

## **REPORT ON CORPORATE GOVERNANCE**

### **CORPORATE GOVERNANCE**

Your company has been practicing the principles of good corporate governance, which comprises all activities that result in the control of the company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance complied by the company as per the revised clause 49 of the listing agreement with stock Exchanges are as under:-

#### **A. COMPLIANCE OF MANDATORY REQUIREMENTS:**

##### **1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE**

The basic philosophy of Corporate Governance in the company is to achieve business excellence and dedicate itself to increase long term shareholders value, keeping in view the needs and interests of all its stakeholders. The company is committed to transparency in all its dealings and place emphasis on business ethics.

##### **2. BOARD OF DIRECTORS**

###### **a) Board Meetings**

During the financial year 2007-08, six board meetings were held on the following dates:-

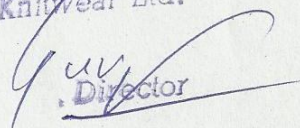
- 12 May 2007
- 26 July 2007
- 13 Sep. 2007
- 22 Nov. 2007
- 19 Jan. 2008
- 31 Mar. 2008

###### **b) Composition**

The board of directors comprises of a Managing Director and two independent directors

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at last Annual General Meeting of the company and also the number of other directorship/Chairmanship in Indian Public Limited Companies, are as follows:-

For LWS Knitwear Ltd.

  
Director



Name of the director	Designation and Category	No. of Board Meetings attended	Attendance at Last AGM	Total No. of Director ship in other Companies	No. of Committee Member ship in other companies	Total No. of Board Chairman ship in other Companies	Total No. of Comm ittee Chair man ship in other companies
Sh. Girish Kapoor	Mg. Director	6	Yes	2	-	-	-
Sh. Rakesh Bahri	Independent Director	5	Yes	2	-	-	-
Sh. Sushil Jain	Independent Director	5	Yes	2	-	-	-
Sh. Sat Parkash Kapoor	Independent Director	1	Yes	1	-	-	-
Sh. Daya Nand	Independent Director	1	Yes	2	-	-	-

### 3. AUDIT COMMITTEE

The Audit Committee as on 31.03.2008 consists of two independent directors. Four meetings were held during the year ended 31<sup>st</sup> March 2008 on 02 May 2007, 17 Aug. 2007, 29 Nov. 2007 and 13 Feb. 2008. The composition of the Audit Committee and the attendance of each Director at these meetings are as follows:-

Sr. no.	Members	No. of Meetings Attended
1.	Sh. Rakesh Bahri	4
2.	Sh. Sushil Jain	4

### 4. DIRECTORS REMUNERATION

During the year under review, remuneration of Rs.1.74 lacs had been paid to Sh. Girish Kapoor, Director of the Company.

### 5. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE

The Share Holder's/Investors Grievance Committee consisting of Sh. Girish Kapoor and Sh. Rakesh Bahri as members met three times during the year on 25.07.2007, 05.12.2007 and 12.03.2008 which were attended by both the members.

For LWS Knitwear Ltd.

*[Signature]*  
Director



During the financial year 2007-08, the company received no complaints. Further, there is no pendency in any respect..

## 6. GENERAL BODY MEETINGS

The detail of last three Annual General Meetings are given as follows:-

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
18 <sup>th</sup> Annual General Meeting for the FY ended 31 <sup>st</sup> March 2007	Saturday, 29 <sup>th</sup> September 2007 at 11.00 A.M.	Regd. office : G.T.Road (West), Ludhiana	Nil
17 <sup>th</sup> Annual General Meeting for the FY ended 31 <sup>st</sup> March 2006	Saturday, 30 <sup>th</sup> September 2006 at 11.00 A.M.	Regd. office : G.T.Road (West), Ludhiana	Nil
16 <sup>th</sup> Annual General Meeting for the FY ended 31 <sup>st</sup> March 2005	Friday, 30 <sup>th</sup> September 2005 at 11.00 A.M.	Regd. office : G.T.Road (West), Ludhiana	Nil

## 7. DISCLOSURE

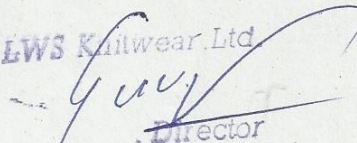
During the year, there was no material significant transaction with the Directors, management, their relatives, etc. that have any potential conflict with the interest of the company at large. The company has not complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

## 8. MEANS OF COMMUNICATION

The company communicate with the Shareholders through Annual Reports and filing of various reports and returns with the Registrar of Companies.

### GENERAL INFORMATION FOR SHAREHOLDERS

- i) 19<sup>th</sup> Annual General Meeting
  - Date : 30<sup>th</sup> September 2008
  - Time : 11.00 A.M.
  - Venue : Regd. Office, G.T.Road (West) Ludhiana
- ii) Dates of Book Closure : 06.09.2008 to 30.09.2008 (Both days inclusive)
- iii) Listing : The equity shares of the company are

For LWS Knitwear Ltd  
  
 Director



listed on the following Stock Exchanges:-

1. Bombay Stock Exchange
2. Ludhiana Stock Exchange
3. Delhi Stock Exchange
4. Baroda Stock Exchange

iv) Stock Codes :  
v) Stock Market Data :

Due to non compliance of Clause No-49 of the Listing Agreement, Trading activities had been stopped all the stock exchanges, hence this information is not available.

vi) Plant Location :

HB-1A, Phase-VI, Focal Point, Ludhiana (Land & Building was sold during the year)

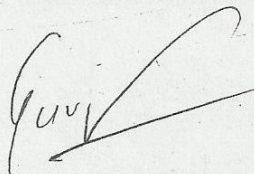
vii) Address for Correspondence :

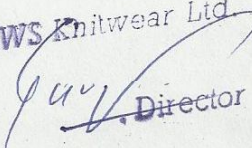
G.T.Road (West), Ludhiana

#### **MANAGING DIRECTOR'S DECLARATION**

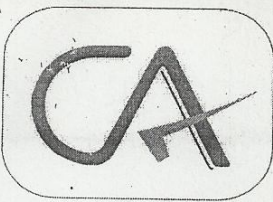
I. Girish Kapoor, Managing Director of LWS Knitwear Limited declare that all Board Members and Senior Management personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31<sup>st</sup> March 2008.

Place : LUDHIANA  
Date : 05.08.2008

  
(GIRISH KAPOOR)  
MG. DIRECTOR

For LWS Knitwear Ltd  
  
Director





# RAJESH K. SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS

B-XXXIV-17, BAWA COLONY, BACKSIDE GREWALZ LAL KOTHI,  
HAIBOWAL KALAN, LUDHIANA- 141001 PH- 98887-68300, 98883-68330

## AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF LISTING AGREEMENT(S)

To  
The Members of  
**LWS Knitwear Limited**

We have examined the compliance of the conditions of Corporate Governance by LWS Knitwear Limited for the year ended on 31<sup>st</sup> March 2008 as stipulated in clause 49 of the listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of the opinion on the financial statement of the company.

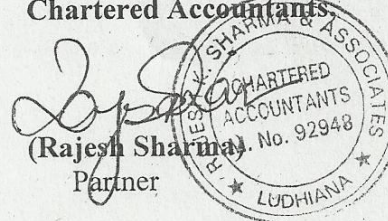
In our opinion and to the best of our information and accordance to the explanations given to us and based on the representations made by the Directors and the management, we certify that the company has not complied with the conditions of Corporate Governance as stipulated in the listing agreement.

We further certify that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Rajesh K. Sharma & Associates,  
Chartered Accountants

Date : 05.08.2008

Place : Ludhiana



For LWS Knitwear Ltd.  
  
Director