

**LML**

# Annual Report

2012–2013



**LML LIMITED**

## **LML LIMITED**

Registered Office : C-3, Panki Industrial Estate, Site-I, Kanpur-208022. (U.P.)

**Dear Shareholders,**

**Sub : Green Initiative in Corporate Governance – LML Limited (“LML”)**

This is to inform you that the Ministry of Corporate Affairs (“MCA”), Government of India has taken a “Green Initiative” in the Corporate Governance by permitting paperless compliances by companies (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011) and clarified that a company will be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, in case documents like notice, annual report etc. are sent in electronic form to its Members, subject to compliance with the conditions stated therein.

Accordingly, LML is sending all communications / documents including the Notice calling the Annual General Meeting, Annual Reports etc. in electronic mode to those Members who have registered their e.mail address(es) with their Depository Participant(“DP”) and made available to us by the Depository.

Please note that the said documents will be uploaded on the website of the Company viz. **www.lmlworld.com** for your ready reference.

We, therefore, invite all our shareholders to contribute to the cause by registering their e.mail address with the DP or inform their e.mail address at **green.initiative@lml.co.in** duly quoting your DP ID & Client ID / Folio No. (s).

Please note that as a Member of the Company, you are always entitled to request and receive, free of cost, a physical copy of the Annual Report of the Company and other documents in accordance with the provisions of the Companies Act, 1956.

We look forward to your continued and encouraging support to this unique initiative by the MCA.

Thanking you and assuring you of our best attention at all times,

Yours faithfully,

**For LML Limited**

**K C Agarwal**

*Executive Director (Comm.) &  
Company Secretary*

**BOARD OF DIRECTORS**

DEEPAK KUMAR SINGHANIA, *Chairman & Managing Director*

PAWAN KUMAR, *Nominee Director , IFCI*

C P RAVINDRANATH MENON, *Nominee Director , EXIM Bank*

SHIROMANI SHARMA , *Independent Director*

SATINDER KUMAR AGGARWAL, *Independent Director*

Dr. VIVEK KUMAR AGNIHOTRI, *Independent Director*

LALIT KUMAR SINGHANIA, *Whole-time Director*

SANJEEV SHRIYA, *Whole-time Director*

ANURAG KUMAR SINGHANIA, *Whole-time Director*

RAM KUMAR 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

ALLAHABAD BANK

**REGISTERED OFFICE**

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

Kanpur- 208 022 (U.P.)

**WORKS AND CORPORATE OFFICE**

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

Kanpur – 208 022. (U.P.)

**ADMINISTRATIVE OFFICE**

714, Raheja Chambers, Nariman Point, Mumbai.

**REGIONAL OFFICE**

Ground Floor, Plot No. 82, Sector 44,

Gurgaon – 122 003. (Haryana)

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## NOTICE

Notice is hereby given that Thirty Seventh Annual General Meeting of the Members of LML Limited will be held on Tuesday, 24th September, 2013 at 11:00 AM at C-10, Panki Industrial Estate, Site-II & III, Kanpur- 208 022. (U.P.) to transact the following businesses:-

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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. Anurag Kumar Singhania, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satinder Kumar Aggarwal 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 all other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors, M/s Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W) of Mumbai and M/s. Parikh & Jain, Chartered Accountants, (Firm Registration No. 001105C) of Kanpur be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General 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 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 18.07.2014, on the 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 travelling 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."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Special 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. Ram Kumar Srivastava as a Whole-time Director of the Company liable to retire by rotation for a period of five years w.e.f 08.09.2014, on the remuneration and terms & conditions as set out below:

- (a) **Basic Salary:** Rs. 50,200.00 per month

- (b) **Special Allowance:** Rs. 4,875.00 per month
- (c) **House Rent Allowance:** Rs. 25,100.00 per month
- (d) **Special Pay:** Rs. 80,000.00 per month
- (e) **Perquisites:** He shall be entitled to the following perquisites:-

- (i) Book Allowance: He shall be entitled for Rs. 2500.00 per month.
- (ii) Servant Salary: He shall be entitled for re-imbursement of Rs. 3000.00 per month.
- (iii) Entertainment Expenses: He shall be entitled for Rs. 3000.00 per month.
- (iv) Use of Company's Car, Telephone and Mobile: The Company will provide a car, telephone and Mobile phone. He will also be entitled for reimbursement of driver's salary, petrol and maintenance for running the car as per Company's Policy. The provision of car for use in Company's business will not be considered as perquisites.
- (v) Medical Allowance: He shall be entitled for Medical Allowance of Rs. 6275.00 per month.
- (vi) P.F. Contribution: The Company shall contribute 12% of his Basic salary in his Provident Fund Account.
- (vii) House Maintenance Allowance: He shall be entitled for House Maintenance Allowance of Rs. 15,000.00 annually.
- (viii) Uniform Allowance: He shall be entitled for Uniform Allowance of Rs. 20,000.00 annually.
- (ix) Soft Furnishing Allowance: He shall be entitled for Soft Furnishing allowance of Rs. 27,800.00 annually.
- (x) Ex-Gratia: He shall be entitled for Ex-Gratia of Rs. 40,000.00 annually.
- (xi) LTA: He shall be entitled for Leave Travel Assistance for maximum of two months' basic salary.

"RESOLVED FURTHER THAT in addition to the afore-said salary, he shall also be entitled to perquisites namely, Furniture and Furnishings, Water and Electricity, Security Guard(s), reimbursement of Hospitalization expenses for self and family, Club(s) membership, Gratuity, Encashment of Leave and any other perquisites as per policy and 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."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify any part(s)/component(s)

of the remuneration, in any manner whatsoever, within the overall limit of 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 services of Mr. Ram Kumar Srivastava, Whole-time Director of the Company may be terminated at any time at the discretion of the Company, with the prior approval of Board of Directors after giving him three months' notice or equivalent payment of salary in lieu thereof."

"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 it thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Vivek Kumar Agnihotri, who was appointed as an Additional Director and holds such office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing from a member, proposing Dr. Vivek Kumar Agnihotri's candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"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  
For LML Limited

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

Place : Gurgaon

Dated : 24.05.2013

#### NOTE(S):

1. ***A member entitled to attend and vote at the Annual General Meeting is entitled 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.***

# LML LIMITED ANNUAL REPORT 2012-13

2. Information under Clause 49 of the Listing Agreement regarding appointment / re-appointment of Directors (Item No. 2, 3, 5, 6 & 7), and Explanatory Statement u/s 173(2) of the Companies Act, 1956 (for Item No. 5, 6 & 7) is appended herein below.
3. The Register of Members and the Share Transfer Books will remain closed from Tuesday, the 17<sup>TH</sup> September, 2013 to Tuesday, the 24<sup>TH</sup> September, 2013 (both days inclusive).
4. Company's shares are being compulsorily traded in Demat form w.e.f. 17<sup>th</sup> January, 2000. Members may send Dematerialization 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. (U.P.).
5. Members holding shares in physical form are requested to notify changes in their addresses, 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. Only individual 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.
10. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. The e.mail addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered e.mail address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will also be displayed on the website [www.lmlworld.com](http://www.lmlworld.com) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are, therefore, requested to ensure to keep their e.mail addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their e.mail addresses by writing to the Company at Company's e.mail address at [green.initiative@lml.co.in](mailto:green.initiative@lml.co.in) quoting their folio number(s).

## 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. Anurag Kumar Singhania, aged 46 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 around 26 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 controlling day to day affairs of the Company.

Mr. Anurag Kumar Singhania is not Director in any other Company. He is also member of Financial Restructuring Committee and Risk Management Committee (Alternative Chairman) 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) are, in any way concerned or interested in passing of the Resolution as set out in item no. 2.

### Item No. 3

Mr. Satinder Kumar Aggarwal, aged around 80 years, is a professionally qualified Chartered Accountant and Cost Accountant, who is a Director of the Company since 16<sup>th</sup> May, 1989. Shri Aggarwal has vast experience in the areas of Finance, Accounts and general Corporate Management.

He is also Chairman of Audit Committee, Share Transfer and shareholders/ Investors' Grievance Committee & Remuneration Committee and a member of Sub-Committee of Directors, and Financial Restructuring Committee of Directors of your Company.

He does not hold any Equity Shares of the Company.

None of the Directors of the Company except Mr. Satinder Kumar Aggarwal, is in any way, concerned or interested in passing of the said resolution as set out in item no. 3.

### Item No. 5

Mr. Sanjeev Shriya, aged 54 years, is a Chartered Accountant and has wide experience in two wheeler industry, Foreign

Trade and IT Industry. He is widely traveled and has been a Director of the Company since 09.10.1982 and as a Whole-time Director w.e.f. 18.07.1984.

Mr. Sanjeev Shriya was last appointed as Whole-time Director for a period of five years, which will expire on 17.07.2014. The Board of Directors at its meeting held on 24.05.2013, re-appointed him for a further period of five years w.e.f 18.07.2014. The remuneration payable to Mr. Sanjeev Shriya on the recommendation of Remuneration Committee will be as set out in the Resolution.

He is also Director in other Companies viz : Gold Rock Investments Ltd., Smart Chip Ltd., Syscom Corporation Ltd, Inlays India Pvt. Ltd. & Safran India Pvt. Ltd.

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

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. Sanjeev Shriya, Whole-time Director of the Company in terms of section 302 of the Companies Act, 1956.

#### **Item No. 6**

Mr. Ram Kumar Srivastava, M.A., LL.B., D.LL. aged 74 years, has vast experience of about 50 years in various areas of business Management.

He is widely traveled and has substantial experience in industry including Personnel, Industrial Relations, 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.

Mr. Ram Kumar Srivastava was last appointed as Whole-time Director for a period of five years, which will expire on 07.09.2016. The Central Government approved payment of his remuneration upto 07.09.2014. The Board of Directors at its meeting held on 24.05.2013, re-appointed him for a further period of five years w.e.f 08.09.2014. The remuneration payable to Mr. Ram Kumar Srivastava, on the recommendation of remuneration committee will be as set out in the Resolution.

He is also Independent Director of VCCL Limited.

He does not hold any Equity Shares of the company.

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

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. Ram Kumar Srivastava, Whole-time Director of the company in terms of section 302 of the Companies Act, 1956.

#### **Item No. 7**

Dr. Vivek Kumar Agnihotri, aged 68 years, is retired IAS Officer who is an Additional Director of the Company since 24<sup>th</sup> May, 2013. Dr. Agnihotri obtained his Masters Degrees in English Literature & Political Science and Ph.D. in Public Policy Analysis and Design.

Dr. Agnihotri has vast administrative experience with the State & Central Government and superannuated after serving as Secretary, to Government of India in the Ministry of Parliamentary Affairs. His last assignment (post-retirement) was Secretary General, Rajya Sabha, in the Parliament of India from 2007 to 2012.

Over his career spanning around 44 years, he has vast experience in areas of HRD (including teaching and training), e-Government, Quality in Government, Institution Building, Corporate and NGO sectors, Judicial Assignment (particularly, Administrative Law), Electoral Work, Parliamentary Procedures and Practices, and Editorial Assignment.

He has also several publications to his credit including books entitled Environment and Development.

He does not hold any Equity Shares of the Company.

None of the Directors of the Company except Dr. Vivek Kumar Agnihotri, is in any way, concerned or interested in passing of the said resolution as set out in item no. 7.

By Order of the Board Of Directors  
For LML Limited

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

Place: Gurgaon  
Dated: 24.05.2013

## CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance is an integral part of the Company's Management and business philosophy. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in enhancing confidence of its various stakeholders thereby paving the way for its long term success. This section alongwith the section on 'Management Discussion & Analysis' and 'General Shareholders Information' constitute LML's compliance with Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

### 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 31<sup>st</sup> March 2013, the Board of Directors comprised of 10 Directors, out of which 5 (50%) were non executive and Independent Directors. The composition of the Board is in consonance with Clause 49 of the Listing Agreement. Two Directors are nominees of Secured Lenders namely, IFCI Ltd. and EXIM Bank. The Chairman is an Executive & Promoter Director.

None of the Director on Company's Board is a member of more than 10 Committees and or 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 31<sup>st</sup> March, 2013, number of meetings held during their tenure and attended by them etc. are given in Table-1.

**TABLE – 1 : Details about Company's Board of Directors**

Name of Director	No. of Board Meetings held during the year and attended		Attendance at last AGM	No. of Directorship(s) and Committee Membership(s) / Chairmanship(s) of other public limited companies		
	Held	Attended		Other Directorship(s)	Committee Membership(s)#	Committee Chairmanship(s)#
<b>Executive Directors</b>						
Mr. Deepak Kumar Singhanian (CMD)	5	5	Yes	–	–	–
Mr. Lalit Kumar Singhanian	5	2	Yes	–	–	–
Mr. Sanjeev Shriya	5	1	No	3	–	–
Mr. Anurag Kumar Singhanian	5	1	No	–	–	–
Mr. Ram Kumar Srivastava	5	1	Yes	1	–	1
<b>Non-Executive and Independent Directors</b>						
Mr. Satinder Kumar Aggarwal	5	5	Yes	–	–	–
Mr. Shiromani Sharma	5	5	Yes	2	–	2
Mr. Sridhar Srinivasan*	5	–	NA	4	1	–
Mr. C P Ravindranath Menon [Nominee – Exim Bank]	5	4	No	2	1	–
Mr. K K Shangloo [Special Director-BIFR]**	5	2	No	–	–	–
Mr. S K Bhandari [Nominee-IFCI]***	5	4	No	–	–	–
Mr. Pawan Kumar [Nominee-IFCI]***	5	1	NA	1	–	–

\* Mr. Sridhar Srinivasan who was appointed as an Additional Director w.e.f. 12.02.2013 & ceased to be a Director w.e.f. 29.04.2013.

\*\* Mr. K K Shangloo expired on 08.10.2012.

\*\*\* Nomination of Mr. S K Bhandari was withdrawn by IFCI from the Board w.e.f. 07.02.2013 and in his place Mr. Pawan Kumar has been nominated as Nominee Director by IFCI w.e.f. 07.02.2013.

# In accordance with Clause 49, Memberships/Chairmanships of only Audit Committees and Shareholders' / Investors' Grievance Committees in all public limited companies whether listed or not (excluding LML Limited) have been considered.

#### Board/Shareholders' Meetings

During the financial year under review, five Board Meetings were held on 12<sup>th</sup> May, 2012, 7<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 & 12<sup>th</sup> February, 2013. The maximum time-gap between any two consecutive meetings did not exceed 4 months. The last Annual General Meeting (AGM) was held on 22<sup>nd</sup> September, 2012.

#### 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 prior to 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 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.

#### Code of Conduct

We at LML Limited have laid down a Code of Conduct for all Board Members and senior management of the Company. The Code of Conduct is available on the website of the Company i.e. [www.lmlworld.com](http://www.lmlworld.com). The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director to this effect is attached to the Annual Report.

### III. COMMITTEES OF THE BOARD OF DIRECTORS

#### Audit Committee

Composition of the Audit Committee meets the criteria as prescribed by law. The Committee comprises of four Directors, majority being Non-Executive & Independent and are 'financially literate' as required by Clause 49 of the Listing Agreement. Moreover, the Audit Committee has members who have accounting or related financial management expertise. It met five times during the financial year 2012-13 on 12<sup>th</sup> May, 2012, 7<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 & 12<sup>th</sup> February, 2013. The attendance of the Audit Committee Members was as under:-

Name	Category	No of Meetings Attended
Mr. Satinder Kumar Aggarwal	Chairman	5
Mr. Shiromani Sharma	Member	5
Mr. S K Bhandari*	Member	4
Mr. Pawan Kumar*	Member	1*
Mr. Deepak Kumar Singhania	Member	5

\* Nomination of Mr. S K Bhandari was withdrawn by IFCI from the Board w.e.f. 07.02.2013 and in his place Mr. Pawan Kumar has been appointed as a Member of Audit Committee by the Board with immediate effect and he attended meeting of Audit Committee as Special Invitee.

Mr. K C Agarwal, Executive Director (Comm.) & Company Secretary acts as Secretary to the Audit committee. Head of the Internal Audit and Accounts Department, 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 matters like transfer / transmission, issuance of duplicate shares, non-receipt of declared dividend etc. and examine investor(s) complaint(s) and take necessary steps for redressal thereof.

Share Transfer & Shareholders/Investors' Grievance Committee, consisting of following Directors, met four times

on 12<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 & 12<sup>th</sup> February, 2013. The attendance of the Members of Share Transfer & Shareholders/Investors' Grievance Committee was as under :-

Name	Category	No of Meetings Attended
Mr. Satinder Kumar Aggarwal	Chairman	4
Mr. Lalit Kumar Singhania	Member	2
Mr. Shiromani Sharma	Member	4
Mr. Deepak Kumar Singhania	Member	4

Mr. K C Agarwal, Executive Director (Commercial) & Company Secretary is also 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 the financial restructuring work (including of documentation) of the Company. The Financial Restructuring Committee of Directors comprises of following Directors:-

Name	Category
Mr. Satinder Kumar Aggarwal	Member
Mr. Shiromani Sharma	Member
Mr. Deepak Kumar Singhania	Member
Mr. Sanjeev Shriya	Member
Mr. Anurag Kumar Singhania	Member

The Committee did not meet during the financial year 2012-13.

#### 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 Independent Director. It met once during the year i.e. on 7<sup>th</sup> July, 2012. The attendance of the Remuneration Committee Member was as under :-

Name	Category	No of Meetings Attended
Mr. Satinder Kumar Aggarwal	Chairman	1
Mr. Shiromani Sharma	Member	1
Mr. S K Bhandari*	Member	1
Mr. Pawan Kumar*	Member	—

\* Nomination of Mr. S K Bhandari was withdrawn by IFCI from the Board w.e.f. 07.02.2013 and in his place Mr. Pawan Kumar has been appointed as a Member of Remuneration Committee.

#### 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. Satinder Kumar Aggarwal	Member
Mr. Lalit Kumar Singhania	Member
Mr. Sanjeev Shriya	Member
Mr. Deepak Kumar Singhania	Member

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Since the un-audited financial results were considered by the Board of Directors in their meetings, the Sub-Committee did not meet during the financial year 2012-13.

## • Risk Management Committee

The Company has constituted a Risk Management Committee dated 10<sup>th</sup> November, 2011 for considering risk associated with operation of the Company and advising Board to take timely preventive action to minimize the risk in terms of the Clause 49 (IV) (C) of the Listing Agreement with the Stock Exchange. Risk Management Committee met four times on 2<sup>nd</sup> May, 2012, 2<sup>nd</sup> July, 2012, 6<sup>th</sup> October, 2012 & 29<sup>th</sup> January, 2013. The Committee comprises the following members and their attendance was as follows:-

Name	Category	No of Meetings Attended
Mr. Deepak Kumar Singhania	Chairman	4
Mr. Anurag Kumar Singhania	Member and Alternative Chairman	3
Mr. Ram Kumar Srivastava	Member	3
Mr. A K Sinha	Member	3
Mr. P P S Choudhary	Member	2
Mr. S K Mahajan	Member	2
Mr. Vipin Chaudhary	Member	3

Mr. K C Aggarwal, Executive Director (Comml.) & Company Secretary acts as Secretary to the Risk Management Committee.

## Directors' Remuneration

The details of remuneration paid/payable to the Directors during the year were as under:

Name	Gross Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr. K K Shangloo	-	2000	2000
Mr. S K Bhandari	-	9000	9000
Mr. Pawan Kumar	-	1000	1000
Mr. C P Ravindranath Menon	-	4000	4000
Mr. Satinder Kumar Aggarwal	-	15000	15000
Mr. Shiromani Sharma	-	15000	15000
Mr. Sridhar Srinivasan	-	-	-
Mr. Lalit Kumar Singhania	9,15,433	-	9,15,433
Mr. Sanjeev Shriya	15,40,761	-	15,40,761
Mr. Deepak Kumar Singhania	21,37,584	-	21,37,584
Mr. Anurag Kumar Singhania	9,48,129	-	9,48,129
Mr. Ram Kumar Srivastava *	18,00,000	-	18,00,000

### Note

\* A loan was given to Shri Ram Kumar 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. In case of Mr. Ram Kumar Srivastava, Whole-time Director, the income-tax on perquisites is not paid / payable by the Company.
- The Company has a policy of not advancing any loans to Directors. The Company does not have any stock option scheme.
- Chairman & Managing Director, and Whole-time Directors (WTD) have been appointed for a period of five years. The Central

Government has approved payment of their remuneration for three years; (payment of remuneration to Mr. Sanjeev Shriya had been approved earlier by the Central Government for 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 is as under :-

Nature of Complaints	Received	Resolved
Non-receipt of Dividend / Annual Report	-	-
Non-receipt of shares after Endorsement	-	-
Delay in Transfer of Shares / Non-receipt of shares after Transfer	-	-
Change of Address	-	-
Debenture Interest/ Redemption	-	-
Non-receipt of share certificate after rejection of DRNs in NSDL & CDSL system	1	1
Others	-	-
<b>TOTAL</b>	<b>1</b>	<b>1</b>

## IV. OTHER DISCLOSURES

- Details of last three Annual General Meeting(s)

Year	Venue	Date	Time	Any Special Resolution
2012	At LML Limited C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	22.09.2012	11:00 AM	No
2011	At LML Limited C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	20.09.2011	11:00 AM	No
2009	At LML Limited C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	25.03.2010	11:00 AM	No

Whether special resolution were 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 related parties have been disclosed in Note No. 39 of Balance Sheet and Profit & Loss Account 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.