reviews its carrying value of long term investments in equity shares of subsidiaries and other companies carried at cost / amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

VIII. Inventories

Finished goods are valued at lower of cost and net realisable value.

Work in progress on works contracts, awaiting billing is valued at proportionate contract value.

The bases of determining costs for various categories of inventories are as follows:-

| | |
|-------------------------------------|--|
| Raw material and components | - Weighted average |
| Work in progress and finished goods | - Material cost plus appropriate share of labour and other overheads including excise duty on finished goods |
| Work in progress at works contracts | - Material cost, direct labour and other direct expenses. |

IX. Employee Benefits

The Company has various schemes of employee benefits such as provident fund, superannuation fund, gratuity and leave encashment, which are dealt with as under:

- i. Contributions to provident fund are charged to statement of profit and loss every year.
- ii. Contributions towards Superannuation Scheme of Life Insurance Corporation of India are charged to statement of profit and loss every year.
- iii. Contributions are made towards Gratuity Scheme of Life Insurance Corporation of India. Provision for gratuity is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized in the other comprehensive income for the period in which they occur and is not reclassified to profit or loss.
- iv. Provision for leave encashment (including long term compensated absences) is made based on an actuarial valuation. Actuarial gains and losses are recognized in the statement of profit and loss for the period in which they occur.
- v. Liability on account of short term employee benefits, comprising largely of compensated absences and performance incentives, is recognised on an undiscounted accrual basis during the period when the employee renders service.

X. Contingent liabilities and provisions

Contingent liabilities are disclosed after evaluation of the facts and legal aspects of the matter involved, in line with the provisions of Ind AS 37. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

Provisions are recognised when the Company has a legal / constructive obligation as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

XI. Earnings per share

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) for the current year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for calculating basic earnings / (loss) per share, and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a

later date. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate.

XII. Income taxes

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Income tax and deferred tax are measured on the basis of the tax rates and tax laws enacted or substantively enacted at the end of the reporting period and are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

XIII. Use of estimates and judgement

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- (i) Useful lives and residual value of property, plant and equipment, intangible assets and investment properties : Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- (ii) Impairment of investments : The Company has reviewed its carrying value of long term investments in equity/preference shares of subsidiaries and other companies carried at cost/amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- (iii) Deferred tax assets : The Company has reviewed the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- (iv) Revenue Recognition : Provision for Sales Returns and Discounts are estimated based on past experience, market conditions and announced schemes.

XIV. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 2 - Property, Plant and Equipment

As at March 31, 2020 and March 31, 2019

| Particulars | | | | | Accumulated depreciation | | | | Net carrying amount | |
|---------------------|--|------------------------|-------------------------------|----------------------|--------------------------|---------------------------|------------------------|----------------------|----------------------|----------------------|
| | Deemed cost as at April 1, 2019 (Ind AS) | Additions/A djustments | Disposals / discard of assets | As at March 31, 2020 | Balance at 1 April, 2019 | Depreciation for the year | Deductions /Adjustment | As at March 31, 2020 | As at March 31, 2020 | As at March 31, 2019 |
| Plant & Machinery | 190,544,350 | - | 9,975,823 | 180,568,527 | 127,529,215 | 35,009,227 | 8,399,782 | 154,138,660 | 26,429,867 | 63,015,135 |
| Furniture & Fixture | 749,617 | - | - | 749,617 | 401,760 | 129,095 | - | 530,855 | 218,762 | 347,857 |
| Computers | 505,869 | - | - | 505,869 | 346,928 | - | - | 346,928 | 158,941 | 158,941 |
| Office Equipment | 391,557 | - | 391,557 | - | 286,098 | - | 286,098 | - | - | 105,459 |
| Vehicle | 1,969,680 | - | - | 1,969,680 | 1,354,964 | 228,812 | - | 1,583,776 | 385,904 | 614,716 |
| Building | 148,826,137 | - | - | 148,826,137 | 7,419,210 | 2,473,070 | - | 9,892,280 | 138,933,857 | 141,406,927 |
| | 342,987,210 | - | 10,367,380 | 332,619,830 | 137,338,175 | 37,840,204 | 8,685,880 | 166,492,499 | 166,127,331 | 205,649,035 |

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 3 - Non-current investments

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|-------------------------|-------------------|-------------------------|-------------------|
| | Qty (in nos) | Amount | Qty (in nos) | Amount |
| Long term, trade (valued at cost unless there is decline in value other than temporary) | | | | |
| Investment in equity instruments (Unquoted, in subsidiary companies) | | | | |
| 1 1000 equity share of SG\$ each fully paid up of LSIL Saingapore Pte Ltd | 1,000 | 41,333 | 1,000 | 41,333 |
| 2 Investment of SGD 1509000 in LSIL Saingapore Pte Ltd* | | 66,670,064 | | 66,670,064 |
| Total investments in subsidiaries | | 66,711,397 | | 66,711,397 |
| Investment in partnership firms | | | | |
| 1 LSI Textile LLP | | 90,000 | | 90,000 |
| Total investments in partnership firms | | 90,000 | | 90,000 |
| Total investments | | 66,801,397 | | 66,801,397 |
| * As per laws of respective country, no share certificate is issued, accordingly only investment in absolute value terms is being disclosed. | | | | |
| Aggregate amount of unquoted investments | | 66,801,397 | | 66,801,397 |

Note 4 - Trade receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current | | |
| Trade receivables | | |
| Unsecured, considered good | 909,583,077 | 920,553,787 |
| Doubtful | | |
| Less: Provision for doubtful trade receivables | | |
| | 909,583,077 | 920,553,787 |

(i) Trade receivables are generally on an average credit period of 60 days, except for in certain cases on agreed terms basis.

(iii) There are no customers who represent more than 10% of the total balances of trade receivables.

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 5- Deferred tax liabilities (net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Tax effect of items constituting deferred tax assets | | |
| Provision for gratuity and compensated absences | 62,068 | 62,068 |
| | 62,068 | 62,068 |
| Tax effect of items constituting deferred tax liability | | |
| On difference between WDV of fixed assets as per book balance and as per tax balance | (404,850) | 3,679,325 |
| Deferred tax liabilities (net) | (466,918) | 3,617,257 |

Note 6 - Tax Assets (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------|-------------------------|-------------------------|
| Current | | |
| Advance Tax & TDS | 596,203 | 352,248 |
| | 596,203.00 | 352,248.00 |

Note 7 - Inventories

(At lower of cost and net realisable value)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| (a) Raw materials and bought out components | 3,192,409 | 4,341,958 |
| (b) Work-in-progress | - | - |
| (c) Finished goods | 24,092,540 | 18,701,295 |
| | 27,284,948 | 23,043,253 |
| | 27,284,948 | 23,043,253 |

Note 8 - Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) Cash and cash equivalents | | |
| Cash on hand | 1,378,071 | 559,471 |
| Balances with banks | | |
| (i) In current accounts | 225,315 | 763,660 |
| | 1,603,386 | 1,323,131.30 |
| (b) Bank balances Other than (a) above | | |
| Other bank balances | | |
| (i) Deposits with original maturity of more than 3 months but less than 12 months (pledged with banks) | 28,385,800 | 26,605,646 |
| | 28,385,800 | 26,605,646 |

Note 9 - Loans

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) Non current, Unsecured, considered good | | |
| Security deposits | 4,110,448 | 3,955,970 |
| | 4,110,448 | 3,955,970 |
| (b) Current, Unsecured, considered good | | |
| (a) Advances to employees (Including Imprest) | 6,124,339 | 6,156,444 |
| (b) Advances to related parties | 538,498 | 538,498 |
| (c) Balances with government authorities | 1,579,375 | 635,331 |
| (c) Advance to Other | 98,150 | 69,722 |
| | 8,340,362 | 7,399,995 |

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 10 - Equity share capital

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | |
| Equity shares of Rs. 1 each | 910,000,000 | 910,000,000 | 910,000,000 | 910,000,000 |
| Preference shares of Rs. 10 each | 22,000,000 | 220,000,000 | 22,000,000 | 220,000,000 |
| | 932,000,000 | 1,130,000,000 | 932,000,000 | 1,130,000,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of Rs. 1 each | 848,818,700 | 848,818,700 | 848,818,700 | 848,818,700 |
| Total | 848,818,700 | 848,818,700 | 848,818,700 | 848,818,700 |

(a) Changes in equity share capital during the year :

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares with voting rights | | | | |
| Shares outstanding at the beginning of the year | 848,818,700 | 8,488,187,000 | 848,818,700 | 8,488,187,000 |
| Shares outstanding at the end of the year | 848,818,700 | 8,488,187,000 | 848,818,700 | 8,488,187,000 |

(b) Shareholder holding more than 5 percent shares :

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity shares with voting rights | | | | |
| Profound Finance Private Limited | 630,470,580 | 74.28 | 630,470,580 | 74.28 |
| Suet Meng Chay | 102,882,050 | 12.12 | 102,882,050 | 12.12 |
| Chee Ai Liew | 101,408,540 | 11.95 | 101,408,540 | 11.95 |

(c) Detail of the Equity Share in the company held by holding company:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|----------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Holding Company | | | | |
| Profound Finance Private Limited | 630,470,580 | 74.28 | 630,470,580 | 74.28 |

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 11 - Other financial liabilities (at amortised cost)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Current | | |
| Payable against fixed assets purchases | 168,223,424 | 168,223,424 |
| Employee related payables | 7,952,505 | 8,041,394 |
| Expenses Payable | 1,090,252 | 1,120,335 |
| | 177,266,181 | 177,385,153 |

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 12 - Provisions

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Short term | | |
| Provision for employee benefits | | |
| Provision for gratuity (net) | 416,094 | 521,239 |
| Provision for compensated absences | 724,012 | 742,897 |
| | 1,140,106 | 1,264,136 |

Note 13 - Other Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|-------------------------|-------------------------|
| Current | | |
| Statutory liabilities | 6,172,074 | 6,767,403 |
| | 6,172,074 | 6,767,403 |

LS INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 14 - Trade payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Outstanding dues to Micro and Small enterprises (refer note 23) | - | - |
| Outstanding dues to parties other than Micro and Small enterprises | 247,694,226 | 239,802,750 |
| | 247,694,226 | 239,802,750 |

LS INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 15 - Revenue from operations

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) Sale of products Domestic | 186,975 | 12,654,489 |
| (a) Sale of Services Rental Income | 643,224 | - |
| Job Work | 3,184,999 | - |
| Revenue from operations | 4,015,197 | 12,654,489 |

Note 16 - Other income

| Particular | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) Interest income Interest income earned on financial assets that are not designated as at FVTPL On bank deposits | 1,979,822 | 1,803,530 |
| (b) Other non-operating income Miscellaneous income | 74,021 | 1,451,236 |
| Total | 2,053,843 | 3,254,766 |

LS INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 17 - Cost of material consumed

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Raw materials and bought out components consumed | 5,393,295 | 9,659,306 |
| | 5,393,295 | 9,659,306 |

Note 18 - Changes in inventory of finished goods, work-in-progress and stock-in-trade

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Add: Opening stock | 23,043,253 | 24,606,315 |
| Finished goods | 18,701,295 | 20,133,556 |
| Raw material | 4,341,958 | 4,472,759 |
| Less: Closing stock | 27,284,948 | 23,043,253 |
| Finished goods | 24,092,540 | 18,701,295 |
| Raw material | 3,192,409 | 4,341,958 |
| Net (increase) / decrease in inventory of finished goods, work-in-progress and stock-in-trade | (4,241,695) | 1,563,062 |
| | (4,241,695) | 1,563,062 |

Note 19 - Employee benefits expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (i) Salaries and wages | 1,485,279 | 4,081,296 |
| (ii) Contribution to provident and other funds | 113,728 | 220,746 |
| (iii) Staff welfare expenses | 14,555 | 10,985 |
| | 1,613,562 | 4,313,027 |

Note 20 - Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of Property, Plant and Equipment | 37,840,204 | 43,583,701 |
| | 37,840,204 | 43,583,701 |

Note 21 - Other expenses

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Bank Charges | | 2,976 |
| Power & Fuel | 6,197,673 | 6,337,130 |
| Repair & Maintenance | 734,350 | 829,219 |
| Travelling Expenses | 491,285 | 1,167,894 |
| Business Promotion Expenses | - | 35,295 |
| Freight & Cartage | - | - |
| Security Expenses | - | - |
| Legal & Professional Expenses | 5,810,900 | 5,426,049 |
| Communication Expenses | 3,894 | 7,178 |
| Rates Fees & Taxes, Excluding, Taxes on Income | 946,161 | 2,183,316 |
| Interest on Statutory Dues | 9,036 | - |
| Printing & Stationary Expenses | 2,630 | 32,549 |
| Payment to auditors | - | - |
| Insurance | 303,286 | 233,238 |
| Donation | 5,100 | 11,000 |
| Loss on Sale of Fixed Assets | 281,691 | - |
| Other Expenses | 582,325 | 601,881 |
| | 15,368,331 | 16,867,724 |

Note 22 - Tax expense

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--|--------------------------------------|
| (a) Current Tax | | | |
| Current tax expense | - | - | - |
| | - | - | - |
| (b) Deferred tax charge / (credit) | | | |
| In respect of current year | (4,084,175) | (4,614,566) | (4,719,791) |
| | (4,084,175) | (4,614,566) | (4,719,791) |
| Income tax recognised in Profit and Loss | (4,084,175) | (4,614,566) | (4,719,791) |
| The Income tax expense for the year can be reconciled to the accounting profit as follows :- | | | |
| Profit before tax | (49,904,656) | (60,077,565) | (59,730,638) |
| Income tax expense calculated at 34.608% (Previous year 34.608%) | -12,975,210.47 | (20,791,644) | (20,671,579) |
| Effect of expenses that are not deductible in determining taxable profit | (4,084,175) | (4,614,566) | (4,719,791) |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | 12,975,210 | 20,791,644 | 20,671,579 |
| Income tax expense recognised in statement of profit and loss | (4,084,175) | (4,614,566) | (4,719,791) |
| (c) Income tax recognised in other comprehensive income (OCI) | - | - | - |
| | (4,084,175) | (4,614,566) | (4,719,791) |
| (d) Deferred tax movements | | | |
| Deferred tax (assets)/liabilities in relation to: | | | |
| Particulars | | Provision for gratuity and compensated absences | Depreciation |
| As at April 1, 2018 | | 62,068 | (8,293,891) |
| (charged)/credited to: | | | |
| profit or loss | | - | 4,614,566 |
| Other comprehensive income | | - | - |
| As at March 31, 2019 | | 62,068 | (3,679,325) |
| (charged)/credited to: | | | |
| profit or loss | | - | 4,084,175 |
| Other comprehensive income | | - | - |
| As at March 31, 2020 | | 62,068 | 404,850 |

Note 23 - Dues to micro and small enterprises

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro Small Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 and interest due thereon is as under. Further, no interest during the year has been paid under the terms of the MSMED Act, 2006.

| | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Due to Micro and Small Enterprises | - | - |
| Interest due to Micro and Small Enterprises | - | - |
| | - | - |

Note 24 - Earning per share

| | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|---------|--------------------------------------|--------------------------------------|
| Profit for the year attributable to equity shares | Rs. | (45,820,481) | (55,462,999) |
| Weighted average number of Basic equity shares outstanding | Numbers | 848,818,700 | 848,818,700 |
| Weighted average number of Diluted equity shares outstanding | Numbers | 848,818,700 | 848,818,700 |
| Basic earnings per share (face value - Rs. 1 per share) | Rupees | (0.05) | (0.07) |
| Diluted earnings per share (face value - Rs. 1 per share) | Rupees | (0.05) | (0.07) |

Note 25 - Auditors' remuneration

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------|--------------------------------------|--------------------------------------|
| Statutory audit | - | 320,980 |
| | - | 320,980 |

Note 26 - Financial Instruments by Categories

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.

| Particular | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|----------|----------|----------------------|----------|----------|
| | Amortised cost | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI |
| Financial assets | | | | | | |
| Trade receivables | 909,583,077 | - | - | 920,553,787 | - | - |
| Loans | 8,340,362 | - | - | 7,399,995 | - | - |
| Cash and cash equivalents and bank balances | 29,989,186 | - | - | 27,928,777 | - | - |
| Total financial assets | 947,912,625 | - | - | 955,882,560 | - | - |
| Financial liabilities | | | | | | |
| Trade payables | 247,694,226 | - | - | 239,802,750 | - | - |
| Other financial liabilities | 177,266,181 | - | - | 177,385,153 | - | - |
| Total financial liabilities | 424,960,407 | - | - | 417,187,903 | - | - |

Note 27 - Capital Management

The Company endeavors to optimize debt and equity balance and provide adequate strength to the balance sheet. The Company monitors capital on the basis of debt equity ratio.

Note 28 - Financial Risk Management

The Company's activities expose it to credit risk

Credit risk management

Credit risk arises from credit exposure to customers (including receivables and deposit), loans and other financial assets. The Company perform credit evaluation and defines credit limits for each customer/counter party. The Company also continuously reviews and monitors the same.

The provision for doubtful debts or provision for impairment of investments etc. is made on case to case basis, based on the information related to financial position, past history, and other relevant available information about the counterparty.

29. Fair Value hierarchy

The Company has no such financial assets which are measured at fair value at the end of the reporting period.