

1. COMPANY'S PHILOSOPHY ON CODE OF 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.

2. 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 directors consisting of 2 Executive Directors and 4 Non Executive Independent directors.
- (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 have been made by the directors.

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

Name of the Director	Category	Designation	No. of Directorships in other Public Companies	No. of Committees positions held in other Public Companies	
				Chairman	Member
Mr. Venkata Subba Rao Karusala	Promoter & Executive Director	Managing Director	Nil	Nil	Nil
Mr. Venkateswara Rao Kadiyala	Promoter & Executive Director	Joint Managing Director	Nil	Nil	Nil
Mr. Sasikanth Chivukula	Non Executive Independent Director	Director	1	Nil	Nil
Dr. Rajesh Sankhla	Non Executive Independent Director	Director	Nil	Nil	Nil
Mr. Kishore Kumar Putta	Non Executive Independent Director	Director	Nil	Nil	Nil
Mr. Venkata Subbaraju Kanumuri	Non Executive Independent Director	Director	Nil	Nil	Nil

- (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) Five Board Meetings were held during the financial year ended March 31, 2011. 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. May 03, 2010
 2. July 09, 2010
 3. August 14, 2010
 4. November 11, 2010
 5. February 04, 2011

Name of the Director	No. of Board Meetings (during the year 2010-11)		Whether attended last AGM held on 24.12.2010
	Held	Attended	
Mr. Venkata Subba Rao Karusala	5	5	YES
Mr. Venkateswara Rao Kadiyala	5	4	YES
Mr. Anand Boddapaty*	5	5	YES
Mr. Pradeep Kumar Dev Vyricherla [§]	5	5	YES
Mr. Sasikanth Chivukula	1	1	NO
Mr. Kishore Kumar Putta	1	1	NO
Dr. Rajesh Sankhla	1	Nil	NO
Mr. Subba Raju Kanumuri	1	Nil	NO

* Alternate Director to Dr. Prasada Rao VDM Ravella and resigned from the Board with effect from February 12, 2011.

§ Resigned from the Board with effect from February 8, 2011.

Leave of absence was granted to those directors, who requested the same for not attending of the Board meetings 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 Independent directors has any pecuniary or material relationship or transaction with the Company.
- (g) 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.
- (h) 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.

3. 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 (Finance & Accounts) 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 then Chairman of the Audit Committee Mr. Pradeep Kumar Dev attended the previous Annual General Meeting of the Company held on December 24, 2010 in terms of Clause 49 of the Listing Agreement.
- (f) The composition of the Audit Committee as on date and particulars of meetings attended by the members of the Audit Committee are given below:

The Audit Committee comprises of Three Non Executive Independent Directors namely Mr. Sasikanth Chivukula, Dr. Rajesh Sankhla and Mr. Venkata Subba Raju Kanumuri and One Executive Director namely Mr. Venkateswara Rao Kadiyala. Mr. Chivukula Sasikanth, Non Executive Independent Director is the Chairman of the Audit Committee. Mr. Sasikanth is a Qualified Chartered Accountant and having rich experience in Corporate Finance & Accounting.

Five Audit Committee Meetings were held during the financial year ended March 31, 2011. The dates on which the Meetings were held are as follows:

May 3, 2010; July 9, 2010; August 14, 2010; November 11, 2010; February 4, 2011

Name of the Member	Status in the Committee	No.of Meetings (during the year 2010-11)	
		Held	Attended
Mr. Pradeep Kumar Dev Vyricherla [§]	Chairman	5	5
Mr. Anand Boddapati*	Member	5	5
Mr. Venkateswara Rao Kadiyala	Member	5	4
Mr. Sasikanth Chivukula [%]	Chairman	1	1
Dr. Rajesh Sankhla	Member	N.A	N.A
Mr. Venkata Subba Raju Kanumuri	Member	N.A	N.A

[§] Resigned from the Board and hence not the Chairman of the Audit Committee with effect from February 8, 2011.

* Alternate Director to Dr. Prasada Rao VDM Ravella and resigned from the Board with effect from February 12, 2011.

[%] Chairman to the Audit Committee w. e. f. May 12, 2011.

N.A - during the year under review, these directors were not audit committee members for above meetings.

4. REMUNERATION & COMPENSATION COMMITTEE

Remuneration & Compensation Committee, as on date comprises as follows:

Name of the Member	Status in the Committee	Category
Dr. Rajesh Sankhla	Chairman	Non Executive and Independent
Mr. Sasikanth Chivukula	Member	Non Executive and Independent
Mr. Venkata Subbaraju Kanumuri	Member	Non Executive and Independent
Mr. Venkata Subba Rao Karusala	Member	Executive and Non independent

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 under review no meeting was held.

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 has increased the sitting fee paid to its Non Executive Independent Directors for attending meetings of the Board and Committees from Rs. 500/- to Rs. 5000/- in the Board Meeting held on August 14, 2010. 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 March 31, 2011 are given below:

Name	Sitting fee paid as on 31.03.2011 (Rs.)	No. of Shares held as on 31.03.2011
Mr. Venkata Subba Rao Karusala	NIL	713963
Mr. Venkateswara Rao Kadiyala	NIL	713963
Mr. Anand Boddapati(Alternate Director)*	32000	NIL
Mr. Pradeep Kumar Dev Vyricherla [§]	32000	NIL
Mr. Sasikanth Chivukula	10000	NIL
Mr. Kishore Kumar Putta	5000	NIL
Dr. Rajesh Sankhla	NIL	NIL
Mr. Venkata Subbaraju Kanumuri	NIL	NIL

* Alternate Director to Dr. Prasada Rao VDM Ravella and resigned from the Board with effect from February 12, 2011.

§ Resigned from the Board with effect from February 8, 2011.

Remuneration paid to the Whole time Directors for the year ended March 31, 2011

(Amount in Rupees)

Name	Designation	Salary	Contribution to P. F.	Others	Total Amount
Mr. Venkata Subba Rao Karusala	Managing Director	2961000	252000	3750	3216750
Mr. Venkateswara Rao Kadiyala	Joint Managing Director	2961000	252000	3750	3216750

5. 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 are as follows:

Name of the Member	Status	Category
Mr. Kishore Kumar Putta	Chairman	Non Executive and Independent
Mr. Venkateswara Rao Kadiyala	Member	Executive and Non Independent
Mr. Sasikanth Chivukula	Member	Non Executive and Independent
Dr. Rajesh Sankhla	Member	Non Executive and Independent

(ii) Name and Designation of the Compliance Officer

Mr. M. Jagadeeshwara Rao, Company Secretary.

(iii) No. of Shareholders complaints received during the year 2010-11 and the Status of Investor's Requests/Complaints:

During the year 2010-11 total 8 requests/letters were received from the shareholders and all were disposed off during the year.

INVESTOR REQUEST/GRIEVANCES REPORT FOR THE PERIOD 01.04.2010 TO 31.03.2011

Sl.	Particulars	Receipt	Resolved	Pending
A.	REQUESTS			
	a) Change/Correction of address	1	1	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	3	3	0
	e) Registration of Power of Attorney	0	0	0
	f) Request for ECS facility (Electronic Clearance Services)	3	3	0
	g) Loss of securities and request for issue of duplicate s/c	0	0	0
	h) Receipt of I/B and affidavit for issue of duplicate securities	0	0	0
	i) Request for status of shares/refund	0	0	0
	j) Request for consolidation/split of securities/exchange of S/c	0	0	0
	k) Request for issue of demand drafts against D/W	0	0	0
	l) Request for correction of name	0	0	0
	m) Request for transmission	0	0	0
	n) Request for transposition	0	0	0
	o) Specimen Sign change/not mentioned in Appln&intimation of the same	0	0	0
	TOTAL	7	7	0
B.	COMPLAINTS			
	a) Non receipt of dividend warrants	1	1	0
	b) Non receipt of Annual reports	0	0	0
	c) Complaints from Stock Exchanges	0	0	0
	d) Complaints from SEBI	0	0	0
	e) Legal Notice	0	0	0
	f) Non receipt of refund order	0	0	0
	g) Non receipt of Electronic credit	0	0	0
	TOTAL	1	1	0
	GRAND TOTAL (A+B)	8	8	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

6. 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. The Management Committee meets as and 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. Venkata Subba Rao Karusala	Member	Executive and Non Independent
Mr. Venkateswara Rao Kadiyala	Member	Executive and Non Independent
Dr. Rajesh Sankhla	Member	Non Executive and Independent
Mr. Kishore Kumar Putta	Member	Non Executive and Independent
Mr. Venkata Subbaraju Kanumuri	Member	Non Executive and Independent

7. GENERAL BODY MEETINGS

(i) Location and time, where last three Annual General Meetings held:

Year	Location	Date	Time
2009-10	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 24, 2010	11.00 A.M.
2008-09	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 30, 2009	11.00 A.M.
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

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

Date	Description of Special Resolution passed
24.12.2010	(i) 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.
30.12.2009	(i) 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.
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.

(iii) Extra-Ordinary General Meetings held during the last three years:

Year	Location	Date	Time
2011	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.	July 15, 2011	04:30 P.M.

(iv) Resolutions passed in the above said Extra-Ordinary General Meeting:

Date	Description of Resolutions passed
15.07.2011	(i) Increase of Authorised Share Capital to Rs. 60,00,00,000/- (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores) equity shares of Rs. 10/- (Rupees Ten only) each.
	(ii) Issue and allotment of 3,00,00,000 (Three Crore only) convertible warrants to the persons under promoter group on preferential basis.

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

Procedure for postal ballot: 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.
- 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.
- Board of directors nominates any one of the Executive Directors and the Company Secretary to be responsible to the conducting the postal ballot process.
- The scrutinizer submits his report to the Chairman on the date of declaration of results.

8. DISCLOSURES

- 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 15 (B) to the Accounts in the Annual Report. The Audit Committee and Board consider related party transactions at their meetings.
- Accounting Treatment:** There is no different Accounting treatment from the prescribed Accounting standards.
- Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up at its meetings.
- 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.
- 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 of Conduct for prevention of insider trading, as required by SEBI, was adopted by the Company for the prevention of Insider Trading as applicable to all the Board members and designated employees. 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) **Reconciliation of Share Capital Audit Report:** A qualified Company Secretary carried out Reconciliation of Share Capital 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 Reconciliation of Share Capital 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 Reconciliation of Share Capital Audit Report submitted to Stock Exchanges for every quarter within one month from the end of the quarter.

9. 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 "Investor Information" 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 others entitled thereto to their registered address and also sent electronically to those members who have agreed to the part of the "Green Initiative". Annual Reports also available on the company's website www.lgsglobal.com; Registrar & Share Transfer Agent (RTA) website www.aarthiconsultants.com; and also available for inspection at the registered office of the company during the office hours on all working days.

- v) **Designated exclusive E-mail ID:** The Company has designated the following E-mail IDs exclusively for investor servicing investor.services@lgsglobal.com; cs@lgsglobal.com.
- vi) **Management Discussion & Analysis:** The detailed report is forming part of this Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION

(i) Twelfth Annual General Meeting

Date and Time	Tuesday, September 27, 2011 at 12.00 noon
Venue	K L N PRASAD AUDITORIUM, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCD), 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 2011-12 (tentative)

Financial reporting for the quarter ended	On or Before end of the
June 30, 2011	August 15, 2011
September 30, 2011	November 15, 2011
December 31, 2011	February 15, 2012
March 31, 2012	May 15, 2012
AGM for the year ending March 31, 2012	September 30, 2012
Dividend payment	The dividend, if declared, shall be paid / credited within the statutory period.

- (iii) **Book Closure Dates** : 24.09.2011 to 27.09.2011 (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
The Madras Stock Exchange Limited, (MSE), Chennai
- (vi) **Listing fee** : The Company has paid the listing fee for the financial year 2011-12
- (vii) **Annual Custodial fee** : the Company has paid the Annual Custodial fee to the Depositories for the financial year 2011-12.

(viii) Stock Code:

Exchange	Stock Code	Script 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, 2010 to March, 2011 is furnished below.

Bombay Stock Exchange Limited, Mumbai Share Prices (In Rs.)			BSE Sensex	
Month	High	Low	High	Low
April '10	126.80	96.65	18047.86	17276.80
May '10	151.50	120.55	17536.86	15960.15
June '10	155.55	128.80	17919.62	16318.39
July '10	159.40	91.60	18237.56	17395.58
August '10	95.35	63.50	18475.27	17819.99
September '10	83.20	66.90	20267.98	18027.12
October '10	85.00	58.95	20854.55	19768.96
November '10	101.00	65.00	21108.64	18954.82
December '10	74.80	57.45	20552.03	19074.57
January '11	63.75	47.15	20664.80	18038.48
February '11	51.95	35.70	18690.97	17295.62
March '11	46.20	34.20	19575.16	17792.17

(xi) Registrar & Share Transfer Agent

Aarathi 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@aarthicconsultants.com; aarthicconsultants@gmail.com

Website: www.aarthicconsultants.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.

97.93% of the shares of the company are in electronic form as on March 31, 2011. 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.

Corporate Governance

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 Reconciliation of Share Capital Audit on a quarterly basis for reconciliation of the company's share capital.

(xiii) (a) Distribution of Shareholding as on March 31, 2011

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	3397	79	533183	2.1
5001 - 10000	331	8	271963	1.07
10001 - 20000	193	5	307430	1.21
20001 - 30000	97	2	251086	0.99
30001 - 40000	37	1	133028	0.52
40001 - 50000	48	1	231030	0.91
50001 - 100000	67	2	504006	1.98
100000 & Above	101	2	23191941	91.22
TOTAL	4271	100	25423667	100

(b) Shareholding pattern as on March 31, 2011:

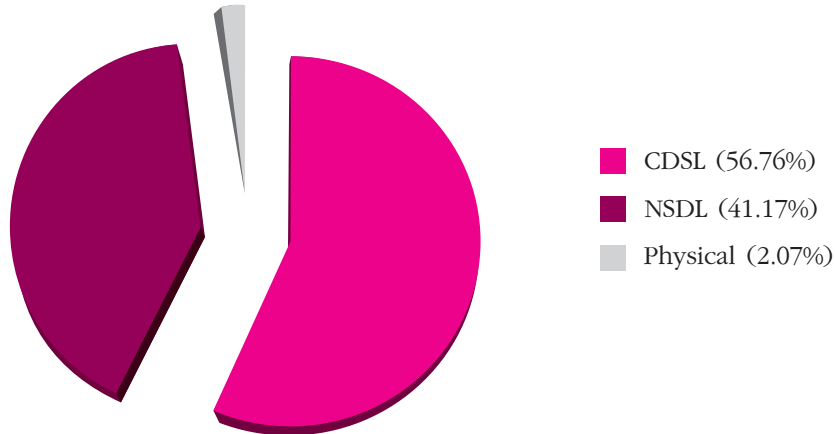
Shareholders Category	No.	Number of Shares		Total Shareholding as a % of total no. of shares
		Total	Dematerialized	
A. Promoters Shareholding				
Indian Individuals	4	1627925	1627925	6.4
Foreign Bodies Corporate	4	12266667	12266667	48.25
Total Promoters Shareholding	8	13894592	13894592	54.65
B. Public Shareholding				
Foreign Institutional Investors	2	790000	790000	3.11
Bodies Corporate	209	5639087	5313587	22.18
Individual Shareholders holding nominal share capital				
- upto Rs. 1 Lakh	3934	1878805	1812065	7.39
- in excess of Rs. 1 Lakh	54	2274364	2239931	8.95
Non Resident Individuals	45	51309	51309	0.2
Overseas Corporate Bodies	2	100100	100	0.39
Trusts	1	783509	783509	3.08
Clearing Members	16	11901	11901	0.05
Total Public Shareholding	4263	11529075	11002402	45.35
GRAND TOTAL	4271	25423667	24896994	100

(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 dematerlized shares	% to the total paid up share capital
31.03.2011	24896994	97.93



Source: March, 2011

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

Convertible Share Warrants outstanding: Pursuant to members’ approval in its EGM held on 15.07.2011, the Company issued and allotted 3,00,00,000 (Three Crore only) convertible warrants to the persons under promoter group on preferential basis in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations.

Conversion date: The above warrants will be convertible into one equity share of Rs. 10/- each of each warrant within a period of 18 months from the date of allotment (allotment date 23.07.2011).

Likely impact on equity: if converted fully, equity capital will be Rs. 55,42,36,670/- (Rupees Fifty Five crores Forty Two Lakhs Thirty Six Thousand Six Hundred and Seventy only)

(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: cs@lgsglobal.com
 Website: www.lgsglobal.com

SEZ Unit:

Block - 401, Building No. 14,
 Survey No. 64, Mindspace,
 Cyberabad, Madhapur,
 Hyderabad - 500 081, A. P.
 Tel: +91 40 6699 4499
 Fax: +91 40 6699 4488

(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 given elsewhere in this report.

(xviii) Corporate Identity Number (CIN)

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

11. OTHER INFORMATION

(i) Unclaimed Dividends

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed for the 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, 2011	Due date for transfer to Investor Education and Protection Fund
2009-2010	December 24, 2010	December 23, 2017	Rs. 18,179,272	January 29, 2018
2008-2009	December 30, 2009	December 29, 2016	Rs. 75,340	February 05, 2017
2007-2008	September 30, 2008	September 29, 2015	Rs. 98,307	November 05, 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 : August 23, 2011

CEO & CFO CERTIFICATE

(Pursuant to clause 49 (V) of the Listing Agreement)

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, 2011 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

Srinivasa Rao Yepuri
Vice President (F & A)

Place : Hyderabad
Date : August 23, 2011

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

(Pursuant to Clause 49 I (D) of the Listing Agreement)

This is to confirm and declare 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, 2011. The Company has complied with the provisions of the Listing Agreement in this respect.

for **LGS GLOBAL LIMITED**

Date : Hyderabad
Place : August 23, 2011

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 March 31, 2011 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 : August 23, 2011

P. Murali Mohana Rao
Partner
FRN: 007257S
Membership No.23412