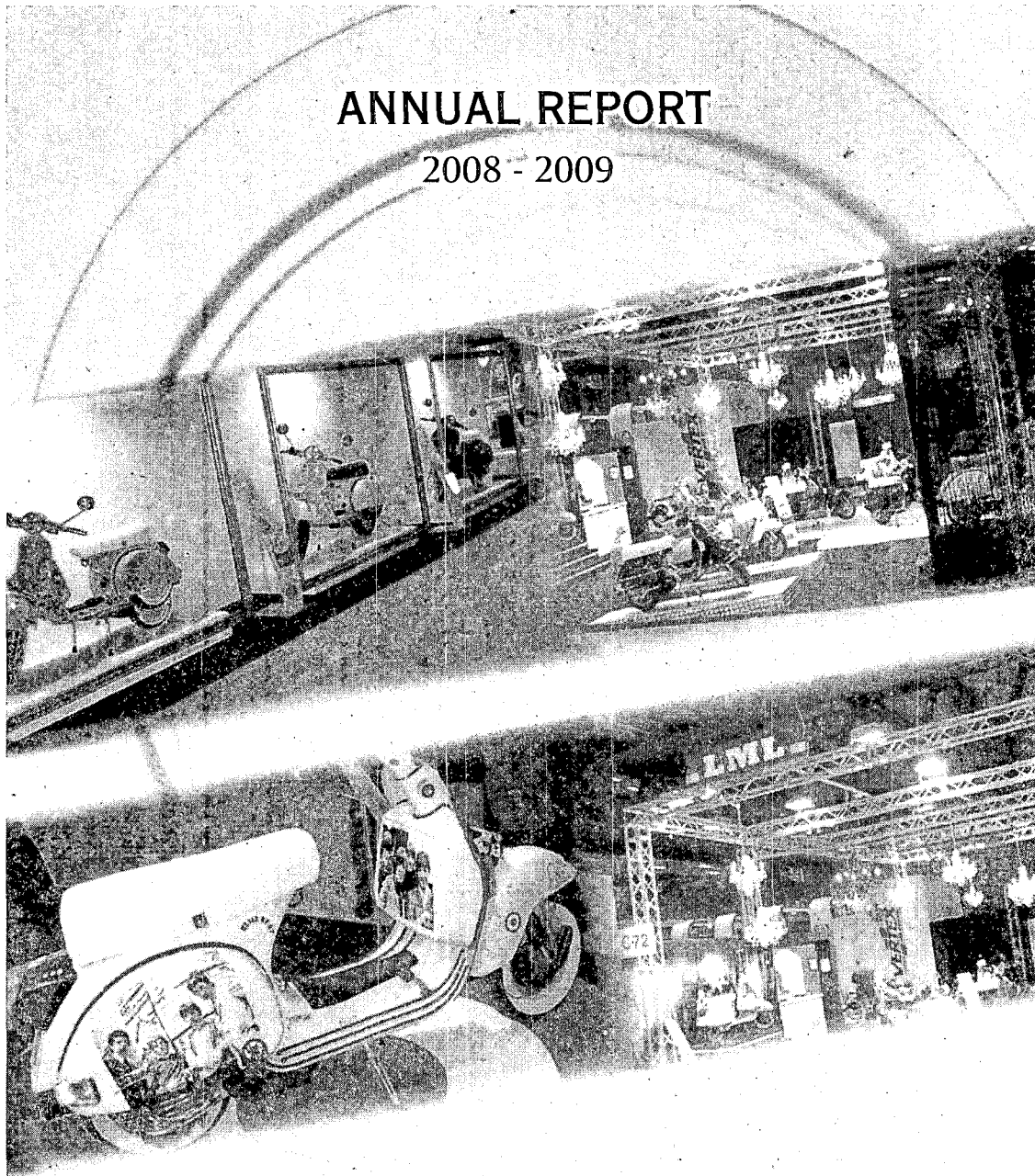


# ANNUAL REPORT

2008 - 2009



## LML LIMITED

**BOARD OF DIRECTORS**DEEPAK SINGHANIA, *Chairman & Managing Director*S K BHANDARI, *Nominee, IFCI*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 &amp; K BANK

DEUTSCHE BANK

HSBC BANK

**REGISTERED OFFICE**

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

Kanpur- 208 022

**WORKS**

Site Nos. II &amp; 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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# LML LIMITED ANNUAL REPORT 2008-09

## NOTICE

NOTICE is hereby given that Thirty fourth Annual General Meeting of the Members of LML Limited will be held on Thursday, the 25th March 2010 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, 2009 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. Shiromani Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr R K Srivastava, 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."

### SPECIAL BUSINESS

5. 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 Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr Lalit Kumar Singhania as Whole-time Director of the Company liable to retire by rotation for a period of five years w.e.f. 28.03.2010 on the existing remuneration and terms and conditions as set out below :

(a) Salary : Rs. 8500/- per month

(b) Perquisites :

In addition to aforesaid salary, he shall also be entitled to certain perquisites, namely, House/House Rent Allowance, Furniture & Furnishings, Gas, Fuel, Water & Electricity, Telephone(s), Servant(s), Security Guard(s), and Maintenance of such facilities, Company's Car(s) with Driver(s) for official as well as personal use, Personal Accident Insurance, Reimbursement of Medical Expenses incurred in India and/or abroad for self and family including traveling of attendant if required on medical advice, Medical Insurance Premium, Club(s) Membership, Leave Travel Allowance for self and family, Entertainment, the payment of Income-tax on all perquisites (other than those by way of mon-

etary payment) by the Company and Company's contribution towards Provident Fund and Superannuation fund, Gratuity/ Encashment of leave and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board from time to time. The monetary value of such perquisites shall be determined as per Income-tax rules, wherever applicable, and, in the absence of any such Rules, shall be valued at actual cost. The total value of remuneration including perquisites shall not exceed Rs. 2.0 (Two) Lacs per month.

The aforesaid remuneration shall also be paid as minimum remuneration in the absence or inadequacy of profits in any financial year.

"RESOLVED FURTHER THAT the tenure of the employment of Mr. Lalit Kumar Singhania as Whole time director of the Company is terminable by either side with a notice period of three months in writing without any severance fee."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. 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 Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr Deepak Singhania as Chairman & Managing Director of the Company not liable to retire by rotation for a period of five years w.e.f. 06.10.2010 on the existing remuneration and terms and conditions as set out below :

(a) Salary : Rs. 7500/- per month.

(b) Perquisites :

In addition to aforesaid salary, he shall also be entitled to certain perquisites, namely, House/House Rent Allowance, Furniture & Furnishings, Gas, Fuel, Water & Electricity, Telephone(s), Servant(s), Security Guard(s), and Maintenance of such facilities, Company's Car(s) with Driver(s) for official as well as personal use, Personal Accident Insurance, Reimbursement of Medical Expenses incurred in India and/or abroad for self and family including traveling of attendant if required on medical advice, Medical Insurance Premium, Club(s) Membership, Leave Travel Allowance for self and family, Educational support to dependent children including their travel, hostel fee and tuition fees etc. in India and abroad, Entertainment, the payment of Income-tax on all perquisites (other than those by way of monetary payment) by the Company and Company's contribution towards Provident Fund and Superannuation fund, Gratuity/ Encashment of leave and any other perquisites as per policy/rules of the Company in force or as may be approved by the Board from time to time. The monetary value of such perquisites shall be determined as per Income-tax rules, wherever applicable, and, in the absence of any such Rules, shall be valued at actual cost. The total value of

remuneration including perquisites shall not exceed Rs. 2.0 (Two) Lacs per month.

The aforesaid remuneration shall also be paid as minimum remuneration in the absence or inadequacy of profits in any financial year.

"RESOLVED FURTHER THAT the tenure of the employment of Mr. Deepak Singhania as Chairman & Managing Director of the company is terminable by either side with a notice period of three months in writing without any severance fee."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. 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 Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Anurag Kumar Singhania as Whole-time Director of the Company liable to retire by rotation for a period of five years w.e.f. 28.06.2010 on the existing remuneration and terms and conditions as set out below :

(a) Salary : Rs. 5500/- per month

(b) Perquisites :

In addition to aforesaid salary, he shall also be entitled to certain perquisites, namely, House/House Rent Allowance, Furniture & Furnishings, Gas, Fuel, Water & Electricity, Telephone(s), Servant(s), Security Guard(s), and Maintenance of such facilities, Company's Car(s) with Driver(s) for official as well as personal use, Personal Accident Insurance, Reimbursement of Medical Expenses incurred in India and/or abroad for self and family including traveling of attendant if required on medical advice, Medical Insurance Premium, Club(s) Membership, Leave Travel Allowance for self and family, Education support to dependent children including their travel, hostel fee and tuition fee etc. in India and abroad, Entertainment, the payment of Income-tax on all perquisites (other than those by way of monetary payment) by the Company and Company's contribution towards Provident Fund and Superannuation fund, Gratuity/ Encashment of leave and any other perquisites as per policy/rules of the Company in force or as may be approved by the Board from time to time. The monetary value of such perquisites shall be determined as per Income-tax rules, wherever applicable, and, in the absence of any such Rules, shall be valued at actual cost. The total value of remuneration including perquisites shall not exceed Rs. 2.0 (Two) Lacs per month.

The aforesaid remuneration shall also be paid as minimum remuneration in the absence or inadequacy of profits in any financial year.

"RESOLVED FURTHER THAT the tenure of the employment of Mr. Anurag Kumar Singhania as Whole-time Director of the company is terminable by either side with a notice period of three months in writing without any severance fee."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. 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 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactments thereof) and subject to such other approvals as may be required (if any), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Sanjeev Shriya as a Whole-time Director of the Company liable to retire by rotation for a period of five years w.e.f. 18.07.2009, on the existing remuneration and terms & conditions as set out below :

(a) Salary : Rs. 6000/- per month

(b) Perquisites :

In addition to aforesaid salary, he shall also be entitled to certain perquisites, namely, House/ House Rent allowance, Furniture & Furnishings, Gas, Fuel, Water & Electricity, Telephone(s), Servant(s), Security Guard(s) and maintenance of such facilities, Company's Car(s) with Driver(s) for official as well as personal use, personal Accident Insurance, Reimbursement of Medical Expenses incurred in India and/or abroad for self and family including traveling of attendant, if required on medical advice, Medical Insurance Premium, Club(s) Membership, Leave Travel Allowance for self and family, Education support to dependent children including their travel, hostel fee and tuition fee etc. in India and abroad, entertainment, the payment of Income-tax on all perquisites (other than those by way of monetary payment) by the Company and Company's contribution towards Provident Fund and Superannuation fund, Gratuity/Encashment of leave and any other perquisites as per policy/ rules of the Company in force or as may be approved by the Board from time to time. The monetary value of such perquisites shall be determined as per Income-tax rules, wherever applicable, and in the absence of any such Rules, shall be valued at actual cost. The total value of remuneration including perquisites shall not exceed Rs. 2.0 (Two) Lacs per month.

The aforesaid remuneration shall also be paid as minimum remuneration in the absence or inadequacy of profits in any financial year.

"RESOLVED FURTHER THAT the tenure of the employment of Mr. Sanjeev Shriya as Whole time director of the company is terminable by either side with a notice period of three months in writing without any severance fee."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

**K C AGARWAL**

Executive Director (Comm.) &  
Company Secretary

Place : Gurgaon  
Dated : 30.12.2009

**NOTE(S) :**

1. A member entitled to attend and vote at the meeting is en-

**titled to appoint a PROXY to attend and, on a poll, to vote instead of himself/herself and such proxy need not be a member of the Company. A blank form of proxy is enclosed which, if intended to be used and the proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time for holding the aforesaid meeting.**

2. Information under Clause 49 of the Listing Agreement regarding appointment /re-appointment of Directors (Item No.2, 3,5,6,7 & 8) and Explanatory Statement u/s 173(2) of the Companies Act, 1956 (Item No. 5,6,7 & 8) is appended herein below.
3. The Register of Members and the Share Transfer Books will remain closed from 18th March, 2010 to 25th March, 2010 (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 enclosed Attendance Slips duly filled in, for attending the meeting.

## INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENTS REGARDING RE-APPOINTMENT OF DIRECTORS AND EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 2

Mr. Shiromani Sharma, (aged 76 years) is a retired IAS Officer who is a Director of the Company since 28th January 2002, Mr. Sharma has wide experience in various positions held by him in the government as well as public and private sector companies.

He is also Director in other Companies viz: Star Paper Mills Company Limited, Ginni International Limited and Leap Start Trustee Co. Pvt. Ltd.

He is Chairman of Audit Committee of Ginni International Limited and Star Paper Mills Company Limited. He is also member of Audit Committee, Remuneration Committee, Share transfer and shareholder/ Investors, Grievances Committee and Financial restructuring Committee of your company.

He does not hold any Equity shares of the Company.

None of the Directors of the Company except Mr. Shiromani Sharma, is in any way, concerned or interested in the passing of the said resolution.

### Item No. 3

Mr. R K Srivastava, M.A., LL.B., D.LL. (Aged 70 years) has vast experience of about 46 years in various areas of business Management. He has been serving the Company as very senior executive level since 15.02.1984.

He has widely travelled and has substantial exposure especially personnel, Industrial Relationship, Management & Human Resources Development. He is actively involved in day to day affairs of the company since 15.02.1984 and was appointed as Whole-time Director with effect from 08.09.2006.

He is also Director in one other Company namely VCCL Limited.

He does not hold any Equity shares of the company.

None of the Directors of the Company except Mr. R K Srivastava, is in any way, concerned or interested in the passing of the said resolution.

### Item No. 5

Mr Lalit Kumar Singhania, aged 65 years is a Post Graduate. He has substantial executive experience and has been actively involved day to day affairs of the Company as President w.e.f 18.07.1984, as Deputy Managing Director w.e.f. 27.09.1988 and as a Whole-time Director since 28.03.1995.

Mr Lalit Kumar Singhania was last appointed as Whole-time Director of the Company for a term of five years, which will expire on 27.03.2010. The Board of Directors at its meeting held on 30th December 2009, re-appointed him for a further period of five years w.e.f 28.03.2010. The remuneration payable to Mr. Lalit Kumar Singhania, on the recommendation of Remuneration Committee will be as set out in the Resolution.

Mr Lalit Kumar Singhania is the member of Share Transfer & Shareholder/Investors' Grievance Committee and Sub-committee of directors of your Company.

He holds 140 (One Hundred Forty) Equity Shares of the Company.

None of the directors except Mr Lalit Kumar Singhania himself, Mr. Deepak Singhania ( his brother) and Mr. Anurag Kumar Singhania (his Son) is, in any way concerned or interested in passing of the Resolution Sl. No 05.

The Board of Directors recommends the resolution, as set out for approval of the shareholders.

The proposed resolution as set out in item no. 5 and this explanatory statement may be treated as an abstract of the terms and conditions of re-appointment & remunerations of Mr. Lalit Kumar Singhania, Whole-time director of the company in terms of section 302 of the Companies Act, 1956.

**Item No. 6.**

Mr Deepak Singhania, aged 57 years is a Graduate and has wide experience in two-wheeler, textile machines, and over-all general business administration and management. He has widely travelled and has substantial exposure in all facets of two wheeler industry including production, commercial, finance and marketing. He has been actively involved in day to day affairs of the Company since 18.07.1984 as Whole time Director, w.e.f. 06.10.1990 as Managing Director and w.e.f. 28.10.2005 as Chairman & Managing Director.

Mr. Deepak Singhania was last appointed as the Managing Director for a period of five years, which will expire on 5th October 2010. The Board of Directors of the Company in their meeting held on 30th December 2009 re-appointed Mr Deepak Singhania as Chairman & Managing Director of the Company for a further period of five years w.e.f. 6th October 2010.

The remuneration payable to Mr. Deepak Singhania, on the recommendation of Remuneration Committee will be as set out in the Resolution.

Mr Deepak Singhania is not a Director in any other Company. He is member of Audit Committee, Share Transfer & Shareholder/Investors' Grievance Committee, Financial Restructuring Committee of Directors and Sub-committee of Directors, of your Company.

He holds 34 (Thirty Four) Equity Shares of the Company.

None of the Directors except Mr. Deepak Singhania himself and Mr. Lalit Kumar Singhania (his brother) is, in any way concerned or interested in passing of the Resolution Sl. No 06.

The Board of directors recommends the resolution, as set out for approval of the shareholders.

The proposed resolution as set out in item no. 6 and this explanatory statement may be treated as an abstract of the terms and conditions of re-appointment & remunerations of Mr Deepak Singhania, Chairman & Managing Director of the Company in terms of Section 302 of the Companies Act, 1956.

**Item No. 7**

Mr. Anurag Kumar Singhania, aged 42 years is a Commerce Graduate. He has been serving the Company as Vice-President since 1987 and as a Whole-time Director w.e.f 28.06.2005. He has wide experience of 22 years in automobile industry. He has played a significant role in revamping the operations of the Company and in introducing innovative strategies.

Mr. Anurag Kumar Singhania was last appointed as Whole-time Director for a period of five years which will expire on 27.06.2010. The Board of Directors at its meeting held on 30th December 2009, re-appointed him for a further period of five years w.e.f. 28.06.2010. The remuneration payable to Mr. Anurag Kumar Singhania, on the recommendation of

remuneration committee will be as set out in the Resolution.

He is also Director in one other Company namely Suryodaya Investment & Trading Co. Ltd.

He is member of Financial Restructuring Committee of Directors of your Company.

He does not hold any Equity Shares of the Company.

None of the Directors except Mr. Anurag Kumar Singhania himself and Mr. Lalit Kumar Singhania (his father) is, in any way concerned or interested in passing of the Resolution Sl. No 07.

The Board of directors recommends the resolution, as set out for approval of the shareholders.

The proposed resolution as set out in item no. 7 and this explanatory statement may be treated as an abstract of the terms and conditions of re-appointment & remunerations of Mr. Anurag Kumar Singhania, Whole-time director of the company in terms of section 302 of the Companies Act, 1956.

**Item No. 8**

Mr. Sanjeev Shriya, (aged 50 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.

On expiry of tenure of Mr. Sanjeev Shriya on 17th July, 2009, the Board of Directors of the Company at its meeting held on 31st July, 2009 has re-appointed him as Whole-time Director of the Company for a period of five years w.e.f 18th July 2009. The remuneration payable to Mr. Sanjeev Shriya, on the recommendation of remuneration committee is as set out in the Resolution.

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

He is member of Sub-Committee of Directors of your Company.

He holds 30 (Thirty) Equity Shares of the Company.

None of the Directors except Mr. Sanjeev Shriya himself is, in any way concerned or interested in passing of the Resolution Sl. No 08.

The Board of Directors recommends the resolution, as set out for approval of the shareholders.

The proposed resolution as set out in item no. 8 and this explanatory statement may be treated as an abstract of the terms and conditions of re-appointment & remunerations of Mr. Sanjeev Shriya, Whole-time Director of the company in terms of section 302 of the Companies Act, 1956.

By Order of the Board of Directors

**K C AGARWAL**  
Executive Director (Comm.) &  
Company Secretary

Place : Gurgaon  
Dated : 30.12.2009

## **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 Corporate 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 along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board of Directors of the Company consists of Executive and Non-Executive Directors. As on 30th September, 2009, the Board of director comprised of 10 directors, out of which 5 (50%) were non executive and independent directors. Two Directors are nominees of Secured Lenders namely, IFCI and EXIM Bank and one director is Special Director appointed by BIFR. The Chairman is an Executive & Promoter Director.

None of the Director on company's Board is a member of more than 10 committees and Chairman of more than 5 committees (Committees being, audit Committee and Investors' Grievance Committee) across all the companies in which he is director.

Composition of the Board of Directors of the Company and their other Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 30th September, 2009 are 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	3	–
Mr S K Aggarwal	Independent, Non-Executive	–	–	–
Mr Shiromani Sharma	Independent, Non-Executive	2	–	2
Mr Lalit Kumar Singhania	Executive / Whole-time Director	–	–	–
Mr Sanjeev Shriya	Executive / Whole-time Director	3	–	–
Mr A K Singhania	Executive / Whole-time Director	2	–	–
Mr R K Srivastava	Executive / Whole-time Director	1	–	2
Mr Gautam Meour***	Independent, Non- Executive (Nominee Director - IFCI)	–	–	–
Ms Sangeeta Sharma	Independent, Non- Executive (Nominee Director - EXIM Bank)	2	–	–
Mr K K Shangloo**	Special Director – (BIFR)	–	–	–
Mr S K Bhandari***	Independent, Non- Executive (Nominee Director – IFCI)	1	–	–

\* Nomination of Mr. Kulwant Singh was withdrawn by IDBI (SASF) from the Board w.e.f 11.02.2009.

\*\* Mr K K Shangloo has been appointed as Special Director by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) w.e.f 17.12.2008.

\*\*\* Nomination of Mr. Gautam Meour was withdrawn by IFCI from the Board w.e.f. 31.07.2009 and in his place Mr. S K Bhandari has been nominated as a Director by IFCI w.e.f 31.07.2009.

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

During the year under review, four Board Meetings were held on 31st October 2008, 17th January 2009, 29th April 2009 and 31st July 2009. The last Annual General Meeting (AGM) was held on 21st March, 2009. The maximum time-gap between any two consecutive meetings did not exceed 4 months.

The attendance record of the Directors at the Board Meetings held during the financial year under review and at the last AGM is as under :

Name	No. of Board Meetings attended	Attended last AGM
Mr Kulwant Singh*	2	No
Mr Gautam Meour **	3	No
Ms Sangeeta Sharma	4	No
Mr S K Aggarwal	4	Yes
Mr Shiromani Sharma	4	Yes
Mr Lalit Kumar Singhania	3	Yes
Mr Sanjeev Shriya	4	Yes
Mr Deepak Singhania	4	Yes
Mr A K Singhania	1	Yes
Mr R K Srivastava	2	Yes
Mr K K Shangloo***	2	No
Mr S K Bhandari**	1	No

\* Nomination of Mr. Kulwant Singh was withdrawn by SASF from the Board w.e.f. 11.02.2009

\*\* Nomination of Mr. Gautam Meour was withdrawn by IFCl from the Board w.e.f. 31.07.2009 and in his place Mr. S K Bhandari has been nominated as a Director by IFCl on the same date.

\*\*\* Mr K K Shangloo has been appointed as Special Director by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) w.e.f. 17.12.2008.

#### 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 2008-09 on 31st October 2008, 17th January 2009, 29th April 2009 and 31st July 2009. The attendance of the Audit Committee Members was as under :-

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

Nomination of Mr. Gautam Meour was withdrawn by IFCl from the Board w.e.f. 31.07.2009 and in his place Mr. S K Bhandari has been appointed as a Member of Audit Committee by the Board with immediate effect and he attended meeting of Audit as special invitee.

Mr. K C Aggarwal, Executive Director (Comm.) & 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 31st October 2008, 17th January 2009 and 31st July 2009. 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	3
Mr Lalit Kumar Singhania	Member	2
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



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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 & Whole-time Directors. The Remuneration Committee comprises of three Directors, all being Non-Executive & Independent. It met once during the year i.e. on 31st July, 2009. The attendance of the Remuneration Committee Member was as under :-

Name	Category	No. of Meetings attended
Mr S K Aggarwal	Chairman	1
Mr Shiromani Sharma	Member	1
Mr Kulwant Singh*	Member	-
Mr S K Bhandari*	Member	1

\* Nomination of Mr. Kulwant Singh was withdrawn by SASF from the Board w.e.f. 11.02.2009 and in his place Mr. S K Bhandari has been appointed as a Member of Remuneration Committee by the Board on 31.07.2009.

## 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 Sanjeev Shriya	Member
Mr Deepak Singhania	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 were as under :

Name	Gross Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr Kulwant Singh	-	2000	2000
Mr K K Shangloo	-	2000	2000
Mr Gautam Meour	-	6000	6000
Mr S K Bhandari	-	2000	2000
Ms Sangeeta Sharma	-	4000	4000
Mr S K Aggarwal	-	12000	12000
Mr Shiromani Sharma	-	12000	12000
Mr Lalit Kumar Singhania	411641	-	411641
Mr Sanjeev Shriya	1496153	-	1496153
Mr Deepak Singhania	2347986	-	2347986
Mr A.K. Singhania	705830	-	705830
Mr R.K. Srivastava *	1037898	-	1037898

\* 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	-	-
Delay in Transfer of Shares / Non-receipt of shares after Transfer	2	2
Non-receipt of Dividend Warrants	1	1
Change of Address	-	-
Debenture Interest/ Redemption	1	1
Others	-	-
Total	4	4

## IV. OTHER DISCLOSURES

### Details of last three Annual General Meeting(s)

Year	Venue	Date	Time	Any Special Resolution
2008	At LML Limited, C-10, Panki Indl. Estate, Site-II-III, Kanpur-208022	21.03.09	11.00 AM	No
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

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 are 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 four 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	25th March, 2010
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 ending December, 2009	End of January, 2010
Financial Reporting for the quarter/ half year ending March, 2010	End of April, 2010
Financial Reporting for the quarter ending June, 2010	End of July, 2010
Financial Reporting for the year ending September 30, 2010	End of December, 2010
Annual General Meeting for the year 2009-10.	March, 2011

##### • Dates of Book Closure

From the 18th March, 2010 to the 25th March, 2010 (both days inclusive).

##### • Dividend Payment Date

In view of accumulated loss, your Directors have not recommended any dividend on Equity Shares for the year 2008-2009.

- The name of the Stock Exchanges on which the Equity Shares of the Company are listed as on 30th September, 2009 :

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, 2008 to 30th September, 2009 were as under:

(Rs.)

Month	High		Low	
	NSE	BSE	NSE	BSE
October, 2008	9.70	9.50	5.15	5.05
November, 2008	8.10	7.85	5.50	5.55
December, 2008	9.15	8.94	5.50	5.45
January, 2009	8.45	8.40	5.85	5.90
February, 2009	6.70	6.55	5.55	5.56
March, 2009	6.40	6.39	5.25	5.21
April, 2009	10.55	10.42	5.75	5.61
May, 2009	12.10	11.50	7.70	7.75
June, 2009	12.90	12.95	8.45	8.50
July, 2009	10.15	10.14	7.50	7.65
August, 2009	11.80	11.70	9.40	9.35
September, 2009	12.10	12.50	9.70	10.00