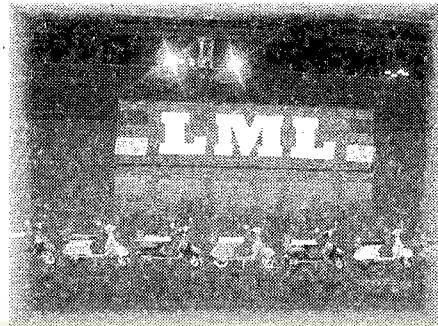
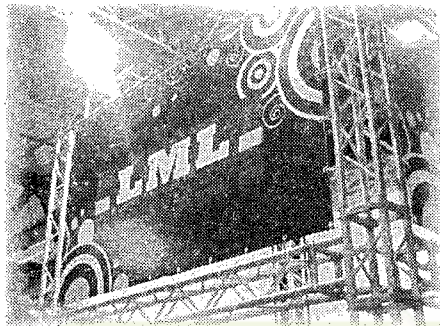
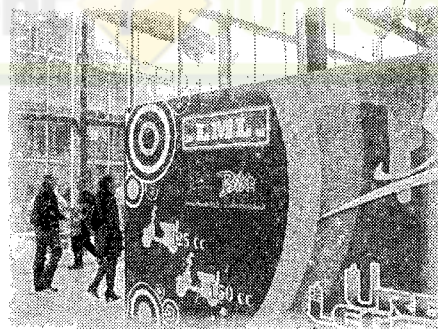


ANNUAL REPORT

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LML

LML LIMITED



BOARD OF DIRECTORS

DEEPAK SINGHANIA, *Chairman & Managing Director*

GAUTAM MEOUR, *Nominee, IFCI*

KULWANT SINGH, *Nominee, SASF*

SANGEETA SHARMA, *Nominee, EXIM BANK*

K K SHANGLOO, *Special Director, BIFR*

SHIROMANI SHARMA

S K AGGARWAL

LALIT KUMAR SINGHANIA, *Whole-time Director*

SANJEEV SHRIYA, *Whole-time Director*

A K SINGHANIA, *Whole-time Director*

R K SRIVASTAVA, *Whole-time Director*

EXECUTIVE DIRECTOR (COMMERCIAL) & COMPANY SECRETARY

K C AGARWAL

AUDITORS

KHANDELWAL JAIN & CO., *Chartered Accountants, Mumbai*

PARIKH & JAIN, *Chartered Accountants, Kanpur*

COST AUDITORS

J K KABRA & Co., *Cost Accountants, New Delhi*

BANKERS

HDFC BANK

J & K BANK

DEUTSCHE BANK

AXIS BANK

HSBC BANK

REGISTERED OFFICE

C-3, Panki Industrial Estate, Site - I,

Kanpur- 208 022

WORKS

Site Nos. II & III, C-10, Panki Industrial Estate,

Kanpur – 208 022

ADMINISTRATIVE OFFICE

714, Raheja Chambers, Nariman Point, Mumbai

REGIONAL OFFICE

Plot No. 7309, DLF Phase IV, Gurgaon - 122 002

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NOTICE

NOTICE is hereby given that Thirty third Annual General Meeting of the Members of LML Limited will be held on Saturday the 21st March 2009 at 11.00 AM at C-10, Panki Industrial Estate, Site-II-III, Kanpur – 208 022 to transact the following business (es) :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th September, 2008 and the Profit and Loss Account for the twelve months ended on that date, together with the Reports of Directors and Auditors thereon:
2. To appoint a Director in place of Mr Sanjeev Shriya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr A K Singhania, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and, 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 224 and other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors, M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s Parikh & Jain Chartered Accountants, Kanpur, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors and/or any Committee thereof."

By Order of the Board of Directors

K C AGARWAL

*Executive Director (Comm.) &
Company Secretary*

Place : Gurgaon
Dated : 17.01.2009

NOTE(S) :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a PROXY to attend and, on a poll, to vote**

instead of himself/herself. A blank form of proxy is enclosed which, if intended to be used, should be returned to the Registered Office of the Company not less than forty-eight hours before the scheduled time of the Meeting. A proxy so appointed need not be a member.

2. Information under Clause 49 of the Listing Agreement regarding re-appointment of Directors (Item No 2&3) is appended herein below.
3. The Register of Members and the Share Transfer Books will remain closed from 14th March, 2009 to 21st March 2009 (both days inclusive).
4. Company's shares are being compulsorily traded in Demat form w.e.f. 17th January, 2000. Members may send Dematerialisation Request Form(s) (DRF) along with Share Certificate(s) through their Depository Participant(s) for demat of shares to LML Shares Registry, C-10, Panki Industrial Estate, Site-II, Kanpur – 208 022.
5. Members holding shares in physical form are requested to notify changes in their address(es), if any, to LML Shares Registry, quoting their folio number(s), while those holding in the electronic mode are requested to send the intimation for change of address(es) to their respective Depository participant(s).
6. Members, who are holding Shares (in physical form) in identical order of names in more than one Folio(s), are requested to write to LML Shares Registry, enclosing their share certificates for consolidation in one folio.
7. Members seeking any information with regard to Annual Accounts are requested to write to the Company at least one week in advance so as to enable the Company to keep information ready at the time of Annual General Meeting.
8. Members, who wish to nominate a person under section 109A of the Companies Act, 1956, may furnish us required details in the prescribed Form 2B, which is available on demand.
9. Members / Proxies should bring the attendance slips duly filled in, for attending the meeting.



**INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENTS REGARDING
RE-APPOINTMENT OF DIRECTORS**

Item No. 2

Mr. Sanjeev Shriya, (aged 49 years) is a Chartered Accountant and has wide experience in two wheeler industry, Foreign Trade and IT Industry. He has widely travelled and actively involved in day to day affairs of the Company since 09.10.1982 as director and w.e.f. 18.07.1984 as a Whole-time Director.

He is also Director in other Companies viz : Essar Steel Ltd., Gold Rock Investments Ltd., Smart Chip Ltd., Syscom Chip Ltd., Syscom Corporation Ltd., etc..

He is member of Sub-Committee of Directors & Financial Restructuring Committee of Directors of your Company.

He holds 30 (Thirty) Equity Shares of the Company

Item No. 3

Mr. A K Singhania, (aged 41 years) is a Commerce Graduate. He has

been serving the Company as Vice-president since 1987 and was appointed as Whole-time Director with effect from 28-06-2005.

He has wide experience of 21 years in automobile industry. He has played a significant role in revamping the operations of the Company and in introducing innovative strategies.

He is also Director in Mahalaxmi Holdings Ltd., Mimosa Finance & Trading (P) Ltd., Suryodaya Investments & Trading Co. Ltd., Payal Investment & Trading Pvt Ltd., Ginideep Finance & Investment Private Limited and Bina Finvest Private Limited.

He does not hold any Equity Shares of the Company.

By Order of the Board of Directors

K C AGARWAL

*Executive Director (Comm.) &
Company Secretary*

Place : Gurgaon
Dated : 17.01.2009

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CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance is an integral part of the Company's Management and business philosophy. Good Corporate Governance, for the Company, does not mean only compliance with various related statutory and regulatory requirements. The Company strongly believes that the spirit of corporate governance goes beyond the statutory form. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. The Company's Board and the Management are aware that the standards of governance are rising and provide critical yardsticks by which the stakeholders judge Corporates and their management. At LML, we are making continuous efforts to adopt the best practices

in corporate governance and we believe that the practice we are putting into place for the company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.

II. BOARD OF DIRECTORS

Composition of Board

The Board of Directors of the Company consists of Executive and Non-Executive Directors. As on 30th September 2008, 50% of the Board Members consisted of Non-Executive & Independent Directors. Three Directors are nominees of Secured Lenders namely, IFCI, SASF and EXIM Bank. Chairman is an Executive & Promoter Director. Composition of the Board of Directors of the Company and their other Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 30th September, 2008 was as under:-

Name	Status	No. of Directorship(s) and Committee Membership(s)/ Chairmanship(s) of other public companies		
		Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)
Mr Deepak Singhania	Executive / Chairman & Managing Director	—	—	—
Mr Kulwant Singh	Independent, Non- Executive (Nominee Director-SASF)	1	2	—
Mr Javed Yunus*	Independent, Non- Executive (Nominee Director-IFCI)	—	—	—
Mr D G Prasad**	Independent, Non- Executive (Nominee Director – EXIM Bank)	3	1	1
Mr S K Aggarwal	Independent, Non-Executive	—	—	—
Mr Shiromani Sharma	Independent, Non-Executive	3	—	2
Mr Lalit Kumar Singhania	Executive / Whole-time Director	—	—	—
Mr Sanjeev Shriya	Executive / Whole-time Director	5	—	—
Mr A K Singhania	Executive / Whole-time Director	2	—	—
Mr R K Srivastava	Executive / Whole-time Director	2	2	—
Mr Gautam Meour	Independent, Non- Executive (Nominee Director - IFCI)	—	—	—
Ms Sangeeta Sharma	Independent, Non- Executive (Nominee Director - EXIM Bank)	2	—	—

* Nomination of Mr. Javed Yunus was withdrawn by IFCI from the Board w.e.f. 30/04/2008 and in his place Mr. Gautam Meour has been nominated as a Director by IFCI on the same date.

** Nomination of Mr. D G Prasad was withdrawn by EXIM Bank from the Board w.e.f 29.07.2008 and in his place Ms. Sangeeta Sharma has been nominated as a Director by EXIM Bank on the same date.

Directors' Attendance at Board/Shareholders' Meeting(s)

Five Board Meetings were held during the Financial year 2007-08. These meetings were held on 29th October 2007, 28th December 2007, 31st January 2008, 30th April 2008, and 29th July 2008. The last Annual General Meeting (AGM) was held on 28th March 2008. The attendance record of the Directors at the Board Meeting(s) during the financial year ended on 30th September 2008, and at the last AGM is as under:

Name	No. of Board Meetings attended	Attended last AGM
Mr Kulwant Singh	5	Yes
Mr Javed Yunus*	2	No
Mr D G Prasad **	5	No
Mr S K Aggarwal	4	Yes
Mr Shiromani Sharma	5	Yes
Mr Lalit Kumar Singhania	3	Yes
Mr Sanjeev Shriya	3	No
Mr Deepak Singhania	5	Yes



Mr A K Singhania	Nil	Yes
Mr R K Srivastava	Nil	No
Ms Sangeeta Sharma**	1	No
Mr Gautam Meour */**	1	No

* Nomination of Mr. Javed Yunus was withdrawn by IFCl from the Board w.e.f. 30/04/2008 and in his place Mr. Gautam Meour has been nominated as a Director by IFCl on the same date.

** Nomination of Mr. D G Prasad was withdrawn by EXIM Bank from the Board w.e.f. 29.07.2008 and in his place Ms. Sangeeta Sharma has been nominated as a Director by EXIM Bank on the same date.

*** Gautam Meour a Nominee Director of IFCl could not attend the Board Meeting of 29th July 2008 and Mr. Alok Sabharwal of IFCl attended the same as Observer.

Board Procedure

As per Corporate Policy, statutory and material information is placed before the Board with a view to enable it to discharge efficiently its responsibilities in formulating the strategies and policies for the growth of the Company. The Agenda and other relevant papers are circulated ahead of the scheduled dates of the meetings. The day-to-day affairs of the Company are managed by the Chairman & Managing Director and four Whole-time Directors subject to the supervision and control of the Board of Directors. Opinions and advice of the Independent & Non-Executive Directors are considered valuable guidance. For specific matters, the various Committees of the Directors deliberate in detail, analyze situations, information and firm up views & advise the Board on decision making & follow up actions as may be considered appropriate.

III. COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

Composition of the Audit Committee meets all the criteria as prescribed by law. The Committee comprises of four Directors, majority being Non-Executive & Independent. It met four times during the year 2007-08 on 28th December 2007, 31st January 2008, 30th April 2008 and 29th July 2008. The attendance of the Audit Committee Members was as under :-

Name	Category	No. of Meetings Attended
Mr S K Aggarwal	Chairman	3
Mr Javed Yunus*	Member	1
Mr Shiromani Sharma	Member	4
Mr Deepak Singhania	Member	4
Mr Gautam Meour*/**	Member	—

* Nomination of Mr Javed Yunus was withdrawn by IFCl from the Board w.e.f. 30/04/2008 and in his place Mr. Gautam Meour has been nominated as a Director by IFCl on the same date.

** Mr Alok Sabharwal of IFCl attended the meeting held on 29th July 2008 as observer.

Mr K C Aggarwal, Executive Director (Comml.) & Company Secretary acts as Secretary to the Audit committee. Heads of the Internal Audit and Accounts Departments, Statutory Auditors/Cost

Auditors/Internal Auditors attended the meetings of Audit Committee.

The Audit Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, various audit reports, significant decisions affecting the financial statements, compliance with accounting standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. Board accepted all the recommendations of the Audit Committee.

Share Transfer & Shareholders/ Investors' Grievance Committee

The Share Transfer & Shareholders / Investors' Grievance Committee of the Company looks into the matters like transfer / transmission, issuance of duplicate shares, non-receipt of declared dividend etc. and investigate the investors' complaints and take necessary steps for redressal thereof.

Share Transfer & Shareholders/Investors' Grievance Committee, consisting of following Directors, met three times on 28th December 2007, 30th April 2008 and 29th July 2008. The attendance of the Members of Share Transfer & Shareholders/Investors' Grievance Committee was as under :-

Name	Category	No. of Meetings Attended
Mr S K Aggarwal	Chairman	2
Mr Lalit Kumar Singhania	Member	1
Mr Shiromani Sharma	Member	3
Mr Deepak Singhania	Member	3

Mr K C Aggarwal, Executive Director (Commercial) & Company Secretary is the Compliance Officer of the Company.

Financial Restructuring Committee of Directors

The Company has constituted a Financial Restructuring Committee of Directors on 27.01.2005 to facilitate documentation and other work related to Financial Restructuring of the Company. The Financial Restructuring Committee of Directors comprises of following Directors :-

Name	Category
Mr S K Aggarwal	Member
Mr Shiromani Sharma	Member
Mr Deepak Singhania	Member
Mr Sanjeev Shriya	Member
Mr A K Singhania	Member

The Committee did not meet during the year.

Remuneration Committee

Remuneration Committee of the Board of Directors recommends/ reviews the remuneration package of Managing Director &

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Whole-time Directors. The Remuneration Committee comprises of following Directors :-

Name	Category
Mr S K Aggarwal	Chairman
Mr Kulwant Singh	Member
Mr Shiromani Sharma	Member

The Committee did not meet during the year.

Sub-Committee of Directors

The Company has a Sub-Committee of Directors of the Board for taking on record the un-audited financial results of the Company and to do all other acts, deeds and things in terms of clause 41 of the Listing Agreement in the situation, where Board Meeting is not held for the purpose. The Sub-Committee of Directors comprises of following Directors :-

Name	Category
Mr S K Aggarwal	Member
Mr Lalit Kumar Singhania	Member
Mr Deepak Singhania	Member
Mr Sanjeev Shriya	Member

Since the un-audited financial results were considered by the Board of Directors in their meetings, the sub-Committee did not meet during the year.

Directors' Remuneration

The details of remuneration paid to the Directors during the year are as under :-

Name	Gross Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr Kulwant Singh	—	5000	5000
Mr Javed Yunus	—	3000	3000
Mr Gautam Meour	—	1000	1000
Mr D G Prasad	—	5000	5000
Ms Sangeeta Sharma	—	—	—
Mr S K Aggarwal	—	9000	9000
Mr Shiromani Sharma	—	12000	12000
Mr Lalit Kumar Singhania	547388	—	547388
Mr Sanjeev Shriya	1925740	—	1925740
Mr Deepak Singhania	2206932	—	2206932
Mr A.K. Singhania	547387	—	547387
Mr R.K. Srivastava *	1027540	—	1027540

* A loan was given to Shri R K Srivastava as an executive of the Company, who was later appointed as a Whole-time Director of the Company w.e.f. 08.09.2006.

- Gross remuneration includes salary, perquisites & Income Tax on perquisites paid / payable by the Company.

- The Company has a policy of not advancing any loan to Directors. The Company does not have any stock option scheme.
- Managing Director & Whole-time Directors have been appointed for a period of five years. As per service rules of the Company, either party is entitled to terminate the appointment by giving not less than three months' notice in writing to the other party. There is no severance fee.
- Complaints by shareholders & their redressal during the year are as under :-**

Nature of Complaints	Received	Solved
Non-receipt of Annual Report	4	4
Delay in Transfer of Shares / Non-receipt of shares after Transfer	—	—
Non-receipt of Dividend Warrants	1	1
Change of Address	—	—
Debenture Interest/ Redemption	6	6
Others	2	2
Total	13	13

IV. OTHER DISCLOSURES

Details of last three Annual General Meeting(s)

Year	Venue	Date	Time	Any Special Resolution
2007	At LML Limited, C-10, Panki Indl. Estate, Site II-III, Kanpur-208022	28.03.08	10.00 AM	No
2006	Regd. Office at C-3, Panki Indl. Estate, Kanpur-208022	28.02.07	10.00 AM	No
2005	Regd. Office at C-3, Panki Indl. Estate, Kanpur-208022	03.09.05	11.00 AM	No

Whether any special resolution was put through Postal Ballot last year, details of voting pattern No
 Person who conducted the Postal Ballot exercise N.A.
 Are votes proposed to be conducted through Postal Ballot this year No
 Procedure for Postal Ballot N.A.

Disclosures

- None of the transactions with any of the related party is in conflict with the interest of the Company. Transactions with the related parties have been disclosed in Note No. 23 of Schedule 14 to the Notes on Accounts in the Annual Report.
- There is no non-compliance of any provision of law by the Company nor any penalty / stricture imposed on the Company by Stock Exchange(s), SEBI or any other authority, on any matter related to capital markets, during the last three years.
- The Company has complied with all the mandatory requirements of the Corporate Governance, except Risk assessment and minimization procedures which is being formulated.

Means of Communication

Half yearly report sent to each house hold of shareholder(s)	No: However, Company is publishing the results in National & Regional Newspapers.
Reporting of Quarterly Results	Quarterly Results are published in National & Regional Newspapers.
Any web-site, where displayed	Yes. The results are being sent to all the Stock Exchanges, where the shares of the Company are listed, for putting, in their own web-site:
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	Not Applicable
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

Information relating to Directors seeking re-appointment as required under clause 49(IV)(G) of the Listing Agreement is given in the notice of Annual General Meeting.

V. SHAREHOLDERS INFORMATION

- Annual General Meeting**

Date	21st March, 2009
Time	11.00 A.M.
Venue	LML Limited C-10, Panki Industrial Estate, Site II-III, Kanpur - 208 022

- Financial Calendar (tentative)**

Financial Reporting for the quarter/ half year ending March, 2009	End of April, 2009
Financial Reporting for the quarter ending June, 2009	End of July, 2009
Financial Reporting for the year ending September 30, 2009	End of December, 2009
Annual General Meeting for the year 2008-09.	March, 2010

- Dates of Book Closure**

From the 14th March, 2009 to the 21st March, 2009 (both days inclusive).

- Dividend Payment Date**

In view of accumulated loss, your Directors have not recommended any dividend on Equity Shares for the year 2007-2008.

- The name of the Stock Exchanges on which the Equity Shares of the Company are listed on 30th September, 2008 :**

Name of Stock Exchanges	Code
Bombay Stock Exchange Limited, Mumbai (BSE)	500255
National Stock Exchange of India Ltd., Mumbai (NSE)	LML
The Uttar Pradesh Stock Exchange Association Ltd., Kanpur (UPSE)	L 00004

- Market Price Data**

Monthly High & Low prices of the Equity Shares of the Company for the period 1st October, 2007 to 30th September, 2008 were as under:

(Rs.)

Month	High		Low	
	NSE	BSE	NSE	BSE
October, 2007	14.80	14.65	12.00	11.70
November, 2007	15.05	14.85	11.60	11.55
December, 2007	23.40	23.07	13.00	13.63
January, 2008	28.20	28.05	14.00	14.10
February, 2008	19.60	19.40	14.30	14.55
March, 2008	15.45	15.30	10.65	10.90
April, 2008	15.85	15.80	12.00	12.02
May, 2008	14.50	14.50	12.30	12.30
June, 2008	12.65	12.69	10.00	8.75
July, 2008	11.55	10.90	8.40	8.50
August, 2008	14.55	13.89	9.90	9.96
September, 2008	11.55	11.78	7.55	8.00

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Share Transfer System

The physical Share transfer work is being done in-house. Share Transfers in physical form are registered, if documents are clear in all respect and duly transferred Share Certificates are returned to the registered holders within the maximum time limit i.e. 30 days. The Share Transfer and Shareholders/Investors' Grievance Committee meets frequently to approve transfer of Shares above 10000 Nos. under one transfer deed. Each of the Committee Member is severally authorised to approve transfers upto 10,000 shares under one transfer deed. Company Secretary & Senior Manager (Secretarial) / Officers of the Company have been authorised to approve transfer up to 5000/1000 shares respectively under one transfer deed.

Dematerialisation of shares and liquidity

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 17th January, 2000. Pursuant to SEBI circular No. D&CC/FITTC/CIR-15/2002 dated 27/02/2002, all work related to share registry in terms of both physical and electronic should be maintained at a single point. Company has established Electronic Connectivity with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited (NSDL), which are working successfully. All requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. Upto 30th September, 2008, 82.97% equity shares of the Company have been dematerialised.

Other details are as under :

- Approximate time taken for share transfer if the Documents are clear in all respects : 15 days
- Demat ISIN Number for Equity Shares of the Company in NSDL & CDSL : INE862A01015
- Total no. of shares dematerialised upto 30.09.2008 : 66667180
- Total no. of shares rematerialised upto 30.09.2008 : 14644
- Total No. of shares transferred during 2007-08 (physical) [01-10-07 to 30-09-08] : 32694
- No. of shares pending for transfer as on 30.09.2008 : NIL
- No. of shares pending for dematerialisation / confirmation as on 30.09.2008 : NIL

Shareholding Pattern as on 30.09.2008

Sl. No.	Category	No. of Shareholders	%	No. of Equity Shares	%
1.	Resident Individuals	210833	99.06	44650081	55.57
2.	Indian Companies	1382	0.65	7615870	9.48
3.	FIs/Mutual Funds/Banks	53	0.02	1615177	2.01
4.	Indian Promoters/ Directors & their relatives	24	0.01	21786671	27.11
5.	NRIs/OCBs/FIIs/FCs	333	0.16	3253224	4.05
6.	Clearing House(s) / Members	213	0.10	1431640	1.78
	TOTAL	212838	100.00	80352663	100.00

Distribution of Shareholding as on 30.09.2008

Sl. No.	No. of shares held	No. of Shareholders	%	No. of Equity Shares	%
1.	1-499	188771	88.69	10986413	13.67
2.	500-999	11789	5.54	6760363	8.41
3.	1000-4999	10995	5.17	17143769	21.34
4.	5000-9999	751	0.35	4661084	5.80
5.	10000 & ABOVE	532	0.25	40801034	50.78
	TOTAL	212838	100.00	80352663	100.00



Outstanding GDRs/ADRs/FCCBs/Warrants or any convertible instruments, conversion date and likely impact on Equity Shares.

- 1000 Nos. FCCBs Series B due in the year 2010 (US\$ 1000 each).
- If the said outstanding FCCBs are converted at the applicable conversion price, the Equity Share Capital of the Company will increase by 13.99 lakh Equity Shares.

Plant Locations

Site Nos. II & III, C-10, Panki Industrial Estate, Kanpur-208 022.

Address of the Registrar & Share Transfer Agent for correspondence

In-house share transfer is done by the "LML Shares Registry" registered with SEBI as Category II Share Transfer Agent vide Registration No. INR000001666 valid up to 15.11.2009.

LML Shares Registry

(A Division of LML Limited)

C-10, Panki Industrial Estate, Site-II,

Kanpur - 208 022

Phone No. : (0512) 6660300

Fax No. : (0512) 6660301

E-mail : lmlknp@lml-india.com

Declaration by the Chairman & Managing Director under Clause 49(1D):

"Pursuant to clause 49(1D)(ii) of the Listing Agreement with Stock exchanges, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the respective provisions of Code of Conduct of the Company for the year ended 30th September 2008."

Deepak Singhania

Chairman & Managing Director

CERTIFICATION BY THE AUDITORS

As required u/c 49 of the Listing Agreement, the Statutory Auditors of the Company have verified the compliance of the Corporate Governance by the Company. Their report is annexed hereinafter.

Auditors' Certificate on Corporate Governance

To,
The Members of
LML Limited

1. We have examined the compliance of conditions of Corporate Governance by LML Limited (the company), for the year ended on 30th September 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with various Stock Exchanges (hereinafter referred to as "the agreement").
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our view and to the best of our information and according to the explanations given to us and subject to pending Risk Assessment and Minimization Procedure, we certify that the conditions of the Corporate Governance as stipulated in the Clause 49 of the agreement have been complied with in all material aspects by the Company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the record maintained by the Company and noted by the Board of Directors/Share Transfer and Shareholders/Investors' Grievance Committee, there were no investor grievance remaining unattended/ pending for more than 30 days as at 30th September 2008 against the Company except in cases which are constrained by disputes and legal impediments.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For KHANDELWAL JAIN & Co.

Chartered Accountants

AKASH SHINGHAL

Partner

(M. No. 103490)

For PARIKH & JAIN

Chartered Accountants

A K JAIN

Partner

(M. No. 71253)

Place : Gurgaon
Dated : 17.01.2009