

**ANNUAL REPORT 2016 - 2017**

**BOARD OF DIRECTORS**

Ashok C. Shah	Chairman
Shalin A. Shah	Director
Hitesh Donga	Independent Director
Dakshaben Bhatt	Independent Director (From 30.03.2015 to 10.08.2016)
Payal V. Makani	Independent Director (From 14.11.2016)

**AUDITORS**

M/s. GMCA & Co.  
Chartered Accountants  
Ahmedabad

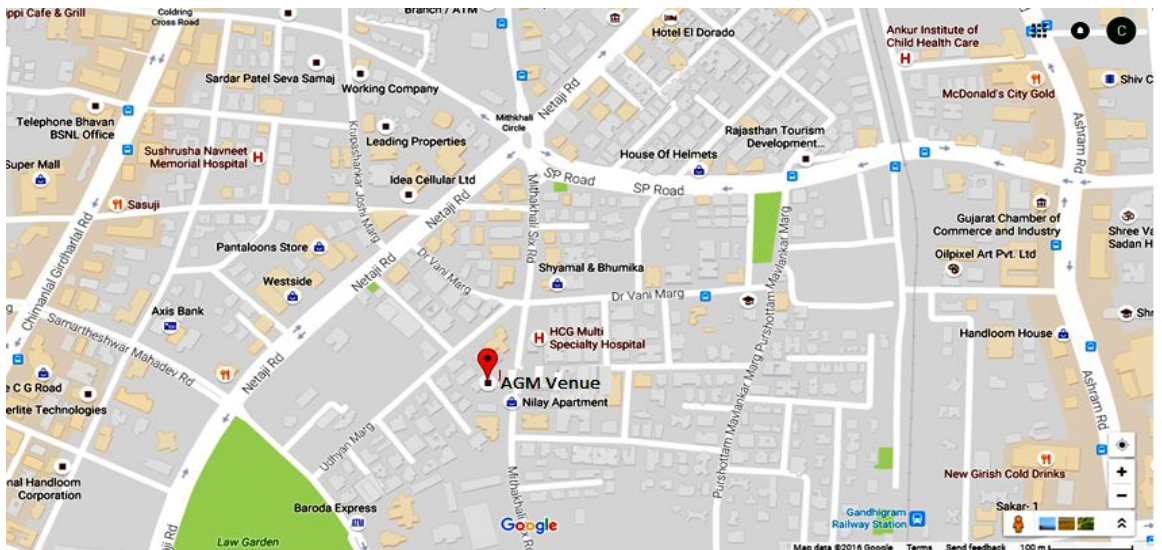
**REGISTERED OFFICE**

7<sup>th</sup> Floor, Ashoka Chambers,  
Mithakhali Six Roads,  
Ahmedabad - 380006.

**REGISTRAR & SHARE TRANSFER AGENTS**

Purva Sharegistry (India) Pvt. Ltd.  
Shiv Shakti Industrial Estates, Unit No. 9  
J. R. Boricha Marg,  
Opp. Kasturba Hospital Lane  
Lower Parel (E),  
Mumbai - 400 011.

**ROAD MAP TO AGM VENUE**



**NOTICE**

Notice is hereby given that **Annual General Meeting of Lesha Industries Limited** will be held at the registered office of the Company on Thursday, 28<sup>th</sup> Day of September, 2017 at 11:00 A.M. to transact following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 including audited Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok C. Shah (DIN: 02467830), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, has offered himself for re-appointment.
3. To ratify appointment of M/s. GMCA & Co., Chartered Accountants (Firm Registration No. 109850W) as statutory auditors of the Company in accordance with the resolution passed by the members at the Annual General meeting held on 29<sup>th</sup> September, 2016 and to authorize the Board of Directors to fix their remuneration for the financial year 2017-18.

**SPECIAL BUSINESS:**

4. **Appointment of Ms. Payal V. Makani (DIN 07658223) as an Independent Director.**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013, if any and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV, Ms. Payal V. Makani (DIN 07658223) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term from November 14, 2016 to November 13, 2021, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby authorized as to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

**For and on behalf of the Board**

**Place: Ahmedabad**

**Date: August 21, 2017**

**SD/-  
Shalin Shah  
Director  
DIN: 00297447**

**Annexure to the Notice of Annual General Meeting  
Details of Directors seeking Appointment/Reappointment in Annual General Meeting**

Name of the Director	Mr. Ashok C. Shah (DIN: 02467830)	Ms. Payal V. Makani (DIN: 07658223)
Age (Yrs.)	72 years	29 years
Date of Birth	07/09/1944	15/12/1987
Brief Resume and expertise	Engineering and Administrative Degree. He has vast experience of more than 40 years in technical and administrative fields.	Commerce graduate and a Company Secretary. Specializes in Company law and allied activities.
Designation	Director	Independent Director
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman of Stakeholders' Relationship committee and Member of Nomination And Remuneration Committee in Lesha Industries Limited Member of Audit Committee and Nomination And Remuneration Committee in Gujarat Natural Resources Limited.	None
No. of Shares held in the Company	476253	Nil
Directorship in Other Listed Company	Gujarat Natural Resources Limited	Gujarat Natural Resources Limited
Related to other directors	Mr. Ashok C. Shah and Mr. Shalin A. Shah are related as Father-Son. No other directors are related inter se.	Not related to any other director

**Explanatory Statement as required under Section 102 of the Companies Act, 2013.**

**Item No. 4**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Ms. Payal V. Makani (DIN 07658223), as an Additional and also as Independent Director of the Company with effect from November 14, 2016.

Ms. Payal V. Makani (DIN 07658223) is a Commerce graduate and a Company Secretary. She specialises in company law and related matters. Copy of the draft letter for appointment of Ms. Payal V. Makani as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company.

In the opinion of the Board, Ms. Payal V. Makani fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management.

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 4 of this Notice for your approval. Ms. Payal V. Makani does not hold any shares in the company.

None of the Directors, Key Managerial Personnel and relatives thereof other than, Ms. Payal V. Makani has any concern or interest, financial or otherwise, in the resolution at Item No. 4 of the Notice.

**Place: Ahmedabad  
Date: August 21, 2017**

**For and on behalf of the Board**

SD/-  
Shalin Shah  
Director  
DIN: 00297447

**NOTES:**

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and share transfer books of the Company will remain closed from 25<sup>th</sup> September, 2017 to 27<sup>th</sup> September, 2017 (both days inclusive).
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.
9. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 and 4 of the Notice, are also annexed.
10. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.lesha.in](http://www.lesha.in).
11. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/ RTA. The registered e-mail address will be used for sending future communications.  
Members whose email ids are already registered may update the changes therein, if any.
12. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant (DP) only, and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.
13. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address / name, etc. to the Company's Registrar & Share Transfer Agent, quoting their Registered Folio Number.
14. Members holding shares in physical form are requested to consider converting their shareholding in dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Company's Registrar & Share Transfer Agent for assistance in this regard.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.

**16. Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date. The Company has appointed Mr. Chintan Patel, Partner, M/s. Patel & Associates, Company Secretaries, Ahmedabad, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on <September 25, 2017, 9:00 a.m.> and ends on < September 27, 2017, 5:00 p.m.> During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 22, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.</p> <p>For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> <li>• In case the sequence number is less than 8 digits enter the applicable</li> </ul>

	number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Leshya Industries Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### I. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the Cut-off Date i.e. September 22, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered

with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the Toll Free No.: 1800-200-5533.

- V.** A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the Depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through Polling Paper.
- VI.** The result of voting at the Meeting including remote e-Voting shall be declared after the Meeting but not later than Forty Eight Hours of the conclusion of the Meeting.
- VII.** The result declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company [www.lesha.in](http://www.lesha.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.

## Directors' Report

To,  
The Members,

Your Directors have pleasure in presenting their **Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2017.

**1. FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:**

Financial Results		(₹ in Lacs)	
Particulars	Year ended 31/03/2017	Year ended 31/03/2016	
Total Revenue	76.73	896.71	
Expenditure	90.74	899.64	
Profit before Depreciation	(14.01)	(2.94)	
Depreciation	2.64	2.99	
Profit/(Loss) before Tax	(16.65)	(5.93)	
Provision for Taxation			
Income Tax	---	---	
Deferred Tax	---	---	
<b>Profit/(Loss) after Tax</b>	<b>(16.65)</b>	<b>(5.93)</b>	

**2. PERFORMANCE:**

Income from trading of Steel products and dealing in shares and securities decreased as compared to previous year and consequently total revenue for the year has decreased. Due to rise in cost of expenses, the Company has incurred loss during the year. The Management of the Company is taking efforts for the development of the Company.

**3. DIVIDEND:**

Due to loss during the year, the Company is not able to declare Dividend.

**4. TRANSFER TO RESERVE:**

Reserves & Surplus at the end of the year stood at ₹ 11,43,55,583/- as compared to ₹ 11,60,20,126/- at the beginning of the year.

**5. SHARE CAPITAL:**

At present, the Company has only one class of shares – equity shares with face value of ₹ 10/- each. The authorized share capital of the company is ₹ 19,00,00,000/- divided into 1,90,00,000 equity shares of ₹ 10/- each. The paid up share capital of the company as on March 31, 2017 was ₹ 94,336,380/- divided into 94,33,638 equity shares of ₹ 10/- each.

**6. DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

During the period under review, several energy conservation initiatives were adopted and were taken by the Company. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There was no research activities carried out during the year as well as no foreign exchange income or outgo during the year.

**8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.



**9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

The National Company Law Tribunal (NCLT), Ahmedabad Bench has sanctioned the Scheme for Demerger of Trading and Investment Business of Lesha Industries Limited (Demerged Company) and vesting the same into Ashnisha Alloys Private Limited (Resulting Company) pursuant to sections 391 to 394 and other relevant provisions of the Companies Act, 1956, vide its order dated May 29, 2017.

As per the Scheme sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench:

In consideration of the transfer of the demerged Undertaking of the Demerged Company to the Resulting Company, the Resulting Company shall issue and allot 30,18,764 new Equity Shares of Rs. 10/- each to the share holders of the Demerged Company whose names appear in the Register of Members of the Demerged Company in the ratio of 8 (Eight) new Equity Share of the Resulting Company for every 25 (Twenty Five) Equity Shares held by the shareholders in the Demerged Company on the Record Date.

Further, the issued, subscribed and paid up share capital of the Demerged Company shall stand reduced from Rs. 9,43,36,380/- (divided into 94,33,638 equity shares of Rs. 10/- each) to Rs. 1,13,20,370/- (divided into 11,32,037 equity shares of Re. 10/- each) by cancelling 83,01,601 shares of Rs. 10/- each aggregating to share capital of Rs. 8,30,16,010/-. Accordingly, the shareholders of the Demerged Company whose names appear on the Register of Members of the Company on the Record Date shall be issued 3 (Three) new Equity Share of the Demerged Company for every 25 (Twenty Five) Equity Shares held by the shareholders in the Demerged Company on the Record Date.

No other orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

**10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

There are no Subsidiary/Joint Ventures/Associate Companies.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

**12. MEETING OF BOARD OF DIRECTORS:**

During the year under the review, 4 (four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report.

The Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

**13. EXTRACTS OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 is attached herewith as ANNEXURE-II.

**14. INSURANCE:**

All the Properties of the Company are adequately insured.

**15. RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

**16. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok C. Shah (DIN: 02467830) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

Mrs. Dakshaben Dhirenbbhai Bhatt (DIN: 03472634), has resigned from the post of Independent Director of the Company with effect from 10<sup>th</sup> August, 2016, the Board took note of the same in its meeting held on 13<sup>th</sup> August, 2016. Ms. Payal V. Makani was appointed as an Independent Director of the Company *w.e.f.* 14.11.2016.

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.

#### **17. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

#### **18. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director. No remuneration is paid to any of the Directors of the Company.

#### **19. MANAGERIAL REMUNERATION:**

The Company had not paid any remuneration to Executive Directors or any sitting fees to Non-Executive Directors for attending any meetings during the financial year ended 31<sup>st</sup> March, 2017.

#### **20. INDEPENDENT DIRECTORS' MEETING:**

Independent Directors of the Company had met during the year under the review on March 24, 2017.

#### **21. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

There are currently **Three Committees** of the Board, Audit Committee, Nomination and Remuneration Committee & Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "**Report on Corporate Governance**", a part of this Annual Report.

#### **22. AUDITORS:**

##### **A. Statutory Auditors**

M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 29<sup>th</sup> September, 2016 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) that their appointment, if made, would be in conformity with the limits specified under the Act.

It is proposed to ratify the appointment of M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) to audit the accounts of the Company for the financial year 2017-2018.

The Report given by the Auditors on the financial statements of the Company is a part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.**

#### **B. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Patel & Associates, Practising Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV**

**There is no qualification, reservation or adverse remark in the report.**

#### **C. Internal Auditors:**

The Board of Directors has appointed M/s. Naimish K. Shah & Co., Chartered Accountant (FRN 106828W) as Internal Auditors of the Company for the F. Y. 2017-18.

### **23. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:**

The Company has an Internal Financial Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed M/s. Naimish K. Shah & Co., Chartered Accountant (FRN 106828W) as an Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

### **24. RISK MANAGEMENT:**

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation and Technological Changes. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

### **25. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

### **26. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the

designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## 27. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2017 and of the profit and loss of the company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. 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.

## 28. CORPORATE GOVERNANCE:

As per Regulation 15(2) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V, shall not apply to the Company. Although as a good governance practise a detailed report on Corporate Governance is given as a part of the Annual Report. The Certificate of the non applicability of submission of Report on Corporate Governance is attached to the Report on Corporate Governance. Report on Corporate Governance is given elsewhere in this Annual Report, herewith attached as **ANNEXURE V**.

## 29. CORPORATE GOVERNANCE CERTIFICATE – NON APPLICABILITY:

The Certificate of the non applicability of submission of Report on Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report on Corporate Governance, herewith attached as **Annexure VI**.

## 30. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not covered under section 135 of Companies Act, 2013 hence details regarding policy on Corporate Social Responsibility is not applicable to the Company.

## 31. GENERAL SHAREHOLDER INFORMATION:

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.

## 32. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the unstinted commitment, dedication, hard work and significant contribution made by employees at all levels in ensuring sustained growth of the Company. Your Directors also sincerely thank to all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their continued assistance, co-operation and support.

Place: Ahmedabad  
Date: August 21, 2017

For and on behalf of the Board

SD/-	SD/-
Ashok Shah	Shalin Shah
Director	Director
DIN: 02467830	DIN: 00297447

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****➤ INDUSTRIAL STRUCTURE AND DEVELOPMENT:**

The Company is in business of trading of steel products, electronics goods and dealing in shares and securities. However Competition in the industry is continuously increasing and management is taking steps to sustain in the emerging high tech market.

**➤ OVERVIEW:**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in the India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

**➤ OPPORTUNITY & THREATS:**

Business conditions continue to be challenging. The industry has pushed technological boundaries but is under keener scrutiny and the frontiers are becoming even more remote.

**➤ COMPETITION:**

Competition in the market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the customer retention and business development in the regions which have not been tapped.

Sharp fluctuations in value of the Indian Rupee and the rising inventory prices have put pressure on the profitability of the Company.

**➤ SEGMENT WISE AND PRODUCT WISE PERFORMANCE:**

Details on segment wise performance of the Company is provided separately in Notes to Accounts.

**➤ RISK AND CONCERN:**

The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Uncontrolled variation in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market.

The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like strong marketing efforts, focus on cost reduction through inventory management techniques, introduction of new products and manufacturing process without compromising quality of products and retain talented employees etc.

**➤ INITIATIVES BY THE COMPANY:**

The Company has taken the following initiatives:

Concentration on reduction of costs by undertaking specific exercise in different fields.

Concentration in Increase of Shareholders Wealth and Profit of the Company.

The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

➤ **OUTLOOK:**

The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

➤ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company places significant emphasis and efforts on the internal control systems. The Company has appointed an independent firm of Chartered Accountant for the same with such powers and responsibilities that are required to ensure the adequacy of the internal Control System.

➤ **HUMAN RESOURCE:**

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year.

➤ **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:**

Your Company has complied with all the applicable environmental laws and labour laws. The Company has been complying with the relevant laws and has taking all necessary measures to protect the environment.

➤ **CAUTIONARY STATEMENT**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Place: Ahmedabad  
Date: August 21, 2017

For and on behalf of the Board

SD/- Ashok Shah Director DIN: 02467830	SD/- Shalin Shah Director DIN: 00297447
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**ANNEXURE – I TO THE DIRECTORS REPORT****FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	2016-17	2015-16
Foreign Exchange Earning	Nil	Nil
Foreign Exchange out go	Nil	Nil

Place: Ahmedabad  
Date: August 21, 2017

For and on behalf of the Board

SD/- Ashok Shah Director DIN: 02467830	SD/- Shalin Shah Director DIN: 00297447
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**ANNEXURE – II TO THE DIRECTORS REPORT**

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

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L27100GJ1992PLC018607
2.	Registration Date	23 <sup>rd</sup> November, 1992
3.	Name of the Company	Lesha Industries Limited
4.	Category/Sub-category of the Company	Company limited by shares and Indian Non-Government Company
5.	Address of the Registered office & contact details	7 <sup>th</sup> Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad-380006.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt. Ltd. Unit No.9, Shiv Shakti Ind. Area, J.R. Boricha Marg, Lower Parel (E), Mumbai-400011. Email:- busicomp@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading of Steel	54321	85.67%
2	Sale of Shares	65999	14.33%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NO HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
Nil	Nil	Nil	Nil	Nil	Nil

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## Lesha Industries Limited

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

#### A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year as on 31 <sup>st</sup> March, 2016				No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	15,96,583	Nil	15,96,583	16.92	15,96,583	Nil	15,96,583	16.92	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	17,90,640	Nil	17,90,640	18.98	17,90,640	Nil	17,90,640	18.98	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A)</b>	<b>33,87,223</b>	<b>Nil</b>	<b>33,87,223</b>	<b>35.91</b>	<b>33,87,223</b>	<b>Nil</b>	<b>33,87,223</b>	<b>35.91</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	297	297	0.00	Nil	297	297	0.00	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>297</b>	<b>297</b>	<b>0.00</b>	<b>Nil</b>	<b>297</b>	<b>297</b>	<b>0.00</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	20,42,141	8,578	20,50,719	21.74	19,41,979	8,578	19,50,557	20.68	(1.06)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12,30,449	4,92,630	17,23,079	18.27	12,13,556	4,92,630	17,06,186	18.09	(0.18)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	21,73,407	22,194	21,95,601	23.27	22,59,361	22,194	22,81,555	24.19	0.92
c) Others (specify)NRI/OCB									



**Annual Report 2016-17**

**Lesha Industries Limited**

	2,305	Nil	2,305	0.02	5,305	Nil	5,305	0.06	0.04
OTHERS									
Non Resident Indians	2,305	Nil	2,305	0.02	5,305	Nil	5,305	0.06	0.04
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	19,655	Nil	19,655	0.21	45,939	Nil	45,939	0.49	0.28
Hindu Undivided Family	54,759	Nil	54,759	0.58	56,576	Nil	56,576	0.60	0.02
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	55,22,716	5,23,402	60,46,118	64.09	55,22,716	5,23,402	60,46,118	64.09	Nil
Total Public Shareholding (B)=(1)+ (B)(2)	55,22,716	5,23,699	60,46,415	64.09	55,22,716	5,23,699	60,46,415	64.09	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	89,09,939	5,23,699	94,33,638	100	89,09,939	5,23,699	94,33,638	100	0.00

**B) SHAREHOLDING OF PROMOTER**

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 31 <sup>st</sup> March, 2016			No. of Shares held at the end of the year as on 31 <sup>st</sup> March, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	No. of Shares*	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	
1	Shalin A. Shah	831241	8.81	Nil	831241	8.81	Nil	Nil
2	Tanya Estates Pvt. Ltd.	516240	5.47	Nil	516240	5.47	Nil	Nil
3	Ashok C. Shah	476253	5.05	Nil	476253	5.05	Nil	Nil
4	Shree Ghantakarna Rolling Mills Pvt. Ltd.	454950	4.82	Nil	454950	4.82	Nil	Nil
5	Ashnisha Alloys Pvt. Ltd.	414450	4.39	Nil	414450	4.39	Nil	Nil
6	Lesha Agro Foods Pvt. Ltd.	405000	4.29	Nil	405000	4.29	Nil	Nil
7	Leena A. Shah	289089	3.06	Nil	289089	3.06	Nil	Nil

## C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Shalin A. Shah</b>				
<b>2</b>	At the beginning of the year	831241	8.81	831241	8.81
<b>3</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
<b>4</b>	At the end of the year			831241	8.81
<b>5</b>	<b>Tanya Estates Pvt. Ltd.</b>				
<b>6</b>	At the beginning of the year	516240	5.47	516240	5.47
<b>7</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
<b>8</b>	At the end of the year			516240	5.47
<b>9</b>	<b>Mr. Ashok C. Shah</b>				
<b>10</b>	At the beginning of the year	476253	5.05	476253	5.05
<b>11</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
<b>12</b>	At the end of the year			476253	5.05
<b>13</b>	<b>Shree Ghantakarna Rolling Mills Pvt. Ltd.</b>				
<b>14</b>	At the beginning of the year	454950	4.82	454950	4.82
<b>15</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
<b>16</b>	At the end of the year			454950	4.82
<b>17</b>	<b>Ashnisha Alloys Pvt. Ltd.</b>				
<b>18</b>	At the beginning of the year	414450	4.39	414450	4.39
<b>19</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
<b>20</b>	At the end of the year			414450	4.39
<b>21</b>	<b>Lesha Agro Foods Pvt. Ltd.</b>				
<b>22</b>	At the beginning of the year	405000	4.29	405000	4.29

23	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE	-	-	-
24	At the end of the year			405000	4.29
25	<b>Leena A. Shah</b>				
26	At the beginning of the year	289089	3.06	289089	3.06
27	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
28	At the end of the year			289089	3.06

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2017:  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Hitesh Jagdish Panara	--	--	--	--	890217	9.43
2	Shaurya Organics Pvt. Ltd.	419850	4.45	--	--	419850	4.45
3	TIW Systems Pvt. Ltd.	419850	4.45	--	--	419850	4.45
4	Midrina Oil and Gas Sevices Pvt. Ltd.	419850	4.45	--	--	419850	4.45
5	Suryaja Infrastructure Pvt. Ltd.	419850	4.45	--	--	419850	4.45
6	Vishnubhai Chauhan	167318	1.77	--	--	167318	1.77
7	Advanced Energy Resources & Managem	143100	1.51	--	--	143100	1.51
8	Janak Patel	121257	1.20	--	--	121257	1.20
9	Daxaben Shah	111305	1.06	--	--	111305	1.06
10	Kintu Raichura	85122	0.90	--	--	85122	0.90

**SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Shalin A. Shah</b>				
2	At the beginning of the year	831241	8.81	831241	8.81
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	NO CHANGE			

4	At the end of the year			831241	8.81
5	<b>Mr. Ashok C. Shah</b>				
6	At the beginning of the year	476253	5.05	476253	5.05
7	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
8	At the end of the year			476253	5.05
9	<b>Mrs. Daksha Bhatt</b>				
10	At the beginning of the year	2000	0.02	2000	0.02
11	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
12	At the end of the year			2000	0.02

None of the Directors expect from above hold any shares in the Company.

#### V. INDEBTEDNESS –

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

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.00	10933902	0.00	10933902
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	10933902	0.00	10933902
<b>Change in Indebtedness during the financial year</b>				
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	(320500)	0.00	(320500)
<b>Net Change</b>	0.00	(320500)	0.00	(320500)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	10613402	0.00	10613402
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	10613402	0.00	10613402

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

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name of Director	Shalin Shah Director	----
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement/resignation)	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Companies Act 2013		5%

## B. REMUNERATION TO OTHER DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors			Total
		Amount			
1	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration				NIL
	Overall Ceiling as per the Companies Act 2013				1%

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	<b>NIL</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					

Place: Ahmedabad  
Date: August 21, 2017

For and on behalf of the Board

SD/- Ashok Shah Director DIN: 02467830	SD/- Shalin Shah Director DIN: 00297447
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**ANNEXURE-III TO THE DIRECTORS REPORT****1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2016-17 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

(Rs. In Lacs)

Sr. No.	Name of Director/KMP and its Designation	Remuneration to the Director / KMP for the Financial Year 2016-17	Percentage increase / decrease in remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin Shah (Director)	Nil	Nil	Nil
2	Mr. Ashok Shah (Director)	Nil	Nil	Nil
3	Mr. Hitesh Donga (Independent Director)	Nil	Nil	Nil
4	Mrs. Dakshaben Bhatt (Independent Director) (From 30/03/2015 to 10/08/2016)	Nil	Nil	Nil
5	Ms. Payal Makani (Independent Director) (From 14/11/2016)	Nil	Nil	Nil

- iii. Median Remuneration of Employees (MRE) of the Company is ₹ 0.75 Lacs for the Financial Year 2016-17.
- iv. The number of permanent employees on the rolls of the Company is two for the year ended 31<sup>st</sup> March, 2017.
- v. There was no increase in the remuneration during the year.
- vi. The remuneration of the Key Managerial Personnel (KMP) is in line with the performance of the company—**N.A.**
- vii. The Market Capitalization as on, 31<sup>st</sup> March, 2017 was ₹ 255.65 Lacs as compared to ₹ 309.42 Lacs as on 31<sup>st</sup> March, 2016 and Price Earnings Ratio of the Company was -15.05 as on 31<sup>st</sup> March, 2017 as against -54.67 as on 31<sup>st</sup> March, 2016.
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was Nil. Average percentage increase made in the salary of the managerial personnel in the last Financial Year—**N.A.**
- ix. Variable component in remuneration of Directors of the Company—**N.A.**
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year—**N.A.**
- xi. Affirmed that the remuneration paid is as per the Remuneration Policy of the Company—**N.A.**

**2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014**

Place: Ahmedabad  
Date: August 21, 2017

For and on behalf of the Board

SD/- Ashok Shah Director DIN: 02467830	SD/- Shalin Shah Director DIN: 00297447
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**ANNEXURE – IV TO THE DIRCTORS REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

To,  
The Members,  
**Lesha Industries Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lesha Industries Limited** (hereinafter called the Company) (CIN: L27100GJ1992PLC018607) having its registered office at **7<sup>th</sup> Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad-380006**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Lesha Industries Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



I 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 Bombay Stock Exchange.
- (iii) 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 the following observations:

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had received two proxy forms for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2016.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated 11<sup>th</sup> July, 2016 has directed the Company to convene meetings of its equity shareholders and unsecured creditors at the registered office of the Company on 22<sup>nd</sup> August, 2016 at 11:00 A.M. and 12:00 noon respectively, for approving the Scheme of Arrangement in the Nature of Demerger of Trading and Investment Business of Lesha Industries Limited into Ashnisha Alloys Private Limited. The said Scheme has been approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated 29/05/2017.

**I further report that** during the audit period, the Company has no other major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

The members of the Company have passed the following Special Resolutions in the Annual General Meeting of the Company held on 29/09/2016 for:

- (i) Approval of limit for investment upto Rs. 20 Crores.

**Place: Ahmedabad**  
**Date: 21<sup>st</sup> August, 2017**

**For, Patel & Associates**  
**Company Secretaries**

**SD/-**  
**Chintan K. Patel**  
**Partner**  
**Mem. No.: A31987**  
**COP No.: 11959**

**ANNEXURE - A to the Secretarial Audit Report**

**To,**  
**The Members,**  
**Lesha Industries Limited**  
**Our report of even date is to be read along with this letter.**

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**Place: Ahmedabad**  
**Date: 21<sup>st</sup> August, 2017**

**For, Patel & Associates**  
**Company Secretaries**

**SD/-**  
**Chintan K. Patel**  
**Partner**  
**Mem. No.: A31987**  
**COP No.: 11959**

**ANNEXURE V – TO THE DIRECTOR REPORT****REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company adheres to good practices in Corporate Governance in its true spirit and benchmarks it with high standards. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which have been posted on website of Company ([www.lesha.in](http://www.lesha.in)).

**1. ETHICS/GOVERNANCE POLICIES:**

At Lesha Industries Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- ✓ Code of Conduct
- ✓ Vigil Mechanism
- ✓ Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- ✓ Board Performance Evaluation Policy
- ✓ Familiarization of Independent Directors Policy
- ✓ Policy for Selection of Directors and determining Directors Independence
- ✓ Policy for determining Material Subsidiaries.
- ✓ Risk Management Policy

**2. BOARD OF DIRECTORS:**➤ **Composition of the Board of Directors**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors Pursuant Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board and category of Directors are as follows:

Executive Director	➤ Shalin A. Shah, Promoter Director
Non-Executive	<ul style="list-style-type: none"> <li>➤ Hitesh Donga, Independent Director</li> <li>➤ Ashok C. Shah, Promoter Non-Executive Director</li> <li>➤ Daksha Bhatt, Independent Director (From 30/03/2015 to 10/08/2016)</li> <li>➤ Payal Makani, Independent Director (From 14/11/2016)</li> </ul>

Mrs. Dakshaben Bhatt (DIN: 03472634) who was appointed as Women Director (Non-Executive Independent Director) of the Company with effect from 30<sup>th</sup> March, 2015 has given her resignation from the directorship of the Company with effect from 10<sup>th</sup> August, 2016 and Ms. Payal Makani, has been appointed as Non-Executive, Independent Director of the Company with effect from November 14, 2016.

➤ **Number of Board Meetings and Attendance of Directors:**

During the financial year 2016-17, 4 (Four) Board Meetings were held on 30/05/2016, 13/08/2016, 14/11/2016 and 14/02/2017.

The Board meeting dates are finalized in consultation with all the directors and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take informed decisions.

The composition of Directors and the attendance at the Board Meeting during the year 2016-2017 and last Annual General Meeting are as under:

Name of Director	Category	No. of Directorships in other Companies	Membership of Board Committees		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Shalin A. Shah	Director	5	Nil	2	3	Yes
Ashok C. Shah	Director	5	1	1	4	Yes
Hitesh M. Donga	Independent Director	Nil	2	1	4	Yes
Daksha D. Bhatt	Independent Director	1	Nil	2	1	No
Payal Makani	Independent Director	1	Nil	2	1	N.A.

### 3. ANNUAL GENERAL MEETING:

The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2016 was held on 29<sup>th</sup> September, 2016 and 34 Members were present at Annual general meeting including proxy.

### 4. BOARD COMMITTEES:

As per the requirement of the Companies Act, 2013 read with Rules and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee.

The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

#### A. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Main areas are deliberated as under.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.
- To consider and review the adequacy of internal control including computerized information system controls and inform periodically to the Board of Directors on significant activities.

The Constitution of the committee and the attendance of each member of the committee is given below:

The Committee comprises of three Directors. All members of the Audit Committee are financially literate. In the financial year 2016-17, four meetings were held on 30/05/2016, 13/08/2016, 14/11/2016 and

14/02/2017. Composition of committee and member's attendance at the meetings during the year are as under:

Name	Designation	Category
Mr. Hitesh Donga	Chairman	Non-Executive Independent
Mr. Shalin A. Shah	Member	Executive Director
Ms. Dakshaben Bhatt (Upto 10/08/2016)	Member	Non-Executive Independent Director
Ms. Payal Makani (From 14/11/2016)	Member	Non-Executive Independent Director

**Attendance of each member of the committee:**

Committee Members	Meetings held	Meetings attended
Mr. Hitesh Donga	4	4
Mr. Shalin A. Shah	4	3
Mr. Ashok C. Shah	1	1
Ms. Dakshaben Bhatt (Upto 10/08/2016)	1	1
Ms. Payal Makani (From 14/11/2016)	1	1

**B. NOMINATION AND REMUNERATION COMMITTEE:**

Terms of reference of the committee comprise various matters provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of three Directors.

The Constitution of the committee and the attendance of each member of the committee is given below:

Name	Designation	Category
Mr. Hitesh Donga	Chairman	Independent Director
Mr. Ashok C. Shah	Member	Director
Mr. Shalin A. Shah	Member	Director
Ms. Dakshaben Bhatt (Upto 10/08/2016)	Member	Independent Director
Ms. Payal Makani (From 14/11/2016)	Member	Independent Director

Committee Members	Meetings held	Meetings attended
Mr. Hitesh Donga	1	1
Mr. Ashok C. Shah	1	1
Mr. Shalin A. Shah	1	1

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Stakeholders' Relationship Committee performs various functions provided under Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and section 178 of the Companies Act, 2013. The Committee comprises of three Directors out of which one is independent. It is headed by Mr. Ashok C. Shah, a Director.

Name	Designation	Category
------	-------------	----------

Mr. Ashok C. Shah	Chairman	Director
Mr. Shalin A. Shah	Member	Director
Mr. Hitesh Donga	Member	Independent Director

**Attendance of each member of the committee:**

Committee Members	Meetings held	Meetings attended
Mr. Ashok C. Shah	4	4
Mr. Shalin A. Shah	4	3
Mr. Hitesh Donga	4	4

The Stakeholders' Relationship Committee has been constituted to administer the following activities:

- a. Transfer of shares
- b. Transmission of shares
- c. Issue of Duplicate Share Certificates
- d. Change of Status
- e. Change of Name
- f. Transposition of Shares
- g. Sub-Division of Share Certificates
- h. Consolidation of folios
- i. Shareholders' requests for Dematerialization of shares
- j. Shareholders' requests for Rematerialization of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.

The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd, who processes the transfers.

- ✓ No. of shareholders' complaints received – 1
- ✓ No. of shareholders' complaints resolved - 1
- ✓ No. of complaints not solved to the satisfaction of shareholders -- **NIL**.
- ✓ No. of pending share transfers -- **NIL**.
- ✓ As at 31<sup>st</sup> March, 2017 no equity Shares were pending for transfer.

**5. INDEPENDENT DIRECTORS' FAMILIARISATION PROGRAMME:**

As per requirements under the Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company undertook familiarization Programme for Independent Directors in order to familiarize them with business model, management structure, product portfolio, Industry overview, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc. The policy on familiarization Programme for Independent Directors has been uploaded on the Company's website at the following link-  
[http://www.lesha.in/PDF\\_Reports/Policies/Familiarization%20Program%20for%20Independent%20Director.pdf](http://www.lesha.in/PDF_Reports/Policies/Familiarization%20Program%20for%20Independent%20Director.pdf)

**6. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for fair disclosure and prevention of Insider Trading in order to regulate, monitor and control trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

**7. SUBSIDIARY/ASSOCIATE COMPANY:**

No Subsidiary/Associate Company.

**8. POSTAL BALLOT AND E-VOTING:**

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting held on September 29, 2016 for the year ended 31<sup>st</sup> March, 2016 and for the Court convened meeting of the members of the Company held on August 22, 2016. The Company had appointed Mr. Chintan K. Patel, Practising Company Secretary to act as Scrutinizer for the entire e-voting process.

**9. ANNUAL GENERAL MEETINGS AND EXTRA ORDINARY GENERAL MEETING:**

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2013-14	30/09/2014	02:00 p.m.	7th Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006	---
2014-15	29/09/2015	01:00 p.m.	7th Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006	1
2015-16	29/09/2016	03:00 p.m.	7th Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006	1

No Resolutions were put through postal ballot.

Resolutions were passed through E-voting and poll at the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2016.

One Special Resolution was passed at the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March 2016.

During the year, Court convened meeting of the members of the Company was held on August 22, 2016 where the Resolution was duly passed through E-voting and poll.

**10. DEMAT / REMAT OF SHARES**

Details of Shares Dematerialized / Rematerialized during the last financial year is as below:

- |    |                                     |     |
|----|-------------------------------------|-----|
| a) | Number of Demat requests approved   | Nil |
| b) | Number of Shares Dematerialized     | Nil |
| c) | Percentage of Shares Dematerialized | Nil |
| d) | Number of Remat requests approved   | Nil |
| e) | Number of Shares Rematted           | Nil |

Representatives of the Company are constantly in touch with M/s. Purva Sharegistry (India) Pvt. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

**11. SHAREHOLDING OF NON-EXECUTIVE NON-PROMOTER DIRECTORS**

Mrs. Daksha Bhatt, Independent Director (Upto 10/08/2016) holds 2000 equity shares in the Company as on 31/03/2017.

**12. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

Mr. Ashok C. Shah, Non-Executive Director is the father of Mr. Shalin A. Shah, Director. No other Director of the Company is related to any other Director.

**13. DISCLOSURES:**

- A. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- B. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- C. **Whistle Blower Policy**  
In terms of Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.  
([http://lesha.in/PDF\\_Reports/Policies/Whistle%20Blower%20Policy.pdf](http://lesha.in/PDF_Reports/Policies/Whistle%20Blower%20Policy.pdf))
- D. The Company has no subsidiaries and has adopted policy on dealing with related party transactions ([http://lesha.in/PDF\\_Reports/Policies/Related%20Party%20Transaction%20Policy.pdf](http://lesha.in/PDF_Reports/Policies/Related%20Party%20Transaction%20Policy.pdf))
- E. Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**Mandatory requirements:**

The Company complies with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, with regard to corporate governance.

**Non-Mandatory requirements:**

- a) Office for non-executive Chairman at company's expense: No
- b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- c) Audit Qualifications: Complied as there are no audit qualifications
- d) Separate posts of Chairman & CEO: Not applicable
- e) Reporting of Internal Auditors directly to Audit Committee: Complied
- F. **CEO certification:**  
The Director of the Company has certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the certificate forms part of Annual Report.
- G. **Accounting treatment**  
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

**14. MEANS OF COMMUNICATION:**

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results in the prescribed form and announces forthwith the results and intimate to the Bombay Stock Exchanges Ltd. where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

**15. ADDITIONAL INFORMATION TO SHAREHOLDERS**

- a. **Annual General Meeting:**  
**Date:** 28<sup>th</sup> September, 2017  
**Time:** 11:00 a.m.  
**Address:** 7th Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006
- b. **Calendar of Financial Year ended 31st March, 2017**



The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31<sup>st</sup> March, 2017 were held on the following dates:

**First Quarter Results:** 13<sup>th</sup> August, 2016

**Second Quarter and Half yearly Results:** 14<sup>th</sup> November, 2016

**Third Quarter Results:** 14<sup>th</sup> February, 2017

**Fourth Quarter and Annual Results:** 25<sup>th</sup> May, 2017

**c. Tentative Calendar for financial year ending 31<sup>st</sup> March, 2018**

Unaudited Results for the quarter ended 30/06/2017	Second Week of September, 2017
Unaudited Results for the quarter ended 30/09/2017	Second Week of December, 2017
Unaudited Results for the last quarter ended 31/12/2017	Second Week of February 2018
Audited Results for the quarter ended 31/03/2018	Fourth Week of May 2018
Annual General Meeting for the year ending 31st March, 2018	September 30, 2018

**d. Date of Book Closure**

25<sup>th</sup> September, 2017 to 27<sup>th</sup> September, 2017 (both days inclusive) for Annual General Meeting.

**e. Regd. Office**

7th Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006

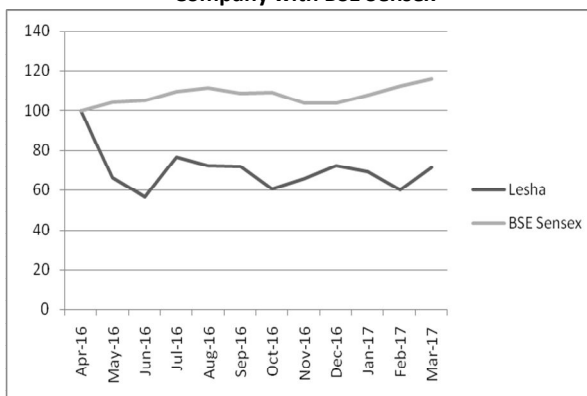
**f. Equity shares of the Company are listed on Bombay Stock Exchange situated at P. J. Towers, Dalal Street, Fort, Mumbai-400001.**

**g. Scrip Code:- 533602 (BSE), Scrip ID: LESHAIND, ISIN : INE050L01022**

**h. Stock Market Data (in ₹ / Per Share)**

Month	Market Price Equity Share	
	Month's High	Month's Low
April, 2016	4.50	3.00
May, 2016	3.70	2.01
June, 2016	2.99	2.10
July, 2016	2.92	1.96
August, 2016	3.70	2.75
September, 2016	2.88	2.74
October, 2016	2.74	2.28
November, 2016	2.82	2.30
December, 2016	3.23	2.60
January, 2017	3.07	2.55
February, 2017	2.85	2.28
March, 2017	3.00	2.17

**Indicative Comparison of Market Price Equity Share of the Company with BSE Sensex**



**i. Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, Purva Sharegistry (India) Pvt. Ltd. All valid transfers are processed within 15 days from the date of receipt

**j. Shareholding pattern as on 31-03-2017 is as given below :**

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	33,87,223	35.91
2	Persons acting in Concert	--	--

3	Mutual Funds, UTI, Banks, Financial Institutions, Insurance Companies Central /State Govt., Government institutions	297	--
4	FII's	--	--
5	NRIs	5305	0.06
6	Bodies Corporate	19,50,557	20.68
7	Others	40,90,256	43.35
	<b>Grand Total</b>	<b>94,33,638</b>	<b>100.00</b>

**k. Distribution of Shareholding as on 31<sup>st</sup> March, 2017 is as under:**

Slab of Share Holding of Nominal Value Of	No. of Shareholders	% of Shareholders	Amount (in Rs.)	% of Capital
1-5000	6835	91.38	5943870	6.30
5001-10000	276	3.69	2231580	2.37
10001-20000	139	1.86	2115060	2.24
20001-30000	52	0.70	1331510	1.41
30001-40000	29	0.39	1031160	1.09
40001-50000	26	0.35	1228230	1.30
50001-100000	60	0.80	4354630	4.62
100001 and above	63	0.84	76100340	80.67
<b>TOTAL</b>	<b>7480</b>	<b>100</b>	<b>94336380</b>	<b>100.00</b>

**i. Dematerialization of Shares and liquidity**

The shares of the company are permitted for demat on NSDL and CDSL

**Issued, Subscribed and Paid up Capital as on March 31, 2017: 94,33,638**

A. Electronic Holding in NSDL	:	25,07,342
B. Electronic Holding in CDSL	:	64,02,597
C. Physical Holding	:	5,23,699

**m. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity-**  
Not applicable

**n. Investors' correspondence:**

For transfer / dematerialization of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

PURVA SHAREGISTRY (INDIA) PVT. LTD. (Unit : Lesha Industries Limited), Shiv Shakti Industrial Estates, Unit No. 9, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400 011.

**o. Compliance Officer of the Company:** Mr. Shalin Shah

**p.** There are no shares lying in the demat suspense account or unclaimed suspense account.

**Place: Ahmedabad**  
**Date: August 21, 2017**

**For and on behalf of the Board**

<b>SD/-</b>	<b>SD/-</b>
<b>Ashok Shah</b>	<b>Shalin Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 02467830</b>	<b>DIN: 00297447</b>

**DECLARATION**

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct of Directors and Senior Management as approved by the Board.

**Place: Ahmedabad**

**Date: August 21, 2017**

**For and on behalf of the Board**

<b>SD/-</b>	<b>SD/-</b>
<b>Ashok Shah</b>	<b>Shalin Shah</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 02467830</b>	<b>DIN: 00297447</b>

**ANNEXURE – VI TO THE DIRECTORS REPORT****NON APPLICABILITY OF SUBMISSION OF REPORT ON CORPORATE GOVERNANCE AS PER EXEMPTION GIVEN IN  
REGULATION 15 (2) (A) OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015**

To the Members of the **LESHA INDUSTRIES LIMITED**

This is to certify that in order to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with, Regulation 15 (2) (a) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Paid up capital of the Company Lesha Industries Limited is not exceeding Rs. 10 Crores i.e. Rs. 9,43,36,380/- (Rupees Nine Crore Forty Three Lac Thirty Six Thousand Three Hundred Eighty only) and the Networth is less than Rs. 25 Crores i.e. Rs. 20,86,91,961/- (Rupees Twenty Crore Eighty Six Lacs Ninety One Thousand Nine Hundred Sixty One Only) as on the last day of the previous financial year i.e. 31<sup>st</sup> March, 2017. Therefore it is not required to submit Report on Corporate Governance.

**Place: Ahmedabad**

**Date: August 21, 2017**

**For and on behalf of the Board**

**SD/-**  
**Shalin A. Shah**  
**Director**  
**DIN: 00297447**

**CEO CERTIFICATION**

**To,  
The Board of Directors,  
LESHA INDUSTRIES LIMITED  
Ahmedabad.**

We hereby certify that:

- i. We have reviewed the financial statements and the cash flow statement of the Financial Year 2016-17 and that to the best of our knowledge and belief.
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violated of the Company's code of conduct.
- iii. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no inefficiencies in the design or operation of internal controls, prevailing in the company.
- iv. We hereby certify that :
  - a. There have been no significant changes in internal control during the year.
  - b. There have been no significant changes in accounting policies during the year and
  - c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

**Place: Ahmedabad  
Date: August 21, 2017**

**For and on behalf of the Board**

**SD/-  
Shalin A. Shah  
Director  
DIN: 00297447**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Lesha Industries Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of **LESHA INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Matter of Emphasis:**

- The company has in past granted/renewed loans and advances to other companies, which has been identified as non-performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding nonperforming assets amounting to **Rs. 305.82 lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.

- The company is carrying "P & P Expenses and issue related expenses" of Rs.9,59,198/- as "other current assets" which in our opinion needs to be written off. And Due to the same Profit & Loss account is understated. So the amount of **Rs. 9,59,198/-** needs to be written off in the forthcoming financial years.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the matter of emphasis paragraph above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which is 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014), together with the early adoption by the Company of Accounting Standard (AS) 30 Financial Instruments, Recognition and Measurement, effective April 1, 2007, and the consequential limited revisions as has been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in Note 2 (a) and 38.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

**For, G M C A & Co.**  
Chartered Accountants  
FRN: 109850W

**CA. Mitt S. Patel**  
(Partner)  
Membership No. 163940

Place : Ahmedabad  
Date : 25/05/2017

**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2017**

To,

The Members of LESHA INDUSTRIES LIMITED

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) Yes, The Title deeds of Immovable Properties are held in the name of the Company.

(2) In Respect of Inventories

As explained to us, the inventories (excluding inventories with third parties) were physically verified during the year by the Management at reasonable intervals.

(3) Compliance under section 189 of The Companies Act, 2013

The Company has not granted any loan to the parties covered in the register maintained u/s 189 of the companies Act, 2013.

- (a) As there is no such loan, question of prejudicially does not arise.
- (b) As there is no such loan, question of repayment terms & conditions also does not arise.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

(4) Compliance under section 185 and 186 of The Companies Act , 2013

While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

According to information and explanations given to us, the Company has not accepted any deposits from public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

(6) Maintenance of cost records

The Company is not required to maintain cost Records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and were in arrears, as of 31st March, 2017 for a period of more than six months from the date they became payable.

(8) Repayment of Loans and Borrowings

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The Company has not applied term loans for the purposes other than for which those are raised

**(10) Reporting of Fraud During the Year**

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

**(11) Managerial Remuneration**

Managerial Remuneration has not been provided by the Company

**(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available with us The company is not Nidhi Company.

**(13) Related party compliance with Section 177 and 188 of companies Act - 2013**

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

**(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

No such allotment has been made during the year

**(15) Compliance under section 192 of Companies Act – 2013**

The company has not entered into any non-cash transactions with directors or persons connected with him.

**(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

**For, G M C A & Co.**  
Chartered Accountants  
FRN: 109850W

**CA. Mitt S. Patel**  
(Partner)  
Membership No. 163940

**Place :** Ahmedabad

**Date :** 25/05/2017

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**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 **M/S. LESHA INDUSTRIES LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls. 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

**For, G M C A & Co.**  
Chartered Accountants  
FRN: 109850W

**Place :** Ahmedabad  
**Date :** 25/05/2017

**CA. Mitt S. Patel**  
(Partner)  
Membership No. 163940

**BALANCE SHEET AS AT 31/03/2017**

Particulars	Note No.	2016-17	2015-16
<b>I. Equity &amp; Liabilities</b>			
<b>1. Share Holders' Fund</b>		<b>20,86,91,961</b>	<b>21,03,56,506</b>
(a) Share Capital	1	9,43,36,380	9,43,36,380
(b) Reserve & Surplus	2	11,43,55,581	11,60,20,126
<b>2. Noncurrent Liabilities</b>		<b>45,47,974</b>	<b>45,47,974</b>
(a) Long term borrowing	3	15,02,902	15,02,902
(b) deferred tax liabilities (Net)	4	30,45,072	30,45,072
(c) Other Long term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>3. Current Liabilities</b>		<b>4,70,85,807</b>	<b>6,43,80,327</b>
(a) Short Term Borrowings	5	91,10,500	94,31,000
(b) Trade Payables	6	3,73,66,301	5,43,04,816
(c) Other Current Liabilities	7	6,09,006	6,44,511
(d) Short Term Provisions		-	-
<b>Total</b>		<b>26,03,25,742</b>	<b>27,92,84,807</b>
<b>II. Assets</b>			
<b>1. Non-Current Assets</b>		<b>11,79,59,522</b>	<b>10,11,73,409</b>
(a) Fixed Assets	8	<b>7,47,37,924</b>	<b>7,50,01,811</b>
(i) Tangible Assets		7,47,37,924	7,50,01,811
(ii) Intangible Assets		-	-
(b) Non-Current Investments	9	1,19,17,310	1,19,17,310
(c) Long Term Loans & Advances	10	3,13,04,288	1,42,54,288
(d) Other Non-Current Assets		-	-
<b>2. Current Assets</b>		<b>14,23,66,220</b>	<b>17,81,11,398</b>
(a) Inventories	11	4,68,031	2,66,899
(b) Trade Receivables	12	9,76,29,359	11,47,62,281
(c) Cash & Cash Equivalents	13	1,77,842	52,811
(d) Short term Loans & Advances	14	4,31,31,790	6,20,70,209
(e) Other Current Assets	15	9,59,198	9,59,198
<b>Total</b>		<b>26,03,25,742</b>	<b>27,92,84,807</b>

For Lesha Industries Limited

For, G M C A & Co.  
Chartered Accountants  
FRN No:109850WAshok C. Shah  
Director  
DIN : 02467830  
Place : Ahmedabad  
Date : 25/05/2017Shalin A Shah  
Director  
DIN : 00297447CA. Mitt S. Patel  
Partner  
Membership No. 163940

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01-04-2016 TO 31-03-2017**

Particulars	Note No.	2016-17	2015-16
I Revenue From Operations	16	76,40,566	8,96,29,908
II Other Income	17	32,837	40,815
<b>III Total Revenue (I+II)</b>		<b>76,73,403</b>	<b>8,96,70,723</b>
<b>IV Expenses</b>			
Purchase of Stock in Trade	18	78,24,463	5,40,54,937
Changes in Inventories	19	(2,01,132)	3,37,75,208
Employee Benefit Expenses	20	2,83,150	1,74,628
Finance Costs	21	9,329	5,404
Depreciation & Amortisation Expenses	22	2,63,887	2,99,769
Other Expenses	23	11,58,251	19,54,230
<b>Total Expenses</b>		<b>93,37,948</b>	<b>9,02,64,178</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(16,64,545)</b>	<b>(5,93,455)</b>
VII Exceptional Items		-	-
<b>VIII Profit Before Extraordinary Items &amp; Tax</b>		<b>(16,64,545)</b>	<b>(5,93,455)</b>
Extraordinary Items		-	-
<b>IX Profit Before Tax</b>		<b>(16,64,545)</b>	<b>(5,93,455)</b>
<b>X Tax Expenses</b>			
Current Tax/ Interest on Income Tax/ Deferred Tax		-	-
<b>XI Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(16,64,545)</b>	<b>(5,93,455)</b>
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
<b>XIV Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit/(Loss) for the Period(XI+XIV)</b>		<b>(16,64,545)</b>	<b>(5,93,455)</b>
<b>XVI Earning Per Equity Share</b>			
Basic		(0.18)	(0.06)
Diluted		(0.18)	(0.06)

The Notes referred to above form an integral part of the Balance Sheet

For Lesha Industries Limited

For, G M C A & Co.  
Chartered Accountants  
FRN No:109850W

Ashok C. Shah  
Director  
DIN : 02467830  
Place : Ahmedabad  
Date : 25/05/2017

Shalin A Shah  
Director  
DIN : 00297447

CA. Mitt S. Patel  
Partner  
Membership No. 163940

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(16,64,545)	(5,93,455)
Adjustments for:		
Add Depreciation	2,63,887	2,99,769
Less Dividend Income	(1,425)	(33,350)
Add Preliminary Expenses Written Off	-	1,56,034
Add Interest Expenses	-	11
Less Short Term Capital Gain (Mutual Fund)	-	(7,465)
Operating Profit / (Loss) before Working Capital Changes	<u>(14,02,083)</u>	<u>(1,78,456)</u>
Adjustments for:		
Increase/(Decrease) in creditors	(1,69,38,515)	(20,92,246)
Increase/(Decrease) in other current liabilities & provisions	(3,56,005)	3,18,659
(Increase)/Decrease in debtors	1,71,32,922	(32,42,090)
(Increase)/Decrease in inventories	(2,01,132)	3,37,75,208
(Increase)/Decrease in other current assets	-	-
<b>Cashflow generated from Operating Activities</b>	<b>(17,64,813)</b>	<b>2,85,81,076</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b><u>(17,64,813)</u></b>	<b><u>2,85,81,076</u></b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Fixed Assets		(15,000)
Sale of Investments		1,25,00,000
Purchase of Investments		(15,00,000)
Share Application Money Received Back		-
Dividend Income	1,425	33,350
<b>Net Cashflow generated from Investments Activities B</b>	<b><u>1,425</u></b>	<b><u>1,10,18,350</u></b>
<b>C Cash flow from Financiing Activities</b>		
Interest Expenses		(11)
(Increase)/Decrease in other non-current assets	-	-
(Increase)/Decrease in short term loans & advances	1,89,38,419	6,36,42,040
(Increase)/Decrease in Long term loans & advances	(1,70,50,000)	-
Increase/(Decrease) in non current liabilities & provisions	-	-
Net Change in Unsecured Loans Taken		(10,44,62,372)
Movement in Loans & Advances Granted		19,776
<b>Net Cashflow generated from Financing Activities C</b>	<b><u>18,88,419</u></b>	<b><u>(4,08,00,567)</u></b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b><u>1,25,031</u></b>	<b><u>(12,01,141)</u></b>
Opening Cash & Cash Equivalents	52,811	12,53,953
<b>Closing Cash &amp; Cash Equivalents</b>	<b>1,77,841</b>	<b>52,811</b>

For Lesha Industries Limited

For, G M C A & Co.  
Chartered Accountants  
FRN No:109850WAshok C. Shah  
Director  
DIN : 02467830  
Place : Ahmedabad  
Date : 25/05/2017Shalin A Shah  
Director  
DIN : 00297447CA. Mitt S. Patel  
Partner  
Membership No. 163940

**NOTES TO THE FINANCIAL STATEMENTS****1 SHARE CAPITAL****1.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	2016-17		2015-16	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 10.00 each	1,90,00,000	19,00,00,000	1,90,00,000	19,00,00,000
<b>Total</b>	<b>1,90,00,000</b>	<b>19,00,00,000</b>	<b>1,90,00,000</b>	<b>19,00,00,000</b>
<b>Issued Share Capital</b>				
Equity Shares of ₹ 10.00 each	94,33,638	9,43,36,380	94,33,638	9,43,36,380
<b>Total</b>	<b>94,33,638</b>	<b>9,43,36,380</b>	<b>94,33,638</b>	<b>9,43,36,380</b>
<b>Subscribed and fully paid</b>				
Equity Shares of ₹ 10.00 each	94,33,638	9,43,36,380	94,33,638	9,43,36,380
<b>Total</b>	<b>94,33,638</b>	<b>9,43,36,380</b>	<b>94,33,638</b>	<b>9,43,36,380</b>

**1.2 Details Of Shares For Preceding Five Years**

Particular	01-04-2012 to 31-03-2017
Number Of Equity Shares Bought Back	0
Number Of Preference Shares Redeemed	0
Number of Equity Share Issue as Bonus Share	0
Number of Preference Share Issue as Bonus Share	0
Number of Equity Shares Allotted For Contracts Without Payment Received In Cash	0
Number of Preference Shares Allotted For Contracts Without Payment Received In Cash	0

**1.3 Reconciliation of share capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares (Face Value ₹ 10.00)</b>				
Shares Outstanding at the Beginning of the Year	94,33,638	9,43,36,380	94,33,638	9,43,36,380
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
Shares Outstanding at the End of the Year	<b>94,33,638</b>	<b>9,43,36,380</b>	<b>94,33,638</b>	<b>9,43,36,380</b>

- 1.4** The Scheme of Arrangement in the nature of demerger of Trading & Investment division of the Company to the erstwhile Ashnisha Alloys Private Limited (now Ashnisha Industries Limited) is sanctioned by the National Company law Tribunal (NCLT) Ahmedabad bench on May 29, 2017. Accordingly, 83,01,601 equity shares are reduced as per the said Scheme and offer reduction the Equity share capital of the Company is 1,13,20,370 i.e. 11,32,037 equity shares of Rs. 10 each from the effective date i.e. June 02, 2017.

**1.5 Shareholders holding more than 5% of Share**

Name of the Shareholders	2016-17		2015-16	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Shalin Ashok Shah	831241	8.81	831241	8.81
Tanya Estate Pvt. Ltd.	516240	5.47	516240	5.47
Ashok Chinubhai Shah	476253	5.05	476253	5.05
Chintan Narendra Shah	-	-	891000	9.44
Hitesh J Panara	891000	9.44	-	-

**2. Reserves and Surplus**

Particulars	2016-17	2015-16
<b>Securities Premium Account</b>		
Opening balance	6,30,46,000	6,30,46,000
(+) /(-) Allotment of Shares	-	-
Closing balance	<b>6,30,46,000</b>	<b>6,30,46,000</b>
<b>General Reserve</b>		
Balance as per last balance sheet	7,04,02,862	7,04,02,862
(+) Adjustment in pursuant to the scheme of Demerger	-	-
Closing Balances	<b>7,04,02,862</b>	<b>7,04,02,862</b>
<b>Profit &amp; Loss A/c</b>		
Opening balance	(1,74,28,737)	(1,68,35,282)
(-) Current year transfer's loss	(16,64,545)	(5,93,455)
Closing balance	<b>(1,90,93,282)</b>	<b>(1,74,28,737)</b>
<b>Total</b>	<b>11,43,55,581</b>	<b>11,60,20,126</b>

**3. Long-Term Borrowings**

Particulars	2016-17	2015-16
<b>Deferred Payment Credit</b>		
Deferred Payment Credit from Gujarat Industrial Development Corporation Ltd. (Towards Leasehold Land)	15,02,902	15,02,902
<b>Total</b>	<b>15,02,902</b>	<b>15,02,902</b>

**4. Deferred Tax Liabilities (Net)**

Particulars	2016-17	2015-16
<b>Deferred Tax Liabilities</b>		
Due to Depreciation	30,45,072	30,45,072
<b>Total</b>	<b>30,45,072</b>	<b>30,45,072</b>

**5. Short-Term Borrowings**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Unsecured Loans repayable on Demand</b>		
Loan from Directors	6,82,000	92,000
Loan From Body Corporate	84,28,500	93,39,000
<b>Total</b>	<b>91,10,500</b>	<b>94,31,000</b>

**6. Trade Payables**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Dues to Micro and Small Enterprise	-	-
Others	3,73,66,301	5,43,04,816
<b>Total</b>	<b>3,73,66,301</b>	<b>5,43,04,816</b>

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- (a) Amount due and outstanding to suppliers as at the end of the accounting year;
- (b) interest paid during the year;
- (c) interest payable at the end of the accounting year;
- (d) interest accrued and unpaid at the end of the accounting year;

have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

**7. Other Current Liabilities**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Statutory Dues	-	26,995
Other Payables	6,09,006	6,17,516
<b>Total</b>	<b>6,09,006</b>	<b>6,44,511</b>

## 8 Fixed Assets

Particulars	Opening	Addition	Deduction	Acquire through Business Combination	Closing	Opening Balance	Depreciation Charge	Deduction	Closing Balance	Opening	Closing
Office Equipments	2,14,894	-	-	-	2,14,894	1,66,717	6,723	-	1,73,440	48,177	41,454
Furniture	8,12,068	-	-	-	8,12,068	3,42,479	86,964	-	4,29,443	4,69,589	3,82,625
Factory Building	2,36,74,073	-	-	-	2,36,74,073	7,90,714	-	-	7,90,714	2,28,83,359	2,28,83,359
Vehicles	47,620	-	-	-	47,620	24,284	4,232	-	28,516	23,336	19,104
Office Premises	74,69,585	-	-	-	74,69,585	9,69,057	1,61,612	-	11,30,669	65,00,528	63,38,916
Electric Installations	70,924	-	-	-	70,924	63,527	-	-	63,527	7,397	7,397
Land	4,50,00,000	-	-	-	4,50,00,000	-	-	-	-	4,50,00,000	4,50,00,000
Pump	36,000	-	-	-	36,000	7,218	2,660	-	9,878	28,782	26,122
Tower	92,825	-	-	-	92,825	52,182	1,696	-	53,878	40,643	38,947
<b>Total Tangible Assets</b>	<b>7,74,17,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,74,17,989</b>	<b>24,16,178</b>	<b>2,63,887</b>	<b>-</b>	<b>26,80,065</b>	<b>7,50,01,811</b>	<b>7,47,37,924</b>



**9. Non Current Investments**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>(A) Other Investments - Quoted</b>	<b>29,09,845</b>	<b>29,09,845</b>
<b>(1) Investment in Equity Shares</b>		
<b>(a) Associate Concerns</b>		
298900 Equity Shares of Rs 10/- Each of Gujarat Natural Resources Limited	29,09,845	29,09,845
<b>(B) Other Investments - Un Quoted</b>	<b>90,07,465</b>	<b>90,07,465</b>
<b>(1) Investment in Equity Shares</b>		
<b>(a) Others</b>		
8,00,000 Equity Shares of Rs 10/- Each of EZI Ventures Private Limited	80,00,000	80,00,000
<b>(2) Investment in Mutual Funds</b>		
<b>(a) Others</b>		
HDFC Bank Mutual Fund	10,07,465	10,07,465
<b>Total</b>	<b>1,19,17,310</b>	<b>1,19,17,310</b>
<b>Market Value of the Quoted Shares</b>	1,05,06,335	1,67,38,400
<b>Market Value of the Un Quoted Shares</b>	80,00,000	80,00,000

**10 Long term Loans & Advances**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Security Deposit</b>	<b>6,52,000</b>	<b>6,52,000</b>
Unsecured, Considered Good	6,52,000	6,52,000
<b>Other Long Term Loans &amp; Advances</b>	<b>3,06,52,288</b>	<b>1,36,02,288</b>
Other Advances	1,88,79,113	18,29,113
Capital Advances	75,00,000	75,00,000
Advance to Suppliers	42,03,189	42,03,189
Balance with Government Authorities	69,986	69,986
<b>Total</b>	<b>3,13,04,288</b>	<b>1,42,54,288</b>

**11 Inventories**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Stock In Trade	-	-
Shares	4,68,031	2,66,899
<b>Total</b>	<b>4,68,031</b>	<b>2,66,899</b>

**12 Trade Receivables**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Outstanding for less than 6 months from the due date	9,35,92,421	11,07,25,343
Unsecured, considered good		
Outstanding for more than 6 months from the due date	40,36,938	40,36,938
Unsecured, considered good		
<b>Total</b>	<b>9,76,29,359</b>	<b>11,47,62,281</b>

**13 Cash & Cash Equivalents**

Particulars	2016-17	2015-16
<b>Balances with Banks</b>	<b>82,275</b>	<b>43,680</b>
In Current Account	82,275	43,680
<b>Cash on Hand</b>	<b>95,566</b>	<b>9,131</b>
<b>Total</b>	<b>1,77,841</b>	<b>52,811</b>

**14 Short term Loans & Advances**

Particulars	2016-17	2015-16
<b>Other Loans &amp; Advances</b>		
<b>Unsecured, Considered good</b>		
Loan to Corporate Bodies	2,39,21,056	2,58,56,556
Loan to Related Parties	-	-
Other Loans	1,90,00,000	3,60,53,529
VAT Credit	-	-
Other Advances	2,10,734	1,60,124
<b>Total</b>	<b>4,31,31,790</b>	<b>6,20,70,209</b>

**15 Other Current Assets**

Particulars	2016-17	2015-16
Preliminary Expenses	3,12,068	3,12,068
Pre-Operative Expenses	6,47,130	6,47,130
<b>Total</b>	<b>9,59,198</b>	<b>9,59,198</b>

**16 Revenue from Operations**

Particulars	2016-17	2015-16
<b>(A) Sale of Products &amp; Services</b>	<b>76,40,566</b>	<b>8,96,13,826</b>
(1) Sale of Steel Products	65,46,026	5,52,81,946
(2) Sale of Shares	10,94,540	9,05,099
(3) Sale of Toys	-	(17,39,182)
(4) Sale of Electronic Items	-	3,35,65,963
(5) Networking Study System Fees Income	-	16,00,000
<b>(B) Profit/(Loss) on F&amp;O Trading</b>	<b>-</b>	<b>16,082</b>
<b>Total</b>	<b>76,40,566</b>	<b>8,96,29,908</b>

**17 Other Income**

Particulars	2016-17	2015-16
Dividend Income	1,425	33,350
Miscellaneous Income	28,077	-
Short Term Capital Gain	-	7,465
Prior Period Income	3,335	-
<b>Total</b>	<b>32,837</b>	<b>40,815</b>

**18 Purchase of Stock in Trade**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>(A) Purchase of Products</b>		
(1) Purchase of Steel	65,27,500	5,50,76,320
(2) Purchase of Shares	12,96,963	5,43,876
(3) Purchase of Toys	-	(15,65,259)
(4) Purchase of Electronic Items	-	-
<b>Total</b>	<b>78,24,463</b>	<b>5,40,54,937</b>

**19 Change in Inventory**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>(A) Opening Stock</b>	<b>2,66,899</b>	<b>3,40,42,108</b>
<b>Finished Goods</b>		
(1) Equity Shares	2,66,899	5,39,006
(2) Electronic Items	-	3,35,03,102
<b>(A) Closing Stock</b>	<b>4,68,031</b>	<b>2,66,899</b>
<b>Finished Goods</b>		
(1) Equity Shares	4,68,031	2,66,899
(2) Electronic Items	-	-
<b>Total</b>	<b>(2,01,132)</b>	<b>3,37,75,208</b>

**20 Employee Benefit Expenses**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Salary & Wages	2,83,150	1,74,628
<b>Total</b>	<b>2,83,150</b>	<b>1,74,628</b>

**21 Finance Costs**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Interest Expense	-	11
Bank Charges	9,329	5,393
<b>Total</b>	<b>9,329</b>	<b>5,404</b>

**22 Depreciation & Amortization Expenses**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Depreciation	2,63,887	2,99,769
<b>Total</b>	<b>2,63,887</b>	<b>2,99,769</b>

**23 Other Expenses**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Payment to Auditors *	34,500	34,500
Rates & Taxes (Excluding Income-Tax)	1,08,100	2,60,128
Network Study Jobwork Charges	-	2,01,500
Travelling Expenses	-	45,397
Miscellaneous Expenses	10,15,651	14,12,705
Preliminary Expenses Write Off	-	1,56,034
Communication Cost	81,081	95,709
Prior Period Expenses	-	7,644
Legal & Professional Charges	4,49,300	6,73,995
Other Miscellaneous Expenses	4,85,270	4,57,324
Penalty (Income Tax)	-	22,000
<b>Total</b>	<b>11,58,251</b>	<b>19,54,230</b>
* Payment to Auditors		
For Audit Fees	34,500	34,500
For Others	-	-

**25. Significant Accounting Policies****Company Overview**

Lesha Industries Limited ("the company") is a listed company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of trading of various steel products and in the electronic items. The company is listed on Bombay Stock Exchange.

**Basis for Preparation of Financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule III to the Companies Act, 2013 for preparation of Financial Statements. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**Inventories**

- The inventories including stock of shares are valued on the Cost basis.

- Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

#### **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit or (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

#### **Fixed assets**

Fixed Assets are stated at cost less depreciation. Cost comprises of cost of acquisition and any attributable cost of bringing the assets to the condition for its intended use. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **Depreciation and Amortization**

Depreciation on fixed assets is calculated on a SLM basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

<u>Asset</u>	<u>Useful Life</u>
Office equipment	5 Years
Furniture	10 Years
Office Premise	60 Years
Vehicle	10 Years
Plant & Machinery	15 Years

#### **Impairment of assets**

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

#### **Revenue Recognition**

The principles of revenue recognition are given below:

- General systems of accounting is mercantile, accordingly the income/expenditure are recognized on accrual basis on reasonable certainty concept.
- Sales of goods traded accounted net off VAT receivable and payable and in case of share trading are accounted net off of other expenses such as STT, Service tax and Transaction charges etc.
- Dividend income is recognized when right to receive payment is established.

#### **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the notes forming part of the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **Investments**

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are measured at cost or market value whichever is lower, determined on an individual investment basis. Long Term Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

#### **Event occurring after the Balance Sheet Date**

No significant events which could affect the financial position as on 31st March, 2017, to a material extent have been reported by the management, after the Balance Sheet date till the signing the report.

**Prior period Items**

Prior period expenses/income is accounted for under respective heads. Material items, if any, are disclosed separately by way of note.

**Preliminary Expense**

Preliminary expenses as well as Pre – Operative expenses have not been written off in the current financial year.

**Earning Per Share**

The earning considered in ascertaining the Company's Earnings Per Share (EPS) comprises the net profit after tax. The number of shares used in computing Basic and diluted EPS is weighted average number of shares outstanding during the year as per the guidelines of AS-20 and calculation of EPS is shown in notes to account.

**26. Notes on Accounts**➤ **Contingent Liabilities**

According to the information & explanation provided by the company, There is one disputed tax liability outstanding of Rs. 2,55,14,970/- for the Financial Year 2012-13. The same is also reflecting on the Income Tax online Portal.

➤ **Capital Expenditure Commitments: Nil****Quantitative Details regarding stocks :**

Name Of Item	Units	Opening Stock	Purchase During the Previous Year	Sales During the Previous Year	Closing Stock
MS Plates	Kilo Grams	0	80000	80000	0
Steel Products	Kilo Grams	0	43500	43500	0

**Related Party Transactions:-**

As per Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr No	Name	Relationship
1	Shalin A. Shah	Director
2	Ashok C. Shah	Director
3	Leena A. Shah	Relative of the Director
4	Gujarat Natural Resources Ltd.	Associate Concern

**Transactions with Related Parties**

Sr No.	Name of relative	Nature of Transaction	Amount outstanding
1	Shalin A. Shah	Loan Taken	440000
		Loan Repaid	Nil
		<b>Closing Balance</b>	<b>532000</b>
2	Ashok C. Shah	Loan Taken	150000
		Loan Repaid	Nil
		<b>Closing Balance</b>	<b>150000</b>
3	Leena A. Shah	Loan Taken	24230
		Loan Repaid	24230
		<b>Closing Balance</b>	<b>Nil</b>
4	Gujarat Natural Resources Ltd. (For Expenses)	Loan Taken	25325
		Loan Repaid	Nil
		<b>Closing Balance</b>	<b>25325</b>

**Payment to the Auditors**

<b>PARTICULARS</b>	<b>2016-17</b>	<b>2015-16</b>
Audit Fees	34500	34500
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
<b>Total</b>	<b>34500</b>	<b>34500</b>

**Segment Reporting:**

Accounting standards interpretation (ASI) 20 dated 14-02-2004, issued by the accounting standard board of ICAI, on AS-17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there the company has following business segments:

1. Trading of Steel Product
2. Trading of Electronics Products
3. Dealing in Shares & Securities
4. Others

There is no secondary identifiable segment.

(Amount in Lacs)

Particulars	Steel		Shares/		Electronic		Others		Total	
	Commodities		Items							
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Segment Revenue</b>	65.46	552.82	10.94	12.49	-	318.27	-	18.32	76.41	901.9
External Turnover	65.46	552.82	10.94	12.49	-	318.27	-	18.32	76.41	901.9
Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
<b>Gross Turnover</b>	65.46	552.82	10.94	12.49	-	318.27	-	18.32	76.41	901.9
Less: Service Tax Recovered	-	-	-	-	-	-	-	2.32	-	2.32
<b>Gross Turnover</b>	65.46	552.82	10.94	12.49	-	318.27	-	16.00	76.41	899.58
<b>Segment Results before Interest &amp; Taxes</b>	0.18	2.06	(0.01)	1.05	-	(1.11)	-	14.39	0.17	16.39
Less: Finance Cost & Other un-allocable Expenditure	-	-	-	-	-	-	-	-	(17.15)	(22.32)
<b>Net Profit / (Loss) before Tax</b>	-	-	-	-	-	-	-	-	(16.98)	(5.93)
Less: Taxes	-	-	-	-	-	-	-	-	-	-
<b>Net Profit / (Loss) After Tax</b>	<b>0.18</b>	<b>2.06</b>	<b>(0.01)</b>	<b>1.05</b>	<b>-</b>	<b>(1.11)</b>	<b>-</b>	<b>14.39</b>	<b>(16.98)</b>	<b>(5.93)</b>

**Earnings per Share:-**

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of AS-20.

<b>Particulars</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
Net Profit Attributable to share holders	(16,64,545)	(5,93,455)
Weighted average number of equity shares (Nos.)	94,33,638	94,33,638
Basic and diluted earnings per share (Rs.)	(0.18)	(0.06)
Nominal value of equity share (Rs.)	10	10

Details of loan made during the year 2015-16 as per section 186(4) of The Companies Act 2013

(Amount in Lacs)

Name of the Entity	Nature of Transaction	Amount	Purpose of Loan	Period
India Infraspac Ltd.	Loan Given	0.60	Business	Short Term Advances – On Demand

- Regarding Specified Bank Notes Transactions (During the period of Demonetization):-  
The Ministry of Corporate Affairs (MCA) in its notification dated 30th March, 2017 amended Schedule III to the Companies Act, requiring companies to provide the following disclosure in the Financial Statements I respect of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016:

(in Rs.)

	SBNs	Other denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	0	27,556	27,556
(+) Permitted Receipts (Includes Cash Withdrawal From bank)	0	1,60,000	1,60,000
(-) Permitted Payments	0	81,742	81,742
(-) Amount deposited in Banks	0	0	0
Closing Cash in Hand as on 30th December, 2016	0	1,05,814	1,05,814

#### Others

- In opinion of the management of the company, all loans, advances and deposits are recoverable in cash or kind for value to be received for which no provision is required. However in the opinion of the auditors, it shall be prudent to make sufficient provision for such non-performing assets amounting to Rs. 305.82 Lacs.
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company are not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- As regarding loans from GIDC, the said amount is outstanding since long, the management has provided us with the explanation that as the GIDC has not allotted them their land, the said loan is not repayable and the repayment will start once the GIDC will allot the plot to the company.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For Lesha Industries Limited

For, G M C A & Co.  
Chartered Accountants  
FRN No:109850W

Ashok C. Shah  
Director  
DIN : 02467830  
Place : Ahmedabad  
Date : 25/05/2017

Shalin A Shah  
Director  
DIN : 00297447

CA. Mitt S. Patel  
Partner  
Membership No. 163940



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LESHA INDUSTRIES LIMITED

Regd.Office: 7<sup>th</sup> Floor, Ashoka Chambers, Nr. Mithakhali Six Roads, Ahmedabad – 380 006

CIN: L27100GJ1992PLC018607

ATTENDANCE SLIP

Name of the attending Shareholder/Proxy : \_\_\_\_\_
Shareholder's Folio No./Client ID : \_\_\_\_\_
No. of Shares held : \_\_\_\_\_

I/We hereby record my/our presence at the Annual General Meeting held on Thursday, September 28, 2017 at the Registered Office of the Company at 11:00 A.M.

Signature of the Attending Shareholder/Proxy: \_\_\_\_\_

- Notes : 1. Share holder/Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.
2. Share holder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting

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LESHA INDUSTRIES LIMITED

Regd.Office: 7<sup>th</sup> Floor, Ashoka Chambers, Nr. Mithakhali Six Roads, Ahmedabad – 380 006

CIN: L27100GJ1992PLC018607

PROXY FORM

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

CIN: L27100GJ1992PLC018607

Name of the company: LESHA INDUSTRIES LIMITED

Registered office: 7<sup>th</sup> Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad-380006.

Name of the member (s): \_\_\_\_\_ Folio No/ Client Id: \_\_\_\_\_
Registered address: \_\_\_\_\_ DP ID: \_\_\_\_\_
E-mail Id: \_\_\_\_\_

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

- 1. Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature:....., or failing him
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature:....., or failing him
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 28<sup>th</sup> Day of September, 2017 At 11:00 a.m. at 7<sup>th</sup> Floor, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this \_\_\_\_ Day of \_\_\_\_ 2017
Signature \_\_\_\_\_
Signature of Proxy Holder(s) \_\_\_\_\_

Affix Revenue Stamp

Notes:

- 1. Proxy need not be a member.
2. Alterations, if any made in the form of proxy should be initialled;
3. Proxy must be deposited at the Registered Office of Lesha Industries Limited not later than 48 hours before the time for holding the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of request in writing to the Company.

**BOOK POST**

To,

*If undelivered please return to:*

**LESHA INDUSTRIES LIMITED**

7<sup>th</sup> Floor, Ashoka Chambers,

Near Mithakhali Six Roads,

Ahmedabad – 380 006, Gujarat, India.