



LML LIMITED

LML

105, 3rd Floor
Sector 44
Gurgaon - 122003, India
Tel. : 91-124-4500500
Fax : 91-124-4500501

LML:SH:SE:

December 2, 2016

The Manager (Listing),
The Corporate Relationship Deptt.,
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

The Manager,
Capital Market (Listing),
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
MUMBAI - 400 051

Ref : **Scrip Code- NSE - LML, BSE - 500255**

Sub : Submission of Annual report under Regulation 34 of SEBI (LODR) Regulations, 2015 along with statement on Impact of Audit Qualification for the FY 2015-16

Dear Sir,

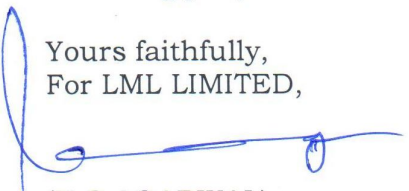
This has reference to your e.mail message dated 25.11.2016 regarding submission of Annual Report containing Statement on Impact of Qualification by the listed entities. We had submitted the Statement on Impact of Audit Qualification (Standalone & Consolidated) for the financial year 2015-16 vide letter dated 28.06.2016 and non-submission of the same along with the Annual Report for the said financial year was a clerical error.

Further, pursuant to Regulation 34(1), we are again submitting herewith the soft copy of the Annual Report as approved and adopted at our Annual General Meeting (AGM) of the Company held on 15th September, 2016 for the FY 2015-16 along with Statement on Impact of Audit Qualification (Standalone & Consolidated) as stated under Regulation 34(2) of SEBI (LODR) (Amendment) Regulations, 2016

Kindly take the same on record.

Thanking you,

Yours faithfully,
For LML LIMITED,


(K C AGARWAL)
Senior President (Commercial) &
Company Secretary

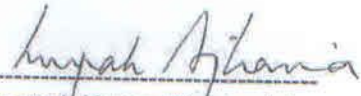
Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along with Annual Audited Financial Results – (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year Ended 31 st March 2016 (See Regulation 33 of the SEBI(LODR) Regulations, 2015)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for Qualifications) <i>Rs. In Lacs</i>	Adjusted Figures (Audited Figures after adjusting for Qualifications)
	1	Turnover / Total Income	15,779.38	-
	2	Total Expenditure	23615.15	-
	3	Net Profit/ (Loss)	(7,835.77)	-
	4	Earnings Per Share	(9.56)	-
	5	Total Assets	18,162.41	-
	6	Total Liabilities	18162.41	-
	7	Net Worth	-66,330.18	-
	8	Any other Financial Item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each Audit Qualification Separately):			
	a. Details of Audit Qualification : <i>Refer Annexure -I</i>			
	b. Type of Audit Qualification : <i>Qualified Opinion</i>			
	c. Frequency of Qualification : <i>Repetitive</i>			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, managements view: - N.A.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Managements estimation on the impact of audit qualification: N.A.			
	(ii) If management is unable to estimate the impact, reason for the same : <i>Refer Annexure – II</i>			
	(iii) Auditor's Comment on (i) or (ii) above: <i>Qualifications and management response is self explanatory.</i>			



III. Signatories

• **Managing Director**


[Deepak Kumar Singhania]
Chairman & Managing Director
(DIN: 00012037)

• **CFO**

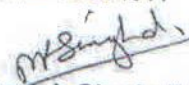

[Mahesh Kumar Kanodia]
Chief Financial Officer
CA Membership No. 070214

• **Audit Committee Chairman**


[S K Agarwal]
Chairman of Audit Committee Meeting
Director
(DIN: 00014619)

• **Auditor(s) of the Company**

1. For Khandelwal Jain & Co.
Chartered Accountants
FRN - 105049W


[Manish Singhal]
Partner - M.No. 502570



2. For Parikh & Jain
Chartered Accountants
FRN - 001105C


[Anurag Jain]
Partner - M.No. 076362



Date: 29/06/2016



Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted
along with Annual Audited Financial Results – (Standalone)

Annexure – I

1. (a) Balances of some of the trade receivable/ payable, lenders and loans and advances being subject to confirmation/ reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the financial statement for the year.

(b) The Company has valued the inventories except finished goods at cost instead of at cost or realizable value, whichever is lower which is not in compliance with the Accounting Standard 2 – Valuation of Inventories prescribed in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As explained to us the process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan and its implementation. Since the realizable value as on 31st March, 2016 has not been determined, we are unable to express any opinion as to the effect thereof on the financial statement for the year.

(c) The Company has become a Sick Industrial Company due to erosion of its net worth and its current liabilities have also exceeded its current assets by Rs. 70131.26 lakhs as at Balance Sheet date. These factors, along with other matters as set forth in the said note, raise doubt that the Company will be able to continue as a going concern. The Company is in the process of restructuring/revival of its business under the aegis of BIFR and had submitted the draft revival scheme and as directed by BIFR, the Company had also submitted the updated revival scheme, considering this the accounts have been prepared on a going concern basis. The Company's ability to continue, as a going concern is dependent upon successful restructuring and revival of its business. In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable.

(d) Regarding non compliance of requirements under Micro, Small and Medium Enterprises Development Act, 2006, in the absence of information available with the Company. As such, we are unable to express any opinion as to the effect thereof if any, on the financial statements for the year.



Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along with Annual Audited Financial Results – (Standalone)

Annexure – II

- (a) Balances of some of the Trade Receivables, Trade Payable, lenders, loans and advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material adjustment in this regard.
- (b) The Company is in the process of restructuring/revival of its business under the aegis of BIFR which inter alia includes finalization of the product plan. The process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan. Pending such ascertainment/determination the management has considered the inventories except finished goods at cost. Requisite accounting effect, if any, will be given upon such ascertainment/determination, approval and implementation of revival plan.
- (c) The Company became a Sick Industrial Company within the meaning of Section 3(1)(O) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its net worth and the Company -was declared a Sick Industrial Company by BIFR on 8th May, 2007. The Company resumed operations in a small way from April, 2007 and is working inter-alia on the development of various new products and technologies. The Company had earlier submitted its draft revival scheme to BIFR. As directed by BIFR, the Company has since submitted the updated revival scheme. In view of this, the accounts have been prepared on the basis of going concern.
- (d) In the absence of information from Trade Payable regarding status under The Micro, Small and Medium Enterprises Development Act, 2006, liability of interest if any cannot be reliably estimated, nor required disclosures can be made.



Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted along with Annual Audited Financial Results – (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year Ended 31 st March 2016 (See Regulation 33 of the SEBI(LODR) Regulations, 2015)				
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	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Managements estimation on the impact of audit qualification:			
	(ii) If management is unable to estimate the impact, reason for the same : <i>Refer Annexure – II</i>			
	(iii) Auditor's Comment on (i) or (ii) above: <i>Qualifications and management response is self explanatory.</i>			



III. Signatories

- **Managing Director**



[Deepak Kumar Singhania]
Chairman & Managing Director
(DIN: 00012037)

- **CFO**



[Mahesh Kumar Kanodia]
Chief Financial Officer
CA Membership No. 070214

- **Audit Committee Chairman**



[S K Agarwal]
Chairman of Audit Committee Meeting
Director
(DIN: 00014619)

- **Auditor(s) of the Company**

3. For Khandelwal Jain & Co.
Chartered Accountants
FRN - 105049W



[Manish Singhal]

Partner - M.No. 502570



4. For Parikh & Jain
Chartered Accountants
FRN - 001105C



[Anurag Jain]

Partner - M.No. 076362



Date: 28/06/2016

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted
along with Annual Audited Financial Results – (Consolidated)

Annexure – I

2. (a) In the case of the holding Company, balances of some of the trade receivable/ payable, lenders and loans and advances being subject to confirmation/ reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the consolidated financial statement for the year.

(b) In the case of the holding Company, the holding Company has valued the inventories except finished goods at cost instead of at cost or realizable value, whichever is lower which is not in compliance with the Accounting Standard 2 – Valuation of Inventories prescribed in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As explained to us the process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan and its implementation. Since the realizable value as on 31st March, 2016 has not been determined, we are unable to express any opinion as to the effect thereof on the consolidated financial statement for the year.

(c) In the case of the holding Company, the holding Company has become a Sick Industrial Company due to erosion of its net worth and its current liabilities have also exceeded its current assets by Rs. 70131.26 lakhs as at Balance Sheet date. These factors, along with other matters as set forth in the said note, raise doubt that the holding Company will be able to continue as a going concern. The holding Company is in the process of restructuring/revival of its business under the aegis of BIFR and had submitted the draft revival scheme and as directed by BIFR, the holding Company had also submitted the updated revival scheme, considering this the accounts have been prepared on a going concern basis. The holding Company's ability to continue, as a going concern is dependent upon successful restructuring and revival of its business. In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable.

(d) In the case of the holding Company, regarding non compliance of requirements under Micro, Small and Medium Enterprises Development Act, 2006, in the absence of information available with the holding Company. As such, we are unable to express any opinion as to the effect thereof if any, on the consolidated financial statements for the year.



Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) submitted
along with Annual Audited Financial Results – (Consolidated)

Annexure – II

- (a) In Case of Holding Company, Balances of some of the Trade Receivables, Trade Payable, lenders, loans and advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material adjustment in this regard.
- (b) The Holding Company is in the process of restructuring/revival of its business under the aegis of BIFR which inter alia includes finalization of the product plan. The process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan. Pending such ascertainment/ determination the management has considered the inventories except finished goods at cost. Requisite accounting effect, if any, will be given upon such ascertainment/ determination, approval and implementation of revival plan.
- (c) The Holding Company became a Sick Industrial Company within the meaning of Section 3(1)(O) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its net worth and the Holding Company -was declared a Sick Industrial Company by BIFR on 8th May, 2007. The Holding Company resumed operations in a small way from April, 2007 and is working inter-alia on the development of various new products and technologies. The Holding Company had earlier submitted its draft revival scheme to BIFR. As directed by BIFR, the Holding Company has since submitted the updated revival scheme. In view of this, the accounts have been prepared on the basis of going concern.
- (d) In Holding Company the absence of information from Trade Payable regarding status under The Micro, Small and Medium Enterprises Development Act, 2006, liability of interest if any cannot be reliably estimated, nor required disclosures can be made.





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 15th 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 31st 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 38th AGM held on 23rd 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 12th 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, 3rd 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.

LML LIMITED ANNUAL REPORT 2015-16

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 5th September, 2016 to Thursday, the 15th 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 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 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. 3rd 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. 3rd 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. 3rd 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
 - (vii) The remote e-voting facility will be available during the following period
 Commencement of remote e-voting : 11th September, 2016
 End of remote e-voting : Upto 5:00 PM on 14th 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 and on the website of the Karvy - 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. 15th 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. 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 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 3rd 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 24th 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 26th May, 2016 has recommended and the Board of Directors, in their meeting held on 26th 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 26th May, 2016 has recommended and the Board of Directors, in their meeting held on 26th 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 13th 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. 12th 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



out in resolution at item no. 7 except to the extent of their shareholding in both the companies, if any.

Name of the Related Party	VCCL Limited
Name of the Director or KMP who is related, if any.	NIL
Nature of Relationship	Promoter of VCCL
Nature, Material Terms, Monetary Value and particulars of the contract or arrangement	Lease of certain plant, machinery and equipments owned by VCCL Ltd. w.e.f 12 th November, 2016 for 11 months from M/s VCCL Limited on monthly rent of upto Rs. 2,50,000/- as may be mutually agreed and approved by the Board of Directors of the Company
Any other information relevant or important for the members to take a decision on the proposed resolution	One of the employee of the Company is a Director of VCCL Ltd.

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, 3rd Floor, Sector - 44,
Gurgaon - 122 003

Place: Gurgaon
Dated: 26.05.2016

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.

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 composition of the Board is in consonance

with the applicable provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, consisting of 4 Executive and 8 Non-Executive Directors. As on 31st March, 2016, the Board of Directors comprised of 12 Directors, out of which 8 Directors (67%) were non executive Directors.

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 Stakeholders' Relationship Committee) across all the public companies in which they are Directors.

Composition of the Board of Directors of the Company and their other Directorship(s) / Committee Membership(s) / Chairmanship(s), number of meetings held during their tenure and attended by them etc. during the financial year ended March 31, 2016 are given in Table-1.

TABLE - 1: Details about Company's Board of Directors

Name of Director	Designation	No. of Board Meetings attended during the year /No. of Board Meeting held during their tenure	Attendance at last AGM	No. of Directorship(s) and Committee Membership(s) / Chairmanship(s) of other public limited companies			No. of shares held by non-Executive Directors	Relationship between Directors inter-se
				Other Directorship(s)	Committee Membership(s)*	Committee Chairmanship(s)*		
Mr. Deepak Kumar Singhania	Executive, Chairman & Managing Director	4/4	Yes	-	-	-		**
Mr. Lalit Kumar Singhania	Executive, Whole-Time Director	2/4	No	-	-	-		**
Mr. Anurag Kumar Singhania	Executive, Whole-Time Director	2/4	Yes	-	-	-		**
Mr. Ram Kumar Srivastava	Executive, Whole-Time Director	1/4	Yes	-	-	-		
Mr. Sanjeev Shriya	Non-Executive Director	1/4	No	3	-	-	30	
Mr. Satinder Kumar Aggarwal	Non-Executive, Independent Director	3/4	No	-	-	-		
Mr. Shiromani Sharma	Non-Executive, Independent Director	3/4	No	1	-	1		
Dr. Vivek Kumar Agnihotri	Non-Executive, Independent Director	4/4	Yes	-	-	-		
Mr. Anish Babu Venugopal [Nominee-IFCI]	Non-Executive Director	2/4	No	2	-	-		
Mr. Rajendra Kumar Jain	Non-Executive, Independent Director	4/4	Yes	-	-	-		
Mr. Santosh Kumar Shivshankar Shukla	Non-Executive, Independent Director	3/4	Yes	-	-	-		
Mrs. Ritu Schimar Dhingra	Non-Executive, Independent Director	1/4	No	-	-	-		



* In accordance with Regulation 26 of SEBI (LODR) Regulations, 2015, Membership/Chairmanship of only Audit Committees, and the Stakeholders Relationship Committees in all public limited companies whether listed or not (excluding LML Ltd.) have been considered.

** Mr Deepak Kumar Singhania and Mr Lalit Kumar Singhania are brothers and Mr Anurag Kumar Singhania is son of Mr Lalit Kumar Singhania

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Regulation 25 of SEBI (LODR) Regulations, 2015. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 has been issued and terms and conditions of their appointment are disclosed on the website of the Company viz. www.lmlworld.com. During the year under review, the Independent Directors met separately on 12th February, 2016.

Board/Shareholders' Meetings

During the financial year under review, four Board Meetings were held on 29th May, 2015, 14th August, 2015, 5th November, 2015 & 12th February, 2016. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. The last Annual General Meeting (AGM) was held on Thursday, 24th September, 2015.

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 three 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 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

LML Limited has six Board level Committees:

- Audit Committee
- Stakeholders Relationship Committee
- Financial Restructuring Committee of Directors
- Nomination & Remuneration Committee
- Risk Management Committee
- Sub-Committee of Directors

The Board is responsible for constituting, assigning, co-opting and fixing the terms and reference for members of various committees. The minutes of all the Committee meetings are placed before the Board and noted by the Directors present at the meetings. The role and composition

of the Committees including the number of meeting(s) held and the related attendance during financial year 2015-16 are as follows:

(a) Audit Committee

Composition of the Audit Committee meets the criteria as prescribed by law. The Committee comprises of five Directors, majority being Non-Executive & Independent and is financially literate and meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. Moreover, the Audit Committee has members who have accounting or related financial management expertise. It met four times during the financial year 2015-16 on 29th May, 2015, 14th August, 2015, 5th November, 2015 & 12th February, 2016. The attendance of the Audit Committee Members was as under:-

Name	Category	No. of Meetings Attended
Mr. Satinder Kumar Aggarwal	Chairman	3/4
Mr. Anish Babu Venugopal	Member	2/4
Mr. Shiromani Sharma	Member	3/4
Dr. Vivek Kumar Agnihotri	Member	4/4
Mr. Deepak Kumar Singhania	Member	4/4

Mr. K C Agarwal, Sr. President (Commercial) & Company Secretary acts as Secretary to the Audit Committee. Head of the Internal Audit and Accounts Department, Statutory Auditors/ Internal Auditors and CFO attended the meeting on invitation of Audit Committee members.

ROLE/ TERMS OF REFERENCE OF AUDIT COMMITTEE

The Audit Committee assist the Board of Directors of the Company in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirements. The Committee's purpose is to review the accounting and financial process of the company, the audit of the Company's financial Statements, appointment, re-appointment, Independence, performance and remuneration of the Statutory Auditors including Secretarial Auditor, the performance of the Internal Auditor and the Company's risk management policies. The terms of reference of Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013, and Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015,

The Board has established a vigil mechanism and framed a policy under the name "Whistle Blower Policy" for its Directors and employees to report genuine concerns or frauds and no personnel has been denied access to the Audit Committee. The policy is uploaded on the company's website at the following weblink <http://lmlworld.com/Pdf/LML-Whistle-Blower-Policy.pdf>.

(b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company looks into matters like transfer/ transmission, issuance of duplicate shares, non-receipt of declared dividend etc. and examines investor(s) complaint(s) and takes necessary steps for redressal thereof.

Stakeholders Relationship Committee, consisting of following Directors, met four times on 29th May, 2015, 14th August, 2015, 5th November, 2015 & 12th February, 2016. The attendance of the Members of Stakeholders Relationship Committee was as under:-

Name	Category	No of Meeting(s) Attended
Mr. Satinder Kumar Aggarwal	Chairman	3/4
Mr. Shiromani Sharma	Member	3/4
Mr. Lalit Kumar Singhania	Member	2/4
Mr. Deepak Kumar Singhania	Member	4/4

Mr K C Agarwal, Sr. President (Commercial) & Company Secretary is also Compliance Officer of the Company. 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	-	-
Others	-	-
TOTAL	-	-

Company has not received any complaint during the financial year by the stakeholder.

(c) 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 2015-16.

(d) Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board of Directors recommends/reviews the remuneration package of Managing Director & Whole-time Directors. The Nomination and Remuneration Committee comprises of four Directors, all being non-Executive Directors out of which 3/4th members are Independent Directors. It met once time during the year i.e. on 29th May, 2015. The attendance of the Remuneration Committee Member was as under:-

Name	Category	No of Meetings Attended
Mr. Satinder Kumar Aggarwal	Chairman	-
Mr. Shiromani Sharma	Member	1/1
Mr. Anish Babu Venugopal	Member	-
Dr. Vivek Kumar Agnihotri	Member	1/1

ROLE / TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee assist the Board of Directors in overseeing the method, criteria and quantum of compensation for the Directors and senior management based on their performance and defined assessment criteria. The committee formulates the criteria for evaluation of the performance of the Independent Directors and the Board, Policy on Board Diversity, Disclosure of the remuneration policy and the evaluation criteria in the Annual Report, Identifying the persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board of their appointment, re-appointment and their removal. The Terms of the reference of the Committee covers the areas mentioned in section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015,

Details regarding remuneration policy and evaluation criteria and criteria of making payment to non-executive Director

1. Remuneration to Non-Executive Directors

The Non-Executive Independent / Nominee Directors are paid only the sitting fee for each meeting of the Board or Committee of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Non-Executive Promoter Director is not paid any sitting fee.

2. Remuneration to Executive Directors

The appointment and payment of remuneration of Executive Directors, including Chairman & Managing Director and Whole-time Director is governed by the recommendation of Nomination & Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company and approval granted by the Central Government. The remuneration package, inter-alia, comprises of salary, perquisites, allowances and contributions to Provident Funds and other retirement benefits.

Nomination & Remuneration Policy of the Company forms part of the Annual Report.

Performance Evaluation

In terms of the requirement of the Act and Listing Regulations, the Board conducted its own formal annual performance evaluation as well as that of its Committees and individual Directors, including the Chairman of the Board as mentioned in the Boards' Report. The criteria to evaluate the performance of the Board, Committees, Independent Directors and non-Independent Directors were;

- Board Composition, size, mix of skill, experience, and role;
- attendance and deliberation in the meetings;
- contribution / suggestions for effective functioning, development of strategy, board process, policies and others.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**Directors' Remuneration**

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

Name	Gross Remuneration (Rs.) (3)			Sitting Fee (Rs.) (4)	Number of share held	Convertible Instrument Held
	Salary	Perquisites	Total			
Mr. Anish Babu Venugopal (Nominee Director)	-	-	-	4000	Nil	Nil
Mr. Satinder Kumar Aggarwal (Independent Director)	-	-	-	9000	Nil	Nil
Mr. Shiromani Sharma (Independent Director)	-	-	-	10000	Nil	Nil
Dr. Vivek Kumar Agnihotri (Independent Director)	-	-	-	9000	Nil	Nil
Mr. Rajendra Kumar Jain (Independent Director)	-	-	-	4000	Nil	Nil
Mr. Santosh Kumar Shiv-shanker Shukla (Independent Director)	-	-	-	3000	Nil	Nil
Mrs. Ritu Schimar Dhingra (Independent Director)	-	-	-	1000	Nil	Nil
Mr. Sanjeev Shriya Non-Executive Director	-	-	-	-	30	Nil
Mr. Lalit Kumar Singhania (Whole-Time Director)	1,02,000	16,72,701	17,74,701	-	140	Nil
Mr. Deepak Kumar Singhania Chairman & Managing Director	90,000	17,06,294	17,96,294	-	34	Nil
Mr. Anurag Kumar Singhania (Whole-Time Director)	66,000	17,23,229	17,89,229	-	Nil	Nil
Mr. Ram Kumar Srivastava (Whole-Time Director)	8,99,544	9,00,456	18,00,000	-	Nil	Nil

Notes

1. There is no performance linked incentives
2. Sitting Fee of Rs. 1,000/- each is payable/ paid to Independent Directors and Nominee Director for the meetings they attend.
3. Gross remuneration includes salary, perquisites & Income Tax on perquisites paid by the Company. In case of Mr. Ram Kumar Srivastava, Whole-time Director, the income-tax on perquisites is not paid by the Company.
4. Company does not pay any remuneration to any Non-executive Director(s).
5. The Company has a policy of not advancing any loans to Directors. The Company does not have any stock option scheme.
6. Chairman & Managing Director (CMD) and Whole-time Directors (WTD) have been appointed for fixed period subject to approval of Central Government on the approved remuneration. 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.

(e) Risk Management Committee

The Company has constituted a Risk Management Committee on 10th 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 Regulation 21 of SEBI (LODR) Regulations, 2015 (even though this is not applicable to the Company). The Committee was reconstituted during year in terms of Regulation 21 of SEBI (LODR) Regulations, 2015. Risk Management Committee met four times on 29th May, 2015, 14th August, 2015, 5th November, 2015 & 12th February, 2016. The Committee comprises the following members and their attendance was as follows:-

Name	Category	No of Meetings Attended
Mr. Deepak Kumar Singhania	Chairman	4/4
Mr. Anurag Kumar Singhania	Member and Alternative Chairman	3/4
Mr. Ram Kumar Srivastava	Member	1/4
Mr. P P S Choudhary	Member	3/4
Mr. Vipin Chaudhary	Member	1/4

Mr. K. C. Agarwal, Sr. President (Commercial) & Company Secretary of the Company acts as Secretary to the Risk Management Committee.

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(f) Sub-Committee of Directors

The Company had earlier constituted a Sub-Committee of Directors of the Board for taking on record the un-audited financial results of the Company, in terms of Clause 41 of the Listing Agreement, 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

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 2015-16.

IV. OTHER DISCLOSURES

• Details of last three Annual General Meeting(s)

Year	Venue	Date	Time	Any Special Resolution
2015	LML Limited, C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	24.09.15	11:00 A.M.	Six
2014	LML Limited, C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	23.09.14	11:00 A.M.	Eight
2013	LML Limited, C-10, Panki Indl. Estate, Site II-III, Kanpur-208 022 (U.P.)	24.09.13	11:00 A.M.	One

Whether special resolution were put through Postal Ballot last year, details of voting pattern	The summary of voting results were as under :- Net Valid Total Postal Ballot Received: 153 Total Postal Ballot with Assent : 141 Total Postal Ballot with Dissent: 13
Person who conducted the Postal Ballot exercise	M/s Dharmendra Srivastava & Associates, Chartered Accountants, Kanpur (FRN No. 009796C)
Are votes proposed to be conducted through Postal Ballot this year	No
Procedure for Postal Ballot	Both electronically and by post in accordance with section 110 of the Companies Act, 2013 and the rules made thereunder and Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015

V. Disclosures

- None of the transactions with any of the related party have potential conflict with the interest of the Company at large. Transactions with related parties have been disclosed in Note No. 37 of Standalone Annual Accounts and Note No. 38 of Consolidated Annual Accounts for the Financial Year ended 2015-16.
- 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.
- The Company has appointed a firm of Chartered Accountants as Internal Auditors to review and report on the internal controls system. The report of the Internal Auditors is reviewed by the Audit Committee. The Audit Committee formulates a detailed plan to the Internal Auditors for the year and the same is reviewed at the Audit Committee meetings. The Internal Auditors submit their recommendations to the Audit Committee and provides a road map for future action.
- Policy for determining material subsidiaries is disclosed at Company's website at www.lmlworld.com at the following weblink <http://www.lmlworld.com/Pdf/Policy-for-Determining-Material-Subsidiary.pdf>
- Policy for Materiality of Related Party Transactions and also on dealing with Related Party Transactions is disclosed at Company's website at www.lmlworld.com at the following weblink <http://www.lmlworld.com/Pdf/RPT-Policy.pdf>.
- Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (a) to (m) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

VI. Means of Communication

Quarterly Result	Company is publishing the results in one English Language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and are posted on our website www.lmlworld.com and are also submitted to the stock exchange as required.
Newspaper wherein results normally published	Quarterly Results are published in Financial Express & Rashtriya Sahara which is National & Regional Newspapers.
Any web-site, where displayed	Yes, Company's website www.lmlworld.com The results are also being sent/ uploaded to all the Stock Exchanges, where the shares of the Company are listed, for putting, on their own functional web-sites.
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	Not Applicable
Presentations made to institutional investors or to the analysts	No

Information relating to Directors seeking re-appointment as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 is given in the notice of Annual General Meeting.



VII. GENERAL SHAREHOLDERS INFORMATION

• Annual General Meeting

Day & Date	Thursday, the 15 th September, 2016
Time	11:00 A.M.
Venue	LML Limited C-10, Panki Industrial Estate, Site-II-III, Kanpur – 208 022. (U.P.)
Financial Year	2015 - 16

• Financial Calendar (tentative)

Financial Reporting for the quarter ending June, 2016	Up to 14 th August, 2016
Financial Reporting for the quarter/half year ending September, 2016.	Up to 14 th November, 2016
Financial Reporting for the quarter ending December, 2016	Up to 14 th February, 2017
Financial Reporting for the year ending March, 2017	Up to 30 th May, 2017
Annual General Meeting for the year 2016-17	End of September, 2017

• Dates of Book Closure

From Monday, the 5th September, 2016 to Thursday, the 15th September, 2016 (both days inclusive).

• Dividend Payment Date

Not Applicable since Dividend not recommended/declared.

• The name of the Stock Exchanges on which the Equity Shares of the Company are listed as on 31st March 2016:

Name of Stock Exchanges	Scrip Code
BSE Limited, Mumbai (BSE)	500255
National Stock Exchange of India Ltd., Mumbai (NSE)	LML

The Company confirms that it has paid the annual listing fee to BSE and NSE.

• Market Price Data :

Monthly High & Low prices of the Equity Shares of the Company for the period 1st April, 2015 to 31st March, 2016 were as under:-

(Amount in Rs.)

Month	High		Low	
	NSE	BSE	NSE	BSE
April, 2015	7.90	7.85	6.40	6.36
May, 2015	7.85	7.84	6.00	6.10
June, 2015	7.00	7.00	5.95	5.98
July, 2015	8.75	8.70	6.15	6.10
August, 2015	10.30	10.30	6.10	6.01
September, 2015	8.25	8.19	6.30	6.28
October, 2015	8.60	8.70	6.95	7.00
November, 2015	9.50	9.45	6.70	6.78
December, 2015	11.00	10.95	8.50	8.53
January, 2016	11.25	11.24	7.80	7.90
February, 2016	9.15	9.14	6.35	6.36
March, 2016	7.60	7.59	6.50	6.57

Market price of Company's shares has increased by about 10% compared to decrease in BSE Sensex by about 9.35% and Nifty by about 8.87%.

• Share Transfer System

The physical Share transfer work is being done in house. Share Transfers in physical form are registered, if documents are clear in all respect and duly transferred Share Certificates are returned to the registered holders within the maximum time limit i.e. 15 days. The Stakeholders Relationship Committee meets timely to approve transfer of Shares above 10,000 Nos. under one transfer deed. Each of the Committee Member is severally authorised to approve transfers upto 10,000 shares under one transfer deed. Company Secretary and Senior Manager (Secretarial/Shares)/ Officers of the Company have been authorised to approve transfer up to 5,000/100 shares respectively under one transfer deed.

• Dematerialization of shares and liquidity

SEBI vide its Circular No. SMDRP/Policy/CIR-01/2000 dated 06th January, 2000 has notified that trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 17th January, 2000 and pursuant to SEBI circular No D&CC/FITTC/CIR-15/2002 dated 27/02/2002, work related to share registry in terms of both physical and electronic should be maintained at a single point. Company has established Electronic Connectivity with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited (NSDL), which are working successfully. All requests for dematerialization of shares are processed and confirmation is given to the respective depositories within the stipulated time and up to 31st March, 2016, 95.91% equity shares of the Company has been dematerialized.

• Familiarization Programme for Independent Directors

As per Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the Company has conducted a familiarization programme for Independent Directors on 14.02.2015 and CMD updated the members in the meeting held on 12.02.2016 that there has been no change during the year. The details of the Familiarization Programme imparted to the independent directors are given on Company's website at the following web link: <http://www.lmlworld.com/Pdf/Familiarization-Programme.pdf>

• Other details are as under:

- ◇ Approximate time taken by Company for share transfer if the Documents are clear in all respects : 10 days
- ◇ Demat ISIN Number for Equity Shares of the Company in NSDL & CDSL : INE862A01015
- ◇ Total No. of shares dematerialized up to 31.03.2016 : 78628331
- ◇ Total No. of shares rematerialized up to 31.03.2016 : 15352
- ◇ Total No. of shares transferred during 2015-16 (physical) [From 01.04.2015 to 31.03.2016] : 3747
- ◇ No. of shares pending for transfer as on 31.03.2016 : NIL
- ◇ No. of shares pending for dematerialization / Confirmation as on 31.03.2016 : NIL

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• Shareholding Pattern as on 31.03.2016

Sl. No.	Category	No. of Shareholders	%	No. of Equity Shares	%
1.	Resident Individuals	195518	99.29	51842075	63.23
2.	Indian Companies	835	0.42	5097457	6.22
3.	FIs/Mutual Funds/Banks	41	0.02	1233555	1.50
4.	Indian Promoters/ Directors & their relatives	22	0.01	21786671	26.57
5.	NRIs/OCBs/FIIs/FCs	330	0.17	559001	0.68
6.	Clearing House(s) / Members	165	0.08	1465561	1.79
TOTAL		196911	100.00	81984320	100.00

• Distribution of Shareholding as on 31.03.2016

Sl. No.	No. of shares held	No. of shareholders	%	No. of Equity Shares	%
1.	1-499	175583	89.17	8504250	10.37
2.	500-999	8988	4.56	5171787	6.31
3.	1000-4999	10430	5.30	17024580	20.77
4.	5000-9999	1069	0.54	6503334	7.93
5.	10000 & Above	841	0.43	44780369	54.62
TOTAL		196911	100.00	81984320	100.00

- **Outstanding GDRs/ADRs/FCCBs/Warrants or any convertible instruments, conversion date and likely impact on Equity Shares**
None
- **Commodity price risk or foreign exchange risk and hedging activities;**
All exports of the Company are against advance payment or against Letter of Credit. Company is not doing any hedging activities. Company imports are nominal and against advance payment or Letter of Credit. As such, no foreign exchange risk existed with the Company during the year.
- **Registered Office:**
C-3, Site I, Panki Industrial Estate, Kanpur-208 022. (U.P.)
- **Plant Location**
C-10, Site II & III, Panki Industrial Estate, Kanpur-208 022. (U.P.)
- **Address of the Registrar & Share Transfer Agent for correspondence**
In-house share transfer is done by the "LML Share Registry" registered with SEBI as Category II Share Transfer Agent vide permanent Registration Certificate No. INR 000001666.

LML Share Registry

(A Division of LML Limited)
C-10, Panki Industrial Estate, Site-II,
Kanpur – 208 022 (U.P.)
Phone No. : (0512) 6660300
Fax No. : (0512) 6660301
E-mail : investor.grievances@lml.co.in
Website : www.lmlworld.com



Declaration by the Chairman & Managing Director as per Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, I hereby declare that all Board Members and Senior Management Personnel of the Company, in pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, have affirmed compliance with the respective provisions of Code of Conduct of Directors and Senior management for the year ended 31st March, 2016.

Place: GURGAON
Date: 26.05.2016

Deepak Kumar Singhania
Chairman & Managing Director
(DIN 00012037)

CEO & CFO CERTIFICATION

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

We, Deepak Kumar Singhania, Chairman & Managing Director and Mahesh Kumar Kanodia, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on 31st March, 2016 :

1. We have reviewed the financial statements and the Cash Flow Statement for the year and to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or propose to be taken to rectify the same.
4. We have indicated to the Auditors and the Audit Committee :
 - a) Significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(Deepak Kumar Singhania)
Chairman & Managing Director
DIN: 00012037

(Mahesh Kumar Kanodia)
Chief Financial Officer
M. No.: 070214

Place: GURGAON
Date: 26.05.2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
LML Limited

1. We have examined the compliance of applicable conditions of Corporate Governance by LML Limited (the company), for the year ended on 31st March 2016, as stipulated in SEBI (LODR) Regulations, 2015 of the said Company with various Stock Exchanges (hereinafter referred to as "the Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and the management, we certify that the applicable conditions of Corporate Governance as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015 have been complied with in all material aspects by the Company.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For KHANDELWAL JAIN & CO
Chartered Accountants
Firm Regn. No. 105049W

Manish Singhal
(Partner)
M. No. 502570

Place: Gurgaon
Date: 26.05.2016

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

Anurag Jain
(Partner)
M. No. 076362

LML LIMITED ANNUAL REPORT 2015-16

BOARDS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Fortieth Annual Report together with audited financial statement for the financial year ended 31st March, 2016. This report pertains to financial year that commenced from April 01, 2015 and the contents herein are governed by the relevant provisions/ sections/ rules of Companies Act, 2013 and Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This report also includes Management Discussion & Analysis (MD&A).

1. Financial Results

(Rs. In crores)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Gross Sales and Other Income	160.32	212.58
Profit/(loss) before Interest, Depreciation, Exceptional Items & Taxation	(21.68)	(25.46)
Interest	47.33	43.02
Cash Loss	69.01	68.48
Depreciation, Amortizations & Impairment of Fixed Assets	9.35	12.61
Loss before Taxation	78.36	81.09
Provision for taxation: - Current Tax	-	-
Exceptional Items	-	-
Net Profit/ (Loss)	(78.36)	(81.09)
Production (Nos.)	12632	35205
Sales (Nos.) (excluding CKD sales)	12913	38086

In view of loss, no amount is proposed to be carried to or transferred to any type of reserves.

2. Dividend

Directors regret their inability, in view of the losses, to recommend any dividend for the year.

3. Operations

The Company's operations during last few years have been adversely affected due to a dramatic shift in consumer preference from 2-stroke geared scooters to 4-stroke motorcycles and 4-stroke gearless scooters. The situation was further aggravated during the year due to general economic slowdown in the Indian economy. The turmoil in the African market and economic slow down in developed economies has adversely affected the Company's export

during the year. The Company is registered as a Sick Industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Company has temporarily suspended production activity (of 2-wheeler) w.e.f. 6th May, 2016 to enable it to carry out maintenance work which is overdue for long, check adequacy / suitability of the present facility for taking up the manufacturing light three wheeler and to realign the plant & machinery and other work / activity for the same, if so, required and this is likely to take about 3 months' time. The Company is working on development and industrialization of various new products and technology, including new generation 4-stroke – two wheelers and light 3-wheeler vehicle. Barring unforeseen circumstances, it is expected to launch light 3 wheeler vehicle during FY 2016-17.

Export and Domestic sales performance of your Company was as follows:

Particulars	Year Ended 31.03.2016 (Nos.)	Year Ended 31.03.2015 (Nos.)
Scooters - Export	8688	26184
- Domestic	4225	11902
Total	12913	38086

4. Exports

Exports were 8688 vehicles during the year as against 26184 units during the previous year. Company's exports are made to many countries including USA, countries in the European Union, Africa, Latin America, Asia etc.

5. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the losses of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis;
- that they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



6. Corporate Governance

As required under Regulations 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is enclosed. A certificate from the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V (E) of the SEBI (LODR) Regulations, 2015 is annexed. The Chairman & Managing Director and Chief Financial Officer of the Company have given necessary Certificate to the Board in terms of Regulations 17 (8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2016.

7. Audit Committee

The Board of Directors has an Audit Committee with a composition as specified in the Section 177 of the Companies Act, 2013 and Regulations 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of Audit Committee are specified in Corporate Governance Report which forms part of this Annual Report. The Board has accepted recommendations of the Committee on all matters.

8. Management Discussion and Analysis

(a) Macro-economic Developments and overall review

The world economies are still not out of the adverse effect of the financial crises which started in 2008. Due to the persistent slow growth in advanced economies and continuing headwinds for emerging market, significant downside risks remain and events that make those risks more salient may well trigger

renewed financial turbulence, impairing confidence and demand in a self confirming negative feedback loop. In addition there are signs of several stresses of non-economic origin related to geopolitical conflicts, political discord, terrorism, refugee flows or global epidemics in some countries and regions which threaten economic activity.

The Indian economy continues to suffer due to continuous monsoon deficit for last two years coupled with un-seasonal rain which has adversely affected rural demand. As per the latest forecast, the monsoon in the current year is expected to be normal which may help in recovery and growth of economy. However, a number of factors could impinge upon the growth outlook for 2016-17, like slow investment recovery, low capacity utilisation in industrial sector, slow revival of private investment and tepid global output and trade growth, dragging down net exports.

(b) Two wheeler Industry in India

Two-wheeler industry struggled during the year. The rural economy is a big market for two-wheelers. Farm incomes reduced and rural demand took a hit as poor monsoons wreaked havoc on crop production which impacted demand for two-wheelers. Exports growth was also subdued because of currency problems in markets like Africa and Asia. However, with expected revival of Indian economy, the demand for two-wheeler is likely to pick up.

Domestic Sales

Industry Structure	2013-14 (April 13-March 14)	2014-15 (April 2014 - March 2015)			2015-16 (April 2015-March 2016)		
	Sale in Mn.	Sale in Mn.	Growth % Over 2013-14	Category Share % of 14-15	Sale in Mn.	Growth % Over 2014-15	Category Share % of 15-16
Scooters	3.602	4.503	25	28	5.032	12	31
Motorcycles	10.479	10.708	2	67	10.700	0	65
Mopeds	0.722	0.687	-5	4	0.724	9	4
Total	14.803	15.898	7	100	16.456	4	100

Export Sales

Industry Structure	2013-14 (April 13-March 14)	2014-15 (April 2014 - March 2015)			2015-16 (April 2015-March 2016)		
	Sale in Mn.	Sale in Mn.	Growth % Over 2013-14	Category Share % of 14-15	Sale in Mn.	Growth % Over 2014-15	Category Share % of 15-16
Scooters	0.093	0.196	111	8	0.257	31	10
Motorcycles	1.982	2.259	14	92	2.209	-2	89
Mopeds	0.007	0.008	14	0	0.015	88	1
Total	2.082	2.463	18	100	2.481	1	100

(c) Company Performance

Company's performance during the year was adversely affected inter alia due to global recessionary conditions and specially political and economic condition prevailing in African and developed economies as well as weak domestic demand.

(d) Opportunities and Threats

LML stands for the highest standards of technical expertise, product innovation and has one of the finest R & D capabilities, particularly relating to designing, rapid proto-typing, CAD - CAM, tooling and industrialization. It is harnessing these strengths and its vast experience coupled with a aggressive business strategy for its revival and turnaround.

(e) Outlook

As stated elsewhere in this report the Company has been working for its revival including development of new products including those having state of the art technology.

(f) Performance Review

Due to various reasons and problems the Company could not leverage its rich technological strengths during the year under review and the sales volume was 12913 units in financial year 2015-16 as compared to 38086 units in financial year 2014-15..

(g) Financial Review

Revenues - Gross Sales and Other Income during the year was Rs. 160.32 crores as compared to Rs. 212.58 crores in the previous financial year 2014-15.

Operating Profit/Loss - The Company reported a net Operating Loss during the year of Rs 21.68 crores as compared to net operating loss of Rs. 25.46 crore in the previous financial year 2014-15.

Interest - Interest was Rs 47.33 crores during the year as compared to Rs. 43.02 crores in the previous financial year 2014-15.

Depreciation, Amortization & Impairment of Fixed Assets - Depreciation, Amortization & Impairment of Fixed Assets during the year was at Rs 9.35 crores as compared to Rs. 12.61 crores in the previous financial year 2014-15.

Loss before tax - The Company reported a loss before tax and exceptional items during the year of Rs 78.36 crores as compared to Rs. 81.09 crores in the previous financial year 2014-15.

Share Capital - Company's Paid-up Equity Share Capital is Rs. 81.98 crores as on 31.03.2016.

(h) Human Resources

Your Company treats human resource a very important asset. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis.

9. Directorate

Mr Sanjeev Shriya (DIN: 00014402) and Mr Anurag Kumar Singhania (DIN: 00080925) Directors of the Company are liable to retire by rotation and being eligible, offer themselves for re-appointment as Directors of the Company.

The Nomination & Remuneration Committee and Board have recommended to re-appoint Mr. Deepak Kumar Singhania (DIN-00012037) as Chairman & Managing Director and Mr. Ram Kumar Srivastava (DIN: 00763948) as Whole-time Director of the Company as per details

given in annual general meeting notice.

During the year under review, no Director has been appointed or resigned from the Board of Directors

All the Independent Directors have submitted their declaration of independence, as required under section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and under Regulations 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

10. Whole Time Key Managerial Personnel (KMP)

In pursuance of the compliance of Section 203 of the Companies Act, 2013 the following persons have been designated as Whole Time Key Managerial Personnel of the Company:-

1. Mr. Deepak Kumar Singhania - Chairman & Managing Director
2. Mr. K. C. Agarwal - Sr. President (Commercial) & Company Secretary
3. Mr. Mahesh Kumar Kanodia - Chief Financial Officer

During the year under review, no KMP has resigned from the Company.

11. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the required extract of Annual Return in prescribed form MGT-9 is attached as **Annexure 'A'** with this Board Report.

12. Nomination & Remuneration Policy

The Company has, on the recommendations and approval of Nomination & Remuneration Committee, formulated a Nomination & Remuneration Policy which governs Directors' appointment including criteria for determining their qualifications, positive attributes, their independence and remuneration for the Directors, KMPs and other employees which was passed by the Board in its meeting held on 8th November, 2014. The Nomination and Remuneration Policy is attached as **Annexure 'B'** with this Board Report.

13. Particulars of Loan, Guarantees or Investments

No loan, guarantee or investments were made during the year by the Company under Section 186 of the Companies Act, 2013.

14. Related Party Disclosure

Particulars of contracts or arrangements with Related Party referred in Section 188 (1) of the Companies Act, 2013 in prescribed form AOC-2 is attached as **Annexure 'C'** with this Board Report. As required under Regulations 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for dealing with Related Party Transactions. The Policy is available on the website of the Company (www.lmlworld.com) with a Weblink : <http://www.lmlworld.com/Pdf/RPT-Policy.pdf>

15. Material changes and commitments

No material Changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relates and the date of the report.



16. Risk Management Policy

The Board has established a Risk Management Policy which formalizes the Company's approach to overview and manage material business risks. Risks and effectiveness of their management are internally reviewed and reported regularly to the Board. There are adequate systems and procedures in place to identify, assess, monitor and manage risks.

17. Annual Evaluation

The Board has carried out the Annual Performance Evaluation of its own, its Committees and individual Directors based on the Performance Evaluation Report submitted by the Nomination & Remuneration Committee, as per Performance Evaluation Policy of the Company, and Performance Evaluation of non-Independent Directors, Chairman and the Board as a whole done by the Independent Directors in their separate meeting during the year.

18. Number of Board Meetings

The details of the number of meetings of the Board held during the Financial Year 2015-16 along with attendance details of each director forms part of the Corporate Governance Report which forms part of this Annual Report.

19. Corporate Social Responsibility

The provision related to Corporate social responsibility under the Companies Act, 2013 is not applicable to the Company in view of losses and negative net- worth and turnover being below prescribed amount.

20. Details of Committees

The details of Committees of the Board forms part of Corporate Governance Report which forms part of this Annual Report.

21. Whistle Blower Policy

The Company has a Whistle Blower Policy, including vigil mechanism to report genuine concerns of grievances, providing direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. The Whistle Blower Policy has been posted on the website of the Company (www.lmlworld.com) with a weblink: <http://www.lmlworld.com/Pdf/LML-Whistle-Blower-Policy.pdf> During the year, no matter has been reported to the Audit Committee

22. Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness was observed by the internal auditor of the Company.

23. Subsidiary/ Associate Companies

There is no Subsidiary of the Company. However, policy of determining "material" subsidiaries formulated by the Company is placed on the web-site of the Company (www.lmlworld.com). The Company is a promoter of one Associate Company namely – M/s VCCL Limited. The consolidated financial statement of VCCL Limited is enclosed as part of this Report.

There are no companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company in prescribed form AOC-1 is attached as **Annexure 'D'** with this Board Report.

24. Deposits

Your Company has not accepted any deposits from public in terms of provisions of Companies Act, 2013.

25. Personnel

The Company had 2558 employees as on 31.03.2016. As per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee was in receipt of remuneration of Rs. 60.00 Lacs or more per annum throughout the year or Rs. 5.00 Lacs per month for the part of the year. Further, none of the employees is in receipt of remuneration which is in excess of the remuneration drawn by Managing Director or Whole-time Director or any manager of the Company and who also holds by himself or along with his/ her spouse and dependent children, not less than 2% of equity shares of the Company.

a. Pursuant to the Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information required to be disclosed by every Listed Companies in its Board Report are as follows:-

Name of Director/ KMP and Designation	Remuneration of Directors/ KMPs for FY 2015-16	% age increase in remuneration in FY 2015-16	Ratio of Remunera- tion of each Director / to the median remunera- tion of employee	Comparison of the remuneration of the KMP against the performance of the company
Lalit Kumar Singhania – Whole-time Director *	17,74,701	86.65	68.41	Loss before and after tax of the Company decreased by 3.37% in FY 2015-16.
Deepak Kumar Singhania – Chairman & Managing Director *	17,96,294	1.13	69.24	
Anurag Kumar Singhania – Whole-time Director *	17,89,229	81.80	68.97	
Ram Kumar Srivastava – Whole-time Director	18,00,000	NIL	69.39	
Khushahal Chand Agarwal – Sr. President (Comml.) & Company Secretary **	41,74,689	(0.26)	N.A.	
Mahesh Kumar Kanodia – Chief Financial Officer **	21,94,864	0.09	N.A.	

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* The remuneration to all Directors are within permissible limits as approved by MCA. There is no increase in remuneration during the year. Variations are on account of increase/decrease in availment of perquisites.

** The remuneration to Key Managerial Personnel are as per last year and as per sanctions. There is no increase in remuneration during the year. Variations are on account of Increase / decrease in availment of perquisites.

- b. The Median remuneration of employees of the Company during the financial year was Rs. 25942.
- c. The percentage decrease in the median remuneration of employees in the financial year was 47.85.
- d. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Company's market capitalization increased by 9.75% to Rs. 59,02,87,104 as of March 31, 2016 from Rs. 53,78,17,139 as of March 31, 2015. The price earning ratio was (0.75) as of March 31, 2016 in comparison to (0.66) as compared to March 31, 2015. The closing price of the Company equity shares on the NSE and BSE as of March 31, 2016 was Rs. 7.20 and Rs. 7.20 respectively.

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Since Company is a Sick Industrial company and in view of losses, no increase was made in the managerial remuneration.
- f. The key parameters for any variable component of remuneration availed by the directors: No variable component of remuneration was availed by the Directors of the Company.
- g. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director in the Company is Mr. R. K. Srivastava with annual remuneration of Rs. 18 Lakhs as per Central Govt. approval. The ratio of remuneration of employees receiving in excess to that is as follows:-

S. No.	Name of Employees	Ratio to highest paid Director
1	MR RAVINDRA KUMAR	1.11
2	MR S K MAHAJAN	1.22

3	MR AJAY KUMAR GOYAL	1.20
4	MR SUMIT CHATTERJEE	1.21
5	MR MAHESH KUMAR KANODIA	1.22
6	MR G N SRIVASTAVA	1.22
7	MR VIPIN CHAUDHARY	1.50
8	MR GIRISH R MARATHE	1.85
9	MR P P S CHOUDHARY	1.92
10	MR ASHOKE KUMAR SINHA	2.27
11	MR KHUSHAHAL CHAND AGARWAL	2.32
12	Mr KAMAL GOYAL	1.21

- h. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

26. Auditors and their reports

a) Statutory Auditors

M/s. Khandelwal Jain & Co. (FRN 105049W), Chartered Accountants, were appointed as Statutory Auditor of the Company for a period of three years and M/s. Parikh & Jain (FRN 001105C), Chartered Accountants, were appointed as Statutory Auditor of the Company for a period of two years in previous Annual General Meeting held on 23.09.2014. The Board proposes to members of the Company to ratify the appointment of M/s Khandelwal Jain & Co. (FRN 105049W), Chartered Accountants for the financial year 2016-17, pursuant to the provisions of Section 139 of the Companies Act, 2013, at the ensuing Annual General Meeting of the Company. M/s Parikh & Jain (FRN 001105C) are not eligible for re-appointment.

In respect of observations made by the Statutory Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory and do not call for any further comments.

b) Secretarial Auditors

M/s. Adesh Tandon & Ass., Practicing Company Secretary (FCS. 2253, CP No. 1121) of Kanpur, re-appointed as Secretarial Auditors of the Company for the FY 2016-17 and submitted their Secretarial Audit Report for the Financial Year 2015-16, pursuant to the Section 204 of the Companies Act, 2013 which is being attached herewith as **Annexure - 'E'**. No adverse observations are made by the Secretarial Auditors in their Report.

c) Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013, Board has appointed M/s Onkar Tandon & Co., Chartered Accountants (FRN 000953C) of Kanpur as Internal Auditor of the Company for the financial year 2016-17 as recommended by the Audit Committee of the Company.



d) Cost Auditors

As per the Companies (Cost Accounting Records) Rules, 2013 issued by the Ministry of Corporate Affairs, the Company is not required to appoint the Cost Auditor.

27. Conservation of Energy

Company continued to envisage and implement energy conservation measures in various manufacturing operations leading to savings of quantitative consumption of power, fuel & oil etc. Energy conservation during the year under various heads resulted into an estimated saving of Rs. 3.30 lacs (in previous financial year 2014-15: Rs. 2.70 lacs).

28. Pollution Control

Relevant and necessary effluent treatment plants and other measures for control of water, air and environmental pollution are in place and steps have been taken to further strengthen and consolidate pollution control measures. 'No Objection Certificates' from the U.P. Pollution Control Board are obtained from time to time.

29. Technology Absorption

Requisite information in prescribed form is given in **Annexure 'F'** to this report.

30. Foreign Exchange Earnings and Outgo

Your Company earned during the year Foreign Exchange of Rs. 127.09 crores (previous financial year - Rs. 144.57 crores) while Foreign Exchange outgo during the year amounted to Rs. 4.12 crores (previous financial year - Rs. 13.09 crores).

31. Stock Exchange Listing

The Equity Shares of the Company are listed on the following Stock Exchanges (with respective scrip codes/ symbol):-

- (i) BSE Limited (BSE), Mumbai (500255);
- (ii) National Stock Exchange of India Limited (NSE), Mumbai (LML).

The Equity and Preference Shares of the Company were also listed on the U.P. Stock Exchange Limited, Kanpur. However, as per SEBI circular dated May 30th 2012 read with circular dated May 22nd 2014 related to Companies exclusively listed on De-recognized/ Non-operational Stock Exchanges, U.P. Stock Exchange Limited, Kanpur got de-recognized on account of non fulfillment of the prescribed conditions.

The Company confirms that it has paid the annual listing fee to BSE and NSE.

32. Depository System

SEBI vide its Circular No. SMDRP/Policy/CIR-01/2000 dated 6th January, 2000 notified that trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 17th January, 2000. Requests received for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time. As on 31st March, 2016, 95.91% equity shares of the Company have been dematerialized.

33. General

The Company became a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its

net worth and the Company was declared a Sick Industrial company by BIFR on 8th May, 2007. The Company is working for its revival under the aegis of BIFR. In view of this, no impact is foreseen on the going concern status of the Company and the Company's operations in future. The matter is pending before the Hon'ble BIFR.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company, as there is no woman employee in the Company.

34. Cautionary Statement

The statement in the Director's report and MD&A, detailing the Company's objectives and expectations, may contain 'forward looking statements' within the meaning of applicable securities laws and regulations. The actual results inter-alia may differ materially from those expressed or implied, depending upon changes in global and Indian demand-supply conditions as well as changes in government regulations, tax regimes, economic and market developments, movements.

35. Other disclosures

- (i) Statutory Auditors of the Company has not reported any incident relating to fraud during the financial year to the Audit Committee or Board of Directors under section 143(12) of the Companies Act 2013
- (ii) No significant and material orders has been passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

36. Acknowledgement

Your Directors take this opportunity to appreciate deeply the valuable co-operation extended by the Central and State Government authorities and are extremely grateful to the Financial Institutions and Banks for their continued assistance, guidance and support. Your Directors are also grateful to all stake-holders, including Customers, Shareholders, Employees, Vendors, Distributors, Dealers / Sub-dealers, and the general public for their support and confidence reposed in the Management.

For and on behalf of Board of Directors
for LML Limited

Deepak Kumar Singhania
Chairman & Managing Director
DIN No.: 00012037

Place : Gurgaon
Dated: 26.05.2016

LML LIMITED ANNUAL REPORT 2015-16**ANNEXURE 'A' TO BOARDS' REPORT****FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L34101UP1972PLC003612
ii)	Registration Date	29.09.1972
iii)	Name of the Company	LML LIMITED
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered Office and contact details.	C-3, Panki Industrial Estate, Site I, Kanpur - 208022 (UP) Tel: 0512-6660300, 2691381
vi)	Whether Listed Company	YES (Listed in BSE & NSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	In-House Registrar: LML Share Registry (A Division of LML Limited) C-10, Panki Industrial Estate, Site II, Kanpur - 208022 (UP) Tel: 0512-6660300, 2691381 Fax: +91-512-6660301, 6660581 Email: investor.grivances@lml.co.in & lmlknp@lml-india.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of scooters, motorcycles and parts thereof	3091	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	M/s VCCL Ltd. C-3, Panki Industrial Estate, Site-I, Kanpur- 208022 (U.P.)	L34103UP1984 PLC006695	Associate	32%	Sec. 2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	179934	-	179934	0.22	179934	-	179934	0.22	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)t	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21606737	-	21606737	26.35	21606737	-	21606737	26.35	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	21786671	-	21786671	26.57	21786671	-	21786671	26.57	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / Fl	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	21786671	-	21786671	26.57	21786671	-	21786671	26.57	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	17611	17611	0.02	-	17611	17611	0.02	-
b) Banks/Fl	1209018	6823	1215841	1.48	1209018	6823	1215841	1.48	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	103	103	0.00	-	103	103	0.00	-
g) FIs	-	20966	20966	0.03	-	20966	20966	0.03	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Banks)	357	265	622	0.00	357	265	622	0.00	-
Sub-total (B)(1):-	1209375	45768	1255143	1.53	1209375	45768	1255143	1.53	-

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	7455229	72622	7527851	9.18	6490483	72535	6563018	8.01	(1.17)
ii) Overseas	5000	100	5100	0.01	5000	100	5100	0.01	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	35063986	3249914	38313900	46.74	39168491	3235591	42404082	51.72	4.98
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	12506002	15672	12521674	15.27	9437933	-	9437993	11.51	3.76
c) Others (NRIs & Foreign Nationals)	571986	1995	573981	0.70	530318	1995	532313	0.65	(0.05)
Sub-total (B)(2):-	55602203	3340303	58942506	71.90	55632285	3310221	58942506	71.90	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	56811578	3386071	60197649	73.43	56841660	3355989	60197649	73.43	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	78598249	3386071	81984320	100	78628331	3355989	81984320	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahalaxmi Holdings Ltd.	4493030	5.48	5.48	4493030	5.48	5.48	-
2	Mimosa Finance & Trading Pvt. Ltd. (2 Demat A/c)	3408890	4.16	NIL	3408890	4.16	NIL	-
3	Payal Investment & Trading Ltd.	2847094	3.47	NIL	2847094	3.47	NIL	-
4	Gold Rock Investments Ltd.	2500598	3.05	3.05	2500598	3.05	3.05	-



SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
5	Suryodaya Investment & Trading Co, Ltd.	2322140	2.83	2.83	2322140	2.83	2.83	-
6	Tridhar Finance & Trading Ltd.	1857521	2.27	2.27	1857521	2.27	2.27	-
7	Blue Point Leasings Ltd.	786000	0.96	NIL	786000	0.96	NIL	-
8	Gold Rock Agro-Tech Ltd.	780000	0.95	NIL	780000	0.95	NIL	-
9	Bina Fin-invest Pvt. Ltd.	693690	0.85	NIL	693690	0.85	NIL	-
10	Ginideep Finance & Investments Pvt. Ltd.	693689	0.85	NIL	693689	0.85	NIL	-
11	Gold Rock Metals Ltd.	670000	0.82	NIL	670000	0.82	NIL	-
12	Gold Rock World Trade Ltd.	445312	0.54	NIL	445312	0.54	NIL	-
13	Picanova Investments Pvt. Ltd.	108773	0.13	NIL	108773	0.13	NIL	-
14	Ms. Vidushie Shriya	113328	0.14	NIL	113328	0.14	NIL	-
15	Mrs. Gayatree Gupta	66102	0.08	NIL	66102	0.08	NIL	-
16	Mr. Lalit Kumar Singhania	140	0.00	NIL	140	0.00	NIL	-
17	Mrs. Ragini Singhania	85	0.00	NIL	85	0.00	NIL	-
18	Mr. Deepak Kumar Singhania	34	0.00	0.00	34	0.00	0.00	-
19	Mr. Bal Krishna Shriya (2 Demat A/c)	65	0.00	NIL	65	0.00	NIL	-
20	Mr. Sanjeev Shriya	30	0.00	NIL	30	0.00	NIL	-
21	Mrs. Bina Kumari Singhania	90	0.00	NIL	90	0.00	NIL	-
22	Mr. Anirudh Singhania	60	0.00	NIL	60	0.00	NIL	-
Total		21786671	26.57	13.63	21786671	26.57	13.63	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There were no changes in shareholding of promoters during the Year 2015-16			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	State Bank of India	461885	0.56	461885	0.56
2	Master Capital Services Limited	2901	0.004	419837	0.51
3	E. Balaji	30000	0.03	394601	0.48
4	Stressed Assets Stabilization Fund	357838	0.44	357838	0.44
5	Dwaraka Vithal Naik	320000	0.39	320000	0.39
6	Karvy Stock Broking Ltd	297134	0.36	308183	0.38
7	Opg Securities Private Ltd	280000	0.34	280000	0.34
8	Shri Parasram Holdings Pvt.Ltd.	331257	0.40	233538	0.28
9	Georgin Mani	181050	0.22	220000	0.27
10	Export- Import Bank Of India	219751	0.26	219751	0.26
11	Sherkhan Financial Services Private Limited*	219000	0.27	NIL	0.00
12	Bonanza Portfolio Ltd**	247172	0.30	212911	0.25
13	Dr. Ashok Seth**	205500	0.25	205500	0.25

* Ceased to be in the list of top ten shareholders as on 23.10.2015.

** Ceased to be shareholder from the list of top ten shareholders due to reduce in shareholding.

The same is reflected above since the shareholders was one of the top ten shareholders at the beginning of the year and the above stated is the list of the shareholders who are falling under top ten shareholders at the end of the year.


(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr Lalit Kumar Singhania – WTD - At the beginning of the year - At the end of the year	140 140	0.00017 0.00017	140 140	0.00017 0.00017
2.	Mr Deepak Kumar Singhania – CMD - At the beginning of the year - At the end of the year	34 34	0.00004 0.00004	34 34	0.00004 0.00004
3.	Mr Sanjeev Shriya – NED - At the beginning of the year - At the end of the year	30 30	0.00004 0.00004	30 30	0.00004 0.00004
4.	Mr K C Agarwal – KMP - At the beginning of the year - At the end of the year	1000 1000	0.00122 0.00122	1000 1000	0.00122 0.00122
5.	Mr. M. K. Kanodia – KMP - At the beginning of the year - At the end of the year	5 5	- -	5 5	- -

V. INDEBTEDNESS

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

(Rs. / crores)

Particular	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebted-ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	103.09	0.84	-	103.93
ii) Interest due but not paid	160.39	-	-	160.39
iii) Interest accrued but not due	-	1.58	-	1.58
Total (i+ii+iii)	263.48	2.42	-	265.90
Change in Indebtedness during the financial year				
• Addition	34.61	0.06	-	34.67
• Reduction	-	-	-	-
Net Change	34.61	0.06		34.67
Indebtedness at the end of the financial year				
i) Principal Amount	103.09	0.84	-	103.93
ii) Interest due but not paid	195.00	-	-	195.00
iii) Interest accrued but not due	-	1.64	-	1.64
Total (i+ii+iii)	298.09	2.48	-	300.57

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in Rs.)
		CMD	Whole-time Director			
		Deepak Kumar Singhania	L K Singhania	A K Singhania	R K Srivastava	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90000	102000	66000	899544	1157544
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1706294	1672701	1723229	900456	6002680
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (A)	1796294	1774701	1789229	1800000	7160224
	Ceiling as per the Act	Rs. 30 lakhs per annum each				
	As per approval of MCA	Rs. 18 lakhs per annum each				

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Independent Directors				Total Amount (in Rs.)
		S K Aggarwal	Shiromani Sharma	Dr V K Agnihotri	R K Jain	
	• Fee for attending board committee meetings • Commission • Others, please specify	9,000 - -	10,000 - -	9,000 - -	4,000 - -	32,000 - -
	Total (1)	9,000	10,000	9,000	4,000	32,000
Sl. No.	Particulars of Remuneration	Independent Director		Nominee Director	Director	Total Amount (in Rs.)
		Mrs Ritu Schimar Dhingra	Santosh Kumar Shivshankar Shukla	Anish Babu Venu-gopal	Sanjeev Shriya	
	• Fee for attending board committee meetings • Commission • Others, please specify	1,000 - -	3,000 - -	4,000 - -	- - -	8,000 - -
	Total (2)	1,000	3,000	4,000	-	8,000
	Total (B) = (1 + 2)					40,000
	Total Managerial Remuneration paid to CMD, WTDs and other Directors (A + B)					
	Overall Ceiling as per the Act	Not Applicable				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total (in Rs.)
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3094689	2194864	5289553
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	1080000	-	1080000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.	N.A.
Total		N.A.	4174689	2194864	6369553

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N I L				
Punishmentz					
Compounding					
B. DIRECTORS					
Penalty	N I L				
Punishment					
Compounding					
C. OTHER DIRECTORS IN DEFAULT					
Penalty	N I L				
Punishment					
Compounding					

For and on behalf of Board of Directors
for **LML Limited**

Place : Gurgaon
Dated : 26.05.2016

(Deepak Kumar Singhania)
Chairman & Managing Director
DIN No : 00012037

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ANNEXURE 'B' TO BOARDS' REPORT

NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY

INTRODUCTION

In compliance with Section 178 of the Companies Act, 2013 ('Act') read with the Rules made there under and Regulation 19 of the SEBI (LODR) Regulations, 2015, the policy known as 'Nomination and Remuneration & Board Diversity Policy' for inter-alia setting up the criteria of nomination and policy for remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees has been formulated by the 'Nomination and Remuneration Committee' and approved by the Board of Directors of the Company.

Definitions

For the purpose of this Policy:

- 'Act' shall mean the Companies Act, 2013;
- 'Board' shall mean the Board of Directors of LML Limited;
- 'Committee' shall mean the Nomination and Remuneration Committee (NCR) of the Company, constituted and re-constituted by the Board from time to time;
- 'Company' shall mean LML Limited;
- 'Directors' shall mean the directors of the Company;
- 'Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- 'Key Managerial Personnel (KMP)' shall mean the following:
 - (i) Executive Chairman and / or Managing Director (MD) and/or Manager
 - (ii) Whole-time Director (WTD);
 - (iii) Company Secretary (CS);
 - (iv) Chief Financial Officer (CFO);
 - (v) Such other officer as may be prescribed.
- 'Senior Management Personnel (SMP)' shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including the functional heads.

OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed as Senior Management and Key Managerial personnel and to determine remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the auto industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

SCOPE OF THE POLICY

The policy shall be applicable to the following in the Company:

- Directors
- Key Managerial Personnel (KMP)
- Senior Management Personnel (SMP)
- Other employees of the Company

CONSTITUTION

The Nomination and Remuneration Committee will comprise of the following members:-

S. No.	Name	Designation	Profile
1	Mr. Satinder Kumar Aggarwal	Chairman	Independent Director
2	Mr. Shiromani Sharma	Member	Independent Director
3	Mr. Anish Babu Venugopal	Member	Nominee Director, IFCI
4	Dr. Vivek Agnihotri	Member	Independent Director
5	Mr. Khushahal Chand Agarwal	Secretary	Company Secretary

The Board of the Company may re-constitute / make any changes in the Committee from time to time in order to fall in line with the Company's policy and or applicable statutory requirement as and when necessary.

1. Appointment criteria and qualifications:

A. General

- 1.1 The Committee shall identify and ascertain the integrity and probity, qualification, expertise and experience for appointment to the position of Directors, KMPs & SMPs and accordingly recommend to the Board his/her appointment.
- 1.2 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- 1.3 The other employees shall be appointed and removed as per the policy and procedure of the Company.
- 1.4 Letter of appointment shall be issued based on the basis of the guidelines for the same under the Companies Act, 2013 or the internal policy of the Company.

B. Directors

- 1.5 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as **(Annexure 1)** to this Policy.
- 1.6 The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years, Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- 1.7 The potential candidate to be appointed as Director / Independent Director/KMPs/ SMPs has not been disqualified under the Companies Act, 2013, Rules made there under, Listing Agreement or any other enactment for the time being in force.



2. Term / Tenure:

2.1 Chairman & Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Executive Chairman, Managing Director or Executive Director for a term not exceeding three years at a time.

No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

2.2 Independent Director

An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

2.3 Key Managerial personnel / Senior management or Other Employees.

The Term/ Tenure of the KMP's/ Senior Management Personnel and other employees shall be as per the companies prevailing internally policy.

3 Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable Act, rules and regulations, or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or SMP subject to the provisions and compliance of the Act, rules and regulations.

4 Retirement

- (a) The Director shall retire as per applicable provisions of the Companies Act, 2013 along with the Rules made thereunder.
- (b) The KMPs & SMPs shall retire on attaining the age of 60 (sixty) years or later as may be so decided by the CMD (Shri Deepak Kumar Singhania) and or WTD (Shri A K Singhania)
- (c) Existing KMPs and or SMPs who are of over 60 years of age shall continue in service of the Company till such time as may be decided by CMD (Shri Deepak Kumar Singhania) and or WTD (Shri A K Singhania).
- (d) Any new appointment of KMP(s) and SMP(s) who are 60 years of age or above can be made by the CMD (Shri Deepak Kumar Singhania) and or WTD (Shri A K Singhania) and such person(s) shall retire as may be decided by the aforesaid CMD / WTD.

5 Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's board room has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall conform with the following two principles for achieving diversity on its Board:

- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and

- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

- Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board.
- Age- Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- Nationality and ethnicity- The Company shall promote having a board room comprising of people from different ethnic backgrounds so that the directors may efficiently contribute through their knowledge, sources and understanding for the benefit of Company's business;
- Physical disability- The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.
- Educational qualification- The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix such as of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

6 Remuneration

In discharging its responsibilities the Committee shall have regard to the following Policy objectives :

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, SMPs and other employees of the quality, required to run the Company successfully;
- (b) The remuneration to Directors, KMPs SMPs & other employees will be by way of fixed pay as per current policy of the Company and as per the provisions of Companies Act, 2013 and rules made there under. Company will introduce incentive pay as and when feasible depending upon its revival.

The payment structure of remuneration will be as follows:

6.1 Non-Executive / Independent Directors :

The Independent Directors will be paid remuneration by way of sitting fee for attending meeting of the Board or any Committee thereof, provided that such amount shall be subject to the ceiling of the limit as prescribed under the Companies Act, 2013 or Rules made there under or any other enactment for the time being in force and the same is to be approved by the Board of Directors as recommended by the Committee.

6.2 Chairman & Managing Director (CMD) / Whole-time Director (WTD) :

The remuneration/ compensation payable to CMD / WTD shall be governed by the provisions of Companies Act,

2013 and Rules made there under or any other enactment for the time being in force and will be subject to approval of the Board of Directors, shareholders and the Central Government wherever required and shall be in compliance with Schedule V of the Companies Act. 2013.

6.3 Key Managerial Personnel (KMP)/Senior Management Personnel (SMP):

Since the Company is a sick industrial Company registered with the Hon'ble Board for Industrial and Financial Reconstruction ("BIFR") under the provisions of Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), the remuneration policy for KMPs & SMPs has been designed to provide multiple options inter-alia for the purpose of operational convenience and requirement.

- (a) The existing KMPs & SMPs shall be eligible for a monthly fixed remuneration as per the existing terms of employment.
- (b) For any appointment of new KMP/SMP, the remuneration will be as decided by the Board on receipt of recommendation by the NRC. However, CMD, Shri Deepak Kumar Singhania and / or WTD, Shri Anurag Kumar Singhania, may approve the appointment of any new KMP(s)/SMP(s) which shall be done by the Company and such appointment will be intimated to the Committee for their consideration and recommendation to the Board for their confirmation.
- (c) Any increment which is beyond the policy of the Company to the existing remuneration / compensation of the KMPs/SMPs will be recommended by the Committee to the Board for their approval based on performance evaluation.
- (d) The CMD and / or WTD shall have power to approve that the Company grants and pays any ex-gratia amount not exceeding 100% of any person's annual remuneration and or upto 50% increase in the person's annual remuneration to KMP(s)/SMP(s) depending upon their performance.
- (e) The said increment and or ex-gratia approved by the CMD / WTD will be intimated to the Committee at its subsequent meeting.

6.4 Other Employees

The power to decide / determine structure of remuneration for other employees has been delegated to the HR Department of the Company and which will be made in consultation / consent of CMD, Shri Deepak Kumar Singhania and / or WTD, Shri Anurag Kumar Singhania.

6.5 Loans / advances

- i) The power to give loans & advances to employees, including Key Managerial (CS and CFO) / Senior Management Personnel is delegated to Chairman & Managing Director, Shri Deepak Kumar Singhania and / or Whole-time Director, Shri Anurag Kumar Singhania and they may give loans / advances to employees, including Key Managerial Personnel (CS and CFO) / Senior Management Personnel on the terms & conditions of the Company as formulated with or without interest as they may deem proper and decide (**Annexure - 2**).
- ii) The existing loans & advances to the employees including Key Managerial Personnel (CS and CFO) / Senior Management Personnel will continue on the

existing terms & conditions or as may be decided by the Chairman & Managing Director, Shri Deepak Kumar Singhania and / or Whole-time Director, Shri Anurag Kumar Singhania.

7 Evaluation

7.1 Criteria for evaluation of Executive Directors:

- (i) The Executive Director(s) shall be evaluated on the basis of targets / Performance of the Company / any other Criteria as may be given to them by the Board from time to time.
- (ii) The Executive Director(s) shall be evaluated by the Independent Directors in their separate meeting where the performance of non-independent director(s) and the Board as a whole shall be considered

7.2 Criteria for evaluation of Non-Executive Directors:

The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they :

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors, the Committees and the general meetings of the Company;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, Companies Act, rules made thereunder and Listing agreement, company's policies and procedures including code of conduct, insider trading guidelines etc.
- (o) Any other factor that the Independent Director(s) / Board of Directors may consider necessary for such evaluation.
- (p) Safeguarded the confidentiality.



7.3 Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:

Criteria for evaluating performance of KMP's and Senior Management Personnel shall be as per the KRA's given to them at the beginning of the year by their respective reporting heads.

7.4 Criteria for evaluating performance of Other Employees:

The power to decide the criteria for evaluating performance of other employees has been delegated to HR Department of the Company.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee within the prescribed period, and the said Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting. The company should prepare the minutes and get it signed in such manner as prescribed in Companies Act, 2013 and Secretarial Standards issued by Institute of Company Secretaries of India.

DISCLOSURE OF THIS POLICY

The policy shall be disclosed in the Annual report of the Company, as required under Companies Act, 2013, rules made there under and the Listing Agreement, as amended from time to time and as may be required under any other law for the time being in force.

REVIEW

The Committee as and when required shall assess the adequacy of this Policy and make any necessary or required amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

ANNEXURE-1 TO THE POLICY ANNEXED WITH BOARDS' REPORT

Criteria for determination of the 'Fit and Proper Criteria'.

Name of Company: LML Limited

Declaration and Undertaking

I. Personal details of the Candidate/ Director

a.	Full name	
b.	Date of Birth	
c.	Educational Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address/ Telephone Number	
h.	Permanent Account Number under the Income Tax Act	
i.	Relevant knowledge and experience	
j.	Any other information relevant to Directorship of the Company.	

II. Relevant Relationships of Candidate/ Director

a.	List of Relatives if any who are connected with the Company (w.r.t. the Section 2(76) & 2(77) of the Companies Act, 2013)	
b.	List of entities, if any, in which he/ she is considered as being interested [w.r.t. Section 184 of the Companies Act, 2013]	
c.	Names of other Companies in which he/ she is or has been a member of the board during the last 3 years (giving details of period during which such office was held)	

III. Records of professional achievements

a.	Relevant Professional achievements	
----	------------------------------------	--

IV. Proceedings, if any, against the Candidate/ Director

a.	If the person is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/ she has been banned from entry of at any profession/ occupation at any time.	
b.	Whether the person attracts any of the disqualifications envisaged under Section 164 of the Companies Act 2013?	
c.	Whether the person in case of appointment as Executive Chairman, Managing Director, Whole-time Director attracts any of the disqualification envisaged under Schedule V of Companies Act, 2013 ?	
d.	Whether the person at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA ?	

V. Any other explanation/ information in regard to items I to III and other information considered relevant for judging fit and proper.

Undertaking

- I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.
- I also undertake to execute the deed of covenant required to be executed by all directors of the Company.

ANNEXURE-2 TO THE POLICY ANNEXED WITH BOARDS' REPORT**RULES FOR LOAN / ADVANCE TO THE EMPLOYEES INCLUDING
KEY MANAGERIAL PERSONNEL (CS AND CFO)/SENIOR
MANAGEMENT PERSONNEL**

- The employee concerned shall submit an application to the departmental head mentioning the need for the loan applied for.
- Loan or Advance to the employee shall be sanctioned inter-alia for the following purposes (given as an illustration) :-
 - For meeting medical expenses of self and / or any member of his family;
 - For meeting expenses for social purposes and / or other obligations including but not limited to marriage;
 - For meeting expenses for education of children;
 - For meeting expenses arising out of death of any member in the family;
 - For meeting expenses of birth of child;
 - For meeting other expenses which may be for reasonable purposes.
- The Departmental Officer, after verification of the purpose for which loan is applied for shall forward the same with his remarks to the Personnel Department.
- The Personnel Department shall also make preliminary enquiry so as to make sure that the purpose for which the advance or loan has been applied for is correct.
- The Personnel Department shall also make sure that the employees who has applied for advances or loan is a permanent and regular employee of the Company.
- The amount and terms of loan / advance given to the employee shall be on the basis as may be decided by Chairman & Managing Director, (Mr Deepak Kumar Singhania) / Whole-time Director (Mr Anurag Kumar Singhania).

ANNEXURE 'C' TO BOARDS' REPORT**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

a)	Name(s) of the related party and nature of relationship	VCCL Ltd. - as an Associate Company
b)	Nature of contracts/ arrangements/ transactions	Lease of certain plant, machinery and equipments owned by VCCL Ltd. w.e.f 13th December 2015, for 11 months on monthly rent of Rs. 1,50,000/- p.m.
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	date(s) of approval by the Board	29.05.2015
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	24.09.2015

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	N. A.
b)	Nature of contracts/ arrangements/ transactions	
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

For and on behalf of Board of Directors
for LML Limited

(Deepak Kumar Singhania)

Place : Gurgaon
Dated: 26.05.2016

Chairman & Managing Director
DIN No : 00012037

**ANNEXURE 'D' TO BOARD'S REPORT****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of associate company

Part "A": Subsidiaries- N.A.***Part "B": Associate**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

	Name of Associate	VCCL LIMITED
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Shares of Associate held by the Company on the year end	
	No.	15,36,000
	Amount of Investment in Associates	153.60 lakh
	Extend of Holding%	32%
3.	Description of how there is significant influence	Equity holding of 32%
4.	Reason why the associate is not consolidated	Accounts are consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(-) Rs. 639.68 lacs
6.	Profit/Loss for the year	(-) Rs. 6.44 lacs
	i. Considered in Consolidation	Yes
	ii. Not Considered in Consolidation	N.A.

*N.A-Not Applicable

- Names of associates or joint ventures which are yet to commence operations - None
- Names of associates or joint ventures which have been liquidated or sold during the year. - None

Deepak Kumar Singhania
Chairman & managing director
(DIN 00012037)

K C Agarwal
Sr. President (commercial)
& company secretary

Place : Gurgaon
Dated: 26.05.2016

A K Singhania
Whole-Time Director
(DIN 00080925)

Mahesh K Kanodia
Chief Financial Officer

R K Chadha
Divisional Manager Accounts

ANNEXURE 'E' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
LML Limited
C-3, Panki Industrial Estate, Site - 1,
Kanpur, Uttar Pradesh - 208022.

We have conducted, the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LML Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31st 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31st 2016 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made there under
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period).**
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Effective from 15th May, 2015)**

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

vi) **We further report that**, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis, the Company has complied the law applicable specifically to the Company i.e. Central Motor Vehicle Rules 1989.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. **(SS-1 and SS-2 Effective from 1st July, 2015)**
- ii. The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange. **[SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1st December, 2015]**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that:-

There are exist adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts/Laws/Regulations to the Company.

We further report that during the Audit Period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions except the mortgage on the properties of the Company from Banks and Financial Institutions and setting a limit on borrowings beyond the paid up Share Capital and Free Reserves taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / Amalgamation / Reconstruction, etc.
- (v) Foreign Technical Collaborations.

We further report that the Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act 1985 (SICA) and is in the process of restructuring / revival of its business under the aegis of BIFR and has submitted updated revival scheme.

Adesh Tandon & Associates
Company Secretaries

Dated : 26.05.2016
Place : Kanpur

Adesh Tandon
(Proprietor)
FCS No :2253
C P No :1121



ANNEXURE 'F' TO BOARD'S REPORT

Form for disclosure of particulars with respect to technology absorption

A. Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company

- 1.1 Design of 4 Stroke CVT & geared scooter
- 1.2 Design of Light 3 wheeler.

2. Benefits derived as a result of the above R & D

Successfully developed & produced a range of 4-stroke geared scooters in 125cc-150cc & 200cc category , 4- stroke CVT scooters in 125cc & 150cc category and 4-stroke motorcycle in 110cc & 150cc. Company is expecting to start industrialization / production of light 3 Wheelers.

3. Future plan of action

- 3.1 Industrialization of Light 3 wheeler.
- 3.2 Development of fuel injection vehicles
- 3.3 Development/ Industrialization of new 4-stroke vehicles.
- 3.4 Design of electric vehicles, including 3-wheelers.
- 3.5 Design and development of light 3-wheeler for Passenger application
- 3.6 Design of vehicles using alternate fuels (LPG / CNG)
- 3.7 Design of new generation of scooters and motorcycles

4. Investment or Expenditure on R & D

(Rs. in lakhs)

(a)	Capital	-
(b)	Recurring	648.48
(c)	Total	648.48
(d)	Total R&D expenditure as a percentage of total turnover	4.16

B. Technology Absorption, Adaptation and Innovation

5. Efforts, in brief, made towards technology absorption, adaptation and Innovation

- 5.1 Application of Rapid Prototyping technology for quick & cost effective validation of designs resulting in faster industrialization of new products.
- 5.2 Use of simulation technology for combustion optimization and valve train analysis of new engines for superior performance in terms of fuel economy, emission & reliability.
- 5.3 Computer Simulation of Vehicle Structural Components, Linkage Analysis and Stress Analysis.
- 5.4 Testing of different vehicle components on test rigs and durability validation.

6. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, production development, import substitution etc.

Substantive improvement in the product reliability and repeatability.

7. Technology imported

NIL

8. If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.

Absorbed.

For and on behalf of Board of Directors
for LML Limited

Deepak Kumar Singhania
Chairman & Managing Director
DIN No.: 00012037

Place : Gurgaon
Dated : 26.05.2016

INDEPENDENT AUDITORS REPORT

**TO THE MEMBERS OF
LML LIMITED**

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **LML LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2016, and the Standalone Statement of Profit and Loss and Standalone Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

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

4. Basis of Qualified Opinion

- a) *As mentioned in note no. 26 of standalone financial statements, balances of some of the trade receivable/ payable, lenders and loans and advances being subject to confirmation/ reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the financial statement for the year.*
- b) *As mentioned in note no. 27 of standalone financial statements, the Company has valued the inventories except finished goods at cost instead of at cost or realizable value, whichever is lower which is not in compliance with the Accounting Standard 2 - Valuation of Inventories prescribed in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As explained to us the process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan and its implementation. Since the realizable value as on 31st March, 2016 has not been determined, we are unable to express any opinion as to the effect thereof on the standalone financial statement for the year.*
- c) *As mentioned in note 30 of standalone financial statements, the Company has become a Sick Industrial Company due to erosion of its net worth and its current liabilities have also exceeded its current assets by Rs. 70131.26 lakhs as at Balance Sheet date. These factors, along with other matters as set forth in the said note, raise doubt that the Company will be able to continue as a going concern. The Company is in the process of restructuring/revival of its business under the aegis of BIFR and had submitted the draft revival scheme and as directed by BIFR, the Company had also submitted the updated revival scheme, considering this the accounts have been prepared on a going concern basis. The Company's ability to continue, as a going concern is dependent upon successful restructuring and revival of its business. In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable.*
- d) *As mentioned in note no. 36 of standalone financial statements, regarding non compliance of requirements under Micro, Small and Medium Enterprises Development Act, 2006, in the absence of information available with the Company. As such, we are unable to express any opinion as to the effect thereof if any, on the standalone financial statements for the year.*

The consequential possible effects of sub Para (a), (b), (c) and (d) above on assets and liabilities as at 31st March, 2016 and loss for the year ended 31st March, 2016 are not ascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion in paragraph 4 above*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

**6. Report on Other Legal and Regulatory Requirements**

- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- B. As required by section 143(3) of the Act, we report that:
- (a) We have sought and *except for the matters described in the Basis of Qualified Opinion paragraph 4 above*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) *Except for the possible effects of the matter described in the Basis for Qualified Opinion in paragraph 4 above*, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the standalone Balance Sheet, standalone Statement of Profit and Loss, and standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion in paragraph 4 above*, in our opinion, the standalone Balance Sheet, standalone Statement of Profit and Loss, and standalone Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) *The matter described in the Basis for Qualified Opinion in paragraph 4 above, in our opinion, may have an adverse effect on the functioning of the Company.*
 - (f) On the basis of the written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - (g) *The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion in paragraph 4 above.*
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the standalone financial statements.
 - ii. The Company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note 25 to the standalone financial statements.
 - iii. There has been no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

Place: Gurgaon
Date: 26th May, 2016

(Manish Singhal)
(Partner)
M. No. 502570

(Anurag Jain)
(Partner)
M. No. 076362

ANNEXURE - A TO THE AUDITORS' REPORT

[Referred to in above the Auditors' Report of even date to the LML LIMITED on the Standalone Financial Statements for the year ended 31st March 2016]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets, *however these records are in the process of updation.*

(b) As per the information and explanations given to us, the Company has formulated a program of physical verification to cover all major categories of fixed assets over a period of three years. Accordingly some categories of the fixed assets have been physically verified during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.

(c) In our opinion and according to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company.
2. As per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable. *In case of materials lying with other parties, they are subject to confirmations.*
3. As per the information furnished, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

In view of the above, provisions of clause 3(iii)(b) and (c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has, in respect of loans, investments, guarantees, and security provisions, complied with section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanation given to us, The Company has not accepted any deposits, whether the directives issued by the Reserve Bank of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any products of the company.
7. (a) *According to the information and explanations given to us and the records examined by us, undisputed statutory dues including income tax, sales tax, employees state insurance, provident fund and other statutory dues applicable to it have not been regularly deposited with the appropriate authorities and there have been delays in a number of cases. According to information and explanations given to us, undisputed arrears of statutory dues outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable, are as under: -*

Sl.No.	Name of the Statute	Nature of Dues	Rs. In Lakhs
1)	Provident Fund	Employers Contribution	142.42
		Employee Contribution	42.24
2)	Sales Tax	Sales Tax Dues	1065.47
3)	Employee State Insurance	Employer and Employees Contribution	23.47
4)	Income Tax Act	Income Tax Deducted at Source	90.81
		Income Tax Collected at Source	1.29
		Fringe Benefit Tax	178.00



(b) According to the records of the Company, the dues of Sales Tax/VAT, Income Tax, Excise Duty and Service Tax which has not been deposited on account of disputes and the forum where the dispute is pending, are as under:

Name of the Statute	Nature of the dues	Amount in Rs./lakhs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Modvat credit, duty on off cuts or inputs, valuation, classification & cenvat	469.14	1989-90 to 2006-07	Commissioner Appeal, Tribunal (CESTAT), Supreme Court
Central Sales Tax Act , Local Sales Tax Act & Local Entry Tax Act	Non- submission of declaration forms, entry tax, penalty, interest, stock transfer and other issues	12823.48	1989-90 to 2007-08	Appellate Authority, Tribunal, High Court
Customs Act, 1962	(i) Duty	12.16	2001-02	Reassessment of amount, pending with Customs – Mumbai
	(ii) Valuation & Concession	12.69	1986-87 & 1994-95	Assistant Commissioner
Income-Tax Act, 1961	Disputed Disallowances	2145.11	A.Y. 1997-98 to 2006-07	ITAT
	Disputed Disallowances	1028.14	A.Y. 1995-96 to 1999 – 2000	High Court
	Disallowances/Penalty	222.29	A.Y. 2007 – 08 & 2010 – 11	CIT (A)

8. The Company has executed a Multi-Partite Agreement with Banks and Financial Institutions (Secured Lenders) on March 28, 2005. Based on our audit procedures and the information and explanations given to us, the Company is in default in respect to the payments to the Secured Lenders as given below.

Nature of the Dues	Period of Default	Amount (Rs in lakhs)
<i>Principal</i>	<i>More than 12 months</i>	<i>10,308.81</i>
<i>Interest</i>	<i>More than 12 months</i>	<i>16,038.56</i>
<i>Interest</i>	<i>Jun-15</i>	<i>821.10</i>
<i>Interest</i>	<i>Sep-15</i>	<i>855.99</i>
<i>Interest</i>	<i>Dec-15</i>	<i>882.96</i>
<i>Interest</i>	<i>Mar-16</i>	<i>900.88</i>

The Company is in Default in the payments of Interest to Foreign Currency Convertible Bonds holders:

Period of Default	Amount (Rs in lakhs)
<i>More than 12 months</i>	<i>205.56</i>

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9. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and also no Term Loans taken during the year by the Company.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Companies Act. *However, Company's application for re-appointment and payment of remuneration of one of the Director is pending with Ministry of Corporate Affairs; refer note no. 37 of the standalone financial statement.*
12. The Company is not a Nidhi Company, hence the provisions of clause 3(xii) are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to information and explanations given to us, the Company during the year, has not made any preferential allotment as private placement of shares or fully or partly convertible debentures, hence the provision of clause 3(xiv) are not applicable to the Company.
15. According to the information and explanation given to us and the books of accounts verified by us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

(Manish Singhal)
(Partner)
M. No. 502570

(Anurag Jain)
(Partner)
M. No. 076362

Place: Gurgaon
Date: 26th May, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LML LIMITED AS ON 31ST MARCH 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF LML LIMITED

We have audited the internal financial controls over financial reporting of LML LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if



such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

Place: Gurgaon
Date: 26th May, 2016

(Manish Singhal)
(Partner)
M. No. 502570

(Anurag Jain)
(Partner)
M. No. 076362

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2016

			(Rs.in lakhs)	
Sl. No.	Particulars	Note No.	Figures as at 31st March, 2016	Figures as at 31st March, 2015
I	EQUITY AND LIABILITY			
(1)	Shareholder's Funds			
	(a) Share Capital	1	20,040.95	20,040.95
	(b) Reserve & Surplus	2	(86,371.13)	(78,535.36)
(2)	Non- Current Liabilities			
	(a) Long Term Borrowings	3	-	-
	(b) Long Term Provision	4	1,662.89	1,520.57
(3)	Current Liabilities			
	(a) Short Term Borrowings	5	84.37	84.37
	(b) Trade Payables	6	15,769.49	15,618.82
	(c) Other Current Liabilites	7	66,506.67	61,152.30
	(d) Short Term Provision	8	469.17	508.77
			18,162.41	20,390.42
II	ASSETS			
(1)	Non Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		5,023.46	5,838.83
	(ii) Intangible Assets		-	-
	(iii) Capital-Work-In-Process		302.59	331.24
	(b) Non- Current Investments	10	1.23	1.23
	(c) Long Term Loans & Advances	11	136.69	124.00
(2)	Current Assets			
	(a) Inventories	12	8,882.76	9,475.56
	(b) Trade Recievables	13	308.63	99.83
	(c) Cash & Bank Balances	14	1,104.55	1,849.47
	(d) Short-term Loans & Advances	15	2,394.19	2,661.03
	(e) Other Current Assets	16	8.31	9.23
			18,162.41	20,390.42
	Notes on Financial Statements	1-47		

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountants

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date : 26.05.2016

R K CHADHA
Divisional Manager (Accounts)



STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Rs. in lakhs)

Sl. No.	Particulars	Note No.	Figures for the year ended on 31st March, 2016	Figures for the year ended on 31st March, 2015
I	Revenue From Operation	17	15,579.68	20,377.16
II	Other Income	18	199.70	356.12
III	Total Revenue		15,779.38	20,733.28
IV	EXPENDITURE			
	Cost of Materials Consumed	19	9,459.72	12,019.55
	Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	20	(86.68)	1,601.89
	Employee Benefits Expenses	21	3,261.76	3,413.92
	Finance Costs	22	4,763.15	4,314.76
	Depreciation & Amortisation	9	934.99	1,260.85
	Provision for Impairment of Fixed Assets		-	-
	Manufacturing Expenses	23	2,848.77	2,916.55
	Administrative, Selling and Other Expenses	23	2,433.44	3,315.18
	Total Expenses		23,615.15	28,842.70
V	Profit before Tax (III- IV)		(7,835.77)	(8,109.42)
VI	Less: Tax Expense:			
	Current Tax		-	-
VII	Profit (Loss) for the year (V-VI)		(7,835.77)	(8,109.42)
VIII	Earning per share (Face value of Rs.10/- each)			
	Basic (Rs.)		(9.56)	(9.89)
	Diluted (Rs.)		(9.56)	(9.89)
	Notes on Financial Statements	1-47		

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountant:

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date : 26.05.2016

R K CHADHA
Divisional Manager (Accounts)

NOTES FORMING PART OF THE ACCOUNTS

NOTE "1" -SHARE CAPITAL	No. of Shares	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
AUTHORISED			
Equity Shares of Rs. 10 each	100,000,000	10,000.00	10,000.00
Cumulative / Non Cumulative Redeemable Preference Share of Rs. 100 each	15,000,000	15,000.00	15,000.00
ISSUED,SUBSCRIBED & PAID UP			
Equity Shares of Rs. 10 each	81,984,320	8,198.43	8,198.43
0.001% Non cumulative Redeemable Preference Shares of Rs.100 each (Refer Note v as given below)	11,842,519	11,842.52	11,842.52
TOTAL		20,040.95	20,040.95

Of the above:
Notes:

- (i) 460000 Equity Shares were allotted as fully paid-up Bonus Shares on 3rd October, 1979 by capitalisation of General Reserve.
- (ii) 5314116 Equity Shares were allotted as fully paid-up on conversion of Debentures (Series I, II & III).
- (iii) 3162000 Equity Shares were allotted as fully paid-up to Financial Institutions pursuant to the convertibility clause in the relevant Rupee Loan Agreement.
- (iv) 785423 Equity Shares were allotted to Banks & Financial Institutions on 29th March, 2005 as per terms & conditions of the Multipartite Agreement dated 28.03.2005 (MPA).
- (v) 11842519 Non cumulative Redeemable Preference Shares were allotted to Banks & Financial Institutions on 29th March, 2005 as per terms & conditions of the MPA and redeemable in three annual instalments due on 29th March, 2015, 29th March, 2016 and 29th March, 2017.
- "In respect of the outstanding Redeemable Preference Shares (RPS) as at 31.03.2016, redemption of Rs.3947.51 lacs and Rs. 3947.51 lacs was due on the first and second tranche date of 29.03.2015 and 29.03.2016. In view of the adverse financial position of the Company, the same has not been effected. The RPS holders representing 96.90% of issued and paid up Preference Capital have given written approvals, extending the redemption dates to December, 2024 & December, 2025 payable in two equal instalments, which is forming part of the DRS and is under consideration of BIFR, in terms of section 18 of SICA. BIFR is empowered under the provisions of SICA to take decisions on all matters affecting the revival of the Company and the redemption dates of RPS will be as approved by BIFR."
- (vi) 819723 Equity Shares were allotted to specified lenders on 16th November, 2005 as per terms & conditions of the MPA.
- (vii) 32223538 Equity Shares were allotted on conversion of FCCB series A & B during the period from 24.08.2005 to 31.07.2009
- (viii) Shareholders holding more than 5 percent shares

Name of Shareholders	% of share holding	Figures as at 31st March, 2016	Figures as at 31st March, 2015
Equity Shares			
- Mahalaxmi Holdings Ltd.	5.48	4,493,030	4,493,030
Preference Shares			
- SBI	23.09	2,734,940	2,734,940
- BOI	17.06	2,020,380	2,020,380
- SASF (Trustee - IDBI)	17.89	2,118,850	2,118,850
- IFCI	18.16	2,150,912	2,150,912
- EXIM BANK	10.99	1,301,200	1,301,200
- CORPORATION BANK	8.43	998,586	998,586

(ix) The reconciliation of the number of shares outstanding as at 31st March, 2016 is set out below:

Particulars	Figures as at 31st March, 2016	Figures as at 31st March, 2015
Equity Shares		
Number of shares at the beginning	81,984,320	81,984,320
Add: Shares issued during the year	-	-
Number of shares at the end	81,984,320	81,984,320
Preference Shares		
Number of shares at the beginning	11,842,519	11,842,519
Add: Shares issued during the year	-	-
Number of shares at the end	11,842,519	11,842,519



NOTE "2" - RESERVES & SURPLUS	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Capital Reserve:		
As per last Balance Sheet	3,406.90	3,406.90
Capital Redemption Reserve		
As per last Balance Sheet	2.50	2.50
Security Premium Reserve		
As per last Balance Sheet	11,698.28	11,698.28
General Reserve		
As per last Balance Sheet	968.76	968.76
Profit & Loss Account:		
Opening balance	(94,611.80)	(85,994.41)
Less: Residual value of Assets where usefull life of Assets is nil	-	(507.97)
Add: Transfer from Profit & Loss Account	(7,835.77)	(8,109.42)
	(102,447.57)	(94,611.80)
Less: Transfer to General Reserve	-	-
Closing Balance	(102,447.57)	(94,611.80)
TOTAL	(86,371.13)	(78,535.36)
NOTE "3" - LONG TERM BORROWING		
Secured		
(i) Term Loans		
(a) From Banks	-	-
(b) From Financial Institutions	-	-
TOTAL	-	-
Note: Long Term Borrowings having current maturity has been group under Other Current Liabilities (Note No.7)		
NOTE "4" - LONG TERM PROVISION		
Provision for Leave Encashment	265.45	224.37
Provision for Gratuity	1,397.44	1,296.20
TOTAL	1,662.89	1,520.57
NOTE "5" - SHORT TERM BORROWINGS		
Unsecured (Refer Note 26)		
Short Term Loans from others	84.37	84.37
TOTAL	84.37	84.37
NOTE "6" - TRADE PAYABLE		
Trade Payable (Refer Note 26 & 36)	15,769.49	15,618.82
TOTAL	15,769.49	15,618.82

NOTE "7" - OTHER CURRENT LIABILITIES (Refer Note 26)	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Secured		
Current maturities for Long term Debt		
Term Loan from Banks and Financial Institutions		
(a) From Banks		
State Bank of India (SBI)	2,335.09	2,335.09
Bank of India (BOI)	1,888.62	1,888.62
Corporation Bank (CB)	852.59	852.59
Bank of Baroda (BOB)	128.07	128.07
ICICI Bank Limited (ICICI)	304.24	304.24
(b) From Financial Institutions		
IFCI Limited (IFCI)	1,836.44	1,836.44
Stressed Assets Stabilization Fund (SASF)	1,809.08	1,809.08
Export-Import Bank of India (EXIM)	1,110.96	1,110.96
Industrial Investment Bank of India Limited (IIBI)	43.73	43.73
Interest accrued and due	19,499.50	16,038.56
Unsecured		
Advance against Orders	2,648.83	2,648.83
Interest accrued but not due:		
on Advance against Orders	6,110.50	5,924.96
on Short Term Loans	163.08	157.63
Advance from Distributors & Dealers	6,535.93	6,527.60
Interest accrued and due:		
on FCCB	205.56	194.17
on Trade Payable & Others	6,260.01	5,685.82
Other Liabilities:		
Security Deposits	1,504.05	1,477.51
Expenses	3,126.69	2,843.06
Statutory Dues	4,636.63	4,351.31
Book Overdraft from Banks	3.31	39.68
Employees dues	5,503.76	4,954.35
TOTAL	66,506.67	61,152.30

1 Long Term Debts Secured by:

- (a) Term Loans from Banks and Financial Institutions included above, except Industrial Investment Bank of India and Bank of Baroda, represent the settled amounts outstanding as on 31.03.2016, in terms of Multi Partite Agreement executed between all the Lenders and the Company on 28th March, 2005 (MPA) reached with these Lenders. These are secured by (i) a First mortgage and charge on the immovable properties consisting of Land, Buildings, Fixed Plant and Machinery, Furniture and Fixtures of the Company existing as on 31.03.2005 (save and except Land and property situated at Plot No. C-3 & 4, Site – I, Panki Industrial Estate, Kanpur) and (ii) first charge by way of hypothecation of all movable assets of the Company (save and except Stocks of Raw Materials, Components, Stores & Spares, Work-in-process, Finished Goods, Book Debts etc), including movable machinery, tools, accessories, etc., existing as on 31.03.2005, subject however, to the prior charges created in favour of (a) banks/others over certain specified equipment purchased by the Company on Hire Purchase basis, (b) SASF over the specified equipment acquired out of its erstwhile EFS Loan, (c) Exim Bank over the specified equipment acquired by the Company out of its erstwhile Rupee Loan under PEFP, (d) IIBI over the specified equipment acquired out of its erstwhile Rupee Loan under ACS. The aforesaid first mortgage and charges rank pari-passu, inter-se, in all respects amongst the aforesaid Financial Institution/Banks. These Loans are further secured by Personal Guarantee (s) of three Directors of the Company. Equitable Mortgage on some of the properties is yet to be created.
- (b) Term Loans against erstwhile Rupee Loan from IDBI under EFS, erstwhile Rupee Loan from Exim Bank under PEFP and erstwhile Rupee Loan from IIBI under ACS, included in Serial Number (a) of Note No.7 represent the settled amounts outstanding as on 31.03.2016 under the MPA. These Loans are secured by (i) an exclusive first charge by way of hypothecation of specified equipments acquired out of the said erstwhile loans and (ii) Personal Guarantee(s) of three Directors of the Company.



- (c) Export Import Bank of India (Exim Bank) have informed the Company that they have assigned their dues to Edelweiss Asset Reconstruction Company Limited (ARC). The Company has disputed the assignment inter-alia due to major discrepancies in the Assignment Agreement executed between Exim Bank and ARC. The name of the ARC can be substituted only after resolution of dispute and approval of BIFR. In the view of the Company, this has no effect on the Balance Sheet or Profit & Loss Account of the Company.
- (d) Phoenix ARC Private Limited (Phoenix) has informed the Company about the assignment of the dues by IIBI Ltd., to them. The Company has disputed the assignment inter-alia due to major discrepancies in the assignment between Phoenix and IIBI. The name of the Phoenix can be substituted only after resolution of dispute and approval of BIFR. In the view of the Company, this has no effect on the Balance Sheet or Profit & Loss account of the Company.
- (e) Amounts outstanding against erstwhile working capital facilities from SBI, BOI and BOB included in Serial Number (i) above represent the settled amounts outstanding as on 31.03.2016 under the MPA with these Banks. These Loans are secured by (a) of Note No.7 a first charge on the land and property situated at Plot No. C-3 & 4, Site – I, Panki Industrial Estate, Kanpur by way of Equitable Mortgage, ranking pari passu, inter-se, in all respects amongst these Banks and (ii) Personal Guarantee(s) of three Directors of the Company. These are further secured by a Second Charge on the immovable properties consisting of Land, Buildings, Fixed Plant and Machinery, Furniture and Fixtures of the Company existing as on 31.03.2005 (save and except Land and property situated at Plot No. C-3 & 4, Site – I, Panki Industrial Estate, Kanpur). Certain charges in respect of 1(a) and 1(c) are yet to be modified / created.
- (f) Fixed Assets purchased under Hire Purchase arrangement are secured by hypothecation of respective assets.
- (g) Rate of interest - for the period from April 2009 to March 2013, on ballooning basis, so as to gives yield of 6.5% per annum (YTM), w.e.f. April, 2013 since the entire Principal is in default, interest @ 12.5% has been provided.

2 The Company is in default in respect to the repayments of Principal and Interest as under:

Period of Default	Amounts (in Lakhs)		
	Principal	Interest	Total
From the year 2006-2007	8.26	341.95	350.21
From the year 2007-2008	1,716.21	917.24	2,633.45
From the year 2008-2009	1,716.87	1,229.08	2,945.95
From the year 2009-2010	1,716.87	1,544.36	3,261.23
From the year 2010-2011	1,716.87	1,791.92	3,508.79
From the year 2011-2012	1,716.87	2,076.95	3,793.82
From the year 2012-2013	1,716.87	2,383.18	4,100.05
From the year 2013-2014	-	2,702.52	2,702.52
From the year 2014-2015	-	3,051.36	3,051.36
From the year 2015-2016	-	3,460.94	3,460.94
Total	10,308.82	19,499.50	29,808.32

3 The Company is in default in the payment of interest to Foreign Currency Convertible Bonds holders:

Period of Default	Amounts (in Lakhs)
From the year 2006-2007	205.56

NOTE "8" - SHORT TERM PROVISIONS

	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Provision for Leave Encashment	114.02	105.74
Provision for Gratuity	177.15	225.03
Provision for Income Tax (FBT)	178.00	178.00
TOTAL	469.17	508.77

(Rs. in lakhs)

NOTE "9" FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTISATION				NET BLOCK		
	As at 01.04.2015	Additions during the year	Deductions/ discarded	As at 31.03.2016	Upto 31.03.2015	Adjustments * For the year	Deductions/ discarded	Upto 31.03.2016	As At 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS:										
Land - Freehold	2.72	-	-	2.72	-	-	-	-	2.72	2.72
- Leasehold	618.68	-	-	618.68	-	-	-	-	618.68	618.68
Buildings	8,475.01	2.94	-	8,477.95	5,600.19	-	-	5,878.71	2,599.24	2,874.82
Lease hold Improvement	94.67	-	-	94.67	89.48	-	-	94.67	-	5.19
Plant & Machinery	35,814.66	112.37	202.30	35,724.73	33,543.24	-	202.30	33,956.01	1,768.72	2,271.42
Electric Installations	2,700.15	-	-	2,700.15	2,698.73	-	-	2,698.98	1.17	1.42
Furniture and Fixtures	868.97	2.71	-	871.68	854.35	-	-	857.28	14.40	14.62
Office Equipments	615.01	1.60	-	616.61	569.11	-	-	599.91	16.70	45.90
Vehicles	658.67	-	-	658.67	654.61	-	-	656.84	1.83	4.06
Total	49,848.54	119.62	202.30	49,765.86	44,009.71	-	202.30	44,742.40	5,023.46	5,838.83
INTANGIBLE ASSETS:										
Technical Know - How	2,999.16	-	-	2,999.16	2,999.16	-	-	2,999.16	-	-
Total	2,999.16	-	-	2,999.16	2,999.16	-	-	2,999.16	-	-
Grand Total	52,847.70	119.62	202.30	52,765.02	47,008.87	-	202.30	47,741.56	5,023.46	5,838.83
	(52,698.94)	(148.76)	0.00	(52,847.70)	(45,240.05)	(507.97)	0.00	(47,008.87)	(5,838.83)	(7,458.89)
Add: Capital Work In Progress (CWIP)									302.59	331.24
Total Fixed Assets Including CWIP									5,326.05	6,170.07
									(6170.07)	(7747.66)

Notes: (i) Buildings include Rs.0.04 lakh (Rs.0.04 lakh) being the cost of shares in Co-operative Housing Society.

(ii) Figures in brackets pertain to as at 31.03.2015.

(iii) * Pursuant to change in requirement of Schedule II of the Companies Act 2013, in case where the useful life was nil as at 01.04.2014, the net residual value aggregating to Rs.507.97 lacs has been transferred to Reserves & Surplus Account.


NOTE "10" NON CURRENT INVESTMENTS

Particulars	Figures as at 31.03.2016 Rs.in lakhs	Figures as at 31.03.2015 Rs.in lakhs
LONG TERM (except otherwise stated)		
Equity Shares (Fully paid-up)		
QUOTED		
Trade		
Investment in Associates:		
1536000 Shares of Rs.10 each in VCCL Limited	153.60	153.60
Others		
200 Shares of Rs.10 each in Bajaj Auto Limited	0.01	0.01
* 110 Shares of Rs.10 each in Bajaj Finserv Limited	0.07	0.07
* 100 Shares of Rs.10 each in Bajaj Holding & Investment Limited	-	-
200 Shares of Rs.10 each in Reliance Industries Limited	0.03	0.03
* 100 Shares of Rs.5 each in Reliance Communications Limited	-	-
* 109 Shares of Rs.10 each in Reliance Capital Limited	-	-
* 164 Shares of Rs.10 each in Reliance Infrastructure Limited	-	-
* 547 Shares of Rs.10 each in Reliance Power Limited	-	-
100 Shares of Rs.10 each in Scooters India Limited	0.02	0.02
2000 Shares of Rs.1 each in TVS Motor Company Limited	0.04	0.04
100 Shares of Rs.2 each in Hero Motocorp Limited	0.00	0.00
100 Shares of Rs.5 each in Infosys Technologies Limited	0.04	0.04
50 Shares of Rs.10 each in Force Motors Limited	0.12	0.12
1200 Shares of Rs.1 each in Asian Paints (India) Limited (Previous year 120 Shares of Rs.10 each)	0.17	0.17
100 Shares of Rs.10 each in Eicher Motors Limited	0.02	0.02
50 Shares of Rs.10 each in Escorts Limited	0.05	0.05
100 Shares of Rs.10 each in Ginni Filaments Limited	0.01	0.01
50 Shares of Rs.1 each in Jaykay Enterprises Limited	0.01	0.01
* 10 Shares of Rs.10 each in J.K. Cement Limited	-	-
100 Shares of Rs.10 each in Kalyani Forge Limited	0.02	0.02
31 Shares of Rs.5 each in ISMT Limited	0.01	0.01
50 Shares of Rs.10 each in Maharashtra Scooters Limited	0.11	0.11
100 Shares of Rs.10 each in Pal Peugeot Limited	0.01	0.01
100 Shares of Rs.10 each in Patheja Forgings & Auto Parts Mfrs. Limited	0.02	0.02
2000 Shares of Rs.1 each in Sona Koyo Steering System Limited	0.06	0.06
500 Shares of Rs.2 each in Supreme Industries Limited	0.09	0.09
50 Shares of Rs.10 each in Whirlpool India Limited	0.02	0.02
100 Shares of Rs.5 each in Ester Industries Limited	0.01	0.01
100 Shares of Rs.10 each in IFCI Limited	0.04	0.04
100 Shares of Rs.10 each in BST Limited	0.01	0.01
** 62 Shares of Rs.10 each in Kinetic Engineering Limited (Previous year 50 Shares of Rs.10 each)	0.23	0.23
100 Shares of Rs.10 each in BS Appliances Limited	0.02	0.02
200 Shares of Rs.10 each in Polyplex Corporation Limited	0.02	0.02
50 Shares of Rs.10 each in Modi Rubber Limited	0.03	0.03
	1.29	1.29
UNQUOTED		
Trade		
800000 Shares of Rs.1 each in Trident Auto Components Private Limited	80.00	80.00
	234.89	234.89
Less: Provision for diminution in value of Investments	233.66	233.66
	1.23	1.23

* Allotment of shares on account of demerger

** Allotment of shares on account of merger of Kinetic Motor Company Limited

Notes:

(i) Aggregate amount of Quoted Investments:

- Cost Rs. 154.89 lakhs (As at 31.03.2015 Rs. 154.89 lakhs)
- Market value Rs.59.99 lakhs (As at 31.03.2015 Rs. 54.72 lakhs)

(ii) Aggregate amount of Unquoted Investments:

- Cost Rs. 80.00 lakhs (As at 31.03.2015 Rs. 80.00 lakhs)

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NOTE "11" - LONG TERM LOANS AND ADVANCES	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Unsecured, considered good (Refer Note 26)		
Capital Advances	62.94	50.25
Security Deposits	73.75	73.75
TOTAL	136.69	124.00
NOTE "12" -INVENTORIES (Refer Note 27)		
Raw Materials and Components	5,262.38	5,824.21
Material in Transit (Raw Materials and Components)	356.39	414.12
Stores & Spares	1,305.02	1,325.92
Loose Tools	685.44	699.97
Work in Progress	801.50	641.88
Finished Goods	472.03	569.46
TOTAL	8,882.76	9,475.56
NOTE "13" -TRADE RECEIVABLES		
Unsecured, Considered Good (Refer Note 26)		
(Debts outstanding For a period Exceeding six month)		
Considered good	79.90	49.71
Considered Doubtful	380.14	380.14
	460.04	429.85
Less: Provision for Doubtful Debts	380.14	380.14
	79.90	49.71
Others	228.73	50.12
TOTAL	308.63	99.83
NOTE "14" -CASH & BANK BALANCES		
Cash & Cash Equivalent:		
Balance with Scheduled Banks in Current Account	257.98	189.96
Balance with Fixed Deposits (Maturity less than 3 Months)	758.90	1,551.41
Balances with non scheduled Banks in foreign currency with HSBC Bank plc	7.23	6.82
Cash in Hand	48.57	67.85
Other Bank Balances:		
Balances with Fixed Deposits * (Maturity more than 3 Months but less than 12 Months)	31.87	33.43
Balances with Fixed Deposits * (Maturity more than 12 Months)	-	-
TOTAL	1,104.55	1,849.47

*Fixed deposit with Banks to the extent held as margin money is Rs. 31.87 Lakhs (Previous year Rs.31.33 lakhs)



NOTE "15" - SHORT TERM LOANS AND ADVANCES	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Unsecured, considered good (Refer Note 26)		
Loans	320.67	334.47
Other Loans and Advances		
Advances Recoverable in cash or in kind or for value to be received		
Related Party (VCCL Limited)	252.08	249.24
Others	1,746.27	1,898.05
Balance with Customs and Excise Authorities	11.91	90.84
Security Deposits	63.26	88.43
	2,394.19	2,661.03
Unsecured, considered Doubtful		
Other Loans and Advances		
Advances Recoverable in cash or in kind or value to be received		
Related Party (VCCL Limited)	940.01	940.01
Others	12.00	12.00
Deposits - Companies	116.33	116.33
	1,068.34	1,068.34
Less: Provision for Doubtful advance and deposits	1,068.34	1,068.34
	-	-
TOTAL	2,394.19	2,661.03

Note: Loans and Advances includes:

	Rs.In lakhs	
	Due	Maximum
Due from an Officer	25.26	25.85
Due from one Director*	15.77	15.88

* Loan was given to Shri R K Srivastava before he was appointed as a Director of the Company.

NOTE "16" - OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	8.31	9.23
TOTAL	8.31	9.23

NOTE "17" -REVENUE FROM OPERATIONS	Figures for the year ended 31st March, 2016 Rs.in lakhs	Figures for the year ended 31st March, 2015 Rs.in lakhs
Sales of Product / Spares	15,380.65	20,163.17
Scrap sales	188.39	296.14
Less: Excise Duty	(252.37)	(525.08)
Other Operating Income (Export Benefit)	263.01	442.93
TOTAL	15,579.68	20,377.16

NOTE "18" -OTHER INCOME		
Interest Income Gross		
(TDS Rs.9.17 lakhs, previous year Rs 9.10 lakhs)	88.03	94.26
Dividend on Shares	0.75	0.60
Credit Balances / Provisions no longer required written back	0.00	219.45
Miscellaneous	110.92	41.81
TOTAL	199.70	356.12

NOTE "19" -COST OF GOODS CONSUMED		
Opening Stock	5,824.22	6,085.72
Add : Purchases during the year	8,897.88	11,758.05
Less: Closing Stock	5,262.38	5,824.22
Total cost of goods consumed	9,459.72	12,019.55

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NOTE "20" -CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	Figures for the year ended 31st March, 2016 Rs.in lakhs	Figures for the year ended 31st March, 2015 Rs.in lakhs
Closing Stock:		
Work in Progress	801.50	641.88
Finished Goods	472.03	569.46
	1,273.53	1,211.34
(Increase) / Decrease in Excise Duty on uncleared Finished Goods	24.49	97.94
	1,298.02	1,309.28
Less: Opening Stock		
Work in Progress	641.88	1,004.59
Finished Goods	569.46	1,906.58
	1,211.34	2,911.17
CHANGE IN STOCK	86.68	(1,601.89)
NOTE "21" -EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,687.23	2,919.51
Contribution to provident & other funds	191.36	203.81
Provision for Retirement Benefits	57.53	12.13
Gratuity Expenses	239.23	185.34
Welfare expenses	86.41	93.13
TOTAL	3,261.76	3,413.92
NOTE "22" -FINANCE COST		
Interest on Fixed Loans	3,460.94	3,051.36
on Others	1,272.41	1,250.95
Bank and Other Charges	18.41	20.29
Net Gain /Loss on foreign currency translation and transaction	11.39	(7.84)
TOTAL	4,763.15	4,314.76
NOTE "23" EXPENSES		
Manufacturing Expenses		
Store, Spare Parts and Dies Consumed	969.97	1,099.39
Power and Fuel	1126.43	1,295.06
Development Expenses	523.23	317.83
Lease Rent-Plant and Machinery	18.00	18.00
Repairs and Maintenance		
- Machinery	35.03	38.41
- Buildings	55.62	46.27
- Others	120.49	101.59
	2848.77	2,916.55
Administrative,Selling and Other Expenses		
Payment to Auditors		
As Auditors	9.00	9.00
Other Services	6.80	6.80
Rent	155.18	165.28
Freight, Cartage and Clearing charges	418.66	761.91
Postage, Telex and Telephones	102.25	119.66
Printing and Stationery	33.90	53.37
Insurance Expenses	50.73	51.43
Rates & Taxes	87.15	77.13
Rebate and Discount	1.75	28.24
Sales Incentive-other agents	4.89	124.38
Warranty and Service Charges	51.92	144.49
Advertisement, Publicity & Sales Promotion	112.44	340.50
Travelling, Conveyance, Car & Recruitment Expenses	555.81	618.62
Directors' Sitting Fees	0.40	0.57
Difference in Exchange	345.46	109.04
Charity and Donation	0.11	0.22
Legal & Professional Expenses	264.43	393.64
provision for Bad & Doubtful Advances	-	12.50
Bad & Doubtful Advances written off	-	57.27
Prior period adjustment (net)	1.69	(20.03)
Miscellaneous Expenses	230.87	261.16
TOTAL	2433.44	3,315.18

**LML LIMITED****Other Notes on Accounts****24. Significant Accounting Policies****(i) System of Accounting**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees, rounded off to the nearest rupees in lakhs.

(ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

(iii) Fixed Assets

Fixed Assets (tangible and intangible) are stated at cost of acquisition or construction less accumulated depreciation, amortization and impairment loss, if any. Cost is inclusive of duties, taxes, erection/commissioning expenses, incidental expenses and borrowing cost etc. and where applicable is net of Modvat / Cenvat benefit.

Land acquired on perpetual lease as well as on lease basis for a period of 90 years and above is treated as free hold land.

(iv) Borrowing costs

Borrowing costs, attributable to the acquisition / construction of qualifying fixed assets are capitalized, net of income earned on temporary investments of borrowings, by applying weighted average rate for the eligible period. Other borrowing costs are charged to Profit and Loss Account.

Borrowing costs comprise of interest and other cost incurred in connection with borrowing of funds.

(v) Foreign Currency Transactions

Transactions in foreign currency are accounted at exchange rates prevalent on the date(s) of transactions. Exchange differences arising on adjustment for year end settlement rates are recognized in the Profit and Loss Account. In case of forward contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expense over the period of the contract.

(vi) Research and Development

Research and Development expenditure of revenue nature are charged to the Profit and Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred and depreciated in accordance with para 1(x) below.

(vii) Employee Benefits**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive if any and compensated absences.

Long Term Employee Benefits**a) Defined Contribution Plans****(i) Provident Fund and employees' state insurance schemes**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all eligible employees. The Gratuity Plan provides a lump sum payment to employees who are so entitled at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits". The Company makes annual contributions to the LIC Insurance Corporation of India for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b) Other long term benefit**Leave Encashment**

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

c) Actuarial gains and losses in respect of long term employment benefits are recognized as and when incurred.

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(viii) Investments

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value.

(ix) Sales

- (a) Revenue from domestic sales is recognised upon dispatch to customers.
- (b) Export sales are recognized upon dispatch from the customs port.

(x) Export Benefits

The Company accounts for Export Benefit Entitlements under the Duty Draw Back and Special Incentive Schemes of the Government of India, in the year of Export Sales.

(xi) Depreciations, Amortization and Impairment

- (a) Depreciation on tangible fixed assets is provided on the basis of useful life the assets as prescribed in schedule II to the Companies Act, 2013.
- (b) Intangible Assets are amortized over the estimated useful life of such assets. Technical know How is amortized by Straight Line Method at the rate of 20% per annum over its estimated useful life of five years.
- (c) An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

(xii) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of finished goods, work in process and factory made components include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of Excise Duty.

Cost for raw materials and components, stores and spare parts, loose tools is determined on FIFO basis. Cost of materials is arrived at after adjustment of, where applicable, Cenvat benefit availed or to be availed.

(xiii) Leases

Assets acquired under finance leases are recognized as fixed assets at the lower of the fair value at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to periods comprised in the lease term at a constant periodic rate of interest on the remaining balance of the liabilities.

(xiv) Product warranty costs are recognized based on technical evaluation and past experience.

(xv) Taxation

Income tax expense/ savings comprise current tax and deferred tax charge or credit. Provision for current tax is made on the estimated taxable income at the tax rate applicable to the relevant assessment year. The deferred tax assets are recognised based on the principles of prudence. Deferred tax asset and deferred tax liabilities are calculated by applying the rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed at each Balance Sheet date.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be a out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

25. Contingent Liabilities & Commitments (to the extent not provided for)

- (a) Income-tax, Sales-tax, Customs and Excise Duty matters pending in appeals etc. Rs.17013.71 lakhs (Previous year Rs. 16991.80 lakhs) (net of Bank Guarantee of Rs 3.00 lakhs included in (b) below (Previous year Rs. 3.00 lakhs)
- (b) Outstanding guarantees furnished by Bankers Rs.6.15 lakhs (Previous year Rs.6.15 lakhs).
- (c) Claims against the Company not acknowledged as debts Rs.20880.52 lakhs (Previous year Rs. 18601.44 lakhs).
- (d) Unexecuted capital commitments (net of advances) Rs.18.76 lakhs (Previous year Rs. 150.77 lakhs)
 - (i) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.
 - (ii) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.
 - (iii) The Company neither entered into any derivative contracts during the year nor have any outstanding derivative contract at year end.

26. Balances of some of the Trade Receivables, Trade Payable, Lenders, loans and advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material adjustment in this regard.

27. The Company is in the process of restructuring/ revival of its business under the aegis of BIFR which inter alia includes finalization of the product plan. the process of possible utilization of slow / non-moving items of inventory will be undertaken



upon - finalization of the product plan, approval and implementation of the restructuring/revival scheme. Pending such ascertainment/ determination the management has considered the inventories except inished goods at cost. Requisite accounting effect, if any, will be given upon such ascertainment/ determination, approval and implementation of the revival scheme.

28. Remuneration to Chairman & Managing Director and Whole-time Directors:

(Rs. in lakhs)

	2015-16	2014-15
Salary	11.58	11.79
Contribution to :		
Provident Fund	0.79	0.82
Perquisites	59.23	44.39
Total	71.60	57.00

29. Expenditure on Research & Development Activities during the year amounted to Rs.648.48 lakhs (previous year Rs. 510.65 lakhs) has been charged to P&L Account.

30. The Company became a Sick Industrial Company within the meaning of Section 3(1)(O) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its net worth and the Company -was declared a Sick Industrial Company by BIFR on 8th May, 2007. The Company resumed operations in a small way from April, 2007 and is working inter-alia on the development of various new products and technologies and production of new generation vehicles. The Company had earlier submitted its draft revival scheme to BIFR. As directed by BIFR, the Company had since submitted the updated revival scheme. In view of this, the accounts have been prepared on the basis of going concern.

31. Settlement of dues

- The Company had executed a Multipartite Agreement on 28th March, 2005 (MPA) with all its Secured Lenders (SL). The Company is in default in re-payment of principal and payment of interest to its SL. The draft Revival Scheme submitted to BIFR inter-alia takes into consideration the matter relating to the dues of SL.
- The Company has obtained approval(s) from SL (representing 96.69% by value) regarding the settlement of their dues, which will come into effect from the date of sanction of its Revival Scheme by BIFR. Upon approval of the Revival Scheme by BIFR, the approvals of the SL will form an integral part of the MPA and accordingly the MPA shall stand modified / amended to that extent. Pending approval of the Revival Scheme by BIFR, applicable interest has been provided on the defaulted amount for the year.

32. Deferred Taxation:

In terms of Para 26 of AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the Deferred Tax Assets (DTA), recognized as on 31st March, 2016 at the Balance Sheet date. In the context of - uncertainty of generation of profits in near future, Deferred Tax Assets has not been recognized.

33. Disclosure in pursuance of Accounting Standard 15 (Revised) "Employees Benefit" issued by the ICAI

During the year, Company has recognized the following amounts in the financial statements:

Defined Contribution Plan

Contribution to Defined Contribution Plan, maintained under the Employees Provident Fund Scheme by the Central Government, is charged to Profit and Loss Account as under:

(Rs. in Lakhs)

	2015-16	2014-15
Employer's Contribution to Provident Fund	53.06	56.84
Employer's Contribution to Pension Scheme	60.11	61.11

Defined Benefit Plan

The employees gratuity fund is partly managed by Life Insurance Corporation is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

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(Rs. in Lakhs)

	Gratuity (Partly funded)		Leave Encashment (Unfunded)	
	2015-2016	2014-2015	2015-2016	2014-2015
(i) Changes in present value of obligations				
Present value at the beginning of the year	2105.59	1913.31	308.95	304.92
Interest cost	168.44	162.63	24.72	25.92
Current service cost	90.90	94.13	22.57	20.63
Benefits paid	(66.07)	(81.68)	(8.17)	(9.27)
Actuarial (gain) / loss on obligations	(157.38)	17.20	(25.45)	(33.25)
Present value at the end of the year	2141.48	2105.59	322.62	308.95
(ii) Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	584.35	613.04	-	-
Expected return on plan assets	43.83	45.98	-	-
Contributions	4.26	3.39	-	-
Benefit paid	(66.07)	(81.68)	-	-
Actuarial gain / (loss) on plan assets	0.52	3.62	-	-
Fair value of plan assets at the end of the year	566.89	584.35	-	-
(iii) Actuarial gain / loss recognized				
Actuarial gain / (loss) for the year – obligation	157.37	(17.19)	(25.45)	33.25
Actuarial (gain) / loss for the year – plan assets	(0.53)	(3.62)	-	-
Total (gain) / loss for the year	(157.90)	13.57	25.45	(33.25)
Actuarial (gain) / loss recognized in the year	(157.90)	13.57	25.45	(33.25)
Unrecognised actuarial (gains) / losses at the end of year				
(iv) Amounts to be recognised in the balance sheet and statements of profit and loss				
Present value of obligation at the end of the year	2141.48	2105.59	322.62	308.95
Fair value of plan assets at the end of the year	566.89	584.35	-	-
Difference (Funded Status)	(1574.59)	(1521.24)	(322.62)	(308.95)
Unrecognised actuarial (gains) / losses				
Net asset / (liability) recognised in the balance sheet	(1574.59)	(1521.24)	(322.62)	(308.95)
(v) Expenses recognised in the statement of profit and Loss				
Current service cost	90.90	94.13	22.57	20.63
Past service cost	-	-	-	-
Interest cost	168.45	162.63	24.72	25.92
Expected return of plan assets	(43.83)	(45.98)		



	2015-2016	2014-2015	2015-2016	2014-2015
Curtailment cost / (credit)	-	-		
Settlement cost / (credit)	-	-		
Net actuarial (gain) / loss recognised in the year	(157.90)	13.57	25.45	(33.25)
Expenses recognized in the profit & loss	57.62	224.35	21.83	13.30
(vi) Actuarial Assumptions				
Mortality Table	LIC (1994-1996) duly modified		LIC (1994-1996) duly modified	
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate	8.0%	8.0%	8.0%	8.0%
Rate of increase in compensation levels	5.5%	5.5%	5.5%	5.5%

Note: The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

34. Earning Per Share (EPS) computed in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.

[Rs. / Lakhs]

Particulars	2015-16	2014-15
(i) Net Loss as per Profit & Loss Account (Rs. / Lakhs)	(7835.77)	(8109.42)
(ii) Weighted average Number of Equity Shares	81984320	81984320
(iii) Basic & Diluted Earning Per Share (Rs.)	(9.56)	(9.89)

35. Leases:

Operating Leases:

The Company has taken various residential/ commercial premises and Plant and Machinery under operating leases. These lease arrangements are normally renewed on expiry. The future minimum lease payments in respect of the aforesaid leases are as follows:

[Rs. / Lakhs]

Particulars	2015-16 [12 Months]	2014-15 [12 Months]
i) Payable not later than one year	98.53	136.66
ii) Payable later than one year and not later than five years	92.72	136.98
iii) Payable later than five years	-	-
	191.25	273.64

The rental expenses in respect of operating leases Rs.155.18 lakhs

36. In the absence of information from Trade Payable regarding status under The Micro, Small and Medium Enterprises Development Act, 2006, liability of interest if any can not be reliably estimated, nor required disclosures can be made.

37. Related Party Disclosures:

(i-a) Associate: VCCL Limited

(i-b) Key Management Personnel
Shri Deepak Kumar Singhania – Chairman & Managing Director, Shri. Lalit Kumar Singhania – Whole-time Director, Shri Anurag Kumar Singhania – Whole-time Director, Shri R K Srivastava – Whole-time Director, Shri Khushal Chand Agarwal – Sr. President (Commercial) & Company Secretary and Shri Mahesh Kumar Kanodia – Chief Financial Officer.

(i-c) **Enterprises over which Directors and their relatives are able to exercise significant influence:**

Smart Chips Limited, Suryodaya Investment & Trading. Co. Limited, Mahalaxmi Holdings Limited, Payal Investments & Trading Limited, Mimosa Finance & Trading Limited, Bina Fininvest P. Limited, Ginideep Finance & Investments P. Limited, Gold Rock Investments Limited, Gold Rock Metals Limited, Gold Rock World Trade Limited, Blue Point Leasing Limited, Gold Rock Agro-Trading Limited, Tridhar Finance & Trading Limited, Picanova I nvestments P. Limited, Inlac

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Granston Limited, Shree Dhan Sharda Mercantile P Limited, B.S. Infotech P. Limited, Ind Hi-Tech Enterprises Pvt. Limited, Saryu Investment & Trading P. Limited, Panki Roadlines Pvt. Limited, Sugata Investment Limited, Gold Rock Agrotech Limited, Syscom Corporation Limited, Seattle Ontime P. Limited

[ii] There is no provision for doubtful debts or amounts written off or written back during the year in respect of dues from or to related parties.

[iii] Summary of Transactions with related parties:

(Rs. In Lakhs)

Particulars	Associate	Key Management Personnel	Enterprises over which Directors & their Relatives are able to exercise significant influence
Miscellaneous Income	0.18 (0.18)	- (-)	- (2.86)
Other receipts	3.08 (3.08)	- (-)	- (-)
Leasing arrangement for Machinery	18.00 (18.00)	- (-)	- (-)
Remuneration*	- (-)	135.30 (120.79)	- (-)
Outstanding (Receivable) as on 31.03.2016 (net of provisions)	252.08 (249.24)	- (-)	- (-)
Outstanding (Payable) as on 31.03.2016	- (-)	6.14 (2.39)	- (-)

* Includes remuneration of CS & CFO (KMPs).

Note: Figures in bracket pertain to previous year
Details of related parties transactions:

Associate: All transactions and outstanding balance are with VCCL Limited.

Key Management Personnel: Remuneration to Shri Deepak Kumar Singhania Rs.17.96 lakhs (Previous year Rs. 17.76 lakhs), Shri. Lalit Kumar Singhania Rs.17.75 lakhs(*) (Previous year Rs. 9.51 lakhs), Shri Sanjeev Shriya Rs.Nil (Previous year Rs. 1.89 lakh*), Shri Anurag Kumar Singhania Rs.17.89 lakhs (Previous year Rs. 9.84 lacs) and Shri R K Srivastava Rs. 18.00 lakhs (Previous year Rs. 18.00 lakhs), Shri Khushal Chand Agarwal Rs. 41.75 lakhs (Previous year Rs.41.86 lakhs), Shri Mahesh Kumar Kanodia Rs. 21.95 lakhs (Previous year Rs.21.93 lakhs).

* During the previous year up to 17/07/2014

(*) Company's application for re-appointment and payment of remuneration is pending with Ministry of Corporate affairs w.e.f.28.03.2016.

Enterprises over which Directors & their Relatives are able to exercise significant influence:

Mimosa Finance & Trading Limited Rs. Nil (Previous year Rs.2.40 lakhs), B.S. Infotech P. Limited Rs. nil (Previous year Rs.0.33 lakh). Others less than 10% Rs. Nil (Previous year Rs.0.13 lakh).

38. Business Segment :

(a) Primary (Business) Segment

The operations of the Company relate to only one segment viz. Motorized Two-Wheelers.

(b) Secondary (Geographical) Segment

1. Secondary segment reporting is on the basis of geographical location of the customers. The Company's revenue during the year by geographical markets are :

Domestic Sales Rs.1781.80 lakhs (Previous year Rs. 4782.86 lakhs) and
Export sales Rs.13534.87 lakhs (Previous year Rs.15151.37 lakhs)

2. Geographical segment wise loss and capital employed are not given since the production unit and administrative expenses are common.

39. The Company has carried out impairment test on its Fixed Assets as on 31.03.2016 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Accounting Standard-28 on Impairment of Assets issued by ICAI.



40. As required by Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India, the disclosure with respect to provisions of warranty expenses are as follows:

(Rs. / lakhs)

	Particular	2015-16	2014-15
a)	Amount at the beginning of the year	157.57	172.35
b)	Additional provision made during the year	40.90	120.15
c)	Amount utilized during the year	30.63	134.93
d)	Amount at the end of the year	167.84	157.57

41. **Remuneration to Auditors**

- (a) Statutory Audit Fee Rs.9.00 lakhs (Previous year Rs. 9.00 lakhs)
(b) Tax Audit Fee Rs.0.80 lakh (Previous year Rs. 0.80 lakh).
(c) Other Services – Certification and other Jobs Rs.6.00 lakhs (Previous year Rs. 6.00 lakhs)

42. **C.I.F.Value of Imports**

**Year Ended
31.03.2016
Rs.in lakhs**

**Year Ended
31.03.2015
Rs.in lakhs**

Raw Material and Components
Stores, Spares Parts and Dies
Capital Goods

541.98

811.22

1.02

14.63

101.74

112.86

644.74

938.71

43. **Expenditure in Foreign Currency (as remitted)**

Professional and Consultation fees
Travelling Foreign
Others

361.14

258.22

41.92

65.13

8.63

46.54

411.69

369.89

44. **Remittance in Foreign Currency on Account of Dividend**

Amount remitted

-

-

45. **Raw Materials/Stores, Spare Parts & Dies Consumed**

**Amount %
(Rs.in lakhs)**

**Amount %
(Rs.in lakhs)**

Raw Materials & Components

Imported
Indigenous

937.44

9.91

1004.88

8.36

8522.28

90.09

11014.67

91.64

9459.72

100.00

12019.55

100.00

Stores, Spare Parts & Dies

Imported
Indigenous

2.61

0.27

16.33

1.49

967.36

99.73

1083.06

98.51

969.97

100.00

1099.39

100.00

46. **Earning in Foreign Exchange**

F.O.B. Value of Exports

12708.72

14457.01

47. Figures of the previous year have been regrouped and recasted wherever necessary to make them comparable.

Notes 1 to 47 form an integral part of the Balance Sheet and Profit and Loss Account

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountants

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

R K CHADHA
Divisional Manager (Accounts)

Place: Gurgaon
Date: 26.05.2016

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	Year ended 31.03.2016 Rs.in lakhs	Year ended 31.03.2015 Rs.in lakhs
A CASH PROFIT FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(7,835.77)	(8,109.42)
Adjustments for:		
Depreciation , Amortisation & Impairment	934.99	1,260.85
Exceptional items	-	-
Interest/Dividend Income	(88.78)	(94.86)
Interest Charged (net)	4,733.35	4,302.31
Credit Balances/Provisions no Longer Required Written Back	-	219.45
Operating Profit/(Loss) before Working capital Changes	(2,256.21)	(2,421.67)
Adjustments for:		
Trade & Other receivables	35.52	1,082.79
Inventories	592.80	2,105.63
Trade Payables & Other Liabilities	938.95	10.90
Cash Generated from Operations	(688.94)	777.65
Taxes paid	(10.75)	(9.10)
Net Cash From Operating Activities	(678.19)	786.75
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(78.29)	(175.40)
Change in Capital advances	(12.69)	(15.83)
Interest Received	88.03	94.26
Dividend Received	0.75	0.60
Change in Fixed Deposits Long Term	1.56	3.25
Net cash used in Investing Activities	(0.64)	(93.12)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Other Borrowing	26.55	32.89
Interest Paid	(91.08)	(93.70)
Net Cash from Financing Activities	(64.53)	(60.81)
Net (Decrease)/Increase in Cash & Cash Equivalents	(743.36)	632.82
Cash & Cash Equivalents at Start of the period	1816.04	1183.22
Cash & Cash Equivalents at Close of the period	1072.68	1816.04
Notes :-		
1. The Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by The Institute of Chartered Accountants of India.		
2. Figures in bracket indicate cash outflow.		
3. Previous year figures have been re-grouped and recasted wherever necessary to conform to current year classification.		
Cash & Cash Equivalent:		
Balance with Scheduled Banks in Current Account	257.98	189.96
Balance with Fixed Deposits (Maturity less than 3 Months)	758.90	1,551.41
Balances with non scheduled Banks in foreign currency with HSBC Bank plc	7.23	6.82
Cash in Hand	48.57	67.85
TOTAL	1072.68	1816.04

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered AccountantsFor PARIKH & JAIN
Chartered accountantsDEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)A K SINGHANIA
Whole-time Director
(DIN 00080925)MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049WANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105CK C AGARWAL
Sr. President (Commercial)
& Company secretaryMAHESH K KANODIA
Chief Financial OfficerPlace: Gurgaon
Date : 26.05.2016R K CHADHA
Divisional Manager (Accounts)



INDEPENDENT AUDITORS REPORT

TO
THE MEMBERS OF
LML LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **LML Limited** (hereinafter referred to as “the Holding Company”) and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements” (CFS)).

2. Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

- a. *In the case of the Holding Company, as mentioned in Note 27 in the notes forming part of CFS, balances of some of the trade receivable/ payable, lenders and loans and advances being subject to confirmation/ reconciliation and subsequent adjustments, if any. As such, we are unable to express any opinion as to the effect thereof on the financial statement for the year.*
- b. *In the case of the Holding Company, as mentioned in Note 28 in the notes forming part of CFS, the holding Company has valued the inventories except finished goods at cost instead of at cost or realizable value, whichever is lower which is not in compliance with the Accounting Standard 2 – Valuation of Inventories prescribed in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As explained to us the process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan and the restructuring/revival plan and its implementation. Since the realizable value as on 31st March, 2016 has not been determined, we are unable to express any opinion as to the effect thereof on the financial statement for the year.*

- c. *In the case of the Holding Company, as mentioned in Note 31 in the notes forming part of CFS, the holding Company has become a Sick Industrial Company due to erosion of its net worth and its current liabilities have also exceeded its current assets by Rs. 70131.26 lakhs as at Balance Sheet date. These factors, along with other matters as set forth in the said note, raise doubt that the holding Company will be able to continue as a going concern. The holding Company is in the process of restructuring/revival of its business under the aegis of BIFR and had submitted the draft revival scheme and as directed by BIFR, the holding Company had also submitted the updated revival scheme, considering this the accounts have been prepared on a going concern basis. The holding Company's ability to continue, as a going concern is dependent upon successful restructuring and revival of its business. In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable.*
- d. *In the case of the Holding Company, as mentioned in Note 37 in the notes forming part of CFS, regarding non compliance of requirements under Micro, Small and Medium Enterprises Development Act, 2006, in the absence of information available with the holding Company. As such, we are unable to express any opinion as to the effect thereof if any, on the financial statements for the year.*

The consequential possible effects of sub Para (a), (b), (c) and (d) above on assets and liabilities as at 31st March, 2016 and loss for the year ended 31st March, 2016 are not ascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

6. Other Matters

The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

7. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and, *except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, *except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above*, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, *except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. *The matters described in paragraph 4 above, the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Group.*
 - f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate companies incorporated in India, none of the other directors of the Group's companies, its associate companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- g. *The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.*
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure"; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. *Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above*, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 26 to the consolidated financial statements.
- ii. *Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above*, the Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 26 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

Place: Gurgaon
Date: 26th May, 2016

(Manish Singhal)
(Partner)
M. No. 502570

(Anurag Jain)
(Partner)
M. No. 076362

LML LIMITED ANNUAL REPORT 2015-16

ANNEXURE - THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LML LIMITED AS ON 31ST MARCH 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF LML LIMITED

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of LML LIMITED ("the Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

For PARIKH & JAIN
Chartered Accountants
Firm Regn. No. 001105C

Place: Gurgaon
Date: 26th May, 2016

(Manish Singhal)
(Partner)
M. No. 502570

(Anurag Jain)
(Partner)
M. No. 076362

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(Rs.in lakhs)

Sl. No.	Particulars	Note No.	Figures as at 31st March, 2016	Figures as at 31st March, 2015
I	EQUITY AND LIABILITY			
(1)	Shareholder's Funds			
	(a) Share Capital	1	20,040.95	20,040.95
	(b) Reserve & Surplus	2	(86,371.13)	(78,535.36)
(2)	Non- Current Liabilities			
	(a) Long Term Borrowings	3	-	-
	(b) Long Term Provision	4	1,662.89	1,520.57
(3)	Current Liabilities			
	(a) Short Term Borrowings	5	84.37	84.37
	(b) Trade Payables	6	15,769.49	15,618.82
	(c) Other Current Liabilities	7	66,506.67	61,152.30
	(d) Short Term Provision	8	469.17	508.77
			18,162.41	20,390.42
II	ASSETS			
(1)	Non Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		5,023.46	5,838.83
	(ii) Intangible Assets		-	-
	(iii) Capital-Work-In-Process		302.59	331.24
	(b) Non- Current Investments	10	1.23	1.23
	(c) Long Term Loans & Advances	11	136.69	124.00
(2)	Current Assets			
	(a) Inventories	12	8,882.76	9,475.56
	(b) Trade Receivables	13	308.63	99.83
	(c) Cash & Bank Balances	14	1,104.55	1,849.47
	(d) Short-term Loans & Advances	15	2,394.19	2,661.03
	(e) Other Current Assets	16	8.31	9.23
			18,162.41	20,390.42
	Notes on Financial Statements	1-48		

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountants

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date : 26.05.2016

R K CHADHA
Divisional Manager (Accounts)



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Rs. in lakhs)

Sl. No.	Particulars	Note No.	Figures for the year ended on 31st March, 2016	Figures for the year ended on 31st March, 2015
I	Revenue From Operation	17	15,579.68	20,377.16
II	Other Income	18	199.70	356.12
III	Total Revenue		15,779.38	20,733.28
IV	EXPENDITURE			
	Cost of Materials Consumed	19	9,459.72	12,019.55
	Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	20	(86.68)	1,601.89
	Employee Benefits Expenses	21	3,261.76	3,413.92
	Finance Costs	22	4,763.15	4,314.76
	Depreciation & Amortisation	9	934.99	1,260.85
	Provision for Impairment of Fixed Assets		-	-
	Manufacturing Expenses	23	2,848.77	2,916.55
	Administrative, Selling and Other Expenses	23	2,433.44	3,315.18
	Total Expenses		23,615.15	28,842.70
V	Profit before Tax (III- IV)		(7,835.77)	(8,109.42)
VI	Less: Tax Expense:			
	Current Tax		-	-
VII	Profit (Loss) for the year (V-VI)		(7,835.77)	(8,109.42)
VIII	Earning per share (Face value of Rs.10/- each)			
	Basic (Rs.)		(9.56)	(9.89)
	Diluted (Rs.)		(9.56)	(9.89)
	Notes on Financial Statements	1-48		

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountant

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date : 26.05.2016

R K CHADHA
Divisional Manager (Accounts)

NOTES FORMING PART OF THE ACCOUNTS

NOTE "1" - SHARE CAPITAL	No. of Shares	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
AUTHORISED			
Equity Shares of Rs. 10 each	100,000,000	10,000.00	10,000.00
Cumulative / Non Cumulative Redeemable Preference Share of Rs. 100 each	15,000,000	15,000.00	15,000.00
ISSUED, SUBSCRIBED & PAID UP			
Equity Shares of Rs. 10 each	81,984,320	8,198.43	8,198.43
0.001% Non cumulative Redeemable Preference Shares of Rs.100 each	11,842,519	11,842.52	11,842.52
TOTAL		20,040.95	20,040.95
NOTE "2" -RESERVES & SURPLUS			
Capital Reserve:			
As per last Balance Sheet		3,406.90	3,406.90
Capital Redemption Reserve			
As per last Balance Sheet		2.50	2.50
Security Premium Reserve			
As per last Balance Sheet		11,698.28	11,698.28
General Reserve			
As per last Balance Sheet		968.76	968.76
Profit & Loss Account:			
Opening balance		(94,611.80)	(85,994.41)
Less: Residual value of Assets where usefull life of Assets is nil		-	(507.97)
Add: Transfer from Profit & Loss Account		(7,835.77)	(8,109.42)
		(102,447.57)	(94,611.80)
Less:Transfer to General Reserve		-	-
Closing Balance		(102,447.57)	(94,611.80)
TOTAL		(86,371.13)	(78,535.36)
NOTE "3" - LONG TERM BORROWING			
Secured			
(i) Term Loans			
(a) From Banks		-	-
(b) From Financial Institutions		-	-
TOTAL		-	-
Note: Long Term Borrowings having current maturity has been group under Other Current Liabilities (Note No.7)			
NOTE "4" - LONG TERM PROVISION			
Provision for Leave Encashment		265.45	224.37
Provision for Gratuity		1,397.44	1,296.20
TOTAL		1,662.89	1,520.57
NOTE "5" - SHORT TERM BORROWINGS			
Unsecured (Refer Note 27)			
Short Term Loans from others		84.37	84.37
TOTAL		84.37	84.37



NOTE "6" - TRADE PAYABLE	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Trade Payable (Refer Note 27 & 37)	15,769.49	15,618.82
TOTAL	15,769.49	15,618.82

NOTE "7" - OTHER CURRENT LIABILITIES (Refer Note 27)		
Secured		
Current maturities for Long term Debt		
Term Loan from Banks and Financial Institutions		
(a) From Banks		
State Bank of India (SBI)	2,335.09	2,335.09
Bank of India (BOI)	1,888.62	1,888.62
Corporation Bank (CB)	852.59	852.59
Bank of Baroda (BOB)	128.07	128.07
ICICI Bank Limited (ICICI)	304.24	304.24
(b) From Financial Institutions		
IFCI Limited (IFCI)	1,836.44	1,836.44
Stressed Assets Stabilization Fund (SASF)	1,809.08	1,809.08
Export-Import Bank of India (EXIM)	1,110.96	1,110.96
Industrial Investment Bank of India Limited (IIBI)	43.73	43.73
Interest accrued and due	19,499.50	16,038.56
Unsecured		
Advance against Orders	2,648.83	2,648.83
Interest accrued but not due:		
on Advance against Orders	6,110.50	5,924.96
on Short Term Loans	163.08	157.63
Advance from Distributors & Dealers	6,535.93	6,527.60
Interest accrued and due:		
on FCCB	205.56	194.17
on Trade Payable & Others	6,260.01	5,685.82
Other Liabilities:		
Security Deposits	1,504.05	1,477.51
Expenses	3,126.69	2,843.06
Statutory Dues	4,636.63	4,351.31
Book Overdraft from Banks	3.31	39.68
Employees dues	5,503.76	4,954.35
TOTAL	66,506.67	61,152.30

NOTE "8" - SHORT TERM PROVISIONS	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Provision for Leave Encashment	114.02	105.74
Provision for Gratuity	177.15	225.03
Provision for Income Tax (FBT)	178.00	178.00
TOTAL	469.17	508.77

NOTE "9" FIXED ASSETS

(Rs. in lakhs)

PARTICULARS		GROSS BLOCK			DEPRECIATION & AMORTISATION				NET BLOCK				
		As at 01.04.2015	Additions during the year	Deductions/ discarded	As at 31.03.2016	Upto 31.03.2015	Adjustments *	For the year	Deductions/ discarded	Upto 31.03.2016	As At 31.03.2016	As at 31.03.2015	
TANGIBLE ASSETS:													
Land - Freehold		2.72	-	-	2.72	-	-	-	-	-	2.72	2.72	
- Leasehold		618.68	-	-	618.68	-	-	-	-	-	618.68	618.68	
Buildings		8,475.01	2.94	-	8,477.95	5,600.19	-	278.52	-	5,878.71	2,599.24	2,874.82	
Lease hold Improvement		94.67	-	-	94.67	89.48	-	5.19	-	94.67	-	5.19	
Plant & Machinery		35,814.66	112.37	202.30	35,724.73	33,543.24	-	615.07	202.30	33,956.01	1,768.72	2,271.42	
Electric Installations		2,700.15	-	-	2,700.15	2,698.73	-	0.25	-	2,698.98	1.17	1.42	
Furniture and Fixtures		868.97	2.71	-	871.68	854.35	-	2.93	-	857.28	14.40	14.62	
Office Equipments		615.01	1.60	-	616.61	569.11	-	30.80	-	599.91	16.70	45.90	
Vehicles		658.67	-	-	658.67	654.61	-	2.23	-	656.84	1.83	4.06	
Total		49,848.54	119.62	202.30	49,765.86	44,009.71	-	934.99	202.30	44,742.40	5,023.46	5,838.83	
INTANGIBLE ASSETS:													
Technical Know - How		2,999.16	-	-	2,999.16	2,999.16	-	-	-	2,999.16	-	-	
Total		2,999.16	-	-	2,999.16	2,999.16	-	-	-	2,999.16	-	-	
Grand Total		52,847.70	119.62	202.30	52,765.02	47,008.87	-	934.99	202.30	47,741.56	5,023.46	5,838.83	
		(52,698.94)	(148.76)	0.00	(52,847.70)	(45,240.05)	(507.97)	(1,260.85)	0.00	(47,008.87)	(5,838.83)	(7,458.89)	
Add: Capital Work In Progress (CWIP)													
Total Fixed Assets Including CWIP										302.59		331.24	
										5,326.05		6,170.07	
										(6170.07)		(7747.66)	

Notes: (i) Buildings include Rs.04 lakh (Rs.04 lakh) being the cost of shares in Co-operative Housing Society.

(ii) Figures in brackets pertain to as at 31.03.2015

(iii) * Pursuant to change in requirement of Schedule II of the Companies Act 2013, in case where the useful life was nil as at 01.04.2014, the net residual value `aggregating to Rs.507.97 lacs has been transferred to Reserves & Surplus Account.


NOTE "10" NON CURRENT INVESTMENTS

Particulars	Figures as at 31.03.2016 Rs.in lakhs	Figures as at 31.03.2015 Rs.in lakhs
LONG TERM (except otherwise stated)		
Equity Shares (Fully paid-up)		
QUOTED		
Trade		
Investment in Associates:		
1536000 Shares of Rs.10 each in VCCL Limited	153.60	153.60
Less: Provision for diminution in value of Investments	153.60	153.60
	-	-
Others		
200 Shares of Rs.10 each in Bajaj Auto Limited	0.01	0.01
* 110 Shares of Rs.10 each in Bajaj Finserv Limited	0.07	0.07
* 100 Shares of Rs.10 each in Bajaj Holding & Investment Limited	-	-
200 Shares of Rs.10 each in Reliance Industries Limited	0.03	0.03
* 100 Shares of Rs.5 each in Reliance Communications Limited	-	-
* 109 Shares of Rs.10 each in Reliance Capital Limited	-	-
* 164 Shares of Rs.10 each in Reliance Infrastructure Limited	-	-
* 547 Shares of Rs.10 each in Reliance Power Limited	-	-
100 Shares of Rs.10 each in Scooters India Limited	0.02	0.02
2000 Shares of Rs.1 each in TVS Motor Company Limited	0.04	0.04
100 Shares of Rs.2 each in Hero Motocorp Limited	0.00	0.00
100 Shares of Rs.5 each in Infosys Technologies Limited	0.04	0.04
50 Shares of Rs.10 each in Force Motors Limited	0.12	0.12
1200 Shares of Rs.1 each in Asian Paints (India) Limited (Previous year 120 Shares of Rs.10 each)	0.17	0.17
100 Shares of Rs.10 each in Eicher Motors Limited	0.02	0.02
50 Shares of Rs.10 each in Escorts Limited	0.05	0.05
100 Shares of Rs.10 each in Ginni Filaments Limited	0.01	0.01
50 Shares of Rs.1 each in Jaykay Enterprises Limited	0.01	0.01
* 10 Shares of Rs.10 each in J.K. Cement Limited	-	-
100 Shares of Rs.10 each in Kalyani Forge Limited	0.02	0.02
31 Shares of Rs.5 each in ISMT Limited	0.01	0.01
50 Shares of Rs.10 each in Maharashtra Scooters Limited	0.11	0.11
100 Shares of Rs.10 each in Pal Peugeot Limited	0.01	0.01
100 Shares of Rs.10 each in Patheja Forgings & Auto Parts Mfrs. Limited	0.02	0.02
2000 Shares of Rs.1 each in Sona Koyo Steering System Limited	0.06	0.06
500 Shares of Rs.2 each in Supreme Industries Limited	0.09	0.09
50 Shares of Rs.10 each in Whirlpool India Limited	0.02	0.02
100 Shares of Rs.5 each in Ester Industries Limited	0.01	0.01
100 Shares of Rs.10 each in IFCI Limited	0.04	0.04
100 Shares of Rs.10 each in BST Limited	0.01	0.01
** 62 Shares of Rs.10 each in Kinetic Engineering Limited	0.23	0.23
100 Shares of Rs.10 each in BS Appliances Limited	0.02	0.02
200 Shares of Rs.10 each in Polyplex Corporation Limited	0.02	0.02
50 Shares of Rs.10 each in Modi Rubber Limited	0.03	0.03
	1.29	1.29
UNQUOTED		
Trade		
800000 Shares of Rs.1 each in Trident Auto Components Private Limited	80.00	80.00
	81.29	81.29
Less: Provision for diminution in value of Investments	80.06	80.06
	1.23	1.23

* Allotment of shares on account of demerger

** Allotment of shares on account of merger of Kinetic Motor Company Limited

Notes:

(i) Aggregate amount of Quoted Investments:

- Cost Rs. 154.89 lakhs (As at 31.03.2015 Rs. 154.89 lakhs)

- Market value Rs.59.99 lakhs (As at 31.03.2015 Rs. 54.72 lakhs)

(ii) Aggregate amount of Unquoted Investments:

- Cost Rs. 80.00 lakhs (As at 31.03.2015 Rs. 80.00 lakhs)

NOTE "11" - LONG TERM LOANS AND ADVANCES	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Unsecured, considered good (Refer Note 27)		
Capital Advances	62.94	50.25
Security Deposits	73.75	73.75
TOTAL	136.69	124.00
NOTE "12" -INVENTORIES (Refer Note 28)		
Raw Materials and Components	5,262.38	5,824.21
Material in Transit (Raw Materials and Components)	356.39	414.12
Stores & Spares	1,305.02	1,325.92
Loose Tools	685.44	699.97
Work in Progress	801.50	641.88
Finished Goods	472.03	569.46
TOTAL	8,882.76	9,475.56
NOTE "13" -TRADE RECEIVABLES		
Unsecured, Considered Good (Refer Note 27)		
(Debts outstanding For a period Exceeding six month)		
Considered good	79.90	49.71
Considered Doubtful	380.14	380.14
	460.04	429.85
Less: Provision for Doubtful Debts	380.14	380.14
	79.90	49.71
Others	228.73	50.12
TOTAL	308.63	99.83
NOTE "14" -CASH & BANK BALANCES		
Cash & Cash Equivalent:		
Balance with Scheduled Banks in Current Account	257.98	189.96
Balance with Fixed Deposits (Maturity less than 3 Months)	758.90	1,551.41
Balances with non scheduled Banks in foreign currency with HSBC Bank plc	7.23	6.82
Cash in Hand	48.57	67.85
Other Bank Balances:		
Balances with Fixed Deposits * (Maturity more than 3 Months but less than 12 Months)	31.87	33.43
Balances with Fixed Deposits * (Maturity more than 12 Months)	-	-
TOTAL	1,104.55	1,849.47

*Fixed deposit with Banks to the extent held as margin money is Rs. 31.87 Lakhs (Previous year Rs.31.33 lakhs)



NOTE "15" - SHORT TERM LOANS AND ADVANCES	Figures as at 31st March, 2016 Rs.in lakhs	Figures as at 31st March, 2015 Rs.in lakhs
Unsecured, considered good (Refer Note 27)		
Loans	320.67	334.47
Other Loans and Advances		
Advances Recoverable in cash or in kind or for value to be received		
Related Party (VCCL Limited)	252.08	249.24
Others	1,746.27	1,898.05
Balance with Customs and Excise Authorities	11.91	90.84
Security Deposits	63.26	88.43
	2,394.19	2,661.03
Unsecured, considered Doubtful		
Other Loans and Advances		
Advances Recoverable in cash or in kind or value to be received		
Related Party (VCCL Limited)	940.01	940.01
Others	12.00	12.00
Deposits - Companies	116.33	116.33
	1,068.34	1,068.34
Less: Provision for Doubtful advance and deposits	1,068.34	1,068.34
	-	-
TOTAL	2,394.19	2,661.03
Note: Loans and Advances includes:		
	Due	Maximum
Due from an Officer	25.26	25.85
Due from one Director*	15.77	15.88
* Loan was given to Shri R K Srivastava before he was appointed as a Director of the Company.		
	Due	Maximum
	25.85	25.85
	15.88	15.88
NOTE "16" - OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	8.31	9.23
TOTAL	8.31	9.23
NOTE "17" -REVENUE FROM OPERATIONS	Figures for the year ended 31st March, 2016 Rs.in lakhs	Figures for the year ended 31st March, 2015 Rs.in lakhs
Sales of Product / Spares	15,380.65	20,163.17
Scrap sales	188.39	296.14
Less: Excise Duty	(252.37)	(525.08)
Other Operating Income (Export Benefit)	263.01	442.93
TOTAL	15,579.68	20,377.16
NOTE "18" -OTHER INCOME		
Interest Income Gross		
(TDS Rs.9.17 lakhs, previous year Rs 9.10 lakhs)	88.03	94.26
Dividend on Shares	0.75	0.60
Credit Balances / Provisions no longer required written back	0.00	219.45
Miscellaneous	110.92	41.81
TOTAL	199.70	356.12
NOTE "19" -COST OF GOODS CONSUMED		
Opening Stock	5,824.22	6,085.72
Add : Purchases during the year	8,897.88	11,758.05
Less: Closing Stock	5,262.38	5,824.22
Total cost of goods consumed	9,459.72	12,019.55

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NOTE "20" -CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	Figures for the year ended 31st March, 2016 Rs.in lakhs	Figures for the year ended 31st March, 2015 Rs.in lakhs
Closing Stock:		
Work in Progress	801.50	641.88
Finished Goods	472.03	569.46
	1,273.53	1,211.34
(Increase) / Decrease in Excise Duty on uncleared Finished Goods	24.49	97.94
	1,298.02	1,309.28
Less: Opening Stock		
Work in Progress	641.88	1,004.59
Finished Goods	569.46	1,906.58
	1,211.34	2,911.17
CHANGE IN STOCK	86.68	(1,601.89)
NOTE "21" -EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	2,687.23	2,919.51
Contribution to provident & other funds	191.36	203.81
Provision for Retirement Benefits	57.53	12.13
Gratuity Expenses	239.23	185.34
Welfare expenses	86.41	93.13
TOTAL	3,261.76	3,413.92
NOTE "22" -FINANCE COST		
Interest on Fixed Loans	3,460.94	3,051.36
on Others	1,272.41	1,250.95
Bank and Other Charges	18.41	20.29
Net Gain /Loss on foreign currency translation and transaction	11.39	(7.84)
TOTAL	4,763.15	4,314.76
NOTE "23" EXPENSES		
Manufacturing Expenses		
Store, Spare Parts and Dies Consumed	969.97	1,099.39
Power and Fuel	1126.43	1,295.06
Development Expenses	523.23	317.83
Lease Rent-Plant and Machinery	18.00	18.00
Repairs and Maintenance		
- Machinery	35.03	38.41
- Buildings	55.62	46.27
- Others	120.49	101.59
	2848.77	2,916.55
Administrative,Selling and Other Expenses		
Payment to Auditors		
As Auditors	9.00	9.00
Other Services	6.80	6.80
Rent	155.18	165.28
Freight, Cartage and Clearing charges	418.66	761.91
Postage, Telex and Telephones	102.25	119.66
Printing and Stationery	33.90	53.37
Insurance Expenses	50.73	51.43
Rates & Taxes	87.15	77.13
Rebate and Discount	1.75	28.24
Sales Incentive-other agents	4.89	124.38
Warranty and Service Charges	51.92	144.49
Advertisement, Publicity & Sales Promotion	112.44	340.50
Travelling, Conveyance, Car & Recruitment Expenses	555.81	618.62
Directors' Sitting Fees	0.40	0.57
Difference in Exchange	345.46	109.04
Charity and Donation	0.11	0.22
Legal & Professional Expenses	264.43	393.64
provision for Bad & Doubtful Advances	-	12.50
Bad & Doubtful Advances written off	-	57.27
Prior period adjustment (net)	1.69	(20.03)
Miscellaneous Expenses	230.87	261.16
TOTAL	2433.44	3,315.18



Other Notes on Accounts

24. A Principles of Consolidation

1. The Consolidated financial statements (CFS) relate to LML Limited (the Company) and its associate company. The Consolidated Financial Statements have been prepared on the following basis:-
 - i. In case of Associate where the Company directly or indirectly through subsidiary holds 20% or more of the equity, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) – 23 “Accounting of Investments in Associates in Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India.
 - ii. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profit and losses resulting from transaction between the Company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates’ profit and loss accounts and through its reserves for the balance, based on the available information.
 - iii. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of the share in the associates is identified in the financial statements as goodwill or capital reserve as the case may be.
 - iv. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
 - v. Investment other than in associate have been accounted for as per Accounting Standard 13 (AS-13) “Accounting for Investments” issued by the Institute of Chartered Accountants of India.
2. Significant Accounting Policies and Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and guide to better understanding of the consolidated position of the Company. Recognising this purpose, only such policies and notes from the individual financial statements, which fairly present the needed disclosures have been disclosed. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

B Significant Accounting Policies

(i) System of Accounting

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees, rounded off to the nearest rupees in lakhs.

(ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

(iii) Fixed Assets

Fixed Assets (tangible and intangible) are stated at cost of acquisition or construction less accumulated depreciation, amortization and impairment loss, if any. Cost is inclusive of duties, taxes, erection/commissioning expenses, incidental expenses and borrowing cost etc. and where applicable is net of Modvat / Cenvat benefit.

Land acquired on perpetual lease as well as on lease basis for a period of 90 years and above is treated as free hold land.

(iv) Borrowing costs

Borrowing costs, attributable to the acquisition / construction of qualifying fixed assets are capitalized, net of income earned on temporary investments of borrowings, by applying weighted average rate for the eligible period. Other borrowing costs are charged to Profit and Loss Account.

Borrowing costs comprise of interest and other cost incurred in connection with borrowing of funds.

(v) Foreign Currency Transactions

Transactions in foreign currency are accounted at exchange rates prevalent on the date(s) of transactions. Exchange differences arising on adjustment for year end settlement rates are recognized in the Profit and Loss Account. In case of forward contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expense over the period of the contract.

(vi) Research and Development

Research and Development expenditure of revenue nature are charged to the Profit and Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred and depreciated in accordance with para 1(x) below.

(vii) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by

employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive if any and compensated absences.

Long Term Employee Benefits

- a) Defined Contribution Plans
 - (i) Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

- (ii) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all eligible employees. The Gratuity Plan provides a lump sum payment to employees who are so entitled at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits". The Company makes annual contributions to the LIC Insurance Corporation of India for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- b) Other long term benefit

Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

- c) Actuarial gains and losses in respect of long term employment benefits are recognized as and when incurred.

(viii) Investments

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value.

(ix) Sales

- (a) Revenue from domestic sales is recognised upon dispatch to customers.
- (b) Export sales are recognized upon dispatch from the customs port.

(x) Export Benefits

The Company accounts for Export Benefit Entitlements under the Duty Draw Back and Special Incentive Schemes of the Government of India, in the year of Export Sales.

(xi) Depreciations, Amortization and Impairment

- (a) Depreciation on tangible fixed assets is provided on the basis of useful life the assets as prescribed in schedule II to the Companies Act, 2013.
- (b) Intangible Assets are amortized over the estimated useful life of such assets. Technical Know How is amortized by Straight Line Method at the rate of 20% per annum over its estimated useful life of five years.
- (c) An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

(xii) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of finished goods, work in process and factory made components include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of Excise Duty. Cost for raw materials and components, stores and spare parts, loose tools is determined on FIFO basis. Cost of materials is arrived at after adjustment of, where applicable, Cenvat benefit availed or to be availed.

(xiii) Leases

Assets acquired under finance leases are recognized as fixed assets at the lower of the fair value at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to periods comprised in the lease term at a constant periodic rate of interest on the remaining balance of the liabilities.

- (xiv)** Product warranty costs are recognized based on technical evaluation and past experience.

**(xv) Taxation**

Income tax expense/ savings comprise current tax and deferred tax charge or credit. Provision for current tax is made on the estimated taxable income at the tax rate applicable to the relevant assessment year. The deferred tax assets are recognised based on the principles of prudence. Deferred tax asset and deferred tax liabilities are calculated by applying the rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed at each Balance Sheet date.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is provable that there will be a out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

25. (a) Information of Associate Companies:

The Following is the list of significant associate Companies considered in the CFS along with proportion of voting power held. Each of them is incorporated in India.

Name of the Associate Company	Proportion of Ownership
VCCL Ltd.	28%

(b) Additional Information, as required under Schedule III of the Companies Act, 2013 of enterprises consolidated as Associates.

Name of the enterprises	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount (Rs. in lakhs)	As % of Consolidated profit or loss	Amount (Rs. in lakhs)
Parent LML Limited	100	(66330.18)	100	(7835.77)
Associates (Investment as per equity method)				
VCCL Limited	-	-	-	-

26. Contingent Liabilities & Commitments (to the extent not provided for)

- (a) Income-tax, Sales-tax, Customs and Excise Duty matters pending in appeals etc. Rs.17013.71 lakhs (Previous year Rs. 16991.80 lakhs) (net of Bank Guarantee of Rs 3.00 lakhs included in (b) below (Previous year Rs. 3.00 lakhs)
- (b) Outstanding guarantees furnished by Bankers Rs.6.15 lakhs (Previous year Rs.6.15 lakhs).
- (c) Claims against the Company not acknowledged as debts Rs.20880.52 lakhs (Previous year Rs. 18601.44 lakhs).
- (d) Unexecuted capital commitments (net of advances) Rs.18.76 lakhs (Previous year Rs. 150.77 lakhs)
 - (i) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.
 - (ii) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.
 - (iii) The Company neither entered into any derivative contracts during the year nor have any outstanding derivative contract at year end.

27. Balances of some of the Trade Receivables, Trade Payable, Lenders, loans and advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material adjustment in this regard.**28. The Company is in the process of restructuring/ revival of its business under the aegis of BIFR which inter alia includes finalization of the product plan. The process of possible utilization of slow / non-moving items of inventory will be undertaken upon - finalization of the product plan, approval and implementation of the restructuring/revival scheme. Pending such ascertainment/ determination the management has considered the inventories except finished goods at cost. Requisite accounting effect, if any, will be given upon such ascertainment/ determination, approval and implementation of the revival scheme.**

29. Remuneration to Chairman & Managing Director and Whole-time Directors:
(Rs. in lakhs)

	2015-16	2014-15
Salary	11.58	11.79
Contribution to : Provident Fund	0.79	0.82
Perquisites	59.23	44.39
Total	71.60	57.00

30. Expenditure on Research & Development Activities during the year amounted to Rs.648.48 lakhs (previous year Rs. 510.65 lakhs) has been charged to P&L Account.

31. The Company became a Sick Industrial Company within the meaning of Section 3(1)(O) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) due to erosion of its net worth and the Company was declared a Sick Industrial Company by BIFR on 8th May, 2007. The Company resumed operations in a small way from April, 2007 and is working inter-alia on the development of various new products and technologies and production of new generation vehicles. The Company had earlier submitted its draft revival scheme to BIFR. As directed by BIFR, the Company had since submitted the updated revival scheme. In view of this, the accounts have been prepared on the basis of going concern.

32. Settlement of dues

- a) The Company had executed a Multipartite Agreement on 28th March, 2005 (MPA) with all its Secured Lenders (SL). The Company is in default in re-payment of principal and payment of interest to its SL. The draft Revival Scheme submitted to BIFR inter-alia takes into consideration the matter relating to the dues of SL.
- b) The Company has obtained approval(s) from SL (representing 96.69% by value) regarding the settlement of their dues, which will come into effect from the date of sanction of its Revival Scheme by BIFR. Upon approval of the Revival Scheme by BIFR, the approvals of the SL will form an integral part of the MPA and accordingly the MPA shall stand modified / amended to that extent. Pending approval of the Revival Scheme by BIFR, applicable interest has been provided on the defaulted amount for the year.

33. Deferred Taxation:

In terms of Para 26 of AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the Deferred Tax Assets (DTA), recognized as on 31st March, 2016 at the Balance Sheet date. In the context of - uncertainty of generation of profits in near future, Deferred Tax Assets has not been recognized.

34. Disclosure in pursuance of Accounting Standard 15 (Revised) "Employees Benefit" issued by the ICAI

During the year, Company has recognized the following amounts in the financial statements:

Defined Contribution Plan

Contribution to Defined Contribution Plan, maintained under the Employees Provident Fund Scheme by the Central Government, is charged to Profit and Loss Account as under:

Amount (Rs. in Lakhs)

	2015-16	2014-15
Employer's Contribution to Provident Fund	53.06	56.84
Employer's Contribution to Pension Scheme	60.11	61.11

Defined Benefit Plan

The employees gratuity fund is partly managed by Life Insurance Corporation is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.



	Gratuity (Partly funded)		Leave Encashment (Unfunded)	
	2015-2016	2014-2015	2015-2016	2014-2015
(i) Changes in present value of obligations				
Present value at the beginning of the year	2105.59	1913.31	308.95	304.92
Interest cost	168.44	162.63	24.72	25.92
Current service cost	90.90	94.13	22.57	20.63
Benefits paid	(66.07)	(81.68)	(8.17)	(9.27)
Actuarial (gain) / loss on obligations	(157.38)	17.20	(25.45)	(33.25)
Present value at the end of the year	2141.48	2105.59	322.62	308.95
(ii) Changes in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	584.35	613.04	-	-
Expected return on plan assets	43.83	45.98	-	-
Contributions	4.26	3.39	-	-
Benefit paid	(66.07)	(81.68)	-	-
Actuarial gain / (loss) on plan assets	0.52	3.62	-	-
Fair value of plan assets at the end of the year	566.89	584.35	-	-
(iii) Actuarial gain / loss recognized				
Actuarial gain / (loss) for the year – obligation	157.37	(17.19)	(25.45)	33.25
Actuarial (gain) / loss for the year – plan assets	(0.53)	(3.62)	-	-
Total (gain) / loss for the year	(157.90)	13.57	25.45	(33.25)
Actuarial (gain) / loss recognized in the year	(157.90)	13.57	25.45	(33.25)
Unrecognised actuarial (gains) / losses at the end of year				
(iv) Amounts to be recognised in the balance sheet and statements of profit and loss				
Present value of obligation at the end of the year	2141.48	2105.59	322.62	308.95
Fair value of plan assets at the end of the year	566.89	584.35	-	-
Difference (Funded Status)	(1574.59)	(1521.24)	(322.62)	(308.95)
Unrecognised actuarial (gains) / losses				
Net asset / (liability) recognised in the balance sheet	(1574.59)	(1521.24)	(322.62)	(308.95)
(v) Expenses recognised in the statement of profit and Loss				
Current service cost	90.90	94.13	22.57	20.63
Past service cost	-	-	-	-
Interest cost	168.45	162.63	24.72	25.92
Expected return of plan assets	(43.83)	(45.98)		
Curtailement cost / (credit)	-	-		
Settlement cost / (credit)	-	-		
Net actuarial (gain) / loss recognised in the year	(157.90)	13.57	25.45	(33.25)
Expenses recognized in the profit & loss	57.62	224.35	21.83	13.30

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	2015-16	2014-15	2015-16	2014-15
(vi) Actuarial Assumptions				
Mortality Table	LIC (1994-1996) duly modified		LIC (1994-1996) duly modified	
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate	8.0%	8.0%	8.0%	8.0%
Rate of increase in compensation levels	5.5%	5.5%	5.5%	5.5%

Note: The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

35. Earning Per Share (EPS) computed in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India. [Rs. / Lakhs]

Particulars	2015-16	2014-15
(i) Net Loss as per Profit & Loss Account (Rs. / Lakhs)	(7835.77)	(8109.42)
(ii) Weighted average Number of Equity Shares	81984320	81984320
(iii) Basic & Diluted Earning Per Share (Rs.)	(9.56)	(9.89)

36. Leases:

Operating Leases:

The Company has taken various residential/ commercial premises and Plant and Machinery under operating leases. These lease arrangements are normally renewed on expiry. The future minimum lease payments in respect of the aforesaid leases are as follows: [Rs. / Lakhs]

Particulars	2015-16 [12 Months]	2014-15 [12 Months]
i) Payable not later than one year	98.53	136.66
ii) Payable later than one year and not later than five years	92.72	136.98
iii) Payable later than five years	-	-
	191.25	273.64

The rental expenses in respect of operating leases Rs.155.18 lakhs

37. In the absence of information from Trade Payable regarding status under The Micro, Small and Medium Enterprises Development Act, 2006, liability of interest if any can not be reliably estimated, nor required disclosures can be made.

38. Related Party Disclosures:

(i-a) Associate : VCCL Limited

(i-b) Key Management Personnel

Shri Deepak Kumar Singhania – Chairman

& Managing Director, Shri. Lalit Kumar Singhania – Whole-time Director, Shri Anurag Kumar Singhania – Whole-time Director, Shri R K Srivastava – Whole-time Director, Shri Khushal Chand Agarwal – Sr. President (Commercial) & Company Secretary and Shri Mahesh Kumar Kanodia – Chief Financial Officer.

(i-c) **Enterprises over which Directors and their relatives are able to exercise significant influence:**

Smart Chips Limited, Suryodaya Investment & Trading. Co. Limited, Mahalaxmi Holdings Limited, Payal Investments & Trading Limited, Mimosa Finance & Trading Limited, Bina Fininvest P. Limited, Ginideep Finance & Investments P. Limited, Gold Rock Investments Limited, Gold Rock Metals Limited, Gold Rock World Trade Limited, Blue Point Leasing Limited, Gold Rock Agro-Trading Limited, Tridhar Finance & Trading Limited, Picanova Investments P. Limited, Inlac Granston Limited, Shree Dhan Sharda Mercantile P Limited, B.S. Infotech P. Limited, Ind Hi-Tech Enterprises Pvt. Limited, Saryu Investment & Trading P. Limited, Panki Roadlines Pvt. Limited, Sugata Investment Limited, Gold Rock Agrotech Limited, Syscom Corporation Limited, Seattle Ontime P. Limited

[ii] There is no provision for doubtful debts or amounts written off or written back during the year in respect of dues from or to related parties.

**[iii] Summary of Transactions with related parties:**

(Rs. In Lakhs)

Particulars	Associate	Key Management Personnel	Enterprises over which Directors & their Relatives are able to exercise significant influence
Miscellaneous Income	0.18 (0.18)	- (-)	- (2.86)
Other receipts	3.08 (3.08)	- (-)	- (-)
Leasing arrangement for Machinery	18.00 (18.00)	- (-)	- (-)
Remuneration*	- (-)	135.30 (120.79)	- (-)
Outstanding (Receivable) as on 31.03.2016 (net of provisions)	252.08 (249.24)	- (-)	- (-)
Outstanding (Payable as on 31.03.2016	- (-)	6.14 (2.39)	- (-)

* Includes remuneration of CS & CFO (KMPs).

Note: Figures in bracket pertain to previous year

Details of related parties transactions:

Associate: All transactions and outstanding balance are with VCCL Limited.

Key Management Personnel:

Remuneration to Shri Deepak Kumar Singhania Rs.17.96 lakhs (Previous year Rs. 17.76 lakhs), Shri. Lalit Kumar Singhania Rs.17.75 lakhs(*) (Previous year Rs. 9.51 lakhs), Shri Sanjeev Shriya Rs.Nil (Previous year Rs. 1.89 lakh*), Shri Anurag Kumar Singhania Rs.17.89 lakhs (Previous year Rs. 9.84 lacs) and Shri R K Srivastava Rs. 18.00 lakhs (Previous year Rs. 18.00 lakhs), Shri Khushal Chand Agarwal Rs. 41.75 lakhs (Previous year Rs.41.86 lakhs), Shri Mahesh Kumar Kanodia Rs. 21.95 lakhs (Previous year Rs.21.93 lakhs).

* During the previous year up to 17/07/2014

(*) Company's application for re-appointment and payment of remuneration is pending with Ministry of Corporate affairs

Enterprises over which Directors & their Relatives are able to exercise significant influence:

Mimosa Finance & Trading Limited Rs. Nil (Previous year Rs.2.40 lakhs), B.S. Infotech P. Limited Rs. nil (Previous year Rs.0.33 lakh).
Others less than 10% Rs. Nil (Previous year Rs.0.13 lakh).

39. Business Segment :**(a) Primary (Business) Segment**

The operations of the Company relate to only one segment viz. Motorized Two-Wheelers.

(b) Secondary (Geographical) Segment

1.Secondary segment reporting is on the basis of geographical location of the customers. The Company's revenue during the year by geographical markets are: Domestic Sales Rs.1781.80 lakhs (Previous year Rs. 4782.86 lakhs) and Export sales Rs.13534.87 lakhs (Previous year Rs.15151.37 lakhs)

2.Geographical segment wise loss and capital employed are not given since the production unit and administrative expenses are common.

40. The Company has carried out impairment test on its Fixed Assets as on 31.03.2016 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Accounting Standard-28 on Impairment of Assets issued by ICAI.

41. As required by Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India, the disclosure with respect to provisions of warranty expenses are as follows:

(Rs. / lakhs)

Particulars	2015-16	2014-15
a) Amount at the beginning of the year	157.57	172.35
b) Additional provision made during the year	40.90	120.15
c) Amount utilized during the year	30.63	134.93
d) Amount at the end of the year	167.84	157.57

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42. Remuneration to Auditors

- (a) Statutory Audit Fee Rs.9.00 lakhs (Previous year Rs. 9.00 lakhs)
 (b) Tax Audit Fee Rs.0.80 lakh (Previous year Rs. 0.80 lakh).
 (c) Other Services – Certification and other Jobs Rs.6.00 lakhs (Previous year Rs. 6.00 lakhs)

43 C.I.F.Value of Imports

	Year Ended 31.03.2016 Rs.in lakhs	Year Ended 31.03.2015 Rs.in lakhs
Raw Material and Components	541.98	811.22
Stores,Spares Parts and Dies	1.02	14.63
Capital Goods	101.74	112.86
	<u>644.74</u>	<u>938.71</u>

44 Expenditure in Foreign Currency (as remitted)

Professional and Consultation fees	361.14	258.22
Travelling Foreign	41.92	65.13
Others	8.63	46.54
	<u>411.69</u>	<u>369.89</u>

45 Remittance in Foreign Currency on Account of Dividend

Amount remitted	-	-
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46 Raw Materials/Stores,Spare Parts & Dies Consumed

	Amount (Rs.in lakhs)	%	Amount (Rs.in lakhs)	%
Raw Materials & Components				
Imported	937.44	9.91	1004.88	8.36
Indigenous	8522.28	90.09	11014.67	91.64
	<u>9459.72</u>	<u>100.00</u>	<u>12019.55</u>	<u>100.00</u>
Stores, Spare Parts & Dies				
Imported	2.61	0.27	16.33	1.49
Indigenous	967.36	99.73	1083.06	98.51
	<u>969.97</u>	<u>100.00</u>	<u>1099.39</u>	<u>100.00</u>

47 Earning in Foreign Exchange

F.O.B. Value of Exports	12708.72	14457.01
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48 Figures of the previous year have been regrouped and recasted wherever necessary to make them comparable.

Notes 1 to 48 form an integral part of the Balance Sheet and Profit and Loss Account

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountants

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date: 26th May,2016

R K CHADHA
Divisional Manager (Accounts)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	Year ended 31.03.2016 Rs.in lakhs	Year ended 31.03.2015 Rs.in lakhs
A CASH PROFIT FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(7,835.77)	(8,109.42)
Adjustments for:		
Depreciation , Amortisation & Impairment	934.99	1,260.85
Exceptional items	-	-
Interest/Dividend Income	(88.78)	(94.86)
Interest Charged (net)	4,733.35	4,302.31
Credit Balances/Provisions no Longer Required Written Back	-	219.45
Operating Profit/(Loss) before Working capital Changes	(2,256.21)	(2,421.67)
Adjustments for:		
Trade & Other receivables	35.52	1,082.79
Inventories	592.80	2,105.63
Trade Payables & Other Liabilities	938.95	10.90
Cash Generated from Operations	(688.94)	777.65
Taxes paid	(10.75)	(9.10)
Net Cash From Operating Activities	(678.19)	786.75
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(78.29)	(175.40)
Change in Capital advances	(12.69)	(15.83)
Interest Received	88.03	94.26
Dividend Received	0.75	0.60
Change in Fixed Deposits Long Term	1.56	3.25
Net cash used in Investing Activities	(0.64)	(93.12)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Other Borrowing	26.55	32.89
Interest Paid	(91.08)	(93.70)
Net Cash from Financing Activities	(64.53)	(60.81)
Net (Decrease)/Increase in Cash & Cash Equivalents	(743.36)	632.82
Cash & Cash Equivalents at Start of the period	1816.04	1183.22
Cash & Cash Equivalents at Close of the period	1072.68	1816.04

Notes :-

- The Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by The Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.
- Previous year figures have been re-grouped and recasted wherever necessary to conform to current year classification.

Cash & Cash Equivalent:

Balance with Scheduled Banks in Current Account	257.98	189.96
Balance with Fixed Deposits (Maturity less than 3 Months)	758.90	1,551.41
Balances with non scheduled Banks in foreign currency with HSBC Bank plc	7.23	6.82
Cash in Hand	48.57	67.85

TOTAL

1072.68 **1816.04**

As per our report of even date attached

For and on behalf of the Board

For KHANDELWAL JAIN & CO,
Chartered Accountants

For PARIKH & JAIN
Chartered accountants

DEEPAK KUMAR SINGHANIA
Chairman & Managing Director
(DIN 00012037)

A K SINGHANIA
Whole-time Director
(DIN 00080925)

MANISH SINGHAL
Partner
(M. No. 502570)
FRN- 105049W

ANURAG JAIN
Partner
(M. No. 076362)
FRN- 001105C

K C AGARWAL
Sr. President (Commercial)
& Company secretary

MAHESH K KANODIA
Chief Financial Officer

Place: Gurgaon
Date : 26.05.2016

R K CHADHA
Divisional Manager (Accounts)

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