

LAWRESHWAR POLYMERS LIMITED



16th Annual Report
2009-10

A-243(A) ROAD NO. 6, V. K. I. AREA, JAIPUR - 302 013

Contents	Page No.
Notice	2
Director's Report	5
Reports on Corporate Governance	8
Management Discussion and Analysis	15
Report of The Statutory Auditors	17
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement	22
Schedules	24
Report of The Statutory Auditors of Subsidiary Company	37
Balance Sheet of Subsidiary Company	38
Profit & Loss Account of Subsidiary Company	39
Cash Flow Statement of Subsidiary Company	40
Schedules of Subsidiary Company	41
Statutory Auditors Report on The Consolidated Financial Statements	43
Consolidated Balance Sheet	44
Consolidated Profit & Loss Account	45
Consolidated Cash Flow Statement	46
Schedules	48
Proxy Form	60

CORPORATE INFORMATION**Board of Directors**

Ramesh Chand Agarwal
Chairman

Raj Kumar Agarwal
Managing Director

Rakesh Akar
K.K.Gupta
Sidharth Singh
Radhe Shyam Mangal
Independent Directors

Naresh Agarwal
Executive Director

Board Committees**Audit Committee**

Radhe Shyam Mangal
Rakesh Akar
Sidharth Singh

Remuneration Committee

Radhe Shyam Mangal
Rakesh Akar
Sidharth Singh

Shareholders' / Investors Grievance Committee

Radhe Shyam Mangal
Rakesh Akar
Sidharth Singh

Statutory Auditor

M/s A. Bafna & Co.
Chartered Accountants
K-2, Raj Apartment
Keshav Path, C-Scheme
Jaipur 302 001

Internal Auditor

M/s B. Vishal & Co.
Chartered Accountants
405, Surya Chamber
Nehru Bazar,
Jaipur -302 003

Cost Auditor

M/s Rajesh & Company
Cost Accountants
8, Chitragupt Nagar
Jyoti Nagar Rly Crossing
Jaipur-302 005

Banker

AXIS Bank Limited
A-8, Rama Heritage,
Vidhyadhar Nagar
Jaipur-302 012 (Raj)

Regd. Office & Works

A-243 (A), Road No. 6
V. K. I. Area, Jaipur – 302 013
e-mail: Info@leharfootwear.com
URL: www.leharfootwear.com

Registrar & Share Transfer Agent

Big Share Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai-400 072.
Email: info@bigshareonline.com
URL: www.bigshareonline.com

Notice

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Lawreshwar Polymers Ltd. will be held at Registered Office at A-243 (A) Road No: 6 V.K.I.Area, Jaipur-302013 on Thursday the 30th September, 2010 at 11.30 A. M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditor thereon.
2. To appoint a director in place of Shri Radhe shyam Mangat, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Ramesh Chand Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditor and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Sidharth Singh who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, under sec 257 of the Companies Act, 1956, from a member, be and is hereby appointed as a Director liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of sec 314(1)(b) & other applicable provisions of the Companies act, 1956 & subject to the approval of the Shareholders of the company in the ensuing General Meeting, Mrs. Megha Lodha (Relative of Managing Director) be & is hereby appointed on a Monthly Remuneration of Rs. 18000/- per month (Rupees Eighteen Thousand Only) w.e.f. 01st April, 2010 as per the terms & conditions decided by the Board of Directors & approved by the Shareholders in the next General Meeting.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to increase the remuneration of Mrs. Megha Lodha as the Board may decide from time to time with in the permissible limits of sec 314 of the company act, 1956.

RESOLVED FURTHER THAT Shri Naresh Agarwal (Executive Director) of the Company is hereby authorized to do all such acts, deeds, Matter & things as may required giving complete effect to this transaction on behalf of the Company.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to respective provision(s) of Sec. 61 and other applicable provisions, if any, of the Companies Act, 1956, and other applicable rules, regulations, guidelines, and other statutory provisions for the time being in force, approval of the Members of the Company be & is hereby granted and the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), be & is hereby authorized to vary the terms referred to in the Company's Prospectus dated, January 19, 2007 (Prospectus) including to vary and/or revise the utilization of the proceeds of the Initial Public Offering ("IPO") of the equity shares made in pursuance of the said Prospectus, namely for the general corporate purpose & are hereby varied as per details furnished in the explanatory statement.

"RESOLVED FURTHER THAT the Board be & is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or any other officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution."

By the order of the Board
For Lawreshwar Polymers Limited

(Ramesh Chand Agarwal)
Chairman

PLACE: Jaipur
DATED: 04.09.2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 25th September 2010 to Thursday, 30th September 2010 (both days inclusive).
3. Non-Resident Indian Shareholders are requested to inform M/s Big Share Services Private Limited, the Registrar and Transfer Agent of the Company immediately about:
 - a) the change in the Residential status on return to India for permanent settlement.
 - b) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
4. Members requiring information on the accounts are requested to write to the company at least 10 (Ten) days before the date of the meeting to enable the company to furnish the information.
5. Members are requested to:
 - i) Intimate change in their Registered Addresses, if any, in respect of Equity Shares held in electronic form (Dematerialized form) to their Depository Participant(s).
 - ii) Intimate the Registrar & Share Transfer Agent about any change in their Registered Addresses in respect of equity shares held in physical form.
 - iii) Quote the registered folio number / DP-ID and CL-ID in all future correspondence.
 - iv) To address their grievances to the Company Secretary, if they require at the Registered Office of the Company.
6. Members are requested to please bring their copies of Annual Report at the meeting.
7. Members and Proxies attending the meeting should bring the attendance slip duly filled in for attending the meeting.
8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special business mentioned under Item No. 5 of the Notice is annexed hereto.
9. Members are informed that in case of Joint holders attending the meeting, only the joint holder higher in the order of the names will be entitled to vote.
10. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. As required under Clause 49 of the Listing Agreement, the Particulars of Director proposed to be appointed / re appointed are being published in this Annual Report as Annexure "A".

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.**Item No: 5**

The Board of Directors of the Company (The Board), under Section 260 of the Companies Act, 1956 (The Act) and Article 95 of the Articles of Association of the Company, appointed Shri Sidharth Singh as an Additional Director as Non Executive Independent Director of the Company with effect from July 03, 2010.

In terms of Section 260 of the Act, Shri Sidharth Singh holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri Sidharth Singh for the office of Director of the Company under section 257 of the Act.

Shri Sidharth Singh is not Disqualified from being appointed as Director under Section 274(1) (g) of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite form "DD-A" from Shri Sidharth Singh, in terms of Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act 1956) Rules 2003, confirming his eligibility for such appointment.

A brief resume of Shri Sidharth Singh, nature of his expertise in specific functional areas and names of companies in which he holds directorship and memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange in India, are provided in "Annexure A" forming part of the Annual Report.

None of the Directors except Shri Sidharth Singh, being the appointee interested in the resolution.

Item No: 6

The Board of Directors, in their meeting held on 01/04/2010 has resolved to propose to the shareholders for their approval in the ensuing Annual General Meeting for Appointment of Mrs. Megha Lodha (relative of Managing Director) as a CEO (operation) for a monthly Remuneration for Rs 18000.00 (Rs Eighteen Thousand per Month)

Mrs. Megha Lodha is Commerce Graduate along with MBA. Her expertise in the field of finance, Accounts & Marketing has always been of immense value and help to the Company and is well aware of each and every aspect of business and handling them at well. Your Board of Directors recommends that Appointment of Mrs. Megha Lodha will greatly enhance the value of the Company.

Your Directors recommend the annexed resolution for your approval.

None of the Directors except Mr. Naresh Agarwal, being the Executive Director and Mr. Raj Kumar Agarwal, Managing Director and Mr. Ramesh Chand Agarwal, Director- Chairman of the Company, being relative is interested in the resolution.

Item No: 7

The IPO of the Company was planned with certain objects, as more particularly stated and described under section titled "Objects of the issue" in the prospectus, as were considered appropriate and necessary by the management at that point of time. As discussed in the Prospectus, the fund requirements and deployment schedules set out therein were dependent on factors such as geological assessments, exchange or interest rate fluctuations, changes in design or configuration of the project, and other external factors. This necessitates a revision in the planned expenditure and deployment schedule for the projects identified for using the proceeds of the IPO ("Identified Projects") for instances the board have incorporate a new Company making the Subsidiary of the Company in the Name of JMR Mobilink Private Limited in the state of Rajasthan for the purpose of revise / reschedule the balance capital expenditure programme of the Company. The Board of Directors considers it prudent to utilize the unspent IPO Proceeds for purposes other than those mentioned in the Prospectus so as to maximize the return on investment for the shareholders of the Company.

Pursuant to the provisions of Section 61 of the Companies Act, 1956, a company cannot vary the terms referred to in the Prospectus except subject to approval of or except of authority given by the Company in a General Meeting. Accordingly it is considered appropriate to seek approval of members to confer authority in favour of the Board for utilization of the unutilized portion of the IPO proceeds for purposes other than those stated in the prospectus. Accordingly approval of the members is sought to the special resolution as more particularly stated in the resolution as set out at Item No. 7 of the accompanying notice.

None of the Directors is interested or concerned in the said resolution.

By the order of the Board
For Lawreshwar Polymers Limited

PLACE: Jaipur
DATED: 04.09.2010

(Ramesh Chand Agarwal)
Chairman

ANNEXURE "A" "TO THE NOTICE CALLING 16th ANNUAL GENERAL MEETING:

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting to be held on September 30, 2010:

Name of Director	Radhe Shyam Mangal	Ramesh Chand Agarwal	SIDDARTH SINGH
Age	59 Years	58 Years	26 Years
Date of Appointment	23.07.2005	11.05.2009	
Designation	Non Executive Independent Director	Non Independent Executive Director	Non Executive Independent Director
Expertise in specific functional area	He is a Practicing Chartered Accountants and senior partner of R.S. Mangal & Co., he has a vast knowledge & expertise in audit of Banks, Public & Private Limited Companies	Shri Ramesh Chand Agarwal is a Commerce Graduate. His expertise in the filed of finance, Accounts & Marketing has always been of immense value and help to the Company and has more than 20 years of experience in footwear business and is well aware of each and every aspect of business and handling them at well	Shri Sidharth Singh is a Commerce Graduate. His expertise in the filed of finance, Accounts & Marketing has always been of immense value and help to the Company and has more than 05 years of experience in footwear business and is well aware of each and every aspect of business and handling them at well, is a Commerce Graduate.
Qualification	C.A	B.COM	B.COM
Directorship in other Public Limited Companies as on 31/03/2010	NIL	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2010	NIL	NIL	NIL

DIRECTORS REPORT

To,

All the Shareholders,

Your Directors have pleasure in presenting the Sixteenth Annual Report of the company together with the Audited financial accounts for the financial year ended on 31st March 2010.

FINANCIAL RESULTS:

Particulars	(Rs. In lacs)	
	2009-2010 (Audited)	2008-2009 (Audited)
Sales	3021.51	2836.13
Profit before Depreciation & Tax	170.45	85.76
Profit before Tax	94.42	9.40
Provision for Tax (Current & Deferred Tax)	19.59	8.23
Net Profit	74.83	15.27
Appropriation		
Dividend	NIL	NIL
Balance b/f from the previous year	216.60	201.33
Transferred to General Reserve	NIL	NIL
Transferred to Reserve & Surplus	281.43	216.60

Operational Review

Your Company has achieved turnover of Rs. 3021.52 Lacs as against Rs. 2836.13 Lacs in the previous year. The Net Profit of the Company is Rs 74.83 Lacs as against Rs 15.27 Lacs in the previous year.

Tribute to Shri K.P.SINGH

The Board of Directors noted with deep regret the sad demise of the Company's independent Director, Shri K.P.SINGH on July 03, 2010. Mr. K.P.SINGH was a visionary, philanthropist, apart from being a leading industrialist. Spiritual strength and moral values were part of his personal credo. Mr. K.P.SINGH was known for his dignified unassuming personality, intellect, meticulous planning, deep regard for punctuality, business acumen and dynamic leadership.

Mr. Sidharth Singh has been appointed as Additional Director of the Company w.e.f. July 03, 2010 in place of Shri K.P.Singh as Non Executive Independent Director.

Directors

As per Article 107 and 108 of Article of Association of the Company Shri Ramesh Chand Agarwal and Shri Radhe Shyam Mangal, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors Responsibility Statement.

Pursuant to section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- in the preparation of Annual Accounts of the Company the applicable Accounting Standards have been followed along with proper explanation to material departure from the same, if there any.
- the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31st, 2010 and of the Profit of the Company for the year ended on that date.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity.
- the Directors have prepared the Annual Accounts of the Company on a going concern basis.

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

None of the Employee of the Company has been paid such remuneration which attracts provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence requirement of disclosure under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 doesn't arise.

Auditor and Auditor's Report

M/s A. Bafna & Company, Chartered Accountants, Jaipur holds office until the conclusion of the ensuing Annual General Meeting and being eligible and offer themselves for re-appointment. The Company has received a letter from the Auditors to the effect that their appointment, if made would be within the prescribed limit u/s 224 (1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of section 226 (3) of the Companies Act, 1956. Notes on Accounts and significant Accounting Policies are self explanatory hence not require any further clarification.

Subsidiary

The Company has incorporated a subsidiary Company in the name of Swastik Polyblend Private Limited in the State of New Delhi AS on 05/02/2010.

Further the Company has also incorporated a Subsidiary Company in the name of JMR Mobilink Private Limited as on 16/07/2010, The Company will enter in the Mobile & Communication Sector.

Dividend

To conserve the resources of the Company for its future growth, the Board of Directors of the Company are not recommending any dividend for the financial year 2009-2010

Public Deposits

During the year ended March 31st, 2010, your Company has not accepted any deposits from the public.

Future Plans

The Company will enter in the Mobile & Communication Sector, therefore, the Company has incorporated a Subsidiary Company in the name of JMR Mobilink Private Limited as on 16/07/2010.

Further, the company will install 3 new machines for manufacturing of PU footwear during the financial year 2010-11. new machines for manufacturing of PU footwear during the financial year 2010-11.

Management Discussion and Analysis

A detailed review of operational performance and future outlook of the Company is given under the "Management Discussion and Analysis Report" which forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "B" to this report.

Acknowledgement

The Directors of your Company acknowledge a deep sense of gratitude for the continued support extended by Investors, Customers, Business Associates, Bankers and Vendors. Yours Directors place on record their appreciation for the significant contribution made by the employees at all levels through their hard work and dedication.

The Directors also thanks the various Government and Regulatory Authorities and last but not the least the Shareholders for their patronage, support and faith in the company. The Board looks forward to their continued support in the years to come.

For and on behalf of the Board

PLACE: Jaipur
 DATED: 04.09.2010

(Ramesh Chand Agarwal)
 Chairman

Annexure "B" to the Directors' Report
A. CONSERVATION OF ENERGY

As per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the Company is not required to disclose the particulars in relation to Conservation of Energy and Technology Absorption under the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, in respect of Conservation of energy and technology absorption are not applicable to your company.

Your Directors would like to assure you that every measure is taken to save and conserve energy at all the stages of operation.

The manufacturing unit of the company is well planned and adequately equipped for ensuring optimum energy utilization.

FORM 'B'

Form for Disclosure of particulars with respect to Technology Absorption:	
A	RESEARCH & DEVELOPMENT (R & D):
1.	Specific areas in which R & D carried out by the Company: The company is making all efforts on continuous basis for development of products as per customer's requirement for expanding its market share and to optimize its cost of production to face successfully the stiff competition.
2.	Benefits derived as a result of the above R & D: New consumer preferred products to drive growth and continuous product optimization for funding growth with an absolute focus on quality and cost effectiveness.
3.	Future plan of action: The Company will continue to focus on developing high quality products to drive growth and a relentless focus on reducing cost to fund growth.
4.	Expenditure on R & D:
	Capital Nil
	Recurring Nil
	Total Nil
	Total R&D expenditure as a percentage of total turnover N. A.

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:	
1.	Efforts in brief, made towards Technology absorption, adaptation and Innovation: The Technology used for manufacturing of products of the Company is fully absorbed and new innovations in process control, product development, cost reduction and quality improvements are being made on continuous basis.
2.	Benefits derived as a result of the above Efforts: Improvement in overall productivity, quality of the products and reduced process scrap and cost.
3.	In case of Imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
	Technology Imported
	No technology has been imported by the Company.
	Year of Import
	N. A.
	Has technology been fully absorbed
	N. A.
	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
	N. A.

For and on behalf of the Board

PLACE: Jaipur
DATED: 04.09.2010

(Ramesh Chand Agarwal)
Chairman

Annexure "C" to the Directors' Report

DECLARATION OF MANAGING DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that:

The company has in respect of the financial year ended March 31, 2010 received a declaration of compliance with the Code of Conduct from the Senior Management Team of the Company and the Members of the Board as applicable to them.

Place: Jaipur
Date: 04/09/2010

(Raj Kumar Agarwal)
Managing Director

Annexure "D" to the Directors' Report

CEO/CFO CERTIFICATION

We, Raj Kumar Agarwal, Managing Director and Pankaj Agarwal, Chief Financial Officer of the Company hereby declare, confirm and certify as under:

- a) we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements 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) there are, to the best of our knowledge and belief, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company and shall disclose to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have to be taken to rectify these deficiencies.
- d) we have indicated to the auditors and the audit committee;
- i) significant Changes in internal control, if any, over financial reporting, during the year.
- ii) significant changes in accounting policies, if any, during the year and that the same have 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 a significant role in the company's internal control system over financial reporting.

This certificate has been issued in compliance with the provisions of Clause 49 of the Listing Agreement.

For Lawreshwar Polymers Ltd.

For Lawreshwar Polymers Ltd.

(Raj Kumar Agarwal)
Managing Director

(Pankaj Agarwal)
Chief Financial Officer

Annexure "E" to the Directors' Report

CERTIFICATE OF STATUTORY AUDITORS OF THE COMPANY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

To
The Members of

Lawreshwar Polymers Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Lawreshwar Polymers Ltd. for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with The Bombay Stock Exchange Limited.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders / Investors grievance committee.
5. 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 A.Bafna & Company
Chartered Accountants

Place: Jalpur
Date: 04.09.2010

CA M. K. Gupta
(Partner)
Memb. No: 073515

Annexure "F" to the Directors' Report

REPORT ON CORPORATE GOVERNANCE**(A) Company's Corporate Governance Philosophy**

LAWRESHWAR POLYMERS LIMITED is committed to adhere to the Code of Corporate Governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to Investors, Customers, Creditors and Society at large.

Your Company consistently endeavours to attain the highest standards of Corporate Governance by ensuring transparency in all its operations, disclosures and to maximize shareholder's value and places emphasis on business ethics.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drivers to improve decision-making and the rationale behind such decisions, which in turn creates stakeholders confidence.

(B) Board of Directors

The Board of Directors of the Company has a mix of Independent, executive and non executive Directors. The Board comprises of three executive and four non executive Directors. Mohan Lal Agarwal former Chairman of the Company expired on August 24, 2008. The New Chairman of the Company is an executive director. Mr. K.P.Singh has expired on July 03, 2010 & Sidharth Singh has appointed in place of K.P.Singh. There are four independent directors in the Company out of its total strength of seven. Accordingly, composition of the Board is in conformity with the listing agreement. Except the Managing Director, all other Director are liable to retire by rotation.

Board Meeting:

During the year under review, fourteen Board Meetings were held on 01.04.2009, 11.05.2009, 26.06.2009, 31.08.2009, 30.09.2009, 27.10.2009, 30.11.2009, 05.12.2009, 31.12.2009, 26.02.2010, 02.03.2010, 11.03.2010, 31.03.2010, and the time gap between two meetings did not exceeded four months. All statutory and other important items / information were placed before the Board for approval / review.

The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting as also number of Directorship in other Indian Companies and membership of the Committee (Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee) of the Board of such Companies are as follows:

Name of Directors	Category	Attended the last AGM	No. of Board Meetings attended	No. of Directorship in other Companies	No. of Committee Membership held#	
					As Chairman	As Member
Ramesh Chand Agarwal	Non ID / ED	No	12#	1	-	-
Raj Kumar Agarwal	Non ID / ED	Yes	14	2	-	-
Naresh Agarwal	Non ID / ED	Yes	14	1	-	-
Krishan Kumar Gupta	ID / Non ED	No	@	-	-	-
Rakesh Akar	ID / Non ED	Yes	14	4	-	-
Kaushendra Pratap Singh	ID / Non ED	Yes	14	1	-	-
Radhe Shyam Mangal	ID / Non ED	Yes	14	-	-	-

Ramesh Chand Agarwal was appointed as Director of the Company w.e.f. 11.05.2009.

@ Leave of absence was granted.

ID – Independent Director NED – Non Executive Director ED – Executive Director

The Board is primarily responsible for the overall direction of the Company's activities. All the Directors have a good understanding of important business aspects.

Information supplied to the Board among others

The day to day business is conducted by the officers and the managers of the Company under the supervision of Managing Director / Executive Director of the Company. The Board generally meets every quarter to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The Board performs the following specific functions in addition to its other functions:

- Review, monitor and approve major financial and business strategies and corporate actions.
- Assess critical risks facing the Company, review options for their mitigation.
- Provide counsel on the selection, evaluation, development and compensation of senior management.

The Company holds minimum of four Board Meetings in each year. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve urgent matters by passing resolution by circulation. The meetings are held at the Company's Registered Office and the procedure is as follows:

- (a) The Chairman & Managing Director and Chief Financial Officer in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board Meetings.
- (b) Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda Papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.
- (c) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.
- (d) The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.

(C) Board Committees**Audit Committee**

The Company has a Qualified and Independent Audit Committee. Mr. Radhe Shyam Mangal is the Chairman of the Audit Committee. He is a Practicing Chartered Accountant. The Other Members of the Audit Committee are Mr. Rakesh Akar and Mr. Kaushendra Pratap Singh. Mr. SIDDARTH SINGH has been appointed as members in place of K.P.Singh W.e.f. 03/07/2010

Terms of Reference

The Audit Committee performs the following functions:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditor for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with Listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualification in the draft audit report.
5. Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
- 5(a) Reviewing, with the management, the statement of uses / application of funds raised through an issue. The statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring Agency, monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussions with the internal auditor regarding any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditor in to matters where there is suspected fraud or irregularity or a failure of Internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has the following powers:

- I. To investigate any activity within its terms of reference.
- II. To seek information from any employee.
- III. To obtain outside legal or other professional advice.
- IV. To secure attendance of outsiders with relevant expertise, if it considers necessary.

At the invitation of the committee, the Statutory Auditor and the Secretary of the Company who is acting as Secretary to the Committee also, attended the Audit Committee Meetings to answer and clarify the queries raised at the committee meetings.

During the Financial Year 2009-2010 the Committee met 4 times on 26.06.2009, 31.08.2009, 30.11.2009, 26.02.2010.

Name of Directors	Position held in the Committee	No. of meetings attended
Mr. Radhe Shyam Mangal	Chairman	4
Mr. Rakesh Akar	Member	4
Mr. Kaushlendra Pratap Singh	Member	4

Shareholders / Investors Grievance Committee

The Board has constituted Shareholders / Investors Grievance Committee to approve the matters relating to transfer of shares, change in address, issue of duplicate share certificates, non-receipt of Annual Reports, non-receipt of dividend and review and redressal of Shareholders' / Investors' grievances. Sufficient powers have been delegated to this Committee. The power of approving transfer of securities as well as for rematerialization of securities has been delegated to the Company Secretary.

The Committee met One times on 24/12/2009 during the year 2009-2010. The Composition and attendance of the members at the Committee meetings were as follows:

Name of Directors	Position held in the Committee	No. of meetings attended
Mr. Radhe Shyam Mangal	Chairman	1
Mr. Rakesh Akar	Member	1
Mr. Kaushlendra Pratap Singh	Member	1

The Company Secretary of the Company is the Compliance Officer of the Company.

In the Financial Year 2009-2010, the Company had received 01 complaint and was duly resolved. There is no complaint pending at the end of the year.

Remuneration Committee

The Board has constituted a Remuneration Committee of the Board in compliance. The Committee is fully empowered to review and approve the compensation structure for the Managing / Executive Director(s). While approving the remuneration, increment etc. It takes into account the financial position of the Company, industry trend, appointee's qualification, experience, past performance, remuneration etc. The Committee also reviews the same from time to time based on certain performance parameters, growth in business as well as profitability.

The Committee met one times on 01.04.2009 during the year 2009-2010. The Composition and attendance of the members at the Committee meetings were as follows:

Name of Directors	Position held in the Committee	No. of meetings attended
Mr. Radhe Shyam Mangal	Chairman	1
Mr. Rakesh Akar	Member	1
Mr. Kaushlendra Pratap Singh	Member	1

REMUNERATION POLICY

(a) Executive Directors

The details of the remuneration paid during the year 2009-2010 to the Managing / Executive Director(s) are as follows:

Name of Director	Designation	Salary (Rs.)
Rej Kumar Agarwal	Managing Director	1200000.00
Naresh Agarwal	Executive Director	1200000.00
Ramesh Chand Agarwal	Chairman cum Director	1127258.00

(b) Details of Shares of the Company held by the Directors as on March 31, 2010 are as follows:

Name	No. of Shares
Ramesh Chand Agarwal*	1347399
Rej Kumar Agarwal	1267500
Naresh Agarwal	1027606

- (c) Period of contract of Managing / Executive Director: 5 years from 01.12.2006 & 30.09.2008 respectively.
- (d) There is no separate provision for payment of Severance Fees.
- e) The service contract with Managing / Executive Directors are normally for a period of 5 years. The contract may be terminated by either party giving the other party one month's prior notice.

Non Executive Directors

- a) The Non - executive Directors did not have any other material pecuniary relationship or transactions with the Company during the year.
- b) No Remunerations was paid to the Non Executive Directors during the Financial Year 2009 2010.
- c) No Sitting fees was paid to the Non-Executive Directors for attending Board Meetings or Committee Meetings during the Financial Year 2009-2010.
- d) No commission has been paid to any Director.

Severance Fees: NIL

- e) Number of Equity Shares held by Non-Executive Directors: NIL

D. General Body Meetings

Location and Time of last three Annual General Meetings were:

Financial Year	Venue	Date & Time	Special Resolution Passed for
2008-2009	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	30th September 2009 at 2.30 P. M.	Special Resolution was passed u/s 314(1)(b)
2007-2008	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	29 th September 2008 at 4.00 P. M.	Special Resolution was passed u/s 314(1)(b)
2006-2007	Vishwakarma Industries Association, Association Bhawan, Road No:1, Vishwakarma Industrial Area Jaipur 302013.	28 th September 2007 at 10.00 A.M.	No Special Resolution was passed

No special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting and no resolution requiring Postal Ballot was passed by the Company till date.

Subsidiary

The Company has incorporated a subsidiary Company in the name of Swastik Polyblend Private Limited in the State of New Delhi AS on 05/02/2010.

Further the Company has also incorporated a Subsidiary Company in the name of JMR Mobilink Private Limited as on 16/07/2010, The Company will enter in the Communication Sector.

E. Disclosures

- a) Details of transactions of a material nature with any of the related parties as specified in Accounting Standard-18 issued by the Institute of Chartered Accountants of India have been reported in the Notes in Schedule 12 under notes on accounts to the Financial Statements of the Company for the year ended March 31, 2010.
- b) There is no transaction of a material nature with any of the related party, which is in conflict with the interest of the company.
- c) There has not been any non-compliance, penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any other Statutory Authority on any matter relating to the capital markets.
- d) The Company has not adopted any of the non mandatory requirements, except the remuneration Committee mentioned in annexure of Clause 49 of the Listing Agreement.

F. Means of Communication

The Company has published quarterly and annual results in English and Hindi News Papers. These are not sent individually to the shareholders. The Company has launched its Web Site i. e. www.leharfootwear.com and uploaded the quarterly and annual results till date. The Web site of the Company doesn't displays official news releases. No presentation has been made to Institutional Investors / Analysts by the Company. The Management Discussion and Analysis (MD&A) forms part of the Annual Report.

G. General Shareholders Information

16 th Annual General Meeting Day, Date and Time	Thursday, September 30 th , 2010 at 11:30 A. M.
Venue	A-243 (A) Road No: 6 V.K.I.Area Jalpur 302013
Financial Year	April 1, 2009 to March 31, 2010
Book Closure	September 25, 2010 to September 30, 2010
Dividend	No Dividend has been recommended by the Board of Directors for the year under review. The Company has not declared any dividend so far hence there is not any unpaid / unclaimed dividend's
Listing on Stock Exchange(s)	The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001.
Note: The Company has paid listing fees, as applicable for the financial year 2010-2011 to the BSE.	
Stock Code	BSE-532829
ISIN No.	INE 976H01018
Depository Connectivity	NSDL and CDSL

H. Market Price Data (BSE)*

The Monthly high and low quotations of shares traded on The Bombay Stock Exchange Limited and performance in comparison to broad based indices viz. BSE Sensex is as follows:

Month	BSE Sensex			Stock Prices	
	High	Low	Volume (Nos.)	High	Low
April 2009	11492	9548	185411	5.53	3.70
May 2009	14930	11621	211863	6.87	4.62
June 2009	15600	14017	160053	6.50	4.32
July 2009	15732	13220	63586	5.35	4.26
August 2009	16002	14684	106755	5.05	4.49
September 2009	14142	15356	194681	6.24	4.57
October 2009	17493	15805	132027	6.12	4.30
November 2009	17290	15330	55399	5.65	4.27
December 2009	17530	16577	771155	6.54	4.50
January 2010	17790	15982	583374	9.00	5.28
February 2010	16669	15652	137311	6.03	5.18
March 2010	17793	16438	176027	8.41	5.05

*Source: www.bseindia.com

Registrar and share Transfer Agent:	Big Sheres Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E) Mumbai-400 072.
-------------------------------------	---

Shareholding pattern as on 31st March 2010

Particulars	No. of Shares held	% of shareholding
Promoters	7930844	57.98
Financial Institutions, Banks and Mutual Funds	0	0.00
Trusts / Clearing Members	19449	0.14
Pvt. Corporate Bodies	749559	5.48
Indian Public	4925446	36.01
NRIs / OCBs	53501	0.39
Total	13678769	100.00

Distribution of shareholding as on 31st March 2010

Range	Total Holders	% of Total Holders	Total Holding	% of Shareholding
001-500	3128	63.08	10284960	7.52
501-1000	626	12.62	5422500	3.96
1001-2000	854	17.22	10225340	7.48
2001-3000	95	1.92	2398860	1.76
3001-4000	50	1.01	1784700	1.30
4001-5000	58	1.17	2813840	2.06
5001-10000	60	1.21	4547040	3.32
10001 & above	88	1.77	99310750	72.60
	4939	100.00	13678799	100.00

Dematerialization of Shares and Liquidity

The Company's shares are currently traded only in dematerialized form at The Bombay Stock Exchange Ltd. To facilitate trading in dematerialised form, the Company has tied up arrangements with both the present depositories viz. National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). Shareholders can open Demat Account with any Depository participant registered with any of these depositories. As on 31st March, 2010 about 96.91 % of the Company's shares were held in dematerialized form.

There are no outstanding GDR/ADR/Warrant or any convertible instruments.

I. Investors' Service and Share Transfer System

The application for transfer, transmission and transposition of shares are received by the Company at its Registered Office or at the Office of its Registrar and Share Transfer Agents – Big share Services Pvt. Ltd.

Following is the procedure for transfer of physical share certificates:-

- i) Entry of the share certificates in the computer on receipt thereof in the office.
- ii) Scrutiny of transfer deeds.
- iii) Tallying of transferor's signatures with the specimen signature available with the Registrar and Share Transfer Agent.
- iv) Data entry of transfer deeds.
- v) Preparation of objection memos and notices in respect of shares rejected for transfer.
- vi) Generation of checklist for valid and invalid transfer deeds.
- vii) Correction of data in the computer system on the basis of changes marked in the check list.
- viii) Approval of transfer / transmission / split applications in the Shareholder's / Investor's Grievance Committee meeting.
- ix) Recording of transfer of shares in the computer system.
- x) Endorsement and signatures on the reverse side of share certificates.
- xi) Generation of covering letters for the transferred share certificates and dispatch of transferred share certificates, objection memos and notices by registered post.

Following is the procedure for dematerialization of share:-

- i) Entry of the share certificates and the dematerialization request form in the computer.
- ii) Scrutiny of the share certificates and the dematerialization request form in the computer.
- iii) Tallying of signature of the shareholders on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.
- iv) Data entry of dematerialization request form.
- v) Generation of checklist.
- vi) Change of shares from physical to demat mode.
- vii) Electronically releasing the shares in favour of NSDL and CDSL, as the case may be.

J. Plant Location

01. A-243 (A) Road No. 6
V. K. I. Area,
Jaipur – 302 013 (Rajasthan)
02. G-1-685, Road No: 9F2, V.K.I. Area,
Jaipur 302 013 (Rajasthan)
03. F-263, Road No. 13,
V. K. I. Area,
Jaipur – 302 013 (Rajasthan)

K. Address for Correspondence for Share Transfer and related matters

For any assistance regarding dematerialization of Shares, Transfer / Transmission of shares, change of address or any other query relating to shares, the investors may please contact with the Registrar & Share Transfer Agent of the Company at the following address:

Big Share Services Pvt.Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400072
Ph.91-22-40430200 Fax No: 91-22-28475207
E-mail: ipo@bigshareonline.com

For any other query the investors may please contact to:
Company Secretary
Lawreshwar Polymers Ltd.
A-243(A) Road No.6 V.K.I.Area,
Jaipur - 302013 (Rajasthan)
Tel No: 91-141-4157777 Fax No: 91-141-4157766
E-mail: info@leharfootwear.com

L) Outstanding GDRs /ADRs/Warrants or any convertible instruments

There were no outstanding GDRs /ADRs/Warrants or any convertible instruments.

M) Declaration

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management as adopted by the Board.

Annexure "G" to the Directors' Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Development

The Indian footwear industry has witnessed a metamorphosis growth with the advent of new retail brands in the market. The industry has grown by leaps & bounds in the last decade with the introduction of new technology and inflow of investments.

Your Company is predominantly engaged in the manufacturing of Light Weight Hawaii Chappals, Canvas Shoes, PVC Shoes, Synthetic Leather Chappals, fancy Chappals and also engaged in manufacturing of EVA Injected Footwear. Your Company's brand name 'LEHAR' has built up a better image over the other brands available in the local market. The major demand in nonleather footwear sector is of Eva injected Chappals because it is the cheapest footwear available in India. The Eva injected Chappals have captured 75% of demand in rural areas, because in rural areas people use this product as multipurpose footwear.

Industry Outlook

There is still lot of potential for growth in the turnover of the Company because the demand of Company's products in the market is fast increasing. The Company is specially developing an innovative and different type of product as per requirement of the market. There is strong Demand of Eva & PU products in the market hence management has planned to expand its production capacity to cater the increased demand.

Threats

- Stiff competition in the footwear industry.
- Change of technology.
- Opening of the Indian economy for overseas players
- Any unfavorable change in Govt. Policies may affect the profitability of the company.
- Entry of new competitors in the domestic market.
- Scarcity of technically skilled personnel.

Opportunities

- Very good demand of products of the Company.
- Strong management team and a motivated and efficient work force.
- Profit making company since incorporation with proven track record.
- Multi-product capability having integrated facilities.
- Good operational performance.
- Effective marketing network.
- Good R & D.

Financial Performance

Financial performance of the Company has been good despite of an adverse economic environment and your company is doing well on fulfilling its objectives of growth, profitability and maximization of shareholders wealth.

Turnover of the Company for the year under review has been increased by 6.52% from Rs. 2836.13 Lacs to 3021.52 Lacs. This increase in turnover is majority on account of increase in sales volume, however selling price remained almost constant, the Net Profit of the Company is Rs 74.83 Lacs as against Rs 15.27 Lacs in the previous year.

Internal control System and their adequacy

The Company has an adequate system of internal controls comprising authorization levels, supervision, checks and balances and procedures through documented policy guidelines and manuals, which provide that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. The operational managers exercise their control over business processes through operational systems, procedural manual and financial limits of authority manual, which are reviewed and updated on an ongoing basis to improve the systems and efficiency of operations. The company places prime importance on an effective internal audit system. The internal control system is supplemented by internal audit, regular review by the management and well-documented policies. The Company has an independent internal audit system to monitor the entire operations and services. The top management and Audit Committee of the Board review the findings of the Internal Auditor and take remedial actions accordingly.

Human resource / Industrial Relations

The Company always believes that its growth is closely linked with the growth and overall development of its employees. The Company is committed to upgrade the skill of its employees and to create an environment where excellence is recognized and rewarded. The target is to place right people at right position and to enhance the efficiency, working speed, competency and time management skill of its employees. The Company's endeavour is to create an environment where people can use all of their capabilities in promoting the business of the Company. Number of people employed, as at 31/03/2010 is 156 including the contract labour.

Future Plans

The Company will enter in the Mobile & Communication Sector; therefore, the Company has incorporated a Subsidiary Company in the name of JMR Moblink Private Limited as on 16/07/2010.

Further, the company will install 3 new machines for manufacturing of PU footwear during the financial year 2010-11.

Cautionary Statement

The report may contain certain statements that the Company believes are, or may be considered to be "forward looking statements" that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but not limited to, Government action, economic development, risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

AUDITOR'S REPORT

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Balance Sheet of M/s Lawreshwar Polymers Limited as at 31st March, 2010 together with the Profit & Loss A/c and Cash Flow Statement of the Company for the year ending on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003 (as amended), issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the explanation given to us, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments referred to in paragraphs 1 & 2 above we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, subject to **Note No. 16 of Notes On Accounts regarding loss by fire.**
 - (b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books
 - (c) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report compliance with the Mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act 1956.
 - (e) On the basis of Written representation received from all the Director on March 31, 2010 and taken on records by the board of Directors, we report that none of the Directors of the company is disqualified as on March 31, 2010 from being appointed as a director under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies & Notes on Accounts, subject to Refer Note No 16(a) regarding non provision against the balance amount of Rs. 186.74 lacs against shortfall in insurance claim passed by the Insurance Company on the plea that the company is contemplating further action in this matter, hence we are unable to express our opinion on the recoverability of this matter and refer Note No. 16(c) regarding loss by fire in the leased unit of the company, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally in India subject to Note No. 14 regarding Loss by Fire:
 - a) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2010.
 - b) In case of Profit & Loss Accounts of the profit for the year ended on that date.
 - c) In case of Cash Flow statement, of the cash flows of the company for the year ended on that date.

For **A. Bafna & Company**
Chartered Accountants
FRN: 030092

Place: Jaipur
Date: 30th May 2010

(**C.A. M.A. Gupta**)
Partner
M.No. 873515

Annexure to AUDITOR'S REPORT

(Referred to in Paragraph 2 thereof)

Re: M/s Lawreshwar Polymers Limited

- (i) In Respect of Its Fixed Assets:
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the assets have been physically verified by the management in a phased periodical manner during the year and there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of inventory, the company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the Information & Explanation given to us, the company has granted loans to one parties listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of such deposits as on 31.03.2010 is Rs. 2,02,42,395/-. The maximum balance outstanding at a point of time during the year was Rs. 2,11,59,395/-.
- (b) In our opinion, the rate of interest and other terms & conditions on which loans & deposits have been granted to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
 - (c) According to information & explanations given to us, the receipt of principal amount & interest thereon are regular.
 - (d) According to information & explanations given to us there is no overdue amount in respect of such loans.
 - (e) The Company has not taken loans from any party covered in the register maintained Under Section 301 of The Companies Act, 1956. The Maximum balance outstanding at a point of time during the year was Rs. Nil & the year end balance of loans taken from such party was NIL.
 - (f) In our opinion, the rate of interest & other terms & conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of The Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
 - (g) According to the information & explanation given to us the company is regular in payment of principal amount & interest due on loans taken by it.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of The Companies Act, 1956:
- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained u/s 301 of the companies act, 1956 have been so entered.
 - (b) In our opinion and according to the Information and explanation given to us, each of such transaction in respect of any party, listed in the register maintained u/s 301 of The Companies Act, 1956 have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year and accordingly the provisions of Section 58A & Section 58AA of the Companies (Acceptance of Deposit) rules, 1975 are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records u/s 209(1) (d) of The Companies Act, 1956 in respect of certain manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) To the best of our knowledge and information obtained and verifications made, we report that the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to

the extent applicable to it except few delays in deposition of TDS, Service Tax and there are no undisputed amounts payable in respect of such dues which have remained outstanding as at 31st March 2010 for a period exceeding six months from the date of becoming payable.

- (b) According to the information and explanation given to us, there are no pending dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and cess, which are not deposited on account of any dispute except following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	104433/-	2005-06	Clt (Appeals) -II Jaipur

- (x) The company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information & explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanation given to us & based on the information available, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the question of maintenance of records or reporting on deficiencies does not arise.
- (xiii) In our opinion, the company is not a chit fund or a *Nidhi* / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, during the year under audit, the company did not engage in dealing or trading in shares, securities, debentures and other investments other than disposal of some of its investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institution. Hence this clause of Companies (Auditor's Report) Order, 2003 is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us and based on the information available, the term loan availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year; hence the question of creating security does not arise.
- (xx) According to the information and explanation given to us the company has allotted 82,50,705 equity shares of Rs. 10 each at a premium of Rs. 6 on March 8, 2007 as Net Offer to the public during the Financial Year 2006-2007. Management has given the details about utilization of money raised by public issue in Notes of Accounts. However according to information & explanation given to us the same is not yet fully utilized.
- (xci) During the course of examination of the books and records of the company, carried out in accordance with the generally accepted accounting practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, nor we have been informed of such cases by the management that cause the financial statements to be materially misstated.

For A. Bajwa & Company
Chartered Accountants
FRN: 03660C

(CA M.A. Gupta)
Partner
M.No. 073515

Place: Jaipur
Date: 30th May 2010

LAWRESHWAR POLYMERS LIMITED

 A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
 BALANCE SHEET AS ON 31ST MARCH, 2010

	SCH.No.	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	136,787,990	136,787,990
Reserve & Surplus	2	133,679,899	126,356,363
		270,467,889	263,144,353
LOAN FUNDS			
Secured Loans	3	94,103,308	100,676,405
Unsecured loans	4	-	489,627
		94,103,308	101,166,032
Deferred Tax Liabilities		8,813,879	6,967,141
Total		373,385,076	371,277,526
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	140,461,182	137,287,790
Less: Depreciation		46,018,069	39,212,097
Net Block		94,443,113	98,075,692
Capital Work In Progress		11,220,895	15,023,943
INVESTMENT	6	3,239,000	3,188,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		63,585,646	59,056,793
Sundry Debtors		100,251,645	103,683,177
Cash & Bank Balance		51,324,450	37,586,179
Loans & Advances		101,993,605	94,491,441
		317,155,347	294,817,591
Less: Current Liabilities & Provision	8	56,866,778	46,139,238
Net Current Assets		260,288,569	248,678,354
Miscellaneous Expenditure	9	4,193,498	6,311,537
Total		373,385,076	371,277,526
Accounting Policies & Notes to Accounts	16		

 As per our report of even date
 For A. Bafna & Company
 Chartered Accountants
 FRN: 03660C

FOR LAWRESHWAR POLYMERS LTD.

 (CA M. K. GUPTA)
 Partner
 M. No. : 073515
 Date: 30th May 2010
 Place: Jaipur

 Rajkumar Agarwal
 (Managing Director)

 Naresh Agarwal
 (Executive Director)

LAWRESHWAR POLYMERS LIMITED

A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2010

	SCH. NO.	AS AT 31.03.2010 (Rs.)		AS AT 31.03.2009 (Rs.)
INCOME				
Turnover	10	302,151,650		283,613,437
Increase(Decrease) in Stock		(316,654)		30,117,625
Insurance Claim Receivable Against Goods	11	12,326,835		-
Other Income	12	14,868,942		6,227,045
TOTAL		329,030,773		321,958,106
EXPENDITURES				
Material Cost	13	210,162,160		221,390,742
Manufacturing & Other Exp.	14	87,255,845		74,907,688
Financial Expenses	15	12,618,723		15,064,114
Depreciation	5	7,763,141	7,597,897	
Less: Depreciation charged from revaluation reserve		159,055	7,604,085	159,055
			2,118,039	7,438,842
Preliminary Expenses/Public Issue Written off				2,118,039
TOTAL			319,758,853	320,919,426
Profit before tax			9,271,921	1,038,680
Add/(Less): Prior Period Adjustments			170,093	98,300
Profit After Prior Period Adjustment			9,442,014	940,380
Provision for Taxation				
Current Year (MAT)	1470462			
MAT Credit	1385988	84,474		
Earlier Year		-		168,103
Deferred Tax		1,846,738		481,415
Fringe Benefit Tax		28,211	1,959,423	193,698
Net Profit After Tax before prior period adjustment			7,482,591	116,964
Add/(Less): Prior Period Adjustments				1,409,767
Net Profit After Tax			7,482,591	1,526,731
Balance Brought Forward from Previous Year			21,660,519	20,133,788
Balance Carried to Balance Sheet			29,143,110	21,660,519
Earnings per Share (Refer Note No.7, Face value per share Rs.10)				
Basic			0.55	0.11
Diluted			0.55	0.11
Accounting Policies & Notes to Accounts	16			

As per our report of even date
 For A. Bafna & Company
 Chartered Accountants
 FRN: 03660C

FOR LAWRESHWAR POLYMERS LTD.

(CA M. K. GUPTA)
 Partner
 M. No. : 073515
 Date: 30th May 2010
 Place: Jaipur

Rajkumar Agarwal
 (Managing Director)

Naresh Agarwal
 (Executive Director)

LAWRESHWAR POLYMERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2010

Particulars	2009-10	2008-09
A. Cash flow from operating activities		
Profit before taxes and exceptional items	170093	1038680
Adjustment for:		
Depreciation	2118039	7438842
Interest expenses	12618723	15064114
Preliminary Expenses written off	2118039	2118039
Loss on sale of Fixed Assets	14100	-
Profit on Sale of Land	-	-
Profit on sale of Fixed Assets	(2018841)	-
Profit on Insurance Claim	(3724353)	-
Profit on sale of Investment	3724353	(50000)
Interest income	(259551)	(7902873)
Bad Debts	1824452	-
Operating profit before working capital changes	16585054	17706803
Working capital changes		
Inventory	(4528853)	(32412606)
Sundry debtors	3431532	(769148)
Loans and advances	15178303	2607893
Current Liabilities and provisions	9382348	19730268
Prior Period Adjustments	170093	(98300)
Bad Debts	(1824452)	-
Cash generated from operating activities	38394025	8764911
Taxes paid	(153481)	(2718060)
Net cash provided by operating activities	38240544	4046851
B. Cash flow from investing activities		
Purchase of fixed assets	(8141070)	(12277665)
Sale of fixed assets	11908384	-
(Increase)/Decrease in CWIP	(4894827)	(7998905)
Purchase of Investment	(51000)	-
Sale of Trade of investment	-	130000
Advance given to subsidiaries (net)	-	13126640
Inter corporate deposits(net)	(21294480)	7737056
Profit on sale of Investment	-	50000
Profit on sale of Fixed Assets	2018841	-
Profit on Insurance Claim	3724353	-
Loss on sale of Assets	(14100)	-
Interest received	259551	7902873
Net cash used in investing activities	(15684348)	8689999
C. Cash flow from financing activities		
Issue of equity shares(net of issue expenses)	-	-
Public Issue Expenses	-	-
Increase in Borrowings	(6573098)	15650578
Unsecured Loan	(489627)	(1139083)
Interest paid	(12618723)	(15064114)
Increase in Reserves	1	1
Net cash (used in)/ provided by financing activities	(19681447)	(552598)

Net Increase / (decrease) in cash (A+B+C)	2874749	12164251
Cash and cash equivalents at the beginning of the year	37586179	25421928
Cash and cash equivalents at the end of the year	40460929	37586179

As per our report of even date
For A. BAFNA & CO.
Chartered Accountants
FRN: 03660C

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LIMITED

(CA M. K. GUPTA)
Partner
M. No. : 073515
Date: 30th May 2010
Place Jaipur

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

LAWRESHWAR POLYMERS LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YAER ENDED ON 31.03. 2010.

SCHEDULE-1 SHARE CAPITAL	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Authorised	<u>150,000,000</u>	<u>150,000,000</u>
15000000 (Previous Yr. 15000000) Equity Shares of Rs. 10/- each		
Issued, Subscribed & Paid-up	136,787,990	136,787,990
1,36,78,799 (Previous Yr. 1,36,78,799) Equity Shares of Rs. 10/- fully paid up.		
TOTAL	<u>136,787,990</u>	<u>136,787,990</u>
SCHEDULE - 2		
Reserve & Surplus		
Shri Ganesh ji Maharaj	20	19
General Reserve	10,011,694	10,011,694
Share Premium	66,052,794	66,052,794
Revaluation Reserve	28,472,281	28,631,337
Surplus of Profit & Loss Account	29,143,110	21,660,519
TOTAL	<u>133,679,899</u>	<u>126,356,383</u>
SCHEDULE - 3		
Secured Loans		
Term Loans from:		
AXIS Bank Ltd.	-	630,451
AXIS Bank Ltd.(New)	8,022,834	34,983,441
Deferred Payment Loans on Vehicles	1,579,098	1,789,788
HSIDC Against Land	-	1,320,740
Working Capital Limits from		
AXIS Bank Ltd.	84,501,375	61,951,986
TOTAL	<u>94,103,308</u>	<u>100,676,406</u>
NOTES:-		
a) Term Loan From AXIS Bank Limited is secured by way of equitable mortgage of Land & Building of the Company by deposition of title deeds & Hypothecation of all plant & machinery, Misc fixed assets & movable properties incl computers, furnitures both present & future and personal guarantee of directors of the company.		
b) Cash Credit from AXIS Bank Limited is secured by way of Hypothecation of Raw Material, Finished Goods Stock in Process, Store & Spares, Packing Material etc & mortgage over fixed assets & assignment of "LEHAR" and pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. and personal guarantee of directors of the company.		
c) Deferred Payment loan on vehicles Secured by hypothecation of respective vehicles & personal guarantee of directors.		
SCHEDULE - 4		
UNSECURED LOANS		
From Banks	-	489,627
TOTAL	<u>-</u>	<u>489,627</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YAER ENDED ON 31.03. 2010.

SCHEDULE- 7

CURRENT ASSETS, LOANS & ADVANCES

A. CURRENT ASSETS

1 Inventory

(As taken valued & certified by the Mgt.)

Raw Material

Finished Goods

Work in Progress

Packing Material

Traded Goods

Consumable Stores & Spares .

Diesel / LDO

AS AT

31.03.2010

(Rs.)

AS AT

31.03.2009

(Rs.)

25,023,433

20,216,140

14,793,213

2,371,836

490,793

560,730

127,501

63,585,646

17,502,652

18,630,445

16,697,561

2,499,786

2,516,610

508,724

701,014

59,056,793

2 Sundry debtors

(Unsecured but considered good)

More than six months

Others

35,426,716

64,824,929

100,251,645

35,001,653

68,681,524

103,683,177

3 Cash & Bank Balance

Cash in Hand

With Scheduled Bank in Current Accounts

With Scheduled Bank in FDR

4,378,176

4,196,275

42,750,000

51,324,450

4,769,850

1,533,248

31,283,082

37,586,179

TOTAL (A)

215,161,742

200,326,150

B. LOANS & ADVANCES

(Unsecured but considered good)

Advance recoverable in cash or in kind or for value to be received

Inter Corporate Deposits

Advance to Creditors/Suppliers

Security Deposit

Insurance Claim Receivable

Income Tax

13,465,427

28,041,903

6,166,528

26,943,745

21,469,714

5,906,290

101,993,605

317,155,347

1,051,594

6,747,423

14,555,559

27,179,145

41,865,164

3,092,557

94,491,441

294,817,591

TOTAL (B)

TOTAL (A+B)

SCHEDULE- 8

CURRENT LIABILITIES & PROVISIONS

1 Current Liabilities

Sundry Creditors

Advance from Customers

Statutory Liabilities

Other Liabilities

38,618,532

260,757

362,061

15,155,458

54,396,807

29,857,604

295,728

454,011

14,439,530

45,046,873

TOTAL (A)

2 Provisions

Provision for Income Tax(Current Year)

Fringe Benefit Tax

Other Provisions

Provision for MAT

0

999,509

1,470,462

2,469,971

56,866,778

0

48,382

967,095

76,888

1,092,365

46,139,238

TOTAL (B)

TOTAL (A+ B)

SCHEDULE - 9

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses

Less: Written off during the year

159,685

26,614

133,071

Public issue expenses

Add: Incurred during the year

Less: Written off during the year

6,151,851

0

2,091,425

4,060,426

4,193,498

186,300

26,614

159,685

8,243,276

0

2,091,425

6,151,851

6,311,537

Total

LAWRESHWAR POLYMERS LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YAER ENDED ON 31.03. 2010.

SCHEDULE - 10 TURNOVER	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Sales	302,151,650	283,613,437
Total	302,151,650	283,613,437

SCHEDULE - 11 STOCK ADJUSTMENT

(A) Increase / Decrease in Stock	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Finished Goods	20,218,140	18,630,445
Work in Progress	14,793,213	16,697,561
	35,011,353	35,328,007
Opening Stock		
Finished Goods	18,630,445	2,765,572
Work in Progress	16,697,561	2,444,810
	35,328,007	5,210,382
Total (A) Increase \ Decrease in Stock	(316,654)	30,117,625

SCHEDULE - 12

Other Income	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Interest Received	8,765,659	7,902,873
Misc. Income	259,551	274,172
Profit on sale of Fixed Assets	100,539	-
Profit on sale of Land	2,018,841	-
Profit on sale of Shares of LFPL	-	50,000
Profit on Insurance Claim	3,724,353	-
TOTAL	14,868,942	8,227,045

SCHEDULE - 13 MATERIAL COST

Particulars	Op. Stock	Purchases	Cl. Stock	Consumed
A. Raw Material	17,502,652	191,665,824	25,023,433	184,145,843
Previous Year	18,848,888	167,450,261	17,502,652	168,796,498
B. Packing Material	2,499,786	20,452,562	2,371,836	20,580,512
Previous Year	724,442	18,271,983	2,499,786	16,496,639
C. Footwears	2,516,610	3,410,788	490,793	5,436,605
Previous Year	601,350	38,012,866	2,516,610	36,097,605
SUM(A+B+C)	22,519,048	215,529,174	27,886,062	210,162,160
Previous Year	20,174,681	223,735,110	22,519,048	221,390,742

SCHEDULE-14

MANUFACTURING & OTHER EXPENSES

A. Manufacturing Expenses	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
Cartage	59,100	51,190
Consumable stores	1,836,530	1,287,632
Designing Charges	24,320	4,720
Diesel / LDO consumption	4,673,483	3,191,005
Job Charges	24,072,206	21,729,100
Power & Electricity	7,682,413	8,426,987
Repairs & Maintenance (P & M)	3,205,141	2,588,095
Scrap Grinding Expenses	200,068	519,046
Strap Cutting Charges	274,550	211,127
Lease Rent (Plant & Machinery)	480,000	480,000
Work Shed Rent	840,000	935,000
TOTAL (A)	43,347,812	39,423,901

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YAER ENDED ON 31.03. 2010.

	As at 31.03.2010	As at 31.03.2009
B. Payment to & Provision for Employees		
Bonus to Employees	481,186	375,413
Contribution to ESI & P.F.	358,344	312,910
Gratuity Fund/ Leave Encashment	111,838	8,820
Salaries & Allowances	3,596,544	3,514,491
Staff & Labour Welfare	461,769	274,998
Wages	2,326,759	2,140,570
Leave Encashment		3,184
TOTAL (B)	7,336,441	6,630,396
C. Administrative & Other Expenses		
Annual Constodial Fees	66,180	69,481
Annual Listing Fees	33,090	33,251
Auditors Expenses	12,360	11,625
Conveyance Expenses	242,327	378,087
Demand A/c	49,131	90,185
Directors Remuneration	3,467,742	1,800,000
Donation	225,000	182,000
Electricity Expenses (Guest House)	100,833	81,715
Entertainment Expenses	23,700	14,700
Exchange Flactuation Gain/Loss	-	110,510
Festival Expenses	241,667	239,567
Gardening Exp.	10,800	13,500
General Expenses	20,425	11,387
Guest House Rent	531,680	242,124
Insurance Expenses	308,030	500,827
Interest on TDS	96,404	-
Internal Audit Fees	27,575	15,000
Legal Expenses	245,250	204,719
Loss on Sale of Assets	3,871	-
Membership fees & Subscription Fees	14,100	4,600
News Papers & Periodicals	8,793	13,057
Office Expenses	32,110	38,062
Penalty & Fine	570	2,650
Penalty on late supply	-	30,981
Postages & Telegrams	109,298	125,027
Printing & Stationery	306,259	246,226
Professional & Consultancy Fees	2,732,681	122,724
Recruitment & Training Expenses	-	17,036
Repairs & Maintenance (Building)	186,061	51,888
Repairs & Maintenance (Others)	105,281	169,959
Retainership Expenses	361,000	666,000
Security Charges	424,204	436,741
Software Development Exp	38,000	17,901
Audit Fees	145,300	174,495
Sundry Balances written off	-	1
Telephone Expenses	527,630	497,463
Travelling Expenses		
Director's Travelling	380,632	144,472
Director's Travelling(Foreign)	-	80,100
Others	202,442	170,643
Vehicle Running & Maintenance	628,858	633,627
Water Exp.	31,722	91,009
Website Development Expenses	12,714	4,616
TOTAL (C)	11,953,519	7,737,945
D SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	366,857	198,462
Commission on Sales	712,882	640,212
Discount Allowed	20,861,475	19,255,113
Freight Outward	56,264	350,589
Godown Rent	-	480,000
Sales Promotion Expenses	796,144	188,072
Tender Fees	-	3,000
Bad Debts	1,824,452	-
TOTAL (D)	24,618,074	21,115,447
Grand Total (A+B+C+D)	87,255,845	74,907,688

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YAER ENDED ON 31.03. 2010.

SCHEDULE - 15

FINANCIAL EXPENSES

	<u>As at 31.03.2010</u>	<u>As at 31.03.2009</u>
Bank Commission & Charges	742,976	1,013,351
Interest on Term Loan	3,483,768	5,732,216
Interest to Bank & others	<u>8,391,978</u>	<u>8,318,548</u>
TOTAL	<u>12,618,723</u>	<u>15,064,114</u>

SCHEDULE - 16

ACCOUNTING POLICIES AND NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(A) SIGNIFICANT ACCOUNTING POLICIES: -

1. Basis of Preparation of Financial Statement

Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.

2. Recognition of Income & Expenditure

(a) Revenue from sale is recognized on invoicing of goods to customers. Sales are net of sales return & Rate Difference.

(b) Other income like job work charges is recognized monthly on accrual basis.

(c) All expenses are charged to the profit & loss account as and when they are incurred.

3. Fixed Assets and Capital Work in Progress

Fixed assets are stated at their historical cost less accumulated depreciation. Cost of the Fixed Assets is inclusive of taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets. Capital work in progress comprise of cost of Fixed Assets that are not ready for their intended use as at the Balance Sheet date and Advances against Fixed Assets.

4. Depreciation and Amortization

Depreciation on fixed assets has been provided on Straight Line Method (SLM) at the rates prescribed as per schedule XIV of the Companies Act, 1956. Further the depreciation on addition made during the year has been provided on a pro-rata basis.

5. Investments

a) Current Investments are valued at lower of cost and fair value determined on an Individual investment basis.
 b) Long Term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

6. Inventory

Inventories are valued at the lower of the cost and Net realizable value. Cost of inventories other than for manufactured finished goods and work in progress is determined on the weighted average basis. Cost of manufactured finished goods and work in progress includes material cost determined on the weighted average basis and also includes appropriate portion of allocable overheads.

7. Retirement Benefits

The cost of all the retirement benefits is charged to Profit and Loss account.

(a) Liability in respect of retirement benefits are provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which are charged against revenue.

(b) Gratuity liability & leave encashment of employees is covered under the group gratuity policy and leave encashment policy taken from L.I.C. The annual premium is debited to profit & loss account.

8. Miscellaneous Expenditure:

Miscellaneous expenditure consists of Preliminary expenses and Public issue expenses. Preliminary expenses have been amortized over a period of ten years and Public issue & current pre-operative expenses are amortized in five years.

9. Income Tax and Deferred Tax

(a) Provision is made for tax, based on the tax liability computed, after considering tax allowances and deductions in accordance with the provisions of the Income Tax Act, 1961.

- (b) Deferred tax is recognized on timing difference, being the deferece resulting from the recognition of items in the financial statement and in estimating current Income Tax.
- (c) Deferred tax assets are recognized on unabsorbed depreciation and on expenses incurred but to be allowed on payment basis as per the provisions of the Income Tax Act, 1961.
- (d) Deferred tax assets and liabilities are measured using the tax rate and tax law that have been enacted on the balance sheet date.

10. Leased Assets

Operating Lease: Rentals are expensed with reference to lease terms and other consideration.

11. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liability are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Impairment of Assets

Management periodically assesses using external & internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

(B.) NOTES ON ACCOUNTS:

1. Contingent Liabilities not provided for:
 - a) Income Tax Demand of Rs. 1,04,433/- for the assessment year 2005-06 against which the company has filed an appeal with higher authority.
 - b) Estimated amount of Contracts remaining to be executed on capital account not provided for Rs. Nil (Previous Year: Nil).
2. Book debts, advances, creditors, unsecured loans, deposits from customers etc. have been taken at their book value and are subject to confirmations and reconciliation.
3. Loans and advances and debtors have been considered good and in respect of which the company holds no security other than the personal guarantee of the person concerned.
4. Debtors includes
 - a) Due by directors of the company (Previous year 2008-2009) (Nil)
 - b) Due from subsidiary companies (Previous year 2008-2009) (Nil)
 - c) Due from Enterprises in which directors or their relatives are interest (Previous year 2008-2009) 129.56 Lacs
108.27 Lacs
5. **Remuneration to Directors:**

Particulars		2009-10	2008-09
A	Remuneration		
	Chairman	10,67,742	-
	Managing Director	12,00,000	9,00,000
	Executive Director's	12,00,000	9,00,000
B	Perks		
	Chairman	-	-
	Managing Director	-	-
	Executive Director's	1,603	-

6. Auditors remuneration

Particulars	2009-10	2008-09
Audit fees	75,000	75,000
Tax audit fees	25,000	25,000
Service tax	10,300	12,360
Other matters	-	-
Reimbursement of expenses	-	-
Total	1,10,300	1,12,360

7. Earnings per Share

The Company report Basic and Diluted earning per share (EPS) in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS have been computed using the weighted average number of equity shares and Diluted potential equity shares outstanding at the end of the year.

Particulars	2009-10	2008-09
Net profit after tax (Rs.)	74,82,591	15,26,731
No. of paid up equity shares (weighted average)	13,678,799	13,678,799
Amount per share (Rs.)	10	10
Earnings per share (Rs.) (Basic & Diluted)	0.55	0.11

8. Particulars of deferred tax liability & assets as per Accounting Standard-22: Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Details of deferred tax liability as at 31.03.2010 are as under.

Particulars	As at 31.03.2010	As at 31.03.2009
(A) Deferred Tax Liabilities Difference between Books & Tax (WDV) of Fixed Assets	88,13,879	78,97,963
(B) Deferred Tax Asset		9,30,822
Net Amount	88,13,879	69,67,141

9. Provision of income tax has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the company has recognized MAT Credit Entitlement of Rs. 13,85,988/- as an assets by crediting to the Profit and Loss Account and included under Loans and Advances in accordance with the guidance note on Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.

10. Disclosure under AS-15 (Revised) – Employee Benefits

Provision has been made for employee benefits gratuity, leave encashment and other benefits in accordance with AS-15 (Revised) on the basis of actuarial valuation.

a) Provident Fund

Retirement benefit in the form of Provident Fund is defined contribution scheme and the contributions are charged to Profit & Loss A/c of the year when the contributions to the respective fund are due. There is no other obligation other than the contribution payable to the respective trusts.

b) Gratuity and Leave Encashment

The following table sets out the status of the defined gratuity plan and defined leave encashment plan:-

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	3,56,171	3,52,847	2,35,511	2,06,648
Current Service Cost	68,475	59,906	43,363	1,07,595
Interest Cost		15,130		
Actuarial loss/(gain)	(28,869)	-	(77,959)	(50,965)
Benefit paid	43,289	(71,712)	35,100	(27,767)
Closing defined benefit obligation at 31 st March	3,52,508	3,58,171	1,65,815	2,35,511
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	3,56,171	3,52,847	2,35,511	2,06,648
Expected Return on Plan asset	60,868	28,118	38,578	17,229
Contribution by employer	11,517	75,009		56,626
Benefit paid	43,289	(71,712)	35,100	27,767
Actuarial gain/loss		(28,089)		(17,225)
Closing fair value of plan assets at 31 st March	3,85,287	3,58,171	2,38,989	2,35,511
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	3,52,508	3,56,171	1,65,815	2,35,511
Fair Value of Plan Assets at 31 st March	3,85,287	3,56,171	2,38,989	2,35,511
Deficit/(Surplus)	(32,779)	-	(73,174)	-
Unrecognized past service cost	-	-	-	-
Net Liability/Assets	-	-	-	-

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Discount Rate	8%	8%	8%	8%
Expected Rate of Return	9%	9%	9%	9%
Salary Escation	7%	7%	7%	7%

11. Segment Reporting – AS 17

The Board of Directors of the Company considers and maintains Footwear as the only Business Segment of the Company.

12. Related Party Transactions – AS 18

The Company has made the following transactions with related parties as defined under the provisions of Accounting Standard-18 issued by the Institute of Chartered Accountants of India.

List of related parties along with the nature and volume of transaction is given below from 01.04.2009 to 31.03.2010.

S.No.	Directors & Key managerial persons & their associate concerns	Relations with Directors
1.	Ramesh Chand Agarwal	Chairman of the Company
2.	Raj Kumar Agarwal	MD of the company
3.	Naresh Agarwal	Executive Director of the company

S. No	Relatives	Relations with Directors
1.	Megha Agarwal	Wife of executive director
2.	Sanjay Agarwal	Son of MD
3.	Naveen Agarwal	Son of Chairman
4.	Pramod Agarwal	Brother of Chairman of the company
5.	Pankaj Agarwal	Son of MD

S.No.	Enterprises owned / controlled by the directors relatives	Relations with Directors
1.	Swastik Polyblends Pvt Ltd	Subsidiary Company
2.	Lawreshwar Footcare Pvt Ltd.	49% shares of this company held by the company
3.	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
4.	Lawreshwar Footwear	Proprietorship concern of Chairman's son
5.	Jai Narayan Mohan Lal & Sons	Proprietorship concern of Chairman's Brother
6.	Jeetish Properties (P) Ltd.	MD of the company is director in company
7.	Sankhala Investors	Chairman is partner in firm
8.	Krishan Kripa Creation	Chairman is partner in firm
9.	Krishan Kripa – 3	Chairman is partner in firm
10.	Krishan Kripa – 4	MD is partner in firm
11.	Raj Shoe Palace	Proprietorship concern of MD
12.	P.K. Shoe Co.	Proprietorship concern of Chairman's Brother
13.	Ramesh Footwear	Proprietorship concern of Chairman
14.	Lawreshwar Mahadev Mandir Trust	Chairman is Trustee

Transaction with Subsidiary Company

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Sale of Land	114.00	0.00

Transaction with Lawreshwar Footcare Pvt Ltd.

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Interest received	12.52	4.54
Sales	0.00	0.00
Purchases	30.30	200.35
Loan Given (ICD)	299.16	0.00
Loan Repayment Received	108.00	88.04
Rent Paid	9.60	9.60
Deposit given	0.00	60.00

Transaction with key management persons

Nature of transaction	Amount (Rs In lacs)	
	31.03.2010	31.03.2009
Remuneration	35.27	18.00
Loan Received	0.00	63.82
Loan Repaid	0.00	63.82
Loan Given	0.00	0.00
Loan Repayment Received	0.00	0.00

Transaction with relatives

Nature of transaction	Amount (Rs In lacs)	
	31.03.2010	31.03.2009
Interest Paid	0.00	0.00
Interest received	0.00	0.00
Salary	18.82	18.12
Loan Received	0.00	0.35
Loan Repaid	0.00	0.35
Share capital	0.00	0.00
Investments	0.00	0.00
Loan Given	0.00	0.00
Loan Repayment Received	0.00	0.00

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Interest Received	0.94	2.88
Rent Paid	3.60	3.60
Advance Rent	0.00	2.40
Deposit	25.00	0.00
Donation	1.10	0.62
Sales	52.39	81.66
Loan Given	0.00	0.00
Loan Repayment Recd	0.00	25.08
Loan Repaid	0.00	2.00
Loan Received	0.00	0.00
Discount Allowed	5.24	6.74

13. During the year 2006-07 government of India has promulgated an Act namely "The Micro, Small & Medium Enterprises Development Act" 2006 which comes into force with effect from October 2, 2006. As per the act, the company is required to identify the Micro & Small Enterprises & pay them interest on over due beyond the specified period irrespective of the terms agreed with the enterprises. The company has initiated the process of identification of such suppliers. In view of No. of suppliers & no receipt of critical inputs & response from several such potential parties, the liability of interest cannot be reliable estimated nor can required disclosure be made. Accounting in the regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.
14. Some of the Vehicles are in the name of the directors, which are yet to be transferred.
15. Capital Work in Progress includes Advance for Showroom Rs. 1,12,20,895 (Previous Year Rs. 89,27,803).
16. a) There had occurred a fire on 24.02.2008 at the registered office & factory premises of the company, during the year under review the Insurance Company has passed the claim of the company and there is a shortfall of Rs. 1,86,74,521 against the said claim. No provision is made for the same, as the company has not accepted the assessment of loss from insurances companies and has invoked the arbitration clause of the insurance contract and company is of opinion that they will receive the balance amount of Rs. 1,86,74,521 from the insurance companies.
 b) The Company also holds "Loss of Profit" policy and the company has lodged its claim of Rs. 140.89 Lacs against this policy during the month of May 2009 but assessment of loss is under process with surveyor, therefore, the company has decided to take no effect of Loss of Profit policy in current year results, and accounting for the same will be done after assessment of loss by the surveyor.
 c) There had occurred a fire on 26-10-2009 at the leased unit of the company at F-263, Road No. 13, VKI Area, Jaipur. The leased unit of the company was fully insured by the Oriental Insurance Company Ltd, the loss of Rs. 148.49 lacs w.r.t. Stock and Rs. 24.18 lacs w.r.t. Fixed Assets has been debited to appropriate accounts. The surveyor has assessed Rs. 123.27 Lacs against claim for stock and the same has been debited to the Oriental Insurance Company Ltd, shown under the head Loans and Advances in the Balance Sheet, and balance of Rs. 25.22 Lacs has booked as Loss by Fire. The assessment of loss for fixed assets is under process
17. Additional Information pursuant to the paragraphs 3 and 4 of part II of the schedule VI of companies Act, 1956 is NIL or none except to the extent given below:

A. Details Of Production

Particulars	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Hawal Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods	
Licensed Capacity	NA		NA		NA		NA		NA		NA		NA	
Installed Capacity	75.00 Lacs	75.00 Lacs	15.87 Lacs	15.87 Lacs	12.00 Lacs	12.00 Lacs	6.00 Lacs	NA	6.00 Lacs	6.00 Lacs	15.00 Lacs	15.00 Lacs	NA	NA
Actual Production	1846623	1463634	202868	572481	246057	21395	430493	431191	979627	624454	840506	1108474		

B. Detail of Opening Stock/Closing Stock/Turnover

Particulars	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Hawai Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods	
Opening Stock	73593	246805	65932	173995		37890	68845		70804		91576		34234	3509
Turnover	1802523	1399043	222484	510977	204469	21564	407924	362346	966440	577163	782574	1016898	41418	569652
Lost by Fire/damage											122262		30696	
Purchased Footwear													39907	598992
Closing Stock	117693	73593	46316	65932	41588		91414	68845	83991	70804	27246	91576	2027	34234

C. Quantitative Value of Raw Material Consumed

	Unit	Quantity	Value
Natural & Syn. Rubber	Kg.	679692	63823666
(Previous Year (2008-09))		784928	73802269
Colours & Chemicals	Kg.	888162	26943267
(Previous Year (2008-09))		830492	27093346
Cloth	Meters	322201	33173977
(Previous Year (2008-09))		234827	23515767
PU & PVC Material	N.A	N.A	50561979
(Previous Year (2008-09))		N.A	32560568
Other Raw Material	N.A	N.A	9641953
(Previous Year (2008-09))		N.A	11824548

D. Value of Imported and Indigenous Raw material and Packing Material Consumed

S. No.	Particulars	2009-10	
		Percentage (%)	Value in Rs.
1.	RAW MATERIAL/ CONSUMABLE/DIESEL/LDO		
	Imported	-	-
	(Previous Year (2008-09))	-	-
	Indigenous	100%	184,145,043
	(Previous Year (2008-09))	100%	168,796,498
2.	Packing Material & Stores & Spares		
	Imported	-	-
	(Previous Year (2008-09))	-	-
	Indigenous	100%	20,580,512
	(Previous Year (2008-09))	100%	16,496,839

D. CIF Value of Imports:

a) Raw Material purchased
(Previous Year – 2008-09)

Nil

E. Expenditures in foreign currency

1) Payment for capital goods
(Previous year 2008-09)
Payment for traveling expenses
(Previous year 2008-09)

Nil

80100

18. Sundry Creditors include Rs. 71,40,063 (Previous Year 46,75,297) due to small scale industrial undertaking to the extent such parties have been identified from available information and Rs. 25182307/- (Previous Year 10566081) due to the creditors other than small scale industrial undertaking. The company has agreement of payment within 120 days with Small Scale Industries suppliers, and there is no outstanding amount above 120 days. Therefore, there is no need to make provision for interest due to SSI Suppliers.

19. The Company has partially deployed the IPO Proceeds as per the offer document and revised capital expenditure plan as passed in last AGM. Balance Proceeds will be utilized in the next financial year in accordance with the details as per offer document and revised capital expenditure program. Pending such utilization, Unutilized money has been deposited with bank as FDR or given as Inter Corporate Deposit to corporates for short term on interest.

20. Previous years figures have been regrouped and rearranged wherever considered necessary.

21. Figures are rounded off to the nearest rupee.

As per our report of even date

Signed to Schedule 1 to 16

For A. Bafna & Co.
Chartered Accountants
FRN: 03660C

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LTD.

(CA M.K.GUPTA)
Partner
Director)
M.No:073515

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration detail: Registration No. 08196 Balance Sheet date 31-03-2010	State Code 17
2.	Capital raised during the year (Amount In thousands) Public Issue Nil Bonus Issue Nil	Right Issue Nil Private Placement Nil
3.	Position of mobilization and deployment of Funds (Rs. In thousand) Total Liabilities 373385 Sources of Funds Paid up capital 136788 Secured Loan 94103 Deferred Tax Liabilities 8814 Application of Fund Net Fixed Assets Including CWIP 105664	Total Assets 373385 Reserves & surplus 133680 Unsecured Loan Net Current assets 260289 Accumulated Losses Nil
4.	Performance of Company (Rs. In Thousand) Total Income 329031 Profit before tax 9442 Earning per share 0.55	Total Expenditure 319589 Profit after tax 7483 Dividend Rate
5.	Generic names of principal product of company Item code 6402 64041101	Product Description Hawai Chappal Canvas Shoes

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LTD.

Raj Kumar Agarwal
 (Managing Director)

Naresh Agarwal
 (Executive Director)

LUNAWAT & CO.
Chartered Accountants
54, Darya Ganj,
New Delhi-110002

Tel : 011-23270624
Tel : 011-23279414
Te/Fax : 011-23279414
E.mail: ca@lunawat.com

AUDITOR'S REPORT

To the Members of Swastik Polyblend Private Limited

We have audited the attached Balance Sheet of Swastik Polyblend Private Limited, as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, is not applicable to the Company; hence related clauses of the order are not commented upon.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to non furnishing & non disclosure of information regarding MSMED Act, 2006 (refer note no. (k) of notes of accounts) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For Lunawat & Co.
Chartered Accountants

CA. Reeta Jain
Partner
M.No. 92533

Place : New Delhi
Date : 20th April, 2010

Swastik Polyblend Private Limited

F-13, Kirti Nagar, New Delhi-110 015

BALANCE SHEET AS AT 31st MARCH 2010

<u>Particulars</u>	<u>As on</u> <u>31.03.2010</u>
<u>SOURCE OF FUNDS</u>	
<u>SHAREHOLDERS FUNDS</u>	
Share Capital	A 100,000.00
<u>LOAN FUNDS</u>	
<u>Unsecured Loans</u>	
PLB Investment Pvt. Ltd.	11,586,509.00
TOTAL	<u>11,686,509.00</u>
<u>APPLICATION OF FUNDS</u>	
Fixed Assets	
Less: Accumulated Depreciation	-
Add: Capital Work in Progress	11,400,000.00
	<u>11,400,000.00</u>
<u>Current Assets, Loans & Advances</u>	
Cash & Bank Balances	B 148,164.00
	<u>148,164.00</u>
Less: Current Liabilities	C 51,198.00
	<u>96,966.00</u>
Profit & Loss Account	189,543.00
TOTAL	<u>11,686,509.00</u>

The Schedules referred to herein & Notes to the accounts and significant accounting policies form an integral part of the Balance Sheet.

D

As per our Report of even date annexed.

For Lunawat & Co.
Chartered Accountants

FOR & ON BEHALF OF BOARD

CA. Reeta Jain
Partner
M.No. 92533
Place : New Delhi
Date : 20th April 2010

Abhay Jain
Director

Panna Lal Baid
Director

Swastik Polyblend Private Limited

F-13, Kirti-Nagar, New Delhi-110 015

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2010

For The Year
Ended
31.03.2010

INCOME

Gross Income

TOTAL 'A'

EXPENDITURE

Audit Fee
Bank charges
Interest on loan
Printing & Stationery
Preliminary Expense Written off

TOTAL 'B'

Profit/(Loss) before tax
Less: Provision for Current Taxes
Net Profit (Loss) Carried to Balance Sheet

Earning per Share

The Schedules referred to herein & Notes to the accounts and significant accounting policies form an integral part of the Profit & Loss Account

As per our Report of even date annexed

For Lunawat & Co.
Chartered Accountants

FOR & ON BEHALF OF BOARD

CA. Reeta Jain
Partner
M.No. 92533
Place : New Delhi
Date : 20th April 2010

Abhay Jain
Director

Panna Lal Baid
Director

	11,030.00
	756.00
	151,677.00
	1,080.00
	25,000.00
	<u>189,543.00</u>
	(189,543.00)
	<u>(189,543.00)</u>
	(18.95)

Swastik Polyblend Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2010

Particulars	2009-10
A. Cash flow from operating activities	
Profit before taxes and exceptional items	(189543)
Adjustment for:	
Interest expenses	151677
Preliminary Expenses written off	25000
Operating profit before working capital changes	<u>(12866)</u>
Working capital changes	
Current Liabilities and provisions	51198
Cash generated from operating activities	38332
Taxes paid	
Net cash provided by operating activities	<u>38332</u>
B. Cash flow from investing activities	
(Increase)/Decrease in CWIP	<u>(11400000)</u>
Net cash used in investing activities	<u>(11400000)</u>
C. Cash flow from financing activities	
Issue of equity shares(net of issue expenses)	100000
Preliminary Expenses	(25000)
Unsecured Loan	11586509
Interest paid	(151677)
Net cash (used in)/ provided by financing activities	<u>11509832</u>
Net increase / (decrease) in cash (A+B+C)	148164
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	<u>148164</u>

As per our report of even date annexed
For Lunawat & Co.,
Chartered Accountants

For and on behalf of Board of Directors
Swastik Polyblend Private Limited

(CA Rosta Jain)
Partner

Abhay Jain
Director

Panna Lal Bald
Director

Place : New Delhi
Date : 20th April 2010

Swastik Polyblend Private Limited

F-13, Kirti Nagar, New Delhi-110 015

Schedules Forming Part of the Balance Sheet & Profit & Loss A/c

Particulars	As on 31.03.2010
Schedule A	
Share Capital	
Authorized Capital	
10000 Equity Shares of Rs. 10/- each	100,000.00
Issued & Subscribed Capital	
10000 Equity Shares of Rs. 10/- each	100,000.00
Total	100,000.00
Schedule B	
Cash & Bank Balances	
Cash in Hand	87,920.00
Balances with Scheduled Banks:	
Current A/c with State Bank of Bikaner & Jaipur	60,244.00
Total	148,164.00
Schedule C	
Current Liabilities & Provisions	
M/s Lunawat & Co.	11,030.00
GSK & Associates	25,000.00
TDS Payable	15,168.00
Total	51,198.00

Schedule D**Significant Accounting Policies & Notes to Accounts for the year ended on 31.03.2010****A. SIGNIFICANT ACCOUNTING POLICIES:****(I) Basis of Preparation of Financial Statements**

The Financial Statements are prepared under historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the Accounting Standards.

(II) Fixed Assets

Expenses incurred on establishment of new plant are capitalised when the plant becomes ready to use until which the same is accounted under Capital Work in Progress.

(III) Provisions

Provisions are recognised when there is a present obligation of the enterprise arising from Past events, the settlement of which is expected to result in an outflow from the enterprise, of resources embodying economic benefits.

(IV) Accounting Policies not specifically referred to otherwise are consistent with generally accepted accounting principles.**A. NOTES TO ACCOUNTS:****(I) Contingent Liabilities : NIL**

(II) The company is a Small & Medium-sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards as applicable to a SMC.

Swastik Polyblend Private Limited

F-13, Kirti Nagar, New Delhi-110 015

(iii) Payments to Auditors.

	<u>31.03.2009</u>
Audit Fees	10,000.00
Service Tax	1,030.00
	<u>11,030.00</u>

- (IV) In the opinion of Board of Directors, Current Assets, Loans & Advances recoverable in cash or in kind, have a value, realisable in ordinary course of business, at least equal to the amounts at which they are stated in the Balance Sheet and provisions for
 (V) None of the creditors are registered under the Micro, Small & Medium Enterprises Development Act 2006.
 (VI) Related Party Disclosure required under AS 18 notified under the Companies (Accounting Standards) Rules 2006:

Particulars	Holding Co.	Associates	Total
Advance Given against purchase of Plot	11,400,000.00	-	11,400,000.00
Loan Taken	-	11,450,000.00	11,450,000.00
Interest Paid	-	151,677.00	151,677.00

Holding Co.: Lawreshwar Polymers Limited
(Since 15.02.2010)

Associates: PLB Investments Private Limited

Key Management

Personnel: Mr. Panna Lal Baid

- (VII) Deferred Tax Assets on Carried Forward Business Loss have not been recognised since the management is not certain about the future taxable profits against which this Deferred Tax Asset can be utilized.
 (VIII) Debit balances of parties in which Directors are interested:

S.No.	Particulars	2009-10	
		Cig. Balance	Max. Balance
1	Lawreshwar Polymers Limited-Advance Against Plot	11,400,000.00	11,400,000.00

(IX) Earnings Per Share: (Basic) as per AS 20 notified under Companies (Accounting Standards) Rules 2006:

	<u>31.03.2009</u>
Earnings after tax	(189,543.00)
No. of Shares	10,000.00
Basic/Diluted Earnings per share (Rs)	(18.95)

- (X) Preliminary Expenses of Rs. 25000/- have been written off completely as per the requirement of Accounting Standard 26 on Accounting for Intangible Assets.

(XI) Long Term Employee Benefits are not required to be recognised as per the Accounting Standard 15 on Employee Benefits.

(XII) The amount of Rs. 1,14,00,000/- have been given to Lawreshwar Polymers Limited against purchase of Plot of land, the company intends to establish a manufacturing plant on this plot, hence this has been shown as Capital work in progress.

Notes to the Accounts & Schedules A to D forms an integral part of the Balance Sheet & Profit & Loss A/c.

As per our separate Report of even date annexed.

For Lunawat & Co.
Chartered Accountants

FOR & ON BEHALF OF BOARD

CA. Reeta Jain
Partner

Abhay Jain
Director

Panna Lal Baid
Director

M.No. 92533

Place : New Delhi

Date : 20th April 2010

AUDITOR'S REPORT

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Consolidated Balance Sheet of M/s Lawreshwar Polymers Limited (the company) as at 31st March, 2010 together with the Consolidated Profit & Loss A/c and Cash Flow Statement of the Company for the year ending on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statement, issued by the Institute of Chartered Accountants of India.
3. We did not audit the financial statement of subsidiary, whose financial statements (net of eliminations) reflect total assets of Rs. 2,86,509, total revenue Rs. Nil and cash flow amounting to Rs. 1,48,164. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
4. Based on our audit and consideration of report of other auditor on separate financial statements and on the information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statement give a true and fair view in conformity with the accounting principles generally accepted in India, subject to Refer Note No 16(a) regarding non provision against the balance amount of Rs. 186.74 lacs against shortfall in Insurance claim passed by the Insurance Company on the plea that the company is contemplating further action in this matter, hence we are unable to express our opinion on the recoverability of this matter and refer Note No. 16(c) regarding loss by fire in the leased unit of the company:
 - I) In the case of the Consolidated Balance Sheet, of the State of affairs of the Company as at March 31, 2010.
 - II) In the case of the Consolidated Profit & Loss Accounts of the profit for the year ended on that date.
 - III) In the case of the Consolidated Cash Flow statement, of the cash flows of the company for the year ended on that date.

For **X. Bajna & Company**
Chartered Accountants
FRN: 03860C

(**C. M. Gupta**)
Partner
M.No. 073515

Place: Jaipur
Date: 30th May 2010

LAWRESHWAR POLYMERS LTD.

A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2010

	SCH.No.		AS AT 31.03.2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	136,787,990	
Reserve & Surplus	2	131,520,515	
			268,308,505
LOAN FUNDS			
Secured Loans	3	94,103,308	
Unsecured loans	4	11,586,509	
			105,689,817
Deferred Tax Liabilities			8,813,879
Minority Interest			
Total			382,812,200
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	149,842,340	
Less: Depreciation		46,018,069	
Net Block			103,824,271
Capital Work in Progress			11,220,895
INVESTMENT			
CURRENT ASSETS, LOANS & ADVANCES	6		3,188,000
Inventories	7	63,585,646	
Sundry Debtors		100,251,645	
Cash & Bank Balance		51,472,614	
Loans & Advances		101,993,605	
		317,303,511	
Less: Current Liabilities & Provision	8	56,917,976	
Net Current Assets			260,385,535
Miscellaneous Expenditure	9		4,193,498
Total			382,812,200

As per our report of even date
For A. Bafna & Company
Chartered Accountants
FRN: 03660C

FOR LAWRESHWAR POLYMERS LTD.

(M.K. Gupta)
Partner
M.No. 073515
Date: 30th May 2010
Place: Jaipur

Rajkumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

LAWRESHWAR POLYMERS LTD.

A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2010

	SCH. NO.	AS AT 31.03.2010 (Rs.)
INCOME		
Turnover	10	302,151,650
Increase(Decrease) in Stock		(316,654)
Insurance Claim Receivable Against Goods	11	12,326,835
Other Income	12	12,850,101
TOTAL		327,011,932
EXPENDITURES		
Material Cost	13	210,162,160
Manufacturing & Other Exp.	14	87,267,955
Financial Expenses	15	12,771,156
Depreciation	5	7,763,141
Less: Depreciation charged from revaluation reserve		159,055
Preliminary Expenses/Public Issue Written off		2,143,039
TOTAL		319,948,396
Profit before tax		7,063,536
Add/(Less): Prior Period Adjustments		170,093
Profit After Prior Period Adjustment		7,233,629
Provision for Taxation		
Current Year (MAT)	1,470,462	
MAT Credit	1,385,988	84,474
Earlier Year		
Deferred Tax		1,846,738
Fringe Benefit Tax		28,211
Net Profit After Tax before prior period adjustment		5,274,206
Add/(Less): Prior Period Adjustments		
Net Profit before Minority Intt		5,274,206
Less: Minority Interest		(92,876)
Net Profit After Minority Intt		5,367,082
Less:- Provision for Negative Minority Interest		43,876
Consolidated Net Profit		5,323,208
Balance Brought Forward from Previous Year		21,660,519
Balance Carried to Balance Sheet		26,983,725
Earnings per Share (Refer Note No.7, Face value per share Rs.10)		
Basic		0.39
Diluted		0.39
Accounting Policies & Notes to Accounts	16	
As per our report of even date		
For A. Bafna & Company	FOR LAWRESHWAR POLYMERS LTD.	
Chartered Accountants		
FRN: 03660C		
(M.K. Gupta)	Rajkumar Agarwal	Naresh Agarwal
Partner	(Managing Director)	(Executive Director)
M.No. 073515		
Date: 30th May 2010		
Place Jaipur		

LAWRESHWAR POLYMERS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2010

Particulars	2009-10
A. Cash flow from operating activities	
Profit before taxes and exceptional items	7063536
Adjustment for:	
Depreciation	7604085
Interest expenses	12771156
Preliminary Expenses written off	2118039
Loss on sale of Fixed Assets	14100
Profit on sale of Fixed Assets	(2018841)
Profit on Insurance Claim	(3724353)
Interest income	(259551)
Operating profit before working capital changes	23568171
Working capital changes	
Inventory	(4528853)
Sundry debtors	3431532
Loans and advances	15178303
Current Liabilities and provisions	9433546
Prior Period Adjustments	170093
Cash generated from operating activities	47252792
Taxes paid	(153481)
Net cash provided by operating activities	47099311
B. Cash flow from Investing activities	
Purchase of fixed assets	(8141070)
Sale of fixed assets	2527226
(Increase)/Decrease in CWIP	(4094827)
Inter corporate deposits(net)	(21294480)
Profit on sale of Fixed Assets	2018841
Profit on Insurance Claim	3724353
Loss on sale of Assets	(14100)
Interest received	259551
Net cash used In Investing activities	(25014506)
C. Cash flow from financing activities	
Issue of equity shares(net of issue expenses)	
Preliminary Expenses	
Increase in Borrowings	(6573098)
Unsecured Loan	11096882
Interest paid	(12771156)
Minority Interest	49000
Increase in Reserves	1
Net cash (used In)/ provided by financing activities	(8198371)

Net Increase / (decrease) in cash (A+B+C)	13886434
Cash and cash equivalents at the beginning of the year	<u>37586179</u>
Cash and cash equivalents at the end of the year	<u>51472614</u>

As per our report of even date
For A. BAFNA & CO.
Chartered Accountants
FRN: 03660C

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LIMITED

(CA M. K. GUPTA)
Partner
M.No. 073515

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 30th May 2010
Place : Jaipur

LAWRESHWAR POLYMERS LTD.

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03. 2010.

SCHEDULE-1	AS AT
SHARE CAPITAL	31.03.2010
Authorised	(Rs.)
15000000 (Previous Yr. 15000000) Equity Shares of Rs. 10/- each	<u>150,000,000</u>
Issued, Subscribed & Paid-up	
1,36,78,799 (Previous Yr. 1,36,78,799) Equity Shares of Rs. 10/- fully paid up.	136,787,990
TOTAL	<u>136,787,990</u>
 SCHEDULE - 2	
Reserve & Surplus	
Shri Ganesh ji Maharaj	20
General Reserve	10,011,694
Share Premium	66,052,794
Revaluation Reserve	28,472,281
Surplus of Profit & Loss Account	<u>26,983,725</u>
TOTAL	<u>131,520,515</u>
 SCHEDULE - 3	
Secured Loans	
Term Loans from:	
AXIS Bank Ltd.	-
AXIS Bank Ltd.(New)	8,022,834
Deferred Payment Loans on Vehicles	1,579,098
 Working Capital Limits from	
AXIS Bank Ltd.	<u>84,501,375</u>
TOTAL	<u>94,103,308</u>

NOTES:-

a) Term Loan From AXIS Bank Limited is secured by way of equitable mortgage of Land & Building of the Company by deposition of title deeds & Hypothecation of all plant & machinery, Misc fixed assets & movable properties incl computers, furnitures both present & future and personal guarantee of directors of the company.

b) Cash Credit from AXIS Bank Limited is secured by way of Hypothecation of Raw Material, Finished Goods Stock in Process, Store & Spares, Packing Material etc & mortgage over fixed assets & assignment of "LEHAR" and pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. and personal guarantee of directors of the company.

c) Deferred Payment loan on vehicles Secured by hypothecation of respective vehicles & personal guarantee of directors.

SCHEDULE - 4
UNSECURED LOANS
 From Banks

	<u>11,586,509</u>
TOTAL	<u>11,586,509</u>

3 Cash & Bank Balance		
Cash in Hand		4,466,096
With Scheduled Bank in Current Accounts		4,256,519
With Scheduled Bank in FDR		42,750,000
		<u>51,472,614</u>
	TOTAL (A)	<u>215,309,906</u>

B. LOANS & ADVANCES

(Unsecured but considered good)		
Advance recoverable in cash or in kind or for value to be received		13,465,427
Inter Corporate Deposits		28,041,903
Advance to Creditors/Suppliers		6,166,528
Security Deposit		26,943,745
Insurance Claim Receivable		21,469,714
Income Tax		5,906,290
	TOTAL (B)	<u>101,993,605</u>
	TOTAL (A+B)	<u>317,303,511</u>

SCHEDULE - 8

CURRENT LIABILITIES & PROVISIONS

1 Current Liabilities

Sundry Creditors		38,618,532
Advance from Customers		260,757
Statutory Liabilities		377,229
Other Liabilities		15,191,488
	TOTAL (A)	<u>54,448,005</u>

2 Provisions

Provision for Income Tax(Current Year)		
Fringe Benefit Tax		
Other Provisions		999,509
Provision for MAT		1,470,462
	TOTAL (B)	<u>2,469,971</u>
	TOTAL (A+ B)	<u>56,917,976</u>

SCHEDULE - 9

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses		159,685
Add: Incurred during the year		0
Less: Written off during the year		26,614
		<u>133,071</u>
Public issue expenses		6,151,851
Add: Incurred during the year		-
Less: Written off during the year		2,091,425
		<u>4,060,426</u>
Total		<u>4,193,498</u>

SCHEDULE - 10

TURNOVER

Sales		302,151,650
	Total	<u>302,151,650</u>

SCHEDULE - 11

STOCK ADJUSTMENT

Increase / Decrease In Stock

Finished Goods	20,218,140	
Work In Progress	14,793,213	
		35,011,353

Opening Stock

Finished Goods	18,630,445	
Work in Progress	16,697,561	

35,328,007

Total Increase \ Decrease In Stock

(316,654)

SCHEDULE - 12	AS AT
Other Income	31.03.2010
	(Rs.)
Interest Received	8,765,659
Misc. Income	259,551
Profit on sale of Vehicle	100,539
Profit on sale of Land	-
Profit on sale of Shares of LFPL	-
Profit on Insurance Claim	3,724,353
TOTAL	<u>12,850,101</u>

SCHEDULE - 13 MATERIAL COST

Particulars	Op. Stock	Purchases	Cl. Stock	Consumed
A. Raw Material	17,502,652	191,665,824	25,023,433	184,145,043
B. Packing Material	2,499,786	20,452,562	2,371,836	20,580,512
C. Footwears	2,516,610	3,410,788	490,793	5,436,605
SUM(A+B+C)	<u>22,519,048</u>	<u>215,529,174</u>	<u>27,886,062</u>	<u>210,162,160</u>

SCHEDULE-14 MANUFACTURING & OTHER EXPENSES

SCHEDULE-14	AS AT
MANUFACTURING & OTHER EXPENSES	31.03.2010
	(Rs.)
A. Manufacturing Expenses	
Cartage	59,100
Consumable stores	1,836,530
Designing Charges	24,320
Diesel / LDO consumption	4,673,483
Job Charges	24,072,206
Power & Electricity	7,682,413
Repairs & Maintenance (P & M)	3,205,141
Service Tax on Freight	-
Scrap Grinding Expenses	200,068
Strap Cutting Charges	274,550
Lease Rent (Plant & Machinery)	480,000
Work Shed Rent	840,000
TOTAL (A)	<u>43,347,812</u>
B. Payment to & Provision for Employees	
Bonus to Employees	481,186
Contribution to ESI & P.F.	358,344
Gratuity Fund/ Leave Encashment	111,838
Salaries & Allowances	3,596,544
Staff & Labour Welfare	461,769
Wages	2,326,759
TOTAL (B)	<u>7,336,441</u>

C.	Administrative & Other Expenses	As at 31.03.10
	Annual Constodial Fees	66,180
	Annual Listing Fees	33,090
	Auditors Expenses	12,360
	Conveyance Expenses	242,327
	Demand A/c	49,131
	Directors Remuneration	3,467,742
	Donation	225,000
	Electricity Expenses (Guest House)	100,633
	Entertainment Expenses	23,700
	Festival Expenses	241,667
	Gardening Exp.	10,800
	General Expenses	20,425
	Guest House Rent	531,680
	Insurance Expenses	308,030
	Interest on TDS	96,404
	Internal Audit Fees	27,575
	Legal Expenses	245,250
	Loss on Sale of Assets	3,871
	Membership fees & Subscription Fees	14,100
	News Papers & Periodicals	8,793
	Office Expenses	32,110
	Penalty & Fine	570
	Penalty on late supply	-
	Postages & Telegrams	109,298
	Printing & Stationery	307,339
	Professional & Consultancy Fees	2,732,681
	Recruitment & Tranning Expenses	-
	Repairs & Maintenance (Building)	186,061
	Repairs & Maintenance (Others)	105,281
	Retainership Expenses	361,000
	Security Charges	424,204
	Software Development Exp	38,000
	Audit Fees	156,330
	Sundry Balances written off	-
	Telephone Expenses	527,630
	Travelling Expenses	-
	Director's Travelling	380,632
	Director's Travelling(Foreign)	-
	Others	202,442
	VAT Audit Fee	-
	Vehicle Running & Maintenance	628,858
	Water Exp.	31,722
	Website Development Expenses	12,714
	TOTAL (C)	<u>11965629</u>
D	SELLING & DISTRIBUTION EXPENSES	
	Advertisement & Publicity	366,857
	Commission on Sales	712,882
	Discount Allowed	20,861,475
	Freight Outward	56,264
	Sales Promotion Expenses	796,144
	Tender Fees	0
	Bad Debts	1,824,452
	TOTAL (D)	<u>24,618,074</u>
	Grand Total (A+B+C+D)	<u><u>87,267,955</u></u>
SCHEDULE - 15		
FINANCIAL EXPENSES		
	Bank Commission & Charges	743,732
	Interest on Term Loan	3,483,768
	Interest to Bank & others	8,543,655
	TOTAL	<u><u>12,771,156</u></u>

LAWRESHWAR POLYMERS LIMITED
Financial Year 2009-10**SCHEDULE - 16****ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT****(A) BACKGROUND**

The Company was incorporated as Lawreshwar Polymers Pvt. Ltd. on March 31, 1994 and was subsequently converted into Lawreshwar Polymers Ltd. on 27.05.1996. Further, Lawreshwar Polymers Ltd acquired 51% shares on 15.02.2010 of its subsidiary Swastik Polyblends Private Limited.

(B) PRINCIPALS OF CONSOLIDATION:

- a) The financial statements are prepared in accordance with the principals and procedures required for the preparation and presentation of consolidated financial statement as laid down under the Accounting Standard 21 on consolidated financial statements issued by the Institute of Chartered Accountants of India (ICAI). The financial statement of Lawreshwar Polymers Ltd., the parent company and the subsidiary have been combined on line by line basis by adding together book value of the similar items of assets, liabilities, income & expenses after eliminating intra group balances and transactions.
- b) The consolidated financial statements are prepared by applying uniform accounting policies in use at group.
- c) In this case, the holding company holds 51% of equity, and the investment has been accounted by using equity method in accordance with Accounting Standard 23 'Accounting for investment in associates in consolidated financial statement' issued by ICAI.

(C) SIGNIFICANT ACCOUNTING POLICIES:-**1. Basis of Preparation of Financial Statement**

Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.

2. Recognition of Income & Expenditure

- (a) Revenue from sale is recognized on invoicing of goods to customers. Sales are net of sales return & Rate Difference.
- (b) Other income like job work charges is recognized monthly on accrual basis.
- (c) All expenses are charged to the profit & loss account as and when they are incurred.

3. Fixed Assets and Capital Work in Progress

Fixed assets are stated at their historical cost less accumulated depreciation. Cost of the Fixed Assets is inclusive of taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets. Capital work in progress comprise of cost of Fixed Assets that are not ready for their intended use as at the Balance Sheet date and Advances against Fixed Assets.

4. Depreciation and Amortization

Depreciation on fixed assets has been provided on Straight Line Method (SLM) at the rates prescribed as per schedule XIV of the Companies Act, 1956. Further the depreciation on addition made during the year has been provided on a pro-rata basis.

5. Investments

- a) Current Investments are valued at lower of cost and fair value determined on an individual investment basis.
- b) Long Term Investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

6. Inventory

Inventories are valued at the lower of the cost and Net realizable value. Cost of Inventories other than for manufactured finished goods and work in progress is determined on the weighted average basis. Cost of manufactured finished goods and work in progress includes material cost determined on the weighted average basis and also includes appropriate portion of allocable overheads.

7. Retirement Benefits

The cost of all the retirement benefits is charged to Profit and Loss account.

- (a) Liability in respect of retirement benefits are provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which are charged against revenue.

(b) Gratuity liability & leave encashment of employees is covered under the group gratuity policy and leave encashment policy taken from L.I.C. The annual premium is debited to profit & loss account.

8. **Miscellaneous Expenditure:**

Miscellaneous expenditure consists of Preliminary expenses and Public issue expenses. Preliminary expenses have been amortized over a period of ten years and Public issue & current pre-operative expenses are amortized in five years.

9. **Income Tax and Deferred Tax**

(a) Provision is made for tax, based on the tax liability computed, after considering tax allowances and deductions in accordance with the provisions of the Income Tax Act, 1961.

(b) Deferred tax is recognized on timing difference, being the deferral resulting from the recognition of items in the financial statement and in estimating current Income Tax.

(c) Deferred tax assets are recognized on unabsorbed depreciation and on expenses incurred but to be allowed on payment basis as per the provisions of the Income Tax Act, 1961.

(d) Deferred tax assets and liabilities are measured using the tax rate and tax law that have been enacted on the balance sheet date.

10. **Leased Assets**

Operating Lease: Rentals are expensed with reference to lease terms and other consideration.

11. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liability are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. **Impairment of Assets**

Management periodically assesses using external & internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

(D.) **NOTES ON ACCOUNTS:**

1. **Contingent Liabilities not provided for:**

- a) Income Tax Demand of Rs. 1,04,433/- for the assessment year 2005-06 against which the company has filed an appeal with higher authority.
- b) Estimated amount of Contracts remaining to be executed on capital account not provided for Rs. Nil (Previous Year: Nil).

2. Book debts, advances, creditors, unsecured loans, deposits from customers etc. have been taken at their book value and are subject to confirmations and reconciliation.

3. Loans and advances and debtors have been considered good and in respect of which the company holds no security other than the personal guarantee of the person concerned.

4. **Debtors includes**

- a) Due by directors of the company (Previous year 2008-2009) (Nil) N.A.
- b) Due from subsidiary companies (Previous year 2008-2009) (Nil) N.A.
- c) Due from Enterprises in which directors or their relatives are interest (Previous year 2008-2009) 129.56 Lacs N.A.

5. **Remuneration to Directors:**

Particulars		2009-10	2008-09
A	Remuneration		
	Chairman	10,67,742	N.A.
	Managing Director	12,00,000	N.A.
	Executive Director's	12,00,000	N.A.
B	Parks		
	Chairman	-	N.A.
	Managing Director	-	N.A.
	Executive Director's	1,803	N.A.

6. Auditors remuneration

Particulars	2009-10	2008-09
Audit fees	85,000	N.A.
Tax audit fees	25,000	N.A.
Service tax	11,330	N.A.
Other matters	-	N.A.
Reimbursement of expenses	-	N.A.
Total	1,21,330	N.A.

7. Earnings per Share

The Company report Basic and Diluted earning per share (EPS) in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the Income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS have been computed using the weighted average number of equity shares and Diluted potential equity shares outstanding at the end of the year.

Particulars	2009-10	2008-09
Net profit after tax (Rs.)	53,23,206	N.A.
No. of paid up equity shares (weighted average)	13,678,799	N.A.
Amount per share (Rs.)	10	N.A.
Earnings per share (Rs.) (Basic & Diluted)	0.39	N.A.

8. Particulars of deferred tax liability & assets as per Accounting Standard-22: Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Details of deferred tax liability as at 31.03.2010 are as under:

Particulars	As at 31.03.2010	As at 31.03.2009
(A) Deferred Tax Liabilities	88,13,879	N.A.
Difference between Books & Tax (WDV) of Fixed Assets		
(B) Deferred Tax Asset		N.A.
Net Amount	88,13,879	N.A.

9. Provision of Income tax has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the company has recognized MAT Credit Entitlement of Rs. 13,85,988/- as an assets by crediting to the Profit and Loss Account and included under Loans and Advances in accordance with the guidance note on Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.
10. Disclosure under AS-15 (Revised) – Employee Benefits

Provision has been made for employee benefits gratuity, leave encashment and other benefits in accordance with AS-15 (Revised) on the basis of actuarial valuation.

a) Provident Fund

Retirement benefit in the form of Provident Fund is defined contribution scheme and the contributions are charged to Profit & Loss A/c of the year when the contributions to the respective fund are due. There is no other obligation other than the contribution payable to the respective trusts.

b) Gratuity and Leave Encashment

The following table sets out the status of the defined gratuity plan and defined leave encashment plan:-

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	3,56,171	N.A.	2,35,511	N.A.
Current Service Cost	68,475	N.A.	43,363	N.A.
Interest Cost		N.A.		N.A.
Actuarial loss/(gain)	(28,869)	N.A.	(77,959)	N.A.
Benefit paid	43,269	N.A.	35,100	N.A.
Closing defined benefit obligation at 31 st March	3,52,508	N.A.	1,65,815	N.A.

Change in plan assets				
Opening Fair Value of plan asset at 1 st April	3,56,171	N.A.	2,35,511	N.A.
Expected Return on Plan asset	60,868	N.A.	38,578	N.A.
Contribution by employer	11,517	N.A.	-	N.A.
Benefit paid	43,269	N.A.	35,100	N.A.
Actuarial gain/loss	-	N.A.	-	N.A.
Closing fair value of plan assets at 31 st March	3,85,287	N.A.	2,38,989	N.A.
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	3,52,508	N.A.	1,65,815	N.A.
Fair Value of Plan Assets at 31 st March	3,85,287	N.A.	2,38,989	N.A.
Deficit/(Surplus)	(32,779)	N.A.	(73174)	N.A.
Unrecognized past service cost	-	N.A.	-	N.A.
Net Liability/Assets	-	N.A.	-	N.A.

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Discount Rate	8%	N.A.	8%	N.A.
Expected Rate of Return	9%	N.A.	9%	N.A.
Salary Escalation	7%	N.A.	7%	N.A.

11. Segment Reporting – AS17

The Board of Directors of the Company considers and maintains Footwear as the only Business Segment of the Company.

12. Related Party Transactions – AS19

The Company has made the following transactions with related parties as defined under the provisions of Accounting Standard-18 issued by the Institute of Chartered Accountants of India.

List of related parties along with the nature and volume of transaction is given below from 01.04.2009 to 31.03.2010.

S.No.	Directors & Key managerial persons & their associate concerns	Relations with Directors
1.	Ramesh Chand Agarwal	Chairman of the Company
2.	Raj Kumar Agarwal	MD of the company
3.	Naresh Agarwal	Executive Director of the company

S. No	Relatives	Relations with Directors
1.	Megha Agarwal	Wife of executive director
2.	Sanjay Agarwal	Son of MD
3.	Naveen Agarwal	Son of Chairman
4.	Pramod Agarwal	Brother of Chairman of the company
5.	Pankaj Agarwal	Son of MD

S.No.	Enterprises owned / controlled by the directors relatives	Relations with Directors
1.	Swastik Polyblends Pvt Ltd	Executive Director is director of the company and it's a subsidiary company.
2.	PLB Investments Private Limited	Associate company of Swastik Polyblends Pvt Ltd
3.	Lawreshwar Footcare Pvt Ltd.	49% shares of this company held by the company
4.	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
5.	Lawreshwar Footwear	Proprietorship concern of Chairman's son
6.	Jai Narayan Mohan Lal & Sons	Proprietorship concern of Chairman's Brother
7.	Jeelish Properties (P) Ltd.	MD of the company is director in company
8.	Sankhala Investors	Chairman is partner in firm
9.	Krishan Kripa Creation	Chairman is partner in firm
10.	Krishan Kripa – 3	Chairman is partner in firm
11.	Krishan Kripa – 4	MD is partner in firm
12.	Raj Shoe Palace	Proprietorship concern of MD
13.	P.K. Shoe Co.	Proprietorship concern of Chairman's Brother
14.	Ramesh Footwear	Proprietorship concern of Chairman
15.	Lawreshwar Mahadev Mandir Trust	Chairman is Trustee

Transaction with Lawreshwar Footcare Pvt Ltd.

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Interest received	12.52	N.A.
Sales	0.00	N.A.
Purchases	30.30	N.A.
Loan Given (ICD)	299.16	N.A.
Loan Repayment Received	108.00	N.A.
Rent Paid	9.80	N.A.
Deposit given	0.00	N.A.

Transaction with key management persons

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Remuneration	35.27	N.A.
Loan Received	0.00	N.A.
Loan Repaid	0.00	N.A.
Loan Given	0.00	N.A.
Loan Repayment Received	0.00	N.A.

Transaction with relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Interest Paid	0.00	N.A.
Interest received	0.00	N.A.
Salary	18.62	N.A.
Loan Received	0.00	N.A.
Loan Repaid	0.00	N.A.
Share capital	0.00	N.A.
Investments	0.00	N.A.
Loan Given	0.00	N.A.
Loan Repayment Received	0.00	N.A.

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2010	31.03.2009
Interest Received	0.94	N.A.
Rent Paid	3.60	N.A.
Interest Paid	1.52	N.A.
Advance Rent	0.00	N.A.
Deposit	25.00	N.A.
Donation	1.10	N.A.
Sales	52.39	N.A.
Loan Given	0.00	N.A.
Loan Repayment Recd	0.00	N.A.
Loan Repaid	0.00	N.A.
Loan Received	114.50	N.A.
Discount Allowed	5.24	N.A.

13. During the year 2006-07 government of India has promulgated an Act namely "The Micro, Small & Medium Enterprises Development Act" 2006 which comes into force with effect from October 2, 2006. As per the act, the company is required to identify the Micro & Small Enterprises & pay them interest on over due beyond the specified period irrespective of the terms agreed with the enterprises. The company has initiated the process of identification of such suppliers. In view of No. of suppliers & no receipt of critical inputs & response from several such potential parties, the liability of interest cannot be reliable estimated nor can required disclosure be made. Accounting in the regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.
14. Some of the Vehicles are in the name of the directors, which are yet to be transferred.
15. Capital Work in Progress includes Advance for Showroom Rs. 1,12,20,895 (Previous Year Rs. N.A.).
16. a) There had occurred a fire on 24.02.2008 at the registered office & factory premises of the company, during the year under review the Insurance Company has passed the claim of the company and there is a shortfall of Rs. 1,86,74,521 against the said claim. No provision is made for the same, as the company has not accepted the assessment of loss from Insurances companies and has invoked the arbitration clause of the Insurance contract and company is of opinion that they will receive the balance amount of Rs. 1,86,74,521 from the insurance companies.
- b) The Company also holds "Loss of Profit" policy and the company has lodged its claim of Rs. 140.89 Lacs against this policy during the month of May 2009 but assessment of loss is under process with surveyor, therefore, the company has decided to take no effect of Loss of Profit policy in current year results. Accounting for the same will be done after passage of the same by the Insurance Company.

- c) There had occurred a fire on 26-10-2009 at the leased unit of the company at F-263, Road No. 13, VKI Area, Jaipur. The leased unit of the company was fully insured by the Oriental Insurance Company Ltd, the loss of Rs. 148.49 lacs w.r.t. Stock and Rs. 24.18 lacs w.r.t. Fixed Assets has been debited to appropriate accounts. The surveyor has passed Rs. 123.27 Lacs against claim for stock and the same has debited to the Oriental Insurance Company Ltd shown under the head Loans and Advances in the Balance Sheet and balance of Rs. 25.22 Lacs has booked as Loss by Fire. The assessment of loss for fixed assets is under process

17. Additional Information pursuant to the paragraphs 3 and 4 of part II of the schedule VI of companies Act, 1956 is NIL or none except to the extent given below:

A. Details Of Production

Particulars	2009-10		2008-09		2009-10		2008-09		2009-10		2008-09		2009-10		2008-09	
	Hawal Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods			
Licensed Capacity	NA		NA		NA		NA		NA		NA		NA			
Installed Capacity	75.00 Lacs	N.A.	15.87 Lacs	N.A.	12.00 Lacs	N.A.	8.00 Lacs	N.A.	6.00 Lacs	N.A.	15.00 Lacs	N.A.	N.A.	N.A.		
Actual Production	184623	N.A.	202668	N.A.	248057	N.A.	430493	N.A.	979627	N.A.	840506	N.A.	N.A.	N.A.		

B. Detail of Opening Stock/Closing Stock/Turnover

Particulars	2009-10		2008-09		2009-10		2008-09		2009-10		2008-09		2009-10		2008-09	
	Hawal Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods			
Opening Stock	73593	N.A.	65932	N.A.	N.A.	N.A.	68845	N.A.	70804	N.A.	91578	N.A.	34234	N.A.		
Turnover	1802523	N.A.	222484	N.A.	204469	N.A.	407924	N.A.	965440	N.A.	782574	N.A.	41418	N.A.		
Lost by Fire/damage		N.A.		N.A.		N.A.		N.A.		N.A.	122262	N.A.	30696	N.A.		
Purchased Footwear		N.A.		N.A.		N.A.		N.A.		N.A.		N.A.	39907	N.A.		
Closing Stock	117693	N.A.	46316	N.A.	41588	N.A.	91414	N.A.	83991	N.A.	27248	N.A.	2027	N.A.		

C. Quantitative Value of Raw Material Consumed

	Unit	Quantity	Value
Natural & Syn. Rubber	Kg.	679692	63823866
(Previous Year 2008-09)		784928	N.A.
Colours & Chemicals	Kg.	888162	26943297
(Previous Year 2008-09)		830492	N.A.
Cloth	Meters	322201	33173977
(Previous Year 2008-09)		234827	N.A.
PU & PVC Material	N.A.	N.A.	50561979
(Previous Year 2008-09)		N.A.	N.A.
Other Raw Material	N.A.	N.A.	9641953
(Previous Year 2008-09)		N.A.	N.A.

D. Value of Imported and Indigenous Raw material and Packing Material Consumed

S. No.	Particulars	2009-10	
		Percentage (%)	Value in Rs.
1.	RAW MATERIAL/ CONSUMABLE/ DIESEL/ LDO		
	Imported	-	-
	(Previous Year 2008-09)	-	-
	Indigenous	100%	184,145,043
	(Previous Year 2008-09)	100%	168,796,496
2.	Packing Material & Stores & Spares		
	Imported	-	-
	(Previous Year 2008-09)	-	-
	Indigenous	100%	20,580,512
	(Previous Year 2008-09)	100%	16,496,639

E. CIF Value of Imports:

- a) RawMaterial purchased
(Previous Year 2008-09) Nil

F. Expenditures in foreign currency

- 1) Payment for capital goods
(Previous year 2008-09) Nil
Payment for traveling expenses
(Previous year 2008-09) N.A.

18. Sundry Creditors include Rs. 71,40,063 (Previous Year N.A.) due to small scale industrial undertaking to the extent such have been identified from available information and Rs. 25182307/- (Previous Year N.A.) due to the creditors other than small scale industrial undertaking. The company has agreement of payment within 120 days with Small Scale Industries suppliers, and there is no outstanding amount above 120 days. Therefore, there is no need to make provision for Interest due to SSI Suppliers.
19. The Company has partially deployed the IPO Proceeds as per the offer document and revised capital expenditure plan as passed in last AGM. Balance Proceeds will be utilized in the next financial year in accordance with the details as per offer document and revised capital expenditure program. Pending such utilization, Unutilized money has been deposited with bank as FDR or given as Inter Corporate Deposit to corporates for short term on interest.
20. Minority Interest is negative, provision is made for the same in consolidated financial statement.
21. As shares in subsidiary company has acquired on 15.02.2010, hence previous year figures are not available.
22. Figures are rounded off to the nearest rupee.

As per our report of even date

Signed to Schedule 1 to 16

For A. Bafna & Co.
Chartered Accountants
FRN: 03360C

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LTD.

(CA M.K.GUPTA)
Partner
M. No. 073515

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

ATTENDANCE SLIP

LAWRESHWAR POLYMERS LIMITED

REGISTERED OFFICE: A-243(A) ROAD NO.6 V.K.I. AREA, JAIPUR-302013 (RAJ.)

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 16th Annual General Meeting of the Company to be held at A-243(A) Road No:6 V.K.I.Area -302013 on Monday the 30th September, 2010 at 11.30 A.M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

Member's / Proxy's name (in Block Letters)

Signature

Applicable for shares held in physical form.

* Applicable for shares held in dematerialized form.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

PROXY FORM

LAWRESHWAR POLYMERS LIMITED

REGISTERED OFFICE: A-243(A) ROAD NO.6 V. K. I. AREA, JAIPUR-302013(RAJ.)

I/We _____ of _____ in the district of _____ being member(s) of LAWRESHWAR POLYMERS LTD. hereby appoint Mr. / Mrs. _____ of _____ in the district of _____ or failing him/her Mr./ Mrs. Of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area -302013 on Monday the 30th September, 2010 at 11.30A.M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

s _____ day of _____, 2010

Signature

Affix Rs. One
Revenue Stamp

Applicable for shares held in physical form.

* Applicable for shares held in dematerialized form.

Note: This form in order to be effective should be duly stamped, completed, signed and must be deposited at the registered office of the company not less than 48 hrs. before the time for holding the meeting.

BOOK POST

If undelivered, please return to :

LAWRESHWAR POLYMERS LIMITED

Regd. Office & Works

A-243(A) ROAD NO. 6, V. K. I. AREA, JAIPUR - 302 013

Ph.: 0141-4157777 (30 Lines), Fax : 0141-4157766

e-mail : info@leharfootwear.com

URL : www.leharfootwear.com