



# **ANNUAL REPORT**

## **2015-2016**

**LML LIMITED**





## BOARD OF DIRECTORS

DEEPAK KUMAR SINGHANIA, *Chairman & Managing Director*  
ANISH BABU VENUGOPAL, *Nominee Director, IFCI*  
SATINDER KUMAR AGGARWAL, *Independent Director*  
SHIROMANI SHARMA, *Independent Director*  
DR. VIVEK KUMAR AGNIHOTRI, *Independent Director*  
RAJENDRA KUMAR JAIN, *Independent Director*  
SANTOSH KUMAR SHIVSHANKAR SHUKLA, *Independent Director*  
MRS. RITU SCHIMAR DHINGRA, *Independent Director*  
SANJEEV SHRIYA, *Non-Executive Director*  
LALIT KUMAR SINGHANIA, *Whole-time Director*  
ANURAG KUMAR SINGHANIA, *Whole-time Director*  
RAM KUMAR SRIVASTAVA, *Whole-time Director*

## SR. PRESIDENT (COMMERCIAL) & COMPANY SECRETARY

K C AGARWAL

## AUDITORS

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

PARIKH & JAIN,  
*Chartered Accountants, Kanpur*

## BANKERS

HDFC BANK  
J&K BANK  
RBL 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 II & III, Kanpur – 208 022. (U.P.)

## ADMINISTRATIVE OFFICE

714, Raheja Chambers,  
213, Nariman Point, Mumbai – 400 021

## REGIONAL OFFICE

Plot No. 105 (3rd Floor), Sector 44,  
Gurgaon – 122 003. (Haryana)

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## LML LIMITED

CIN - L34101UP1972PLC003612

Regd. Office: C-3, Panki Industrial Estate, Site-I,

Kanpur – 208 022 (UP), INDIA

Tel: +91-512-6660300, 2691381 Fax: +91-512-6660301, 6660581

Email: investor.grievances@lml.co.in & lmlknp@lml-india.com

Web: www.lmlworld.com

### NOTICE

NOTICE is hereby given that Fortieth Annual General Meeting (AGM) of the Members of LML Limited will be held on Thursday, the 15<sup>th</sup> September 2016 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 Financial Statements including Consolidated Financial Statement for the financial year ended 31<sup>st</sup> March, 2016, reports of Board of Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr Sanjeev Shriya (DIN: 00014402), who retires by rotation and being eligible, offers himself for re-appointment.
- 3 To appoint a Director in place of Mr Anurag Kumar Singhania (DIN: 00080925), who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To ratify the appointment of Statutory Auditor 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 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) and re-enactment thereof for the time being in force), the appointment of M/s Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W) of Mumbai as per the resolution passed by the members at their 38<sup>th</sup> AGM held on 23<sup>rd</sup> September, 2014 be and is hereby ratified as Statutory Auditor of the Company, for the financial year 2016-17 at such remuneration as may be decided by the Board of Directors of the Company and/or any Committee thereof."

### SPECIAL BUSINESS

- 5 To consider and if thought fit, to pass with or without modification(s) the resolution for re-appointment of Mr. Deepak Kumar Singhania (DIN: 00012037) as Chairman & Managing Director of the Company as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V and all other applicable provisions of the Act and Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of Central Government and other approvals as may be required (if any), consent of the members be and is hereby accorded to the re-appointment of Mr. Deepak Kumar Singhania (DIN: 00012037) as Chairman & Managing Director of the Company, whose office shall not be liable to retire by rotation, for a period of three years w.e.f. 06.10.2016 on the 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, 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.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Deepak Kumar Singhania (DIN: 00012037), the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the Schedule V during the stated period, then the payment of excess remuneration shall be subject to the approval of Central Government

**RESOLVED FURTHER THAT** the tenure of the employment of Mr. Deepak Kumar Singhania (DIN: 00012037) 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."

- 6 To consider and, if thought fit, to pass, with or without modification(s), the resolution for re-appointment of Mr. Ram Kumar Srivastava (DIN: 00763948) as Whole-Time Director of the Company as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V and all other applicable provisions of the Act and Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of Central Government and other approvals as may be required (if any), consent of the members be and is hereby accorded to the re-appointment of Mr. Ram Kumar Srivastava (DIN: 00763948) as Whole-time Director of the Company, whose office shall be liable to retire by rotation, for a period of three years w.e.f. 08.09.2017 on the remuneration and terms and 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 reimbursement 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 aforesaid salary, he shall also be entitled to certain perquisites, namely, Furniture & Furnishings, Water & Electricity, Security Guard(s), Servant(s), reimbursement of Hospitalization expenses for self and family, Club(s) Membership, Gratuity, Encashment of Leave and 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."

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Ram Kumar Srivastava, (DIN: 00763948), the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the Schedule V during the stated period, then the payment of excess remuneration shall be subject to the approval of Central Government.

**RESOLVED FURTHER THAT** the services of Mr. Ram Kumar Srivastava (DIN:00763948) 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, if thought fit, to pass, with or without modification(s), the following resolution to take on lease certain plant, machinery or equipments from VCCL Ltd. covered under the category of Related Party Transactions as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 of Companies Act, 2013 and the rules made thereunder and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof for the time being in force), the consent of members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to take on lease certain plant, machinery and equipments owned by VCCL Ltd. for a period of 11 months from 12<sup>th</sup> November, 2016 on a monthly rent upto Rs. 2,50,000/- p.m. as may be mutually agreed and approved by the Board of Directors of the Company.

**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 including but not limited to execution of Lease Deed, documents and/or agreement(s)."

By Order of the Board of Directors  
**For LML Limited**

**K C AGARWAL**

Sr. President (Commercial) &  
Company Secretary

[Membership No: FCS – 523]

Plot No. 105, 3<sup>rd</sup> Floor, Sector – 44,  
Gurgaon – 122 003

Place: Gurgaon  
Dated: 26.05.2016

NOTE(S):

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (HEREIN AFTER REFERRED AS "THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company, duly completed and signed not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through Electronic voting system and the Company is providing facility for voting through electronic means. Instructions and other related information for e-voting is provided herein below. Further the Company will also send communication relating to remote e-voting which inter alia would contain details about user ID and password along with copy of this Notice to the members separately.

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3. Pursuant to the section 91 of the Companies Act, 2013 the Register of Members and the Share Transfer Books will remain closed from Monday, the 5<sup>th</sup> September, 2016 to Thursday, the 15<sup>th</sup> September, 2016 (both days inclusive).
4. All documents referred to in accompanying Notice and Statement pursuant to section 102 shall be open for inspection at the registered office of the Company during the office hours on all working days between 10:00 A.M. to 3:00 P.M. upto the date of conclusion of AGM.
5. Members can inspect the register of Director and Key Managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 during the course of the meeting at the venue.
6. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries in writing at least a week in advance of the date of the Meeting addressed to the Sr. President (Commercial) & Company Secretary at the following address :  
**LML Limited, C-10, Panki Industrial Estate, Site II & III, Kanpur – 208 022 (U.P.)**
7. Only individual members/shareholders, holding shares in physical form who wish to nominate a person under section 72 of the Act, may furnish us required details in the prescribed Form SH-13, which is available on demand. In respect of shares held in electronic/demat form, the members may please contact their respective DPs.
8. Members / Proxies should bring their copies of Annual Reports and Attendance Slips duly filled in, for attending the meeting. Corporate Members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the AGM pursuant to section 113 of the Act.
9. Details as required in Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment. None of Directors is related to the other except as disclosed.
10. In terms of section 101 & 136 of the Companies Act, 2013 read together with the rules made there under, the Listed Companies may send the notice of AGM and the Abridged Annual Report including both Standalone and Consolidated Abridged Financial Statements, Board Report etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their e-mail ids with their respective DPs or with the Share Transfer Agent of the Company. 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 136 of the Companies Act, 2013 read with rule 11 of the Companies (Accounts) Rules, 2014. The Notice of AGM and the copies of Audited Standalone and Consolidated Financial Statements, Directors' Report, Auditors' Report etc. will also be available on the website [www.lmlworld.com](http://www.lmlworld.com) of the Company. All the members are requested to ensure to keep their e-mail addresses updated with the Depository Participants or by writing to the Company at [green.initiative@lml.co.in](mailto:green.initiative@lml.co.in) quoting their folio number(s) or their DP/ CLIENT IDs.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company for consolidation in one folio.
13. Information and other instructions relating to e-voting are as under:
  - (i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (hereinafter referred as "the Rules"), as amended and Regulation 44 of SEBI (LODR) Regulations 2015 the Company has made necessary arrangements with Karvy Computershare Pvt. Ltd. to provide facility of e-voting to the members. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - (ii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (iii) The Board of Directors of the Company has appointed Mr. Dharmendra Srivastava (M.No. 77529) of M/s Dharmendra Srivastava & Associates, Chartered Accountant (FRN No. 009796C) having address at 13/392, Civil Lines, Kanpur-208001, as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the **cut off date i.e. 3<sup>rd</sup> September, 2016**. Any person who is not a Member as on the cut - off date should treat this Notice for information purposes only.
  - (v) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut - off date i.e. 3<sup>rd</sup> September, 2016** only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
  - (vi) Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the **Cut-off date i.e. 3<sup>rd</sup> September, 2016**, may obtain the User ID and password in the manner as mentioned below:
    - (a) If e-mail address or mobile number of the member is registered against Folio No. or DP ID/ Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot password" and enter Folio No. or DP ID/ Client ID and PAN to generate a password.
    - (b) Member may call Karvy's Toll free No. 1-800-3454-001 or 040-67161500.
    - (c) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)
  - (vii) The remote e-voting facility will be available during the following period  
 Commencement of remote e-voting : 11<sup>th</sup> September, 2016  
 End of remote e-voting : Upto 5:00 PM on 14<sup>th</sup> September, 2016  
 The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy Computershare upon expiry of aforesaid period.
  - (viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will not later





than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizers's report shall be placed on the website of the Company [www.lmlworld.com](http://www.lmlworld.com) and on the website of the Karvy - [www.evoting.karvy.com](http://www.evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges.

- (ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 15<sup>th</sup> September, 2016.

(x) A. FOR MEMBERS WHO RECEIVE NOTICES THROUGH E-MAIL:

- i. Use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials i.e., user ID and password as mentioned in your e-mail or provided below/ at the bottom of attendance slip and click on "LOGIN". The e-voting Event Number + Folio No. or DP ID/ Client ID will be your User ID.
- iii. You will reach the Password change menu. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- iv. You need to login again with the new credentials.
- v. On successful login, select EVENT i.e., LML Limited for Annual General Meeting.
- vi. On the voting page, the number of shares (which represents number of votes) as on the cut-off date will appear. If desire to cast all the votes assenting/ dissenting to the resolution, then enter all shares and click "FOR/AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed the total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- vii. Shareholders holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
- viii. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify or cancel your vote subsequently.** During the voting period, shareholders can login any number of times till they have voted on the resolution.
- ix. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG) of the Board resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer at e-mail id: [lml.scrutinizer@lml.co.in](mailto:lml.scrutinizer@lml.co.in). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "LML\_Event No."
- x. In case of any query connected with voting by electronic mean members may contact the following:  
Mr Varghese P A  
Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032  
E-mail : [evoting@karvy.com](mailto:evoting@karvy.com) Tel : 040 - 67161500

B. FOR MEMBERS WHO RECEIVE THE NOTICES IN

PHYSICAL FORM:

- Members who are in receipt of notices in physical form, may opt for e-voting, for which the INITIAL USER ID and PASSWORD are provided below/ at the bottom of Attendance Slip.
  - Please follow all steps from Sl. No. (i) to (ix) above to vote through e-voting platform.
- (xi) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at Tel. No. 1800 345 4001 (toll free).
  - (xii) If you are already registered with Karvy for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
  - (xiii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of shareholders shall be in proportion to their number of shares as on cut-off date 3<sup>rd</sup> September, 2015.

14. Information as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial standard-2 regarding re-appointment of Mr. Sanjeev Shriya is as under:-

Mr. Sanjeev Shriya (DIN: 00014402), age 57 years, is a Chartered Accountant and has vast experience in two wheeler industry, foreign trade and IT. He has widely travelled and has been a Director of the Company since 09.10.1982 and was Whole-time Director w.e.f. 18.07.1984 to 17.07.2014 and is non-Executive Director w.e.f. 18.07.2014. Mr. Sanjeev Shriya (DIN: 00014402) is also a Director in other Companies viz : Gold Rock investments Limited, Smart Chip Limited, Syscom Corporation Limited, Inlays India Private Limited & Safran India Pvt. Ltd.. He is the member of Sub-Committees of director and Financial Reconstructing Committee of your Company.

The Company has received from Mr. Sanjeev Shriya (DIN: 00014402)

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

He holds 30 Equity Shares of the Company and is one of the Promoter of the Company. No remuneration or sitting fee was paid during the FY 2015-16. No remuneration or sitting fee is to be paid during FY 2016-17. During the year, he attended 1 meeting of the Board of Directors of the Company.

None of the Directors, Key Managerial Personnel (KMP) and any relative of the Directors of the Company and their relatives except Mr Sanjeev Shriya (himself) are, 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.

15. Information as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial standard-2 regarding re-appointment of Mr. Anurag Kumar Singhania is as under:-  
Mr Anurag Kumar Singhania (holding DIN No. 00080925), age about 48 years, is a Commerce Graduate and has wide experience of around 28 years in two-wheeler industry, and in over-all general business administration and management.

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. He has been serving the Company as Vice-President since 1987 and as Whole-time Director, w.e.f. 28.06.2005.

Mr. Anurag Kumar Singhania (holding DIN No. 00080925) is not Director in any other Company. He is member of Financial Restructuring Committee and Risk Management committee of Directors of your Company.

The Company has received from Mr. Anurag Kumar Singhania (holding DIN No. 00080925)

- (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

Mr. Anurag Kumar Singhania (DIN: 00080925) has no pecuniary relationship with any managerial personnel of the Company except Mr. Deepak Kumar Singhania, Chairman & Managing Director and Mr. Lalit Kumar Singhania, whole-time Director of the Company as his relatives, whether directly or indirectly. He neither has any pecuniary relationship with the company directly or indirectly.

He is also relative of promoters of the company and does not hold any equity shares of the company.

He attended 2 meetings of the Board of Directors of the Company.

He was paid Rs. 17,89,229/- during the FY 2015-16.

His appointment as Whole-time Director is expiring on 27.06.2016 and till then he will be paid proportionate of Rs. 18 lakhs p.a. (as already approved by MCA) and his re-appointment has been approved by shareholders in AGM held on 24<sup>th</sup> September, 2015 at Rs. 24 lakhs p.a. which is subject to approval of MCA and he will be paid accordingly w.e.f. 28.06.2016.

His re-appointment would be immensely beneficial for the company and its stakeholders.

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

**STATEMENT IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 5**

**Statement pursuant to Schedule V of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial standard-2:**

In terms of the Sections 196, 197 and 203, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V and all other applicable provisions of the Act and Chapter IV of the SEBI (LODR) Regulations, 2015 and subject to the approval of Members, Central Government and other approvals as may be required (if any), the nomination and remuneration committee in their meeting held on 26<sup>th</sup> May, 2016 has recommended and the Board of Directors, in their meeting held on 26<sup>th</sup> May, 2016, has also recommended for re-appointment of Mr. Deepak Kumar Singhania (DIN: 00012037) as Chairman & Managing Director of the Company for the period of 3 years from the expiry of the present terms which will expire on 05.10.2016 at the remuneration recommended by the Nomination & Remuneration Committee.

It is proposed to seek the member's approval for the re-appointment and remuneration payable to Mr. Deepak Kumar Singhania as Chairman & Managing Director of the Company in terms of applicable provisions of the Act and Rules there under.

The additional information with respect to the Company and Mr. Deepak Kumar Singhania are as under:-

**I. General Information:**

- 1) Nature of Industry: Two Wheeler Industry.
- 2) Date of commencement of commercial production: The Company started production of 2-stroke Metal Body Geared Scooters (MBGS) in F.Y. 1983-84.
- 3) Financial performance based on given indicators:

(Rs. in Crore)

Sl. No.	Particulars	FY 2013-14	FY 2014-15	FY 2015-16
1	Gross Income	273.73	212.58	160.32
2	Operating Profit/ (Loss)	(17.76)	(25.46)	(21.68)
3	Interest	40.13	43.02	47.33
4	Depreciation, Amortisation & Impairment of Fixed Assets	14.94	12.61	9.35
5	Net Profit/(Loss)	(72.83)	(81.09)	(78.36)

- 4) Earning in Foreign Exchange during the year :Rs. 127.09 crores
- 5) Foreign investments or collaborators, if any: Company has no Foreign Direct Investment or Foreign Collaboration with any party.

**II. Information about the appointee:**

**A. BACK GROUND DETAILS:**

As members are aware that Mr. Deepak Kumar Singhania (DIN: 00012037) was last appointed on 06.10.2013 as Chairman & Managing Director for a period of three years, which will expire on 05.10.2016. To maintain continuity of his appointment and payment of remuneration, the same need to be approved for next three years w.e.f. 06.10.2016. The Board of Directors at its meeting held on 26.05.2016, has proposed to re-appoint him for a further period of three years w.e.f. 06.10.2016.

**B. PAST REMUERATION:**

(Amount in Rs.)

Total Remuneration Paid	FY 2013-14	FY 2014-15	FY 2015-16
	19,44,469	17,75,492	17,96,294

**C. RECOGNITION OR AWARDS: Nil**

**D. JOB PROFILE AND HIS SUITABILITY:**

Career and Experiences:

Mr. Deepak Kumar Singhania (DIN: 00012037), age about 64 years, is a Graduate and has wide experience in two-wheeler industry, and in over-all general business administration and management. 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 a Managing Director and w.e.f. 28.10.2005 as Chairman & Managing Director. He has played a significant role in revamping the operations of the Company and in introducing innovative strategies.

Mr. Deepak Kumar Singhania (DIN: 00012037), is not Director in any other Company. He is a Chairman of Risk Management Committee, Member of Audit Committee, Stakeholders Relationship Committee, Financial restructuring Committee of Directors and Sub-Committee of Directors of the Board of your Company.

During FY 2015-16, he attended all the 4 meetings of the Board of Directors of the Company.

**E. REMUNERATION PROPOSED:**

The remuneration payable to Mr. Deepak Kumar Singhania (DIN: 00012037) on the recommendation of Nomination & Remuneration Committee has been set





out in the Resolution i.e., maximum Rs. Two Lacs per month and previously Central Government has approved his remuneration of Rupees One Lac Fifty Thousand per month.

**F. COMPARITAIVE REMUNERATION:**

The proposed remuneration to be paid to him is very low as compared to the other Companies in the industry.

**G. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL:**

Mr. Deepak Kumar Singhania (DIN: 00012037) has no pecuniary relationship with any managerial personnel of the Company except Mr Lalit Kumar Singhania (his brother), Whole-time Director and Mr Anurag Kumar Singhania (his Nephew), Whole-time Director of the Company as his relatives, whether directly or indirectly. He neither has any pecuniary relationship with the Company directly or indirectly. He is also a promoter of the Company and holds 34 Equity Shares of the Company.

**III. OTHER INFORMATION:**

**Reasons of loss or inadequate profits, and Steps taken or proposed to be taken for improvement**

The Company's project was set up for manufacture of 2-stroke Metal Body Geared Scooters (MBGS). There was a dramatic shift in consumer preference from MBGS to 4-stroke - motor cycles and gearless (CVT) scooters which adversely affected the working of the Company. Further, Company's workmen resorted to illegal strike and with a view to protect life and property the Company had to declare a lockout on 7th March, 2006. Consequent to the withdrawal of strike by the workmen on 13.4.2007, the Company resumed its operations in a very small way. Due to losses since the net worth of the Company got fully eroded, it is registered with Board for Industrial and Financial Reconstruction (BIFR) as a Sick Industrial Company under the mandatory provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

**Steps taken or proposed to be taken for improvement**

The Company is working on development and industrialization of various new products and technologies. Barring unforeseen circumstances it plans to start production of light 3-wheeler during the FY 2016-17 The Company is working and is committed for its revival which would be done under the aegis of the Hon'ble BIFR.

**Expected increase in productivity and profits in measurable terms**

Company is working for its revival under the aegis of Hon'ble BIFR and expects improvement in productivity and profits after its revival scheme is approved by Hon'ble BIFR and implemented.

**INFORMATION UNDER CHAPTER IV OF SEBI (LORD) REGULATIONS, 2015 REGARDING RE-APPOINTMENT OF DIRECTORS**

Name	Mr Deepak Kumar Singhania
Date of Birth	25.12.1952
Date of Appointment on Board	18.07.1984
Qualification	Graduate
Experience	41 years
Directorship held in other public Companies (excluding foreign and private Companies)	Nil
Membership/Chairmanship of Committee of other public Companies (Includes only Audit Committee and Stakeholderst Relationship Committee	Nil
Number of Shares Held	34
Relationship between other Directors, Manager and other Key Managerial Personnel of the company	Mr. Lalit Kumar Singhania (Brother) Mr. Anurag kumar Singhania (Nephew)

Director satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act. The Company has received from him (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of section 164 of the Act.

None of the Directors, Key Managerial Personnel (KMP) and any relative of the Directors of the Company and their relatives except as mentioned in above table are, in any way concerned or interested in passing of the Resolution as set out in item no. 5 and the resolution does not affects any other Company.

His re-appointment would be immensely beneficial for the Company and its stakeholders.

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

**Item No. 6**

**Statement pursuant to Schedule V of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial standard-2:**

In terms of the Sections 196, 197 and 203 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V and all other applicable provisions of the Act and Chapter IV of the SEBI (LODR) Regulations, 2015 subject to the approval of Members, Central Government and other approvals as may be required (if any), the nomination and remuneration committee in their meeting held on 26<sup>th</sup> May, 2016 has recommended and the Board of Directors, in their meeting held on 26<sup>th</sup> May, 2016, has also recommended the re-appointment of Mr. Ram Kumar Srivastava (DIN: 00763948) as Whole-time Director of the Company for the period of 3 years from the expiry of the present terms which will expire on 07.09.2017 at the remuneration recommended by the Nomination & Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the member's approval for the re-appointment of and remuneration payable to Mr. Ram Kumar Srivastava as Whole-time Director of the Company in terms of applicable provisions of the Act and Rules there under.

The additional information with respect to the Company and the Appointee are as under:-

**I. General Information:**

- 1) Nature of Industry: Two Wheeler Industry.
- 2) Date of commencement of commercial production: The Company had started production of Metal Body Geared Scooters (MBGS) in F.Y. 1983-84.
- 3) Financial performance based on given indicators:

(Rs. in Crore)

Sl. No.	Particulars	FY 2013-14	FY 2014-15	FY 2015-16
1	Gross Income	273.73	212.58	160.32
2	Operating Profit/(Loss)	(17.76)	(25.46)	(21.68)
3	Interest	40.13	43.02	47.33
4	Depreciation, Amortisation & Impairment of Fixed Assets	14.94	12.61	9.35
5	Net Profit/(Loss)	(72.83)	(81.09)	(78.36)

- 4) Earning in Foreign Exchange during the year: Rs. 127.09 crores
- 5) Foreign investments or collaborators, if any: Company has no Foreign Direct Investment or Foreign Collaboration with any party.

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### II. Information about the appointee:

#### A. BACK GROUND DETAILS:

As members are aware that Mr. Ram Kumar Srivastava (DIN: 00763948) was last appointed on 07.09.2014 as Whole-time Director for a period of three years with the Central Government approval, which will expire on 07.09.2017. The Board of Directors at its meeting held on 26.05.2016, has proposed to re-appoint him for a further period of three years w.e.f. 08.09.2017

#### B. PAST REMUNERATION:

(Amount in Rs.)

Total Remuneration Paid	FY 2013-14	FY 2014-15	FY 2015-16
	18,00,000	18,00,000	18,00,000

#### C. RECOGNITION OR AWARDS: Nil

#### D. JOB PROFILE AND HIS SUITABILITY:

Career and Experiences:

Mr. Ram Kumar Srivastava (DIN: 00763948), M.A., LL.B, D.LL aged about 77 years has vast experience about 53 years in various areas of Business Management.

He is widely travelled and has substantial experience especially 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 w.e.f.08.09.2006.

Mr. Ram Kumar Srivastava (DIN: 00763948) is not Director in any other Company. He is also member of Risk Management Committee of your Company. There were 4 meetings of the Board of Directors of the Company during the FY 2015-16 and he attended 1 Board Meeting of the Company.

#### E. REMUNERATION PROPOSED:

The remuneration payable to Mr. Ram Kumar Srivastava (DIN: 00763948) on the recommendation of Nomination & Remuneration Committee has been set out in the Resolution i.e., maximum Rs. Two Lacs per month and previously Central Government has approved his remuneration of Rupees One Lac Fifty Thousand per month.

#### F. COMPARITAIVE REMUNERATION:

The proposed remuneration to be paid to him is very low as compared to the other Companies in the industry.

#### G. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL:

Mr. Ram Kumar Srivastava (DIN: 00763948) has no pecuniary relationship with any managerial personnel of the Company, whether directly or indirectly. He neither has any pecuniary relationship with the Company directly or indirectly. He does not hold any Equity Shares of the Company.

### III. OTHER INFORMATION:

#### Reasons of loss or inadequate profits, and Steps taken or proposed to be taken for improvement

The Company's project was set up for manufacture of 2-stroke Metal Body Geared Scooters (MBGS). There was a dramatic shift in consumer preference from MBGS to 4-stroke - motor cycles and gearless (CVT) scooters which adversely affected the working of the Company. Further, Company's workmen resorted to illegal strike and with a view to protect life and property the Company had to declare a lockout on 7th March, 2006. Consequent to the withdrawal of strike by the workmen on 13.4.2007, the Company resumed its operations in a very small way. Due to losses since the net worth of the Company got fully eroded, it is registered with Board for Industrial and Financial Reconstruction (BIFR) as a Sick Industrial Company under the mandatory provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

#### Steps taken or proposed to be taken for improvement

The Company is working on development and industrialization of various new products and technologies. Barring unforeseen circumstances it plans to start production of light 3-wheeler during the FY 2016-17. The Company is working and is committed for its revival which would be done under the aegis of the Hon'ble BIFR.

#### Expected increase in productivity and profits in measurable terms

Company is working for its revival under the aegis of Hon'ble BIFR and expects improvement in productivity and profits after its revival scheme is approved by Hon'ble BIFR and implemented.

#### INFORMATION UNDER CHAPTER IV OF THE SEBI (LODR) REGULATIONS 2015 REGARDING RE-APPOINTMENT OF DIRECTORS

Name	Mr. Ram Kumar Srivastava
Date of Birth	14.04.1939
Date of Appointment on Board	08.09.2006
Qualification	M.A., LL.B, D.LL
Experience	53 Years
Directorship held in other public Companies (excluding foreign and private Companies)	NIL
Membership/Chairmanship of Committee of other public Companies (Includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Number of Shares Held	NIL
Relationship between other Directors, Manager and other Key Managerial Personnel of the company	N/A

Director satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act. The Company has received from him (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Act.

None of the Directors, Key Managerial Personnel (KMP) and any relative of the Directors of the Company and their relatives in any way concerned or interested in passing of the Resolution as set out in item no. 6 and the resolution does not affects any other Company. His re-appointment would be immensely beneficial for the Company and its stakeholders.

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

#### Item No. 7

The Company has taken on lease certain plant, machinery and equipments w.e.f 13<sup>th</sup> December 2015 for 11 months, owned by VCCL Ltd., which is a related party.

Pursuant to the provisions of Section 188 and rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) of the Act, it has become mandatory to take prior approval of shareholders by Special Resolution to re-enter into transaction with related party. Shareholders' approval is sought to renew the lease with VCCL Ltd. w.e.f. 12<sup>th</sup> November, 2016 onwards on such terms and conditions as may be mutually agreed by both the parties.

None of the Directors, Key Managerial Personnel (KMP) and any relative of the Directors and their relatives of the Company is in any way, concerned or interested in passing of the said resolution as set