

Corporate Governance

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and enhance shareholder value keeping in view the interest of all stake-holders. The Company stands by transparency in all its dealings and strict regulatory compliance.

II. BOARD OF DIRECTORS

- (a) Your Company has optimum combination of executive, non executive, independent and non independent directors in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Your Company has total strength of 6 (including one Alternate Director) directors consisting of 2 Executive Directors and 3 Non Executive Independent directors.

All Independent Directors comply with the requirements of the Listing Agreement for being categorised as Independent Director. The composition of Board is as follows:

Name of the Director	Category	Designation
Mr. K. Venkata Subba Rao	Promoter & Executive Director	Managing Director
Mr. K. Venkateswara Rao	Promoter & Executive Director	Joint Managing Director
Dr. Prasada Rao VDM Ravella	Non Executive Independent Director	Director
Mr. B. Anand #	Non Executive Independent Director	Alternate Director
Mr. G. Ramesh	Non Executive Independent Director	Director
Mr. V. Pradeep Kumar Dev	Non Executive Independent Director	Director

Alternate Director to Dr. Prasada Rao VDM Ravella

- (b) None of the directors on the Board is a member of more than 10 committees or chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as at March 31, 2009 have been made by the directors.

Name of the Director	Category	No. of Directorships in other Public Companies	No. of Committees positions held in other Public Companies	
			Chairman	Member
Mr. K. Venkateswara Rao	Promoter & Executive Director	3	Nil	Nil
Mr. K. Venkata Subba Rao	Promoter & Executive Director	2	Nil	Nil
Dr. Prasada Rao VDM Ravella	Non Executive Independent Director	1	Nil	Nil
Mr. B. Anand #	Non Executive Independent Director	1	Nil	Nil
Mr. G. Ramesh	Non Executive Independent Director	Nil	Nil	Nil
Mr. V. Pradeep Kumar Dev	Non Executive Independent Director	2	Nil	Nil

Alternate Director to Dr. Prasada Rao VDM Ravella

- (c) The details of category of directorship, attendance of board meetings and last Annual General Meeting during the year, number of directorships, committee chairmanships and memberships held by the directors in other companies furnished herewith. Other directorships do not include alternative directorships, directorships of Private Limited Companies, Section 25 companies and of companies incorporated outside India. Chairmanship / membership of Board Committees include only Audit Committee and the Shareholder's Grievance Committee.
- (d) Six Board Meetings were held during the financial year ended 31st March, 2009. Your Company has complied with all the requirements in terms of Listing Agreement and Companies Act, 1956 in respect of Board Meetings. The dates on which the Meetings were held are as follows:
1. April 29, 2008
 2. July 28, 2008
 3. July 28, 2008
 4. August 25, 2008
 5. October 30, 2008
 6. January 30, 2009

Name of the Director	No. of Board Meetings (during the year 2008-09)		Whether attended last AGM held on 30.09.2008
	Held	Attended	
Mr. K. Venkateswara Rao	6	5	YES
Mr. K. Venkata Subba Rao	6	6	YES
Mr. G. Ramesh	6	6	YES
Mr. B. Anand #	6	6	NO
Mr. V. Pradeep Kumar Dev	6	5	YES
Mr. K. Tejesh Kumar*	6	6	YES
Mr. Asokan Ganapathy\$	6	0	NO
Mr. Anand Swaroop@	4	3	NO

Alternative Director to Dr. Prasada Rao VDM Ravella

* Resigned on 29th April, 2009

@ Resigned on 01st September, 2008

\$ Resigned on 27th October, 2009

Leave of absence has been granted to the directors for the Board meetings not attended by them.

- (e) The Board meetings are generally held at least once in a quarter, amongst others for consideration of the financial results. Besides this, additional Board meetings are also convened to address the specific requirements of the Company, as and when the need arises. The urgent items, if any, are approved by passing resolutions through circulation by the Board. Agenda papers along with detailed notes are circulated to the Directors in advance for each of these meetings. All relevant information, as required was placed before the Board from time to time. The minutes of meetings of Board and Committees are circulated to the members of the meeting for their confirmation.
- (f) None of the non-executive Independent directors has any pecuniary or material relationship or transaction with the Company.

Notes:

- (i) Following directors were regularized as Directors at the 9th AGM held on 30th September, 2008;
Mr. K. Tejesh Kumar,
Mr. K. Venkateswara Rao,
Mr. K. Venkata Subba Rao,
Mr. V. Pradeep Kumar Dev and
Mr. Asokan Ganapathy.
- (ii) The members in their 9th AGM held on 30th September, 2008 approved the following appointments for a period of 3 (three) years w.e.f. 28th July, 2008:
Mr. K. Tejesh Kumar as Executive Chairman,
Mr. K. Venkateswara Rao as Executive Co-Chairman and
Mr. K. Venkata Subba Rao as Vice-Chairman & Managing Director.
- (iii) Following directors have resigned and accepted by the Board.
Mr. K. Tejesh Kumar resigned with effect from 29th April, 2009,
Mr. Y. Anand Swaroop resigned with effect from 1st September, 2008,
Mr. Asokan Ganapathy resigned with effect from 27th October, 2009.

(g) Board Committees

To enable better management of the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose. The proceedings of the meetings of the Committees are circulated to the Board. The Minutes of the Committee meetings are placed before the Board for its adoption.

III. AUDIT COMMITTEE

- (a) The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- (b) The brief description of terms of reference of the Audit Committee is as under:
 - i. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
 - ii. Recommending the appointment and removal of external auditor, fixation of their audit fee and also approval for repayment for any other services.
 - iii. Reviewing with management the quarterly and annual financial statements before submission to the Board.
 - iv. Reviewing the adequacy of Internal Control Systems and Internal Audit Reports and their compliance thereof etc.
- (c) The Audit Committee meetings are usually held at the registered office of the Company and are usually attended by the Statutory Auditors, Vice President (F&A) apart from Committee members. Other functional heads and special invitees are invited to the meetings, as required. The Company Secretary acts as Secretary of the Committee.
- (d) The Quarterly and Annual financial results of the Company were reviewed by the Audit Committee before consideration and approval by the Board of Directors. The Committee reviewed the adequacy of Internal Control Systems and the various compliances.

- (e) The Chairman of the Audit Committee Mr. Pradeep Kumar Dev attended the previous Annual General Meeting of the Company held on 30th September, 2008 in terms of Clause 49 of the Listing Agreement.
- (f) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

The Audit Committee comprises of 3 Non Executive Independent Directors and One Executive Director. Mr. V. Pradeep Kumar Dev, Non Executive Independent Director is the Chairman of the Audit Committee. Mr. Pradeep is holder of Master of Business Administration and having rich experience in Finance & Accounting. Mr. Tejesh Kumar had resigned from the office of Director and hence he is not a member of the Audit Committee with effect from 29th April, 2009. Mr. K. Venkateswara Rao was appointed as Member of the Committee with effective from 29th July, 2009.

Four Audit Committee Meetings were held during the financial year ended 31st March, 2009. The dates on which the Meetings were held are as follows:

29.04.2008, 28.07.2008, 30.10.2008 and 30.01.2009

Name of the Member	Status in the Committee	No.of Meetings (during the year 2008-09)	
		Held	Attended
Mr. V. Pradeep Kumar Dev	Chairman	4	3
Mr. K. Tejesh Kumar	Member	3	3
Mr. G. Ramesh	Member	4	4
Mr. B. Anand *	Member	4	4

* Mr. B. Anand is Alternate Director to Dr. Prasada Rao VDM Ravella

IV. REMUNERATION & COMPENSATION COMMITTEE

Remuneration & Compensation Committee comprises of 3 (three) Non Executive Independent Directors. Mr. G. Ramesh, Independent Non Executive Director is the Chairman of the Committee. The terms of references of the Committee includes recommendations to the Board about Compensation and Benefits for Executive Directors, approval of stock options to employees and such other matters as may be referred to it by the Board from time to time. During the year the Committee held one meeting on 28th July, 2008.

The composition of the Committee and particulars of meetings attended by the members are given below:

Name of the Member	Status in the Committee	No.of Meetings (during the year 2008-09)	
		Held	Attended
Mr. G. Ramesh	Chairman	1	1
Mr. B. Anand*	Member	1	1
Mr. V. Pradeep Kumar Dev	Member	1	1

* Mr. B. Anand is Alternate Director to Dr. Prasada Rao VDM Ravella.

Directors' Remuneration Policy

Non Executive Directors are not paid any remuneration other than sitting fee for the meetings attended by them. There are no performance linked incentives payable to any of the directors. At present, the company does not have any stock option plan as part of remuneration package for any director.

Remuneration of the Executive Director comprises of fixed component only.

During the year, the Company paid sitting fee of Rs. 500/- per meeting to its Non Executive Directors for attending meetings of the Board and Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

Details of sitting fee paid during the year and their holding of equity shares of Rs.10/- each in the Company as on 31st March, 2009 are given below:

Name	Sitting fee (Rs) as on 31.03.2009	No.of Shares held as on 31.03.2009
Mr. K. Venkateswara Rao*	500	442642
Mr. K. Venkata Subba Rao*	1000	442642
Mr. G. Ramesh	5500	24300
Mr. B. Anand (Alternate Director)	5500	Nil
Mr. V. Pradeep Kumar Dev	4500	Nil
Mr. Asokan Ganapathy	Nil	Nil
Mr. K. Tejesh Kumar *	1500	442642
Mr. Y. Anand Swaroop	N.A	3750

* Sitting fee paid to them during their tenure as Non Executive Directors.

Remuneration paid to the Whole time Directors for the year ended 31st March, 2009

(Amount in Rupees)

Name	Designation	Salary	Contribution to P. F.	Others	Total Amount
Mr. K. Venkateswara Rao	Co-Chairman	3,294,000	263,520	60,000	3,617,520
Mr. K. Venkata Subba Rao	Vice Chairman & M. D.	3,294,000	263,520	60,000	3,617,520
Mr. K. Tejesh Kumar	Chairman	3,294,000	263,520	60,000	3,617,520
Mr. Y. Anand Swaroop	Director & C.E.O.	1,473,750	72,000	26,250	1,572,000

V. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

(i) Constitution and Composition

Shareholders/Investors Grievance committee had been constituted to look into and redress the grievances of the shareholders and investors pertaining to transfer of shares, non-receipt of Annual Reports etc.

Composition of Shareholders/Investors Grievance Committee as follows:

Name of the Member	Status	Category
Mr. V. Pradeep Kumar Dev	Chairman	Non Executive and Independent
Mr. G. Ramesh	Member	Non Executive and Independent
Mr. K. Venkateswara Rao	Member	Executive and Non Independent

Mr. K.Venkateswara Rao was appointed as member of the Committee w.e.f 30th October, 2008. Mr. Y. Anand Swaroop had resigned from the office of Director and hence he is not a member of the Shareholder's /Investors Grievance Committee with effect from September 01, 2008.

(ii) Name and Designation of the Compliance Officer

Mr. M. Jagadeeshwara Rao, Company Secretary.

(iii) No. of Shareholders complaints received during the year 2008-09 and the Status of Investor's Requests / Complaints:

During the year 2008-09 total 27 requests/letters were received from the shareholders and all were disposed off during the year.

INVESTOR REQUESTS/GRIEVANCE REPORT FOR THE PERIOD 01.04.2008 TO 31.03.2009

Sl.	Particulars	Receipt	Replied	Pending
A.	REQUESTS			
	a. Change/Correction of address	6	6	0
	b. Change / Correction of Bank Mandate	0	0	0
	c. Change of company name stickers	0	0	0
	d. Receipt of D/W for revalidation/correction of Bank mandate	1	1	0
	e. Registration of Power of Attorney	0	0	0
	f. Request for ECS facility (Electronic Clearance Services)	4	4	0
	g. Loss of securities and request for issue of duplicate s/c	1	1	0
	h. Receipt of I/B and affidavit for issue of duplicate securities	1	1	0
	i. Request for stop transfer of securities	0	0	0
	j. Request for Fully paidup shares	0	0	0
	k. Request for issue of duplicate dividend warrants	0	0	0
	l. Deletion of joint name due to death	0	0	0
	m. Request for transmission	0	0	0
	n. POA registration	1	1	0
	o. Request for transposition	0	0	0
	p. Specimen Sign change/not mentioned in Appln & intimation of the same	0	0	0
	TOTAL	14	14	0
B.	COMPLAINTS			
	a. Non receipt of dividend warrants	12	12	0
	b. Non receipt of Annual reports	1	1	0
	c. Complaints from Stock Exchanges	0	0	0
	d. Complaints frm SEBI	0	0	0
	e. Legal Notice	0	0	0
	f. Non receipt of refund order	0	0	0
	g. Correction of name on Securities	0	0	0
	h. Non receipt of shares	0	0	0
	TOTAL	13	13	0
	GRAND TOTAL (A+B)	27	27	0

No. of complaints pending at the beginning of the year

: NIL

No. of complaints received but not solved

: NIL

No. of complaints pending at the end of the year

: NIL

VI. MANAGEMENT COMMITTEE

The Management Committee was constituted by the Board in its meeting held on January 30, 2009 for exercising such powers as delegated by the Board from time to time in order to deal with administrative and routine matters and to take decisions in urgent situations to avoid delays. Mr. V. Pradeep Kumar Dev was inducted as member of the committee on 29.07.2009. The Management Committee meets as when necessary and the minutes of the meetings are taken on record by the Board.

Following are the members in the Management Committee.

Name of the Member	Status	Category
Mr. K. Venkata Subba Rao	Member	Executive and Non Independent
Mr. K. Venkateswara Rao	Member	Executive and Non Independent
Mr. V. Pradeep Kumar Dev	Member	Non Executive and Independent

VII. SUBSIDIARY COMPANIES

The Company has no material non listed Indian Subsidiary Company and, therefore, the requirement of inducting an Independent Director on the Board of Directors of the Subsidiary Company does not arise. However, the Company has three foreign Subsidiaries namely Global IT Inc, Techorbit Inc and LGS Global FZE.

VIII. DISCLOSURES

- i) **Related Party Transactions:** There were no materially significant related party transactions having potential conflict with the interests of the Company at large. However, transactions with the Related Parties are disclosed in note No.5 of the Schedule 14 (B) to the Accounts in the Annual Report. The Audit Committee and Board consider related party transactions at their meetings. The Audit Committee and Board consider related party transactions as their meetings.
- ii) **Accounting Treatment:** There is no different Accounting treatment from the prescribed Accounting standards.
- iii) **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up at its meetings.
- iv) **Strictures and Penalties:** There has not been any non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- v) **Compliance:** At every Board Meeting statements of compliance with all laws and regulations as certified by the Managing Director and the Company Secretary are placed for review by the Board. The Board considers all materially important show causes / demand notices received from statutory authorities and the steps / action taken by the Company in this regard. The Board reviews the compliance of all the applicable laws and gives appropriate directions, wherever necessary.
- vi) **Code of Conduct:** The Board of Directors have laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code have been posted on the website of the Company. Annual declaration is obtained from every person covered by the Code. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the company while in possession of the unpublished price sensitive information in relation to the company. In accordance with this Code, the Company closes the trading window for designated employees from time to time. As per the Code, trading window is closed from the prescribed day before the Board meeting and opened after 24 hours of conclusion of Board meeting in which the financial results or any other price sensitive information is being considered by the Board.

- vii) **MD and Head of Finance Certification:** The MD and Head of Finance have given certificates to the Board as contemplated in Clause 49 of the Listing Agreement.
- viii) **Mandatory Requirements:** All the Mandatory requirements as to Corporate Governance have been complied with.
- ix) **Non Mandatory Requirements:** The Company has complied with all the mandatory requirements of the clause 49 of the Listing Agreement. Board has constituted a Remuneration and Compensation Committee, the details of which are given in this report. This year the company has unqualified financial statements.
- x) **Whistle Blower policy:** Though the Company does not have whistle blower policy, no person is denied access to the Audit Committee.
- xi) **Financial statements:** In the preparation of the consolidated financial statements the company has adopted certain principle in line with interpretation given by International Financial Reporting Standards. The same has been disclosed in the notes to the consolidated financial statements.
- xii) **Secretarial Audit:** A qualified Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Secretarial Audit Report submitted to Stock Exchanges for every quarter within one month from the end of the quarter.

IX. MEANS OF COMMUNICATION

- i) **Quarterly Disclosures:** Quarterly un-audited financial results/yearly audited financial results are published in "Business Standard / The Financial Express" (English daily) and 'Surya / Andhra Prabha' (Telugu daily) newspapers.
- ii) **News Releases, Presentation etc.:** Official news releases, presentations made to media are displayed on the company's website www.lgsglobal.com
- iii) **Website:** The Company's website www.lgsglobal.com contains a separate dedicated section "Investors" where shareholders information is available. The soft copies of Annual Reports, Announcements, Meetings, Notices, press release, Financial results, live stock quotes from BSE is available on website in a user-friendly and downloadable form.
- iv) **Annual Report:** Annual Report containing inter alia, Director's Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to members and other entitled thereto.
- v) **SEBI EDIFAR & CFDS:** The quarterly un audited financial results, shareholding pattern, Annual Report and other required details are also posted on the SEBI EDIFAR website www.sebiedifar.nic.in and CFDS www.corpfiling.co.in
- vi) **Designated exclusive E-mail ID:** The Company has designated the following E-mail ID exclusively for investor servicing investor.services@lgsglobal.com
- vii) **Management Discussion & Analysis:** The detailed report is forming part of this Annual Report.



X. PAST THREE ANNUAL GENERAL BODY MEETINGS

(i) Location and time, where last three AGMs held:

Year	Location	Date	Time
2007-08	K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	September 30, 2008	11.00 A.M.
2006-07	K L N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	December 29, 2007	11.00 A.M.
2005-06	Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad, Andhra Pradesh.	December 29, 2006	4.00 P.M.

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Date	Description of Special Resolution passed
30.09.2008	(i) Amendment to the Article 89 and insertion of Article 112A in the Articles of Association of the company.
	(ii) Change in the name of the company from Lanco Global Systems Limited to LGS Global Limited.
	(iii) Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.
29.12.2007	(i) Amendment to the Article 83 of the Articles of Association
	(ii) Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.
	(iii) Consent of the members accorded to Board of Directors to exercise the powers u/s 372A of the Companies Act, 1956 for investment of the funds upto Rs. 300 Crores.
29.12.2006	Nil

(iii) Postal Ballot: No Postal Ballot was conducted during the year.

Procedure for postal ballot: However, the Company generally adopts the following procedure while conducting the Postal Ballot:

- The Board of directors identifies and approves the nature of transactions for which approval has to be sought from the shareholders by way of postal ballot.
- Board of directors appoints a qualified professional as prescribed under the Companies Act, 1956 and the rules made there under as the scrutinizer to conduct the postal ballot procedure in a fair and transparent manner.
- The Board of directors approves the calendar of events which inter alia includes the details regarding the date of dispatch of the notice, the last date to receive the assent or dissent ballot forms and the date of declaration of the results.

- (d) The Board of directors approves the notice to be circulated to the members under Section 192A of the Companies Act, 1956 together with the explanatory statement and the postal ballot form.
- (e) Board of directors nominates any one of the Executive Directors and the Company Secretary to be responsible to the conducting the postal ballot process.
- (f) The scrutinizer submits his report to the Chairman on the date of declaration of results.

XI. GENERAL SHAREHOLDERS INFORMATION

(i) Tenth Annual General Meeting

Date and Time	Wednesday, the 30th December, 2009 at 11.00 a.m.
Venue	K L N PRASAD AUDITORIUM, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, Post Box No.14, Hyderabad- 500 004 Phones: 040-23395515-22; Fax: 040-23395525; website: www.fapcci.in

(ii) Financial Calendar for the Year 2009-10 (tentative)

Financial reporting for the quarter ended	On or Before end of the
June 30, 2009	July 31, 2009
September 30, 2009	October 31, 2009
December 31, 2009	January 31, 2010
March 31, 2010	April 30, 2010
AGM for the year ending March 31, 2010	September 30, 2010
Dividend payment	The dividend, if declared, shall be paid/credited within the statutory period.

- (iii) **Book Closure Dates** : 24.12.2009 to 30.12.2009 (both days inclusive)
- (iv) **Dividend Payment Date** : if declared, within 30 days from the date of AGM
- (v) **Listing on Stock Exchanges** : The Bombay Stock Exchange Limited (BSE), Mumbai
- (vi) **Listing fee** : The Company has paid the listing fee for the financial year 2009-2010.
- (vii) **Annual Custodial fee** : The Company has paid the Annual Custodial fee to the Depositories for the financial year 2009-10.
- (viii) **Stock Code:**

Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited (BSE)	LGSGLOBAL	532368

- (ix) **ISIN Code** : INE425B01019

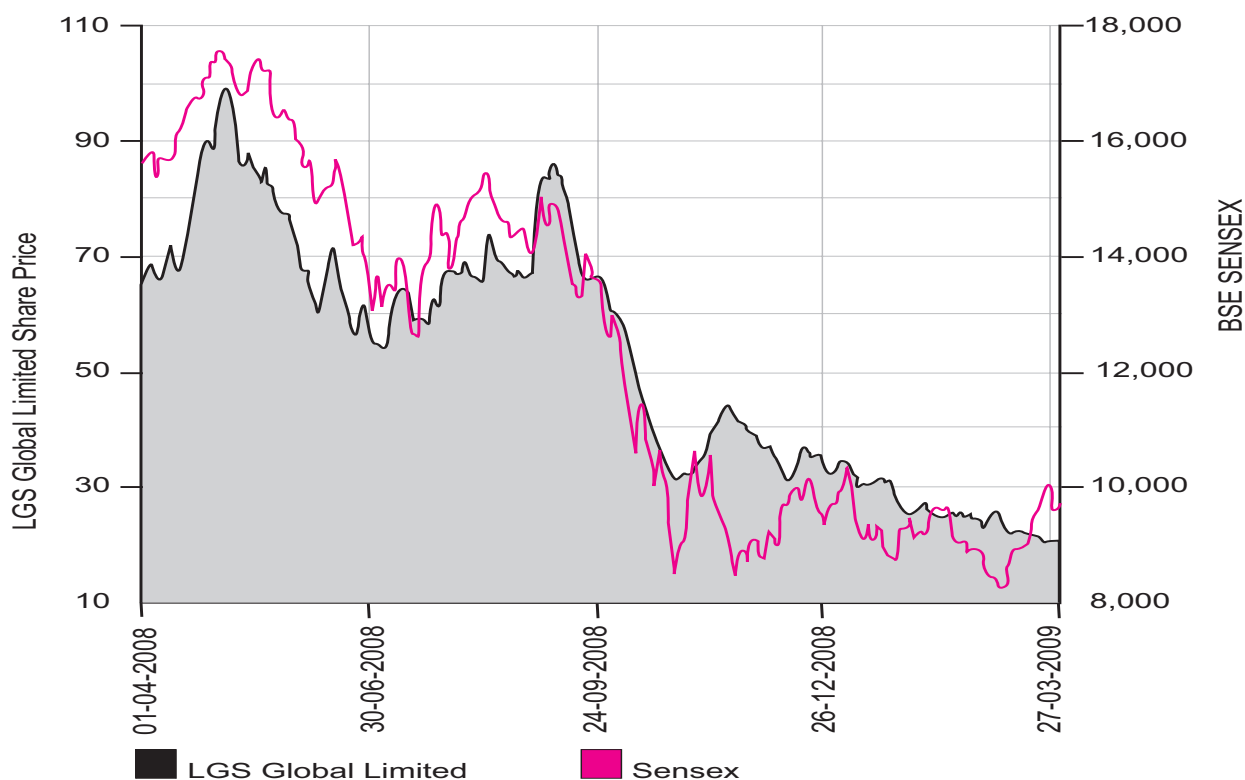
(x) Stock Market Data

Monthly High/Low of Market price of the Company's shares traded in BSE and performance in comparison to BSE Sensex during the period from April, 2008 to March, 2009 is furnished below.

Bombay Stock Exchange Limited, Mumbai Share Prices (In Rs.)			BSE Sensex	
Month	High	Low	High	Low
April '08	94.20	62.50	17,480.74	15,297.96
May '08	103.85	75.00	17,735.70	16,196.02
June '08	77.95	54.50	16,632.72	13,405.54
July '08	73.00	52.00	15,130.09	12,514.02
August '08	78.75	63.00	15,579.78	14,002.43
September '08	90.00	59.55	15,107.01	12,153.55
October '08	61.60	30.35	13,203.86	7,697.39
November '08	46.50	31.00	10,945.41	8,316.39
December '08	39.35	29.50	10,188.54	8,467.43
January '09	36.35	24.15	10,469.72	8,631.60
February '09	28.80	22.25	9,724.87	8,619.22
March '09	30.00	19.05	10,127.09	8,047.17

Start Date: 01.04.2008

End Date: 31.03.2009



(xi) Registrar & Share Transfer Agent

Aarthi Consultants Private Limited, whose address is given below, is the Registrar & Share Transfer Agent of the Company for looking after the work related to share registry.

Contact Person: Mr. G Bhaskar, Manager
AARTHI CONSULTANTS PRIVATE LIMITED,

(Unit: LGS Global Limited)

1-2-285, Domalguda, Hyderabad - 500 029. A.P. India.

Phone : +91-40-27634445, 27638111, 27642217, 66611921

Fax : +91-40-27632184, Email : info@aarthiconsultants.com; aarthiconsultants@gmail.com

Website: www.aarthiconsultants.com

(xii) Share Transfer System

The Board has delegated the power of share transfer to Registrar and Share Transfer Agent (RTA) i.e **AARTHI CONSULTANTS PRIVATE LIMITED** at the address given above.

81% of the shares of the company are in electronic form as on September 30, 2009. Transfer of these shares is done through the depositories with no involvement of the company. As regards transfer of shares held in physical form the transfer documents can be lodged with Registrar & Transfer Agent i.e **AARTHI CONSULTANTS PRIVATE LIMITED** at above mentioned address.

Shares lodged for physical transfer would be registered within a period of twelve days, on proactive measure and duly transferred would be dispatched to the concerned shareholders within a week from the date of approval of transfer by the committee. For this purpose, the Shareholders/Investors Grievance Committee meet often as required. Adequate care is taken to ensure that no transfers are pending for more than stipulated period.

The shareholders are advised to contact the Registrars and Share Transfer Agents at their address for effecting transfer of shares or other matters related to shares held in physical mode. All correspondence relating to share transfers, transmission, dematerialization, dividends and change of address can also be made at the above address.

Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis are issued by a Company Secretary in Practice for due compliance with share transfer formalities by the company.

Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates have been received from a Company Secretary in Practice for timely dematerialization of the company's shares and for conducting a secretarial audit on a quarterly basis for reconciliation of the company's share capital.



(xiii) (a) **Distribution of Shareholding as on 31st March, 2009:**

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2856	84	445525	1.75
5001 - 10000	227	7	181246	0.71
10001 - 20000	119	3	196239	0.77
20001 - 30000	40	1	101390	0.4
30001 - 40000	18	1	64410	0.25
40001 - 50000	28	1	134646	0.53
50001 - 100000	44	1	322381	1.27
100000 and Above	82	2	23977830	94.31
TOTAL	3414	100	25423667	100

(b) **Shareholding pattern as on 31st March, 2009:**

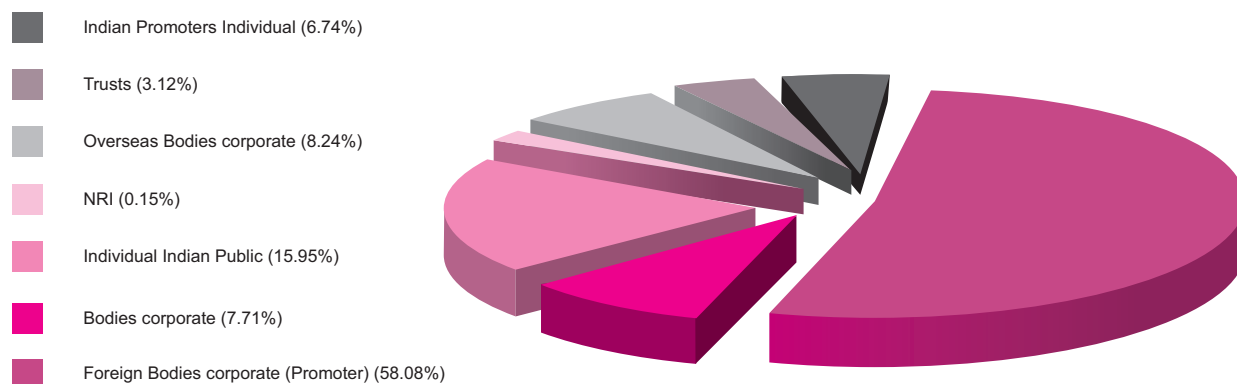
Shareholders		Number of Shares		Total Shareholding as a % of total no. of shares
Category	No.	Total	Dematerialized	
A. Promoters Shareholding				
Indian Individuals	7	1713864	1713864	6.74
Foreign Bodies Corporate	4	14766667	10445559	58.08
Total Promoters Shareholding	11	16480531	12159423	64.82
B. Public Shareholding				
Bodies Corporate	172	1959072	1633572	7.71
Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	3158	1200291	1125854	4.72
in excess of Rs. 1 Lakh	41	2842808	2808375	11.18
Non Resident Individuals	17	37747	37747	0.15
Overseas Corporate Bodies	4	2095650	0	8.24
Trusts	1	794469	794469	3.12
Clearing Members	10	13099	13099	0.05
Total Public Shareholding	3403	8943136	6413116	35.18
GRAND TOTAL	3414	25423667	18572539	100

(c) **Distribution of Shareholding as on 30th September, 2009:**

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2840	82	451761	1.78
5001 - 10000	256	7	211457	0.83
10001 - 20000	142	4	232181	0.91
20001 - 30000	47	1	121001	0.48
30001 - 40000	18	1	63859	0.25
40001 - 50000	33	1	157897	0.62
50001 - 100000	47	1	348598	1.37
100000 and Above	81	2	23836913	93.76
TOTAL	3464	100	25423667	100

(d) **Shareholding pattern as on 30th September, 2009:**

Shareholders		Number of Shares		Total Shareholding as a % of total no. of shares
Category	No.	Total	Dematerialized	
A. Promoters Shareholding				
Indian Individuals	7	1713864	1713864	6.74
Foreign Bodies Corporate	4	14766667	10445559	58.08
Total Promoters Shareholding	11	16480531	12159423	64.82
B. Public Shareholding				
Bodies Corporate	197	3363124	3037624	13.23
Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	3169	1268146	1194509	4.99
in excess of Rs. 1 Lakh	34	2544132	2509699	10.01
Non Resident Individuals	18	60060	60060	0.24
Overseas Corporate Bodies	3	805650	705650	3.17
Trusts	1	783509	783509	3.08
Clearing Members	31	118515	118515	0.47
Total Public Shareholding	3453	8943136	8409566	35.18
GRAND TOTAL	3464	25423667	20568989	100



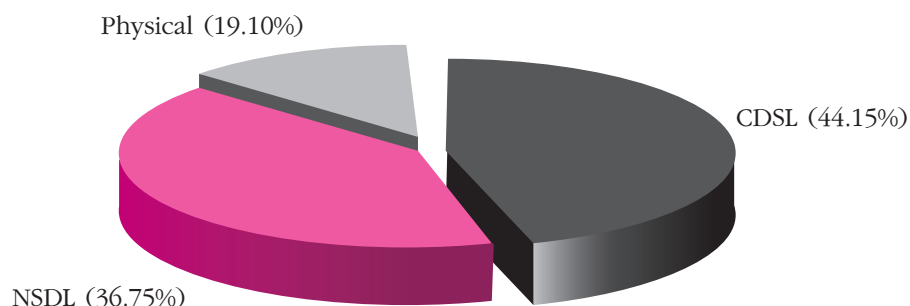
Source: March, 2009

(xiv) Dematerialization of Shares and Liquidity

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its shares, the shareholders of the company have the choice to get dematerialize their shares and keep them in dematerialized form with either of the depository participants.

The status of dematerialized shares is as following

Date	No. of shares	% to the total paid up share capital
31.03.2009	185,72,539	73.05%
30.09.2009	205,68,989	80.90%



Source: September, 2009

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

No such instruments have been issued by the Company.

(xvi) Address for Correspondence

Registered Office:

LGS Global Limited
8-2-293/82/A/796/B
Road No.36, Jubilee Hills,
Hyderabad - 500 033, A. P.
Phone No. 040 - 6699 0000
Fax No. 040 - 6699 4444
Email: info@lgsglobal.com | Website: www.lgsglobal.com

(xvii) Locations

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and Abroad and does not have any manufacturing plant. However, the addresses of such offices are mentioned herein below.

India office

8-2-293/82/A/796/B,
Road No. 36, Jubilee Hills,
Hyderabad - 500 033, A. P.

USA Office

Princeton, New Jersey
116 Village Boulevard
Suite # 200
Princeton, New Jersey 08540

USA Office

Sterling, Virginia
21351 Gentry Drive
Suite # 265-A
Sterling, VA 20166

USA Office

Daytona Beach, Florida
139, Executive Circle,
Suite # 203
Daytona Beach FL 32114

USA Office

Atlanta, Georgia
1725 Windward Concourse
Suite # 150
Alpharetta, GA 30005

USA Office

Irving, Texas
1303 W Walnut Hill Lane
Suite # 325
Irving TX 75038

UK Office

Suite # 508
1 Alie Street
London E1 8DE

South Africa Office

West Tower, 2nd floor,
Nelson Mandela Square,
Maude Street,
Sandown, Johannesburg 2146

(xviii) Corporate Identity Number (CIN)

Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs (MCA), Government of India is L64203AP1999PLC030996 and the registration number is 030996. The Company is registered in the State of Andhra Pradesh.

XII. OTHER INFORMATION

(i) Unclaimed Dividends

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed for a period of seven years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

However, in the instant case, there are no dividends that are unclaimed and due to be transferred to the Investor Education and Protection Fund administered by the Central Government. We furnish below a table providing the date(s) of declaration and corresponding date when the unclaimed dividend is due to be transferred to the Central Government pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of dividend	Last date for claiming unpaid dividend	Total Unclaimed amount as on 31st March, 2009	Due date for transfer to Investor Education and Protection Fund
2007-2008	30th September, 2008	29th September, 2015	Rs.1,02,800	05th November, 2015

Members are requested to correspond with the Registrar and Share Transfer Agent M/s. Aarthi Consultants Pvt. Ltd., Hyderabad for en-cashing the unclaimed dividend if any, standing to their credit. No claims shall lie against the said Fund or against the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims after the period of seven years from the date of declaration of such dividend.

(ii) Electronic Clearing Service/Mandates/Bank details

The members may please note that Electronic Clearing Service (ECS) details contained in the BENPOS downloaded from NSDL and CDSL would be reckoned for dividend whenever declared. Shareholders desirous of modifying those instructions should write to their respective Depository Participants (DP).

(iii) Nomination in case of shares held in physical form

The Companies (Amendment) Act, 1999 has introduced through Section 109A, the facility of nomination to the shareholders. The facility is mainly useful for all those holding the shares in single name. In cases where the shares are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors are advised to avail of this facility, especially investors holding shares in single name.

The nomination form may be had on request from the company's Registrar & Transfer Agent for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

For and on behalf of the Board of Directors
LGS GLOBAL LIMITED

Venkata Subba Rao Karusala
 Managing Director

Venkateswara Rao Kadiyala
 Joint Managing Director

Place : Hyderabad
 Date : 18.11.2009

CEO & CFO CERTIFICATE

To
The Board of Directors
LGS GLOBAL LIMITED
(Formerly Lanco Global Systems Limited)

We, the undersigned, in our respective capacities as Managing Director and Vice President (F&A) of LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2009 and based on our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - (ii) 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.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.
- (e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

For **LGS GLOBAL LIMITED**

Venkata Subba Rao Karusala
Managing Director

Y Srinivasa Rao
Vice President (F & A)

Place : Hyderabad
Date : 18.11.2009

CERTIFICATE FROM MANAGING DIRECTOR FOR COMPLIANCE WITH CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

This is to confirm that M/s. LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) has put in place the Code of Conduct for the Board of Directors and Senior Management. This code is applicable to all the Directors of the Company and the Members of Senior Management. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management as on March 31, 2009. The Company has complied with the provisions of the Listing Agreement in this respect.

for **LGS GLOBAL LIMITED**

Date : Hyderabad
Place : 18.11.2009

Venkata Subba Rao Karusala
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
LGS GLOBAL LIMITED
(Formerly Lanco Global Systems Limited)
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of LGS GLOBAL LIMITED (formerly Lanco Global Systems Limited) ("the company") for the year ended 31st March, 2009 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state 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 **P. Murali & Co.,**
Chartered Accountants

Place : Hyderabad
Date : 18.11.2009

P. Murali Mohana Rao
Partner
Membership No.23412