

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 2009-10, Six board meetings were held on the following dates :

- 23 April 2009
- 17 July 2009
- 02 Sep. 2009
- 16 Nov. 2009
- 27 Jan. 2010
- 29 Mar. 2010

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 :

| Name of the Director | Designation and Category | No. of Board Meetings Attended | Attendance at Last AGM | Total No. of Directorship in other Companies | No. of Committee Membership in other Companies | Total No. of Board Chairmanship in other Companies | Total No. of Committee Chairmanship in other Companies |
|-----------------------|--------------------------|--------------------------------|------------------------|--|--|--|--|
| Sh. Girish Kapoor | Mg. Director | 6 | Yes | 2 | ----- | ----- | ----- |
| Sh. Sat Parkash | Director | 3 | Yes | 1 | ----- | ----- | ----- |
| Sh. Sushil Kumar Jain | Independent Director | 3 | N.A. | 1 | ----- | ----- | ----- |
| Sh. Daya Nand | Independent Director | 6 | Yes | 2 | ----- | ----- | ----- |

3. AUDIT COMMITTEE

The Audit Committee as on 31.03.2010 consists of one Promoter and two independent directors. Five meetings were held during the year ended 31st March 2010 on 23 June 2009, 25 Aug. 2009, 28 Aug. 2009, 19 Dec. 2009 and 07 Feb. 2010. 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. Sat Parkash Kapoor | 3 |
| 2. | Sh. Daya Nand | 5 |
| 3. | Sh. Sushil Jain | 2 |
| 4. | Sh. Girish Kapoor | 5 |

Sh. Sushil Jain was appointed on 13.10.2010 in place of Sh. Sat Parkash Kapoor who expired on same date.

4. DIRECTORS OF 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, Sh. Sushil Jain and Sh. Daya Nand as members met three times during the year on 22.05.2009, 17.10.2009 and 28.02.2010 which were attended by both the members.

During the financial year 2009-10, 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 :

LWS KNITWEAR LIMITED

| Meeting | Day, Date and Time of the Meeting | Venue | No. of Special Resolutions |
|--|--|--|----------------------------|
| 20th Annual General Meeting for the Financial Year ended 31st March 2009 | Wednesday, 30th September 2009 at 11:00 a.m. | Regd. Office : G.T. Road (West) Ludhiana | Nil |
| 19th Annual General Meeting for the Financial Year ended 31st March 2008 | Tuesday, 30th September 2008 at 11:00 a.m. | Regd. Office : G.T. Road (West) Ludhiana | Nil |
| 18th Annual General Meeting for the Financial Year ended 31st March 2007 | Saturday, 29th September 2007 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 communicates with the Shareholders through Annual Reports and filing of various reports and returns with the Registrar of Companies.

GENERAL INFORMATION FOR SHAREHOLDERS

- i) 21st Annual General Meeting
- Date : 30th September 2010
- Time : 11.00 A.M.
- Venue : Regd. Office, G.T.Road (West)
Ludhiana
- ii) Dates of Book Closure : 28.09.2010 to 30.09.2010 (both days inclusive)
- iii) Listing : The equity shares of the company are 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 By all the stock exchanges, hence this information is not available.
- vi) Plant Location : G.T.Road (West), Ludhiana
- 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 31st March 2010.

**FOR AND ON BEHALF OF
FOR LWS KNITWEAR LTD.**

Date : 07-06-2010
Place : LUDHIANA

Sd/
(GIRISH KAPOOR)
Managing Director

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 st March 2010 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.

LWS KNITWEAR LIMITED

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 : 07-06-2010
Place : LUDHIANA

Sd/
(RAJESH SHARMA)
Partner
M.No. 092948