

LAWRESHWAR POLYMERS LIMITED



17th Annual Report
2010-11

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

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CORPORATE INFORMATION**Board of Directors**

Ramesh Chand Agarwal
Chairman

Raj Kumar Agarwal
Managing Director

Rakesh Akar
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

Punjab National Bank
SSI Branch,
Sikar Road, V.K.I.A.,
Jaipur-302 016 (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 Seventeenth 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 Friday the 30th September, 2011 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 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 Naresh Agarwal, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Sidharth Singh, 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 pursuant to the provisions of section 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and/or any statutory modification or re-enactments thereof from time to time and in force and subject to such other approvals as may be necessary, if any, consent of the Company be and is hereby accorded for re-appointment of Shri Raj Kumar Agarwal as Managing Director of the Company for a period of five years with effect from 1st December 2011, upon the terms and conditions as furnished in the Explanatory Statement to this resolution annexed herewith."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to amend/alter the terms and conditions relating to remuneration subject to the provisions of section I of Part II of Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT in absence of or inadequacy of profits in any financial year during the aforesaid period, the remuneration will be paid as minimum remuneration subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount as may be provided in Schedule XIII as may be amended from time to time or any equivalent statutory re-enactments thereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to appoint such person amongst themselves to file all documents with the Registrar of Companies, Rajasthan and to do all such acts, deeds and things as may be required and to complete all formalities that may be necessary to give effect to this resolution."

**By the order of the Board
For Lawreshwar Polymers Limited**

PLACE: Jaipur

DATED: 03.09.2011

**(Ramesh Chand Agarwal)
Chairman**

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, 24th September 2011 to Friday, 30th September 2011 (both days inclusive).
3. Non-Resident Indian Shareholders are requested to inform M/s Big Share Services Private Limited, the Registrar and Share 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 in their meeting held on 3rd September, 2011, subject to the approval of the shareholders in the Annual General Meeting under the applicable provisions of the Companies Act, 1956, have sought to re-appoint Shri Raj Kumar Agarwal as Managing Director of the Company for a period of five years with effect from 1st December, 2011.

The tenure of present appointment of Shri Raj Kumar Agarwal as Managing Director will expire on 30th November, 2011. The terms and conditions of remuneration as approved by the remuneration committee and applicable to the Managing Director are as under given below and your directors have confirmed that the proposed remuneration is strictly in conformity with part II of Schedule XIII of the Companies Act, 1956.

Remuneration:

(I) Basic Salary: Rs. 1,10,000/- per month.

(II) Perquisites:

In addition to Basic Salary, the following Perquisites not exceeding the overall ceiling prescribed under Schedule XIII, annexed to the Companies Act, 1956 will be provided to the Managing Director:

- (i) Provision of Company's car with driver for use on Company's business, Mobile Phone and Telephone at residence will not be considered as perquisites.
- (ii) Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the Managing Director.
- (iii) Reimbursement of entertainment, travelling and all other expenses, actually and properly incurred for the business of the Company.
- (iv) No sitting fees shall be payable to the Managing Director for attending the Meetings of the Board of Directors or Committee thereof.

The terms and conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

Where in any year, the Company has no profits or its profits are inadequate, the total remuneration payable to Shri Raj Kumar Agarwal, Managing Director, by way of salary/ perquisites, as specified above, shall be limited to the amount laid down under Schedule XIII annexed to the Companies Act, 1956.

(III) Other terms & Conditions:

- (i) Shri Raj Kumar Agarwal will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) The agreement may be terminated by either party giving to the other party one-month's prior notice in writing to that effect.
- (iii) The said re-appointment of Shri Raj Kumar Agarwal on the terms and conditions as set above is subject to the approval of the shareholders in their General Meeting.

This may be treated as an abstract required under section 302 of the Companies Act, 1956.

Your Directors recommend the proposed ordinary resolution for your approval.

None of the Directors except Shri Raj Kumar Agarwal, being the appointee and Shri Naresh Agarwal, Executive Director and Shri Ramesh Chand Agarwal, Executive Chairman being relatives are interested in the resolution.

**By the order of the Board
For Lawreshwar Polymers Limited**

**PLACE: Jaipur
DATED: 03.09.2011**

**(Ramesh Chand Agarwal)
Chairman**

ANNEXURE "A" "TO THE NOTICE CALLING 17TH 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, 2011:

Name of Director	Naresh Agarwal	Sidharth Singh	Raj Kumar Agarwal
Age	40 Years	37 Years	52 Years
Date of Appointment/ re-appointment	31.03.1994	03.07.2010	31.03.1994
Designation	Executive Director	Non Executive Independent Director	Managing Director
Expertise in specific functional area	He is a Commerce Graduate. His expertise in the filed of finance has always been of immense value and help to the Company. He is also very well versed in all aspects of manufacturing, Research & Development, Material procurement streams and other day to day activities of the Company.	Shri Sidharth Singh is a Commerce Graduate. His expertise in the filed of finance, Accounts & Marketing has always been of immense value & help to the Company and has more than 11 years of experience in footwear business and is well aware of each and every aspect of business and handling them at well.	He is Graduate in Commerce. He looks after Finance, Accounts and Marketing streams of the Company and has more than 29 years experience in footwear business and is well aware of each and every aspect of business and handling them all levels.
Qualification	B.COM	B.COM	B.COM
Directorship in other Public Limited Companies as on 31/03/2011	JMR MOBILINK LIMITED	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2011	NIL	NIL	NIL

DIRECTORS REPORT

To,

All the Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the company together with the Audited financial accounts for the financial year ended on 31st March 2011.

FINANCIAL RESULTS:

Particulars	(Rs. In lacs)	
	2010-2011 (Audited)	2009-2010 (Audited)
Sales	3475.59	3021.51
Profit before Depreciation & Tax	321.61	170.46
Profit before Tax	232.82	94.42
Provision for Tax (Current & Deferred Tax)	82.82	19.59
Net Profit	150.00	74.83
<u>Appropriation</u>		
Dividend	NIL	NIL
Balance b/f from the previous year	291.43	216.60
Transferred to General Reserve	NIL	NIL
Transferred to Reserve & Surplus	441.43	291.43

Operational Review

Your Company has achieved turnover of Rs. 3475.59 Lacs as against Rs. 3021.51 Lacs in the previous year. The Net Profit of the Company is Rs 150.00 Lacs as against Rs. 74.83 Lacs in the previous year.

Directors

Mr. K.P.Singh has expired on 3rd July 2010 and Mr. Sidharth Singh has appointed in place of Mr. K.P.Singh. Further Mr. Krishan Kumar Gupta has resigned from the Directorship of the Company with effect from 1st April, 2010.

As per Article 107 and 108 of Article of Association of the Company Shri Naresh Agarwal and Shri Sidharth Singh, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Directors Responsibility Statement

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

- a) in the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation relating to material departures from the same, if there any.
- b) 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, 2011 and of the Profit of the Company for the year ended on that date.
- c) 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.
- d) 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 the 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.

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 2010-2011.

Public Deposits

During the year ended March 31st 2011, your Company has not accepted any deposits from the public.

Future Plans

The Company has entered into mobile business through its associate company JMR Mobilink Ltd. The Company will invest more amount in associate company.

Further, the company will install 3 new machines for manufacturing of PU footwear during the financial year 2011-12

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.

By the order of the Board

PLACE: Jaipur
DATED: 03.09.2011

(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.

B. TECHNOLOGY ABSORPTION

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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: NIL.
- b) Total foreign exchange used and earned: 14.11 lacs.

For and Behalf of the Board

PLACE: Jaipur
DATED: 03.09.2011

(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, 2011 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
DATED: 03.09.2011

(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 systems of the Company pertaining to financial reporting and we have disclosed 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 Limited

For Lawreshwar Polymers Limited

(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, 2011 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: Jaipur
Date: 03.09.2011**

**M. K. Gupta
(Partner)
Memb. No: 73515**

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 three non executive Directors. Mr. Krishan Kumar Gupta has resigned from the Directorship of the Company with effect from 1st April, 2010. The Chairman of the Company is an executive director. There are three independent directors in the Company out of its total strength of six. Accordingly, composition of the Board is in conformity with the listing agreement. Except the Managing Director, all other Directors are liable to retire by rotation.

Board Meeting:

During the year under review, twenty three Board Meetings were held on 01.04.2010, 15.04.2010, 20.05.2010, 28.05.2010, 30.05.2010, 09.06.2010, 03.07.2010, 09.07.2010, 13.07.2010, 16.07.2010, 20.07.2010, 23.07.2010, 07.08.2010, 18.08.2010, 01.09.2010, 30.09.2010, 01.11.2010, 03.11.2010, 14.11.2010, 20.12.2010, 14.02.2011, 04.03.2011 and 21.03.2011 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	No. of Directorship in other	No. of Committee	
Ramesh Chand Agarwal	Non ID / ED	Yes	23	1	-	-
Raj Kumar Agarwal	Non ID / ED	Yes	21@	2	-	-
Naresh Agarwal	Non ID / ED	Yes	20@	2	-	-
Rakesh Akar	ID / Non ED	Yes	23	4	-	-
Kaushlendra Pratap Singh **	ID / Non ED	No	4@	-	-	-
Sidharth Singh**	ID / Non ED	Yes	13@	2	-	-
Radhe Shyam Mangal	ID / Non ED	Yes	23	-	-	-

**Mr. K. P. Singh has expired on 3rd July, 2010 and Mr. Sidharth Singh has appointed in place of Mr. K. P. Singh.

@ 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 control & 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. Sidharth Singh. The Company Secretary of the Company acts as the Secretary of the Committee.

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 the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory Auditors.
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 (public issue, rights issue, preferential issue, etc.), 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, and 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 auditors 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.
- 12A. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 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 2010-2011 the Committee met 4 times on 28.05.2010, 07.08.2010, 03.11.2010 and 14.02.2011.

Name of Directors	Position held in the Committee	No. of meetings attended
Mr. Radhe Shyam Mangal	Chairman	4
Mr. Rakesh Akar	Member	4
Mr. Sidharth 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 two times on 13.12.2010 and 24.02.2011 during the year 2010-2011. 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	2
Mr. Rakesh Akar	Member	2
Mr. Sidharth Singh	Member	2

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

In the Financial Year 2010-2011, the Company had received 04 complaints 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 01.04.2010 during the year 2010-2011. 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. Sidharth Singh	Member	1

REMUNERATION POLICY
I (a) Executive Directors

The details of the remuneration paid during the year 2010-2011 to the Managing / Executive Director(s) are as follows:

Name of Director	Designation	Salary (Rs.)
Raj Kumar Agarwal	Managing Director	13,20,000.00
Naresh Agarwal	Executive Director	13,20,000.00
Ramesh Chand Agarwal	Chairman cum Director	13,20,000.00

(b) Details of Shares of the Company held by the Directors as on March 31, 2011 are as follows:

Name	No. of Shares
Ramesh Chand Agarwal	1428293
Raj 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.

II 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 2010-2011.
- c) No Sitting fees were paid to the Non-Executive Directors for attending Board Meetings or Committee Meetings during the Financial Year 2010-2011.
- 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
2009-2010	A-243 A Road No 6 V. K. I. Area, Jaipur-302 013.	30 th September 2010 at 11.30 A.M.	Special Resolution was passed u/s 61
2008-2009	A-243 A Road No 6 V. K. I. Area, Jaipur-302 013.	30 th 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)

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.

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, 2011.
- 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 Exchanges, 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

17 th Annual General Meeting Day, Date and Time	Friday, September 30 th , 2011 at 3.00 P. M.
Venue	A-243 (A) Road No: 6 V.K.I.Area Jaipur 302013
Financial Year	April 1, 2010 to March 31, 2011
Book Closure	September 24, 2011 to September 30, 2011
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 Sock 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 2011-12 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	High	Low
April 2010	18,047	17,276	4,83,723	7.78	6.00
May 2010	17,536	15,960	2,10,411	7.64	4.85
June 2010	17,919	16,318	1,62,313	7.39	5.75
July 2010	18,237	17,395	4,13,434	8.78	6.88
August 2010	18,475	17,820	12,36,608	10.71	7.32
September 2010	20,268	18,027	3,15,276	8.99	6.91
October 2010	20,854	19,769	4,84,652	10.55	7.50
November 2010	21,108	18,954	2,58,275	9.95	6.40
December 2010	20,552	19,074	1,57,708	8.65	7.02
January 2011	20,664	18,038	92,144	9.14	6.35
February 2011	18,691	17,295	84,630	8.35	6.07
March 2011	19,575	17,792	66,705	8.67	6.30

*Source: www.bseindia.com

Registrar and share Transfer Agent:	Big Shares Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E) Mumbai-400 072.
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Shareholding pattern as on 31st March 2011

Particulars	No. of Shares held	% of shareholding
Promoters	8011748	58.57
Financial Institutions, Banks and Mutual Funds	0	0.00
Trusts / Clearing Members	1502	0.01
Pvt. Corporate Bodies	961060	7.03
Indian Public	4673828	34.17
NRIs / OCBs	30661	0.22
Total	13678799	100.00

Distribution of shareholding as on 31st March 2011

Range	Total Holders	% of Total Holders	Total Holding	% of Shareholding
001-500	2881	63.15	922627	6.75
501-1000	565	12.39	491499	3.59
1001-2000	792	17.36	971305	7.10
2001-3000	93	2.04	232922	1.70
3001-4000	47	1.03	166878	1.22
4001-5000	55	1.21	262584	1.92
5001-10000	49	1.07	364196	2.66
10001 & above	80	1.75	10266788	75.06
	4562	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, 2011 about 96.92 % of the Company's shares were held in dematerialized form.

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

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. G1-685, Road No: 9F2. V.K.I.Area, Jaipur - 302 013 (Rajasthan)
03. F-263, Road No. 13, V. K. I. Area, Jaipur – 302013 (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: nanda@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@leherfootwear.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 PU Footwear because it is the cheaper footwear available in India. The PU Footwear have captured

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 it's objectives of growth, profitability and maximization of shareholders wealth.

Turnover of the Company for the year under review has been increased by 15.02% from Rs. 3021.51 Lacs to Rs. 3475.59 Lacs. This increase in turnover is majorly on account of increase in sales volume, however selling price remained almost constant, the Net Profit of the Company is Rs. 150.00 Lacs as against Rs. 74.83 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 statues 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 takes 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 31/03/2011 is 119 including the contract labour.

Future Plans

The Company has entered into mobile business through its associate company JMR Mobilink Ltd. The Company will invest more amount in associate company.

Further, the company will install 3 new machines for manufacturing of PU footwear during the financial year 2011-12.

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 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.

A.Bafna & Co. Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme , Jaipur – 302001
Tel: (0141) – 2372572, 2375212,
2373873, Fax – 2363426

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Balance Sheet of **M/s Lawreshwar Polymers Limited** as at 31st March, 2011 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.15 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 31,2011 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, 2011 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 Note No 15(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**, 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:
- a) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2011 .
 - 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: 003660C

Place: Jaipur
Date: 05.08.2011

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

A.Bafna & Co.
Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme , Jaipur – 302001
Tel: (0141) – 2372572, 2375212,
2373873, Fax – 2363426

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 two parties listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of such loans as on 31.03.2011 is Rs. 28,52,090/-. The maximum balance outstanding at a point of time during the year was Rs. 3,20,86,750/-.
- (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, hence clauses (f) & (g) of the order are not applicable.
- (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 Act, 1956 read with 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 2011 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/-	2005-2006	CIT(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.*
- (xxi) 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 causes the financial statements to be materially misstated.

**For A.Bafna & Company
Chartered Accountants
FRN: 003660C**

**Place: Jaipur
Date: 05.08.2011**

**(CA M.K. Gupta)
Partner
M.No. 073515**

LAWRESHWAR POLYMERS LIMITED

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

BALANCE SHEET AS ON 31ST MARCH 2011

	SCH. No.		AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	136,787,990	136,787,990	
Reserve & Surplus	2	148,520,378	133,679,899	
			285,308,368	270,467,889
LOAN FUNDS				
Secured Loans	3	76,617,579	94,103,308	
			76,617,579	94,103,308
Deferred Tax Liabilities				
			9,753,596	8,813,879
Total			371,679,543	373,385,076
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block		149,748,869	140,461,182	
Less: Depreciation		55,056,369	46,018,069	
Net Block			94,692,500	94,443,113
Capital Work in Progress			12,432,751	11,220,895
INVESTMENT	5		4,639,000	3,239,000
CURRENT ASSETS , LOANS & ADVANCES				
Inventories		77,138,133	63,585,646	
Sundry Debtors		128,395,761	100,251,645	
Cash & Bank Balance		26,639,569	51,324,450	
Loans & Advances		90,554,297	101,993,605	
		322,727,761	317,155,347	
Less: Current Liabilities & Provision	7	64,887,929	56,866,778	
Net Current Assets			257,839,832	260,288,569
Miscellaneous Expenditure	8		2,075,459	4,193,498
Total			371,679,543	373,385,076
Accounting Policies & Notes to Accounts				
	15			

As per our report of even date
For A. BAFNA & COMPANY
Chartered Accountants
FRN : 003660C

For **LAWRESHWAR POLYMERS LTD.**

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

LAWRESHWAR POLYMERS LIMITED
A-243(A), ROAD NO.6, V.K.I.AREA, JAIPUR-302 013
PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2011

	SCH. No.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
INCOME			
Turnover	9	347,558,870	302,151,650
Increase(Decrease) in Stock		10,213,791	(316,654)
Insurance Claim Receivable Against Goods	10	-	12,326,835
Other Income	11	19,891,494	14,868,942
TOTAL		377,664,155	329,030,773
EXPENDITURES			
Material Cost	12	241,779,367	210,162,160
Manufacturing & Other Exp.	13	89,079,041	87,255,845
Financial Expenses	14	12,496,449	12,618,723
Depreciation	4	9,038,300	7,763,141
Less: Depreciation charged from revaluation reserve		159,055	159,055
Preliminary Expenses/Public Issue Written off		2,118,039	2,118,039
TOTAL		354,352,140	319,758,853
Profit before tax		23,312,015	9,271,921
Add/(Less): Prior Period Adjustments		(30,038)	170,093
Profit After Prior Period Adjustment		23,281,977	9,442,014
Provision for Taxation			
Current Year		7,230,817	
MAT Credit			84,474
Earlier Year		111,910	-
Deferred Tax		939,717	1,846,738
Fringe Benefit Tax		8,282,444	28,211
Net Profit After Tax		14,999,533	7,482,591
Balance Brought Forward from Previous Year		29,143,110	21,660,519
Transferred to General Reserves		0	0
Balance Carried to Balance Sheet		44,142,643	29,143,110
Earnings per Share (Refer Note No.7, Face value per share Rs.10)			
Basic		1.10	0.55
Diluted		1.10	0.55
Accounting Policies & Notes to Accounts	15		

As per our report of even date
For **A. BAFNA & COMPANY**
Chartered Accountants
FRN : 003660C

For **LAWRESHWAR POLYMERS LTD.**

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

LAWRESHWAR POLYMERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	2010-11	2009-10
A. Cash flow from operating activities		
Profit before taxes and exceptional items	23312015	9271921
Adjustment for:		
Depreciation	8879245	7604085
Interest expenses	12496449	12618723
Preliminary Expenses written off	2118039	2118039
Loss on sale of Fixed Assets	-	3871
Profit on Sale of Land	-	(2018841)
Profit on sale of Fixed Assets	-	(100539)
Profit on Insurance Claim	(1001973)	(3724353)
Profit on sale of Investment	-	-
Interest income	(9665761)	(8765659)
Bad Debts	1750515	1824452
Operating profit before working capital changes	37888529	18831699
Working capital changes		
Inventory	(13552487)	(4528853)
Sundry debtors	(28144117)	3431532
Loans and advances	13,661,233	15178303
Current Liabilities and provisions	2260797	9382348
Prior Period Adjustments	(30038)	170093
Bad Debts	(1750515)	(1824452)
Cash generated from operating activities	10333402	40640670
Taxes paid	(1582372)	(153481)
Net cash provided by operating activities	8751030	40487189
B. Cash flow from investing activities		
Purchase of fixed assets	(9287687)	(8141070)
Sale of fixed assets	-	11908384
(Increase)/Decrease in CWIP	(1211856)	(4094827)
Purchase of Investment	(1400000)	(51000)
Sale of Trade of investment	-	-
Advance given to subsidiaries (net)	-	-
Inter corporate deposits(net)	(2221925)	(21294480)
Profit on sale of Investment	-	-
Profit on sale of Fixed Assets	-	2119380
Profit on Insurance Claim	1001973	3724353
Loss on sale of Assets	-	(3871)
Interest received	9665761	8765659
Net cash used in investing activities	(3453734)	(7067472)

C. Cash flow from financing activities		
Issue of equity shares(net of issue expenses)	-	-
Public Issue Expenses	-	-
Increase in Borrowings	(17485729)	(6573098)
Unsecured Loan		(489627)
Interest paid	(12496449)	(12618723)
Increase in Reserves	1	1
Net cash (used in)/ provided by financing activities	(29982177)	(19681447)
Net increase / (decrease) in cash (A+B+C)	(24684881)	13738271
<hr/>		
Cash and cash equivalents at the beginning of the year	51324450	37586179
Cash and cash equivalents at the end of the year	26639569	51324450

As per our report of even date
For **A. BAFNA & COMPANY**
Chartered Accountants
FRN : 003660C

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

Date : 05.08.2011
Place : Jaipur

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

LAWRESHWAR POLYMERS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE-1		
SHARE CAPITAL		
Authorised		
15000000 (Previous Yr. 15000000) Equity Shares of Rs. 10/- each	<u>150,000,000</u>	<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	136,787,990
TOTAL	<u>136,787,990</u>	<u>136,787,990</u>
SCHEDULE - 2		
Reserve & Surplus		
Shri Ganesh ji Maharaj	21	20
General Reserve	10,011,694	10,011,694
Share Premium	66,052,794	66,052,794
Revaluation Reserve	28,313,226	28,472,281
Surplus of Profit & Loss Account	44,142,643	29,143,110
TOTAL	<u>148,520,378</u>	<u>133,679,899</u>
SCHEDULE - 3		
Secured Loans		
Term Loans from:		
AXIS Bank Ltd.	-	8,022,834
Deferred Payment Loans on Vehicles	1,252,761	1,579,098
Working Capital Limits from		
Punjab National Bank	75,364,817	-
AXIS Bank Ltd.	-	84,501,375
TOTAL	<u>76,617,579</u>	<u>94,103,308</u>

NOTES :-

- a) Cash Credit Limit From Punjab National Bank is secured by way of Hypothecation of Raw Material, Finished Goods Stock in Process, Store & Spares, Packing Material, etc. & mortgage over fixed assets & pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. and personal guarantee of directors of the company.
- b) Deferred Payment loan on vehicles Secured by hypothecation of respective vehicles & personal guarantee of directors.

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011
SCHEDULE -4
FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.10	Additions during the year	Deletions during the year	AS AT 31.03.11	UP TO 31.03.2010	For The Year	Dep. Written Back	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
Land*	25877800	-	-	25877800	-	-	-	-	25877800	25877800
Buildings*	14816714	103282	-	14919996	3324580	495445	-	3820025	11099971	11492134
Plant & Machinery	46143842	3586738	-	49730580	18204722	2807233	-	21011955	28718625	27939120
Dies & Moulds and Misc Assets	43263678	4564384	-	47828062	20775233	4772618	-	25547852	22280211	22488445
Office Equipments	2482556	288297	-	2770853	1426414	247080	-	1,673,494	1097358	1056142
Vehicles	7300216	740628	-	8040844	1844949	689889	-	2,534,838	5506006	5455267
Furniture & Fixtures	576376	4358	-	580734	442172	26033	-	468,205	112529	134204
TOTAL	140461182	9287687	-	149748869	46018069	9038300	-	55056369	94692499	94443112
Assest in WIP	11220895	1315138	103282	12432751	-	-	-	-	12432751	11220895
Grand Total	151682077	10602825	103282	162181620	46018069	9038300	-	55056369	107125250	105664007
Previous year	137287790	16038945	12865553	140461182	39212097	7763141	957169	46018069	94443112	98075692
Assest in WIP	15023943	4094827	7897875	11220895	-	-	-	-	11220895	15023943
Total (Previous year)	152311733	20133772	20763428	151682077	39212097	-	957169	46018069	105664007	113099635

* Note: Land & Building includes the amount of revaluation of Land of Rs. 24505423/- & Building of Rs. 8081911/- during the year 2004-05 as per valuation report dated 31.03.2005.

Historical Cost of Building Rs. 8220612
Historical Cost of Land Rs. 1372377

SCHEDULE- 5
INVESTMENTS

(Long Term & Unquoted)
In Govt. Securities

N.S.C. (Pledged with Sales Tax Authority) 3,000 3,000

In Equity Shares

245000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd. 3,185,000 3,185,000
(Previous year 245000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd. Subsidiary Company)

5100 Equity Shares of Rs. 10 each of Swastik Polyblends Private Limited (Subsidiary Company) 51000 51000

140000 Equity Shares of Rs. 10/- each of M/s JMR Mobilink Limited (Associate Company) 1400000 -

TOTAL 4,639,000 3,239,000

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE- 6		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
1 Inventory (As taken valued & certified by the Mgt.)		
Raw Material	27,568,942	25,023,433
Finished Goods	26,086,108	20,218,140
Work in Progress	19,139,036	14,793,213
Packing Material	3,568,568	2,371,836
Traded Goods	155,400	490,793
Consumable Stores & Spares	455,551	560,730
Diesel / LDO	164,530	127,501
	<u>77,138,133</u>	<u>63,585,646</u>
2 Sundry debtors (Unsecured but considered good)		
More than six months	35,512,483	35,426,716
Others	92,883,278	64,824,929
	<u>128,395,761</u>	<u>100,251,645</u>
3 Cash & Bank Balance		
Cash in Hand	9,034,869	4,378,176
With Scheduled Bank in Current Accounts	17,374,748	4,196,275
With Scheduled Bank in FDR	229,952	42,750,000
	<u>26,639,569</u>	<u>51,324,450</u>
TOTAL (A)	<u>232,173,464</u>	<u>215,161,742</u>
B. LOANS & ADVANCES		
(Unsecured but considered good)		
Advance recoverable in cash or in kind or for value to be received	6,214,653	13,465,427
Inter Corporate Deposits	30,263,828	28,041,903
Advance to Creditors/Suppliers	7,598,149	6,166,528
Security Deposit	23,023,554	26,943,745
Insurance Claim Receivable	18,674,521	21,469,714
Income Tax	4,779,592	5,906,290
TOTAL (B)	<u>90,554,297</u>	<u>101,993,605</u>
TOTAL (A+B)	<u>322,727,761</u>	<u>317,155,347</u>
SCHEDULE- 7		
CURRENT LIABILITIES & PROVISIONS		
1 Current Liabilities		
Sundry Creditors	35,454,329	38,618,532
Advance from Customers	761,775	260,757
Statutory Liabilities	349,164	362,061
Other Liabilities	19,950,016	15,155,458
TOTAL (A)	<u>56,515,283</u>	<u>54,396,807</u>
2 Provisions		
Provision for Income Tax(Current Year)	7,230,817	-
Fringe Benefit Tax	-	-
Other Provisions	1,141,830	999,509
Provision for MAT	-	1,470,462
TOTAL (B)	<u>8,372,647</u>	<u>2,469,971</u>
TOTAL (A+ B)	<u>64,887,930</u>	<u>56,866,778</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)		
SCHEDULE - 8 MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
Preliminary Expenses	133,071	159,685		
Add: Incurred during the year	-	-		
Less: Written off during the year	26,614	26,614		
	<u>106,457</u>	<u>133,071</u>		
Public issue expenses	4,060,426	6,151,851		
Add: Incurred during the year	-	-		
Less: Written off during the year	2,091,425	2,091,425		
	<u>1,969,002</u>	<u>4,060,426</u>		
Total	<u>2,075,459</u>	<u>4,193,498</u>		
SCHEDULE - 9 TURNOVER				
Sales	347558870	302,151,650		
Total	<u>347,558,870</u>	<u>302,151,650</u>		
SCHEDULE - 10 STOCK ADJUSTMENT				
(A) Increase / Decrease in Stock				
Finished Goods	26,086,108	20,218,140		
Work in Progress	19,139,036	14,793,213		
	45,225,144	35,011,353		
Opening Stock				
Finished Goods	20,218,140	18,630,445		
Work in Progress	14,793,213	16,697,561		
	<u>35,011,353</u>	<u>35,328,007</u>		
Total (A) Increase \ Decrease in Stock	<u>10,213,791</u>	<u>(316,654)</u>		
SCHEDULE - 11 Other Income				
Interest Receivable	9,570,377	8,765,659		
Interest on Income Tax Refund	95,384	-		
Misc. Income	308,153	259,551		
Profit on sale of Fixed Assets	-	100,539		
Profit on sale of Land	-	2,018,841		
Profit on Insurance Claim on Fixed Assets	1,001,973	3,724,353		
Profit on Insurance Claim on LOP	8,915,608	-		
TOTAL	<u>19,891,494</u>	<u>14,868,942</u>		
SCHEDULE - 12 MATERIAL COST				
Particulars	Op. Stock	Purchases	Cl. Stock	Consumed
A. Raw Material	25,023,433	221,473,963	27,568,942	218,928,455
Previous Year	17,502,652	191,665,824	25,023,433	184,145,043
B. Packing Material	2,371,836	21,888,529	3,568,568	20,691,797
Previous Year	2,499,786	20,452,562	2,371,836	20,580,512
C. Footwears	490,793	1,823,722	155,400	2,159,115
Previous Year	2,516,610	3,410,788	490,793	5,436,605
SUM(A+B+C)	27,886,062	245,186,213	31,292,909	241,779,367
Previous Year	22,519,048	215,529,174	27,886,062	210,162,160

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE-13		
MANUFACTURING & OTHER EXPENSES		
A. Manufacturing Expenses		
Cartage	57,117	59,100
Consumable stores	2,387,343	1,836,530
Designing Charges	30,367	24,320
Diesel / LDO consumption	3,808,172	4,673,483
Job Charges	19,782,277	24,072,206
Power & Electricity	6,582,310	7,682,413
Repairs & Maintenance (P & M)	2,870,459	3,205,141
Scrap Grinding Expenses	172,955	200,068
Strap Cutting Charges	205,774	274,550
Lease Rent (Plant & Machinery)	480,000	480,000
Work Shed Rent	1,080,000	840,000
TOTAL (A)	37,456,774	43,347,812
B. Payment to & Provision for Employees		
Bonus to Employees	525,695	481,186
Contribution to ESI & P.F.	413,223	358,344
Gratuity Fund/ Leave Encashment	119,484	111,838
Salaries & Allowances	4,358,276	3,596,544
Staff & Labour Welfare	496,825	461,769
Wages	2,661,565	2,326,759
TOTAL (B)	8,575,068	7,336,441
C. Administrative & Other Expenses		
Annual Constodial Fees	66,180	66,180
Annual Listing Fees	33,090	33,090
Auditors Expenses	5,160	12,360
Conveyance Expenses	264,844	242,327
Cost Audit Fees	35,000	35,000
VAT	46,507	49,131
Directors Remuneration	3,960,000	3,467,742
Donation	250,000	225,000
Electricity Expenses	78,436	100,633
Entertainment Expenses	77,050	23,700
Exchange Flactuation Gain/Loss	2,139	-
Festival Expenses	257,561	241,667
Gardening Exp.	10,800	10,800
General Expenses	62,712	20,425
Guest House Rent	627,500	531,680
Insurance Expenses	500,990	308,030
Interest on TDS	73,011	96,404
Internal Audit Fees	27,576	27,575
Legal Expenses	260,029	245,250
Loss on Sale of Assets	-	3,871
Membership fees & Subscription Fees	1,100	14,100
News Papers & Periodicals	11,858	8,793
Office Expenses	27,939	32,110
Penalty & Fine	7,040	570
Postages & Telegrams	139,403	109,298
Printing & Stationery	226,096	306,259
Professional & Consultancy Fees	2,647,358	2,732,681
Repairs & Maintenance (Building)	91,330	186,061
Repairs & Maintenance (Others)	113,108	105,281
Retainership Expenses	30,000	361,000
Security Charges	402,140	424,204
Software Development Exp	37,842	38,000
Audit Fees	110,300	110,300

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	SCH. No.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
Sundry Balances written off		1	-
Telephone Expenses		735,622	527,630
Travelling Expenses			
Director's Travelling		443,499	380,632
Director's Travelling(Foreign)		355,728	-
Others		234,038	202,442
Vehicle Running & Maintenance		960,163	628,858
Water Exp.		34,559	31,722
Website Development Expenses		55,489	12,714
TOTAL (C)		<u>13,303,197</u>	<u>11,953,519</u>
D. SELLING & DISTRIBUTION EXPENSES			
Advertisement & Publicity		525,907	366,857
Commission on Sales		702,933	712,882
Discount Allowed		26,190,999	20,861,475
Freight Outward		66,788	56,264
Sales Promotion Expenses		428,650	796,144
Tender Fees		1,000	-
Bad Debts		1,750,515	1,824,452
Exhibition Expenses		77,210	-
TOTAL (D)		<u>29,744,002</u>	<u>24,618,074</u>
Grand Total (A+B+C+D)		89,079,041	87,255,845
SCHEDULE - 14			
FINANCIAL EXPENSES			
Bank Commission & Charges		803,274	742,976
Interest on Term Loan		920,887	3,483,768
Interest to Bank & others		10,772,288	8,391,978
TOTAL		<u>12,496,449</u>	<u>12,618,723</u>

SCHEDULE – 15
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) 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 asset.

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 is provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which is 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 deference 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. Foreign Currency Transactions:

Transactions in Foreign currency are recorded at the exchange rate prevailing on the date of transaction Foreign currency monetary assets and liabilities and forward contracts are restated at year end exchange rates. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets. Any other exchange difference is dealt with in profit and loss account.

In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.

13. 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).
- c) Claim against the company of Rs. 6,79,000/- is not acknowledged as debt. (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 | (Nil) |
| (Previous year 2009-2010) | (Nil) |
| b) Due from subsidiary companies | (Nil) |
| (Previous year 2009-2010) | (Nil) |
| c) Due from Enterprises in which directors or their relatives are interest | 204.79 Lacs |
| (Previous year 2009-2010) | 129.56 Lacs |

5. Remuneration to Directors:

Particulars		2010-11	2009-10
A	Remuneration		
	Chairman	13,20,000	10,67,742
	Managing Director	13,20,000	12,00,000
	Executive Director's	13,20,000	12,00,000
B	Perks		
	Chairman	-	-
	Managing Director	-	-
	Executive Director's	-	1,603

6. Auditors remuneration

Particulars	2010-11	2009-10
Audit fees	75,000	75,000
Tax audit fees	25,000	25,000
Service tax	10,300	10,300
Total	1,10,300	1,10,300

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	2010-11	2009-10
Net profit after tax (Rs.)	149,99,533	74,82,591
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)	1.10	0.55

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 31.03.2011 are as under:

Particulars	As at 31.03.2011	As at 31.03.2010
(A) Deferred Tax Liabilities	97,53,596	88,13,879
Difference between Books & Tax (WDV) of Fixed Assets		
(B) Deferred Tax Asset	-	-
Net Amount	97,53,596	88,13,879

9. 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	
	2010-11	2009-10	2010-11	2009-10
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	3,52,508	3,56,171	1,65,815	2,35,511
Current Service Cost	71,161	68,475	33,333	43,363
Interest Cost	-	-	-	-
Actuarial loss/(gain)	14,990	(28,869)	-	(77,959)
Benefit paid	21,672	43,269	-	35,100
Closing defined benefit obligation at 31 st March	4,16,987	3,52,508	1,99,148	1,65,815
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	3,85,287	3,56,171	2,38,989	2,35,511
Expected Return on Plan asset	32,795	60,868	21,509	38,578
Contribution by employer	53,372	11,517	-	-
Benefit paid	21,672	43,269	-	35,100
Actuarial gain/loss	-	-	-	-
Closing fair value of plan assets at 31 st March	4,49,782	3,85,287	2,60,498	2,38,989
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	4,16,987	3,52,508	1,99,148	1,65,815
Fair Value of Plan Assets at 31 st March	4,49,782	3,85,287	2,60,498	2,38,989
Deficit/(Surplus)	(32,795)	(32,779)	(61350)	(73174)
Unrecognized past service cost	-	-	-	-
Net Liability/(Assets)	(32,795)	(32,779)	(61350)	(73174)

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Discount Rate	8%	8%	8%	8%
Expected Rate of Return	9%	9%	9%	9%
Salary Escalation	7%	7%	7%	7%

10. Segment Reporting – AS 17

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

11. 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 01.04.2010 to 31.03.2011.

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.	Megha Lodha	Daughter in law of MD
3.	Sanjay Agarwal	Son of MD
4.	Naveen Agarwal	Son of Chairman
5.	Pramod Agarwal	Brother of Chairman of the company
6.	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.	JMR Mobilink Limited	40% 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.	Jeetish 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.	Shree Constructions	MD is partner in firm
13.	Shiv Kripa Builders	MD is partner in firm
14.	Krishna Developers	Chairman's Brother is partner in the firm
15.	Raj Shoe Palace	Proprietorship concern of MD
16.	P.K. Shoe Co.	Proprietorship concern of Chairman's Brother
17.	Ramesh Footwear	Proprietorship concern of Chairman
18.	Naveen Footwear	Proprietorship concern of Chairman's son
19.	N.K. Footwear	Proprietorship concern of EDs HUF
20.	R.K. Boothouse	Proprietorship concern of MDs HUF
21.	M.L. Boot House	Proprietorship concern of Chairman Father's HUF
22.	Lawreshwar Mahadev Mandir Trust	Chairman is Trustee

Transaction with Subsidiary & Group Company

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Sale of Land	-	114.00
Interest received	17.58	12.52
Purchases	-	30.30
Loan Given (ICD)	275.64	299.16
Loan Repayment Received	465.37	108.00
Rent Paid	9.60	9.60
Share Capital	14.00	-
Share Application	51.25	-

Transaction with Key Management Persons

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Remuneration	39.60	35.27

Transaction with Relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Salary	22.32	16.62

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Interest Received	13.47	0.94
Rent Paid	6.00	3.60
Deposit	-	25.00
Donation	2.45	1.10
Sales	61.03	52.39
Discount Allowed	3.98	5.24

12. 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.
13. Some of the Vehicles are in the name of the directors, which are yet to be transferred.
14. Capital Work in Progress includes Advance for Showroom Rs. 1,24,32,751 (Previous Year Rs. 1,12,20,895).
15. a) There had occurred a fire on 24.02.2008 at the registered office & factory premises of the company. 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. The company has received Rs. 89.16 Lacs during the financial year against the above said claim, which has been shown under the head of Other Income.

- 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 company has received the claim from the insurance company during the financial year.
16. 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	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Hawai 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	6.00 Lacs	15.00 Lacs	6.00 Lacs	15.00 Lacs	15.00 Lacs	NA	NA
Actual Production	1534529	1846623	64840	202868	230250	246057	331983	430493	1679687	979627	458412	840506		

B. Detail of Opening Stock/Closing Stock/Turnover

Particulars	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Hawai Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods	
Opening Stock	117693	73593	46316	65932	41588	-	91414	68845	83991	70804	27246	91576	2027	34234
Turnover	1548764	1802523	70820	222484	238196	204469	359758	407924	1615427	966440	449731	782574	22591	41418
Lost by Fire/damage	-	-	-	-	-	-	-	-	-	-	-	122262	-	30696
Purchased Footwear	-	-	-	-	-	-	-	-	-	-	-	-	22512	39907
Closing Stock	103458	117693	40336	46316	33642	41588	63639	91414	148251	83991	35927	27246	1948	2027

C. Quantitative Value of Raw Material Consumed

	Unit	Quantity	Value
Natural & Syn. Rubber	Kg.	662331	77518565
(Previous Year (2009-10))		679692	63823866
Colours & Chemicals	Kg.	484042	18557367
(Previous Year (2009-10))		888162	26943267
Cloth	Meters	309471	39577973
(Previous Year (2009-10))		322201	33173977
PU & PVC Material	N.A		77200751
(Previous Year (2009-10))		N.A.	50561979
Other Raw Material	N.A		6073799
(Previous Year (2009-10))		N.A.	9641953

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

S. No.	Particulars	2010-11	
		Percentage (%)	Value in Rs.
1.	RAW MATERIAL/ CONSUMABLE/DIESEL/LDO		
	Imported	-	-
	(Previous Year (2009-10))	-	-
	Indigenous	100%	218928455
	(Previous Year (2009-10))	100%	184,145,043
2.	Packing Material & Stores & Spares		
	Imported	-	-
	(Previous Year (2009-10))	-	-
	Indigenous	100%	20,691,797
	(Previous Year (2009-10))	100%	20,580,512

D. CIF Value of Imports:

- a) Raw Material purchased
(Previous Year – 2009-10) Nil
- b) Traded Footwear Imported
(Previous Year – 2009-10) 1,205,632
Nil

E. Expenditures in foreign currency

- 1) Payment for capital goods Nil
(Previous year 2009-10) Nil
Payment for traveling expenses 2,05,440
(Previous year 2009-10) 80,100

18. Sundry Creditors include Rs. 36,09,802 (Previous Year 71,40,063) due to small scale industrial undertaking to the extent such parties have been identified from available information and Rs. 3,18,44,527 (Previous Year 2,51,82,307) 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 is 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 15

As per our report of even date
For A. BAFNA & COMPANY
Chartered Accountants
FRN : 003660C

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

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration detail:		
	Registration No.	08196	State Code 17
	Balance Sheet date	31-03-2011	
2.	Capital raised during the year (Amount in thousands)		
	Public Issue		Right Issue
	Nil		Nil
	Bonus issue		Private Placement
	Nil		Nil
3.	Position of mobilization and deployment of Funds (Rs. in thousand)		
	Total Liabilities		Total Assets
	371680		371680
	Sources of Funds		
	Paid up capital including share application		Reserves & surplus
	136788		148520
	Secured Loan		Unsecured Loan
	76618		-
	Deferred Tax Liabilities		
	9754		
	Application of Fund		
	Net Fixed Assets including CWIP	Investment	Net Current assets
	107125	4639	257840
	Misc. Expenditure		Accumulated Losses
	2075		Nil
4.	Performance of Company (Rs. in Thousand)		
	Total Income		Total Expenditure
	377664		354382
	Profit before tax		Profit after tax
	23282		14999
	Earning per share		Dividend Rate
	1.10		-
5.	Generic names of principal product of company		
	Item code		Product Description
	6402		Hawai Chappal
	64041101		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

Telefax : 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 31 st March 2011 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 the agreement with the books of accounts.
- (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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011, 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
F.R. No. 000629N

CA. Vikas Yadav
Partner
M. No. 511351

Place : New Delhi
Date : 05.05.2011

SWASTIK POLYBLEND PRIVATE LIMITED

H-32 UDYOG NAGAR INDL. AREA
NEW DELHI -110041

BALANCE SHEET AS AT 31ST MARCH 2011

	SCH. No.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<u>SOURCE OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	A	100,000.00	100,000.00
<u>LOAN FUNDS</u>			
<u>Unsecured Loans</u>			
PLB Investments Pvt Ltd		1,037,666.00	11,586,509.00
Manbhawan Merchandise Pvt Ltd		20,600,000.00	
TOTAL		<u>21,737,666.00</u>	<u>11,686,509.00</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	B	12,183,830.00	
Less: Accumulated Depreciation		<u>1,010.00</u>	
		12,182,820.00	-
Add: Capital Work in Progress		<u>9,258,416.00</u>	<u>11,400,000.00</u>
		21,441,236.00	11,400,000.00
<u>Current Assests, Loan & Advance</u>			
Cash & Bank Balances	C	<u>184,624.00</u>	<u>148,164.00</u>
		184,624.00	148,164.00
Less: Current Liabilities	D	<u>351,854.00</u>	<u>51,198.00</u>
		(167,230.00)	96,966.00
Profit & Loss Account		463,660.00	189,543.00
TOTAL		<u>21,737,666.00</u>	<u>11,686,509.00</u>

The Schedules Referred to herein & notes to the accounts and significant accounting policies form an intergral part of the Balance Sheet

As per our Report of even date annexed

For Lunawat & Co.
Chartered Accountants
F R No. : 0000629N

For and on behalf of the Board
SWASTIK POLYBLEND PRIVATE LIMITED

C.A. Vikas Yadav
Partner
M.No. 511351
Place : New Delhi
Date : 05.05.2011

Pannalal Baid
Director

Abhay Jain
Director

SWASTIK POLYBLEND PRIVATE LIMITED

H-32 UDYOG NAGAR INDL. AREA

NEW DELHI -110041

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<u>INCOME</u>		
Gross Income	-	-
TOTAL 'A'	-	-
<u>EXPENDITURE</u>		
Audit Fee	11,030.00	11,030.00
Bank Charges	2,591.00	756.00
Interest on Loan	231,217.00	151,677.00
Interest on TDS	346.00	-
Printing & Stationery	1,008.00	1,080.00
Preliminary Expenses Written off	-	25,000.00
Legal & professional	27,025.00	-
Filling Fee	900.00	-
TOTAL 'B'	274,117.00	189,543.00
Profit (Loss) before tax	(274,117.00)	(189,543.00)
Less: Provision for Current Tax	-	-
Profit (Loss) After tax	(274,117.00)	(189,543.00)
Less: Loss brought forward from previous year	(189,543.00)	-
Net Profit(Loss) Carried to Balance Sheet	(463,660.00)	(189,543.00)
Basic EPS	(27.41)	(18.95)

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
F R No. : 0000629N

C.A. Vikas Yadav
Partner
M.No. 511351
Place : New Delhi
Date : 05.05.2011

For and on behalf of the Board
SWASTIK POLYBLEND PRIVATE LIMITED

Pannalal Baid
Director

Abhay Jain
Director

SWASTIK POLYBLEND PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	2010-11	2009-10
A. Cash flow from operating activities		
Profit before taxes and exceptional items	(274117)	(189543)
Adjustment for:		
Interest expenses	231217	151677
Preliminary Expenses written off	-	25000
Operating profit before working capital changes	<u>(42900)</u>	<u>(12866)</u>
Working capital changes		
Current Liabilities and provisions	300656	51198
Cash generated from operating activities	257756	38332
Taxes paid	-	-
Net cash provided by operating activities	<u>257756</u>	<u>38332</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(782820)	
(Increase)/Decrease in CWIP	(9258416)	(11400000)
Net cash used in investing activities	<u>(10041236)</u>	<u>(11400000)</u>
C. Cash flow from financing activities		
Issue of equity shares(net of issue expenses)	-	100000
Preliminary Expenses	-	(25000)
Unsecured Loan	10051157	11586509
Interest paid	(231217)	(151677)
Net cash (used in)/ provided by financing activities	<u>9819940</u>	<u>11509832</u>
Net increase / (decrease) in cash (A+B+C)	36460	148164
Cash and cash equivalents at the beginning of the year	148164	-
Cash and cash equivalents at the end of the year	184624	148164

As per our Report of even date annexed
For Lunawat & Co.
Chartered Accountants
F R No. : 0000629N

For and on behalf of the Board
SWASTIK POLYBLEND PRIVATE LIMITED

C.A. Vikas Yadav
Partner
M.No. 511351
Place : New Delhi
Date : 05.05.2011

Pannalal Baid
Director

Abhay Jain
Director

SWASTIK POLYBLEND PRIVATE LIMITED

H-32 UDYOG NAGAR INDL AREA, NEW DELHI-110041

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

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
Schedule A		
Share Capital		
<u>Authorised Capital</u>		
10000 Equity Shares of Rs 10/ each	100,000.00	100,000.00
<u>Issued & Subscribed Capital</u>		
10000 Equity Shares of Rs. 10/ each	100,000.00	100,000.00
Total	100,000.00	100,000.00

Schedule B

DETAILS OF FIXED ASSETS AS ON 31.03.2011

S. No.	Description	Rate	Gross Block			Depreciation			Net Block		
			Cost as at 01.04.2010	Additions During the Year	Deletions During the Year	Cost as at 31.03.2011	Upto 31.03.2010	For the Year	Deletions During the Year	Upto 31.03.2011	As at 31.03.2011
1	INDL PLOT AT BAHADURGARH	0%	-	12,159,692	-	12,159,692	-	-	-	12,159,692	-
2	GENERATOR	4.75%	-	22,625	-	22,625	-	963	963	21,662	-
	CELLULAR	4.75%	-	1,513	-	1,513	-	47	47	1,466	-
	Total		-	12,183,830	-	12,183,830	-	1,010	1,010	12,182,820	-

Schedule C

Cash & Bank Balance

Cash In Hand	152,863.00	87,920.00
Current a/c with State Bank of Bikaner & Jaipur	31,761.00	60,244.00
Total	184,624.00	148,164.00

Schedule D

Current Liabilities & Provisions

J.K.Gupta & Associates	11,030.00	-
Todar mal	198,000.00	-
Vision Pipes Pvt Ltd	115,000.00	-
Vision Plastchem Pvt Ltd	9,020.00	-
Lunawat & Co	-	11,030.00
GSK Associates	-	25,000.00
TDS payable	11,534.00	15,168.00
Electricity Payable	7,270.00	-
Total	351,854.00	51,198.00

SWASTIK POLYBLEND PRIVATE LIMITED
H-32 UDYOG NAGAR INDL. AREA
NEW DELHI -110041

**NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING PART
OF THE BALANCE SHEET AS AT 31ST MARCH 2011**

1 SIGNIFICANT ACCOUNTING POLICIES

a). **GENERAL**

The company adopts the accrual concept in the preparation of accounts. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

b). **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 principals generally accepted in india and are in accordance with accounting standards notified under the companies (Accounting Standard) Rules 2006 and the relevant provision of the Companies Act, 1956.

c). **Use of accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d). **Depreciation**

Depreciation on Fixed Assets is provided for on Straight Line Method at the rates Specified in Schedule XIV of the Companies Act, 1956.

e). **Fixed Assets**

Fixed Assets are stated at cost of acquisition/construction. The cost of an asset comprises its purchase price and any directly attributable Cost of bringing the asset to working condition for its intended use.

Expenditure for additions, improvements and renewals are Capitalized and expenditure for maintenance and repairs are charged to the Profit and Loss Account.

The amount of Rs. 92,58,416/- have been shown as capital work in progress. It includes all the expenditure which is related to construction of building & electrical installation.

f). **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.

g). **Impairment of Assets**

Impairment of Assets are recognised in the books of account if the Carrying Value of an asset exceeds its Net Selling Price of PV of its expected Cash Flow.

h). Known Liabilities are provided in the books on the basis of best available Information

2 Notes to Accounts

a Disclosure regarding related parties under companies (Accounting Standards) Rule 2006

i Name of the related party and description of relationship

S. No.	Name of the party	Description of Relationship
1	PLB INVESTMENTS PVT LTD	Company under common control
2	SWASTIK POLYMERS	Partnership Firm under common control
3	KEY MANAGEMENT PERSONNEL	Mr. Panna Lal Baid

ii Transaction with the related Parties

<u>Nature of Transaction</u>	<u>Companies /Firms under Common Control</u>	<u>Relative of KMP</u>
LOAN TAKEN	2,200,000.00	-
LOAN REPAY	12,650,000.00	-
INTEREST PAID	295,097.00	-
SHARE APPLICATION MONEY GIVEN	2,000,000.00	-
SHARE APPLICATION MONEY REFUNDED	2,000,000.00	-
LOAN GIVEN	1,000,000.00	-
LOAN REFUNDED	1,000,000.00	-

iii Balances with Related Parties

<u>Name Of the Party</u>	<u>Current Year</u>	<u>Previous Year</u>
PLB INVESTMENTS PVT LTD	1,037,666.00	11,586,509.00
SWASTIK POLYMERS	NIL	NIL

b Deferred Tax

Timing differences of Accounting income & Taxable income is not being material, hence no provision for deferred tax has been made in the books for the financial year ending on 31.03.2011.

c Earning per Share

	<u>2010-11</u>	<u>2009-10</u>
Profit before tax	(274,117.00)	(189543.00)
Weighted average no. of shares	10000	10000
Basic Earning Per Share	(27.41)	(18.95)

d Employees Benefit

There are no Long Term Employees Benefits which require assessment of future liability of the company as per AS-15 issued under the Companies (Accounting Standards) Rules, 2006

e Borrowing Cost

During the financial year 2010-2011 the Co. has provided total interest amounting Rs. 2,95,097/- on the borrowing funds. Out of it the amount Rs. 63,880/- fulfills the criteria of being capitalised in the cost of building as per the provisions of AS-16 Borrowing Costs read with AS-10 Fixed Assets. This amount of interest is exclusively related with the loan borrowed for construction of building which fulfill the criteria of being qualifying assets as per AS-16. The balance interest Rs.2,31,217/- have been charged to the Profit & Loss Account.

f	Payment to Auditors	Current Year	Previous Year
	Audit Fees	10,000.00	10,000.00
	Service Tax	1,030.00	1,030.00
	Total:	11,030.00	11,030.00

g Contingent liability not provided for Rs. -- NIL -- (Previous yr. -----NIL----)

h Previous year figures have been regrouped or rearranged wherever considered necessary.

i	Foreign Exchange Earnings & Expenditure	Current Year	Previous Year
		NIL	NIL

j Sundry Creditors cannot be bifurcated into Micro, Small & other enterprises as required in Micro, Small and Medium Enterprises Act 2006 for want of the relevant information hence, information regarding the same can not be furnished.

k The company is a small and medium sized company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Companies Act 1956. Accordingly, the company has complied with the Accounting Standards as applicable to Small and Medium Sized Company.

l Parties accounts are subject to Confirmation.

As per our Report of even date annexed

For Lunawat & Co.
Chartered Accountants
F R No. : 0000629N

For and on behalf of the Board
SWASTIK POLYBLEND PRIVATE LIMITED

C.A. Vikas Yadav
Partner
M.No. 511351
Place : New Delhi
Date : 05.05.2011

Pannalal Baid
Director

Abhay Jain
Director

SWASTIK POLYBLEND PRIVATE LIMITED
H-32 UDYOG NAGAR INDL. AREA
NEW DELHI -110041

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	<u>Registration Details</u>			
	Registration No.	198739	State Code	55
	Balance Sheet Date	31.03.2011		
II.	<u>Capital raised during the year (amount in Rs. Thousands)</u>			
	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
III.	<u>Position of Mobilisation and development of funds (amount in Rs. Thousands)</u>			
	Total Liabilities	22090	Total Assets	22090
	<u>Sources of funds</u>			
	Paid up Capital	100	Reserve & Surplus	Nil
	Secured Loans	Nil	Unsecured Loans	21638
	Share Application	Nil		
	<u>Application of funds</u>			
	Net Fixed assets	21441	Investments	Nil
	Net Current Assets	-167	Misc. Expenditure	Nil
	Accumulated losses	464		
IV.	<u>Performance of company (amount in Rs. Thousands)</u>			
	Turnover & other			
	Income	Nil	Total Expenditure	274
	Profit before tax(+)	Nil	Profit after Tax	(274)
	Earing per share	(27.41)	Dividend Rate %	Nil
V.	<u>Generic name of three principal products / services of company</u>			
	Item code No. (ITC Code)		Nil	
	Product description		Nil	

As per our Report of even date annexed

For Lunawat & Co.
Chartered Accountants
F R No. : 0000629N

For and on behalf of the Board
SWASTIK POLYBLEND PRIVATE LIMITED

C.A. Vikas Yadav
Partner
M.No. 511351
Place : New Delhi
Date : 05.05.2011

Pannalal Baid
Director

Abhay Jain
Director

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

1	Name of the Subsidiary	Swastik Polyblends Private Limited
2	Financial year of the subsidiary ended	31-Mar-11
3	Shares of the subsidiary held by the Company on the above date :	
	a) Number and Face Value	51,000 Equity Shares of Rs. 10 each fully paid up
	b) Extent of Holding	51%
4	The net aggregate amount of the profit/ (Losses) of the subsidiary company for current period so far as it concerns the members of the holding Company	
	a) Dealt with or provided for in the accounts of the Holding Company	-
	b) Not dealt with or provided for in the accounts of the Holding Company	(139800)
5	The net aggregate amount of the profit/ (Losses) of the subsidiary company for previous financial years so far as it concerns the members of the holding Company	
	a) Dealt with or provided for in the accounts of the Holding Company	0
	b) Not dealt with or provided for in the accounts of the Holding Company	(96667)

As per our report of even date
For A. Bafna & Company
**Chartered Accountants
(FRN 003660C)**
(M.K. Gupta)
Partner
M.No. 073515
Date: 05 Aug, 2011
Place Jaipur
FOR LAWRESHWAR POLYMERS LTD.
Raj Kumar Agarwal
(Managing Director)
Naresh Agarwal
(Executive Director)

A.Bafna & Co. Chartered Accountants



AUDITOR'S REPORT

K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme , Jaipur – 302001
Tel: (0141) – 2372572, 2375212,
2373873, Fax – 2363426

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, 2011 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 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. 19667824, total revenue Rs. Nil and cash flow amounting to Rs. 1,84,624. 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 Note No 14(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:**
 - I) In the case of the Consolidated Balance Sheet, of the State of affairs of the Company as at March 31, 2011.
 - 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 A.Bafna & Company
Chartered Accountants
FRN: 003660C

Place: Jaipur
Date: 05.08.2011

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

LAWRESHWAR POLYMERS LIMITED
A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011

SCH.No.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	136,787,990	136,787,990
Reserve & Surplus	146,086,876	131,520,515
	282,874,867	268,308,505
LOAN FUNDS		
Secured Loans	76,617,579	94,103,308
Unsecured loans	21,637,666	11,586,509
	98,255,245	105,689,817
Deferred Tax Liabilities	9,753,596	8,813,879
Minority Interest	-	-
Total	<u>390,883,707</u>	<u>382,812,200</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	159,913,857	149,842,340
Less: Depreciation	55,057,379	46,018,069
Net Block	104,856,479	103,824,271
Capital Work in Progress	21,691,167	11,220,895
INVESTMENT	4,588,000	3,188,000
CURRENT ASSETS , LOANS & ADVANCES		
Inventories	77,138,133	63,585,646
Sundry Debtors	128,395,761	100,251,645
Cash & Bank Balance	26,824,193	51,472,614
Loans & Advances	90,554,297	101,993,605
	322,912,385	317,303,511
Less: Current Liabilities & Provision	65239784	56,917,976
Net Current Assets	257,672,601	260,385,535
Miscellaneous Expenditure	2,075,459	4,193,498
Total	<u>390,883,707</u>	<u>382,812,200</u>

As per our report of even date
For A. BAFNA & COMPANY
Chartered Accountants
FRN : 003660C

For and on behalf of Board of Directors

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

LAWRESHWAR POLYMERS LIMITED
A-243(A) ROAD NO. 6, V K I AREA, JAIPUR - 302 013
CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2011

	SCH. No.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
INCOME			
Turnover	10	347,558,870	302,151,650
Increase(Decrease) in Stock		10,213,791	(316,654)
Insurance Claim Receivable Against Goods	11	-	12,326,835
Other Income	12	19,891,494	12,850,101
TOTAL		377,664,155	327,011,932
EXPENDITURES			
Material Cost	13	241,779,367	210,162,160
Manufacturing & Other Exp.	14	89,119,350	87,267,955
Financial Expenses	15	12,730,257	12,771,156
Depreciation	5	9,038,300	7,763,141
Less: Depreciation charged from revaluation reserve		159,055	159,055
Preliminary Expenses/Public Issue Written off		2,118,039	2,143,039
TOTAL		354,626,257	319,948,396
Profit before tax		23,037,898	7,063,536
Add/(Less): Prior Period Adjustments		(30,038)	170,093
Profit After Prior Period Adjustment		23,007,860	7,233,629
Provision for Taxation			
Current Year	7230817		
MAT Credit			84,474
Earlier Year	111,910		-
Deferred Tax	939,717		1,846,738
Fringe Benefit Tax	-	8,282,444	28,211
Net Profit After Tax before prior period adjustment		14,725,416	5,274,206
Add/(Less): Prior Period Adjustments		-	-
Net Profit before Minority Intt		14,725,416	5,274,206
Less: Minority Interest		(134,317)	(92,876)
Net Profit After Minority Intt		14,859,733	5,367,082
Less:- Provision for Negative Minority Interest		134,317	43,876
Consolidated Net Profit		14,725,416	5,323,206
Balance Brought Forward from Previous Year		26,983,725	21,660,519
Balance Carried to Balance Sheet		41,709,141	26,983,725
Earnings per Share (Refer Note No.7, Face value per share Rs.10)			
Basic		1.08	0.39
Diluted		1.08	0.39
Accounting Policies & Notes to Accounts	16		

As per our report of even date
For A. BAFNA & COMPANY
Chartered Accountants
FRN : 003660C

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

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

LAWRESHWAR POLYMERS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	2010-11	2009-10
A. Cash flow from operating activities		
Profit before taxes and exceptional items	23037898	7063536
Adjustment for:		
Depreciation	8879245	7604085
Interest expenses	12727666	12771156
Preliminary Expenses written off	2118039	2118039
Loss on sale of Fixed Assets		14100
Profit on sale of Fixed Assets		(2018841)
Profit on Insurance Claim	(1001973)	(3724353)
Interest income	(9665761)	(259551)
Bad Debts	1750515	
Operating profit before working capital changes	36095114	23568171
Working capital changes		
Inventory	(13552487)	(4528853)
Sundry debtors	(28144117)	3431532
Loans and advances	13,661,233	15178303
Current Liabilities and provisions	2,561,453	9433546
Prior Period Adjustments	(30038)	170093
Bad Debts	(1750515)	
Cash generated from operating activities	10591158	47252792
Taxes paid	(1582372)	(153481)
Net cash provided by operating activities	9008786	47099311
B. Cash flow from investing activities		
Purchase of fixed assets	(10070507)	(8141070)
Sale of fixed assets		2527226
(Increase)/Decrease in CWIP	(10470272)	(4094827)
Purchases of Investment	(1400000)	
Inter corporate deposits(net)	(2221925)	(21294480)
Profit on sale of Fixed Assets		2018841
Profit on Insurance Claim	1001973	3724353
Loss on sale of Assets		(14100)
Interest received	9665761	259551
Net cash used in investing activities	(13494970)	(25014506)
C. Cash flow from financing activities		
Issue of equity shares(net of issue expenses)		-
Preliminary Expenses		-
Increase in Borrowings	(17485729)	(6573098)
Unsecured Loan	10051157	11096882
Interest paid	(12727666)	(12771156)
Minority Interest		49000
Increase in Reserves	1	1
Net cash (used in)/ provided by financing activities	(20162237)	(8198371)
Net increase / (decrease) in cash (A+B+C)	(24648421)	13886434
Cash and cash equivalents at the beginning of the year	51472614	37586179
Cash and cash equivalents at the end of the year	26824193	51472614

As per our report of even date
For A. BAFNA & COMPANY
Chartered Accountants
FRN : 003660C

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

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

Date : 05.08.2011
Place : Jaipur

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

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
SCHEDULE-1		
SHARE CAPITAL		
Authorised		
15000000 (Previous Yr. 15000000) Equity Shares of Rs. 10/- each	<u>150,000,000</u>	<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	136,787,990
TOTAL	<u>136,787,990</u>	<u>136,787,990</u>
SCHEDULE - 2		
Reserve & Surplus		
Shri Ganesh ji Maharaj	21	20
General Reserve	10011694	10,011,694
Share Premium	66052794	66,052,794
Revaluation Reserve	28313226	28,472,281
Surplus of Profit & Loss Account	41709141	26,983,725
TOTAL	<u>146,086,876</u>	<u>131,520,515</u>
SCHEDULE - 3		
Secured Loans		
Term Loans from:		
AXIS Bank Ltd.	-	8,022,834
Deferred Payment Loans on Vehicles	1,252,761	1,579,098
Working Capital Limits from		
Punjab National Bank	75,364,817	-
AXIS Bank Ltd.	-	84,501,375
TOTAL	<u>76,617,579</u>	<u>94,103,308</u>
NOTES:-		
a) Cash Credit Limit from Punjab National Bank is secured by way of Hypothecation of Raw Material, Finished Goods Stock in Process, Store & Spares, Packing Material etc & mortgage over fixed assets & pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. and personal guarantee of directors of the company.		
b) Deferred Payment loan on vehicles Secured by hypothecation of respective vehicles & personal guarantee of directors.		
SCHEDULE - 4		
UNSECURED LOANS		
From Corporates	21,637,666	11,586,509
TOTAL	<u>21,637,666</u>	<u>11,586,509</u>

LAWRESHWAR POLYMERS LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011.

SCHEDULE- 6	AS AT	AS AT
INVESTMENTS	31.03.2011	31.03.2010
(Long Term & Unquoted)	(Rs.)	(Rs.)
In Govt. Securities		
N.S.C. (Pledged with Sales Tax Authority)	3,000	3,000
In Equity Shares		
245000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd.	3,185,000	3,185,000
(Previous year 245000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd.)		
140000 Equity Shares of Rs. 10/- each of M/s JMR Mobilink Limited (Associate Company)	1400000	-
TOTAL	4,588,000	3,188,000
SCHEDULE- 7		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
1 Inventory (As taken valued & certified by the Mgt.)		
Raw Material	27,568,942	25,023,433
Finished Goods	26,086,108	20,218,140
Work in Progress	19,139,036	14,793,213
Packing Material	3,568,568	2,371,836
Traded Goods	155,400	490,793
Consumable Stores & Spares	455,551	560,730
Diesel / LDO	164,530	127,501
	77,138,133	63,585,646
2 Sundry debtors (Unsecured but considered good)		
More than six months	35,512,483	35,426,716
Others	92,883,278	64,824,929
	128,395,761	100,251,645
3 Cash & Bank Balance		
Cash in Hand	9,187,732	4,466,096
With Scheduled Bank in Current Accounts	17,406,509	4,256,519
With Scheduled Bank in FDR	229,952	42,750,000
	26,824,193	51,472,614
TOTAL(A)	232,358,088	215,309,906
B. LOANS & ADVANCES		
(Unsecured but considered good)		
Advance recoverable in cash or in kind or for value to be received	6,214,653	13,465,427
Inter Corporate Deposits	30,263,828	28,041,903
Advance to Creditors/Suppliers	7,598,149	6,166,528
Security Deposit	23,023,554	26,943,745
Insurance Claim Receivable	18,674,521	21,469,714
Income Tax	4,779,592	5,906,290
TOTAL (B)	90,554,297	101,993,605
TOTAL (A+B)	322,912,385	317,303,511

LAWRESHWAR POLYMERS LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011.

SCHEDULE- 8	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
CURRENT LIABILITIES & PROVISIONS		
1 Current Liabilities		
Sundry Creditors	35,454,329	38,618,532
Advance from Customers	761,775	260,757
Statutory Liabilities	349,164	377,229
Other Liabilities	20,301,870	15,191,488
TOTAL (A)	56,867,137	54,448,005
2 Provisions		
Provision for Income Tax(Current Year)	7,230,817	
Fringe Benefit Tax		
Other Provisions	1,141,830	999,509
Provision for MAT	0	1,470,462
TOTAL (B)	8,372,647	2,469,971
TOTAL (A+ B)	65,239,784	56,917,976
SCHEDULE - 9		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	133071	159,685
Add: Incurred during the year	0	0
Less: Written off during the year	26614	26,614
	106,457	133,071
Public issue expenses	4060426	6,151,851
Add: Incurred during the year	-	-
Less: Written off during the year	2091425	2,091,425
	1,969,002	4,060,426
Total	2,075,459	4,193,498
SCHEDULE - 10		
TURNOVER		
Sales	347,558,870	302,151,650
Total	347,558,870	302,151,650
SCHEDULE - 11		
STOCK ADJUSTMENT		
Increase / Decrease in Stock		
Finished Goods	26086108	20,218,140
Work in Progress	19139036	14,793,213
	45,225,144	35,011,353
Opening Stock		
Finished Goods	20218140	18,630,445
Work in Progress	14793213	16,697,561
	35,011,353	35,328,007
Total Increase \ Decrease in Stock	10,213,791	(316,654)

LAWRESHWAR POLYMERS LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011.

SCHEDULE - 12	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
Other Income		
Interest Received	9,570,377	8,765,659
Interest on Income Tax Refund	95,384	
Misc. Income	308,153	259,551
Profit on sale of Vehicle	-	100,539
Profit on sale of Land	-	-
Profit on Insurance Claim	1,001,973	3,724,353
LOP Claim Received	8,915,608	-
TOTAL	19,891,494	12,850,101

**SCHEDULE - 13
MATERIAL COST**

Particulars	Op. Stock	Purchases	Cl. Stock	Consumed
A. Raw Material	25,023,433	221,473,963	27,568,942	218,928,455
(Previous Year)	17,502,652	191,665,824	25,023,433	184,145,043
B. Packing Material	2,371,836	21,888,529	3,568,568	20,691,797
(Previous Year)	2,499,786	20,452,562	2,371,836	20,580,512
C. Footwears	490,793	1,823,722	155,400	2,159,115
(Previous Year)	2,516,610	3,410,788	490,793	5,436,605
SUM(A+B+C)	27,886,062	245,186,213	31,292,909	241,779,367
(Previous Year)	22,519,048	215,529,174	27,886,062	210,162,160

**SCHEDULE-14
MANUFACTURING & OTHER
EXPENSES**

A. Manufacturing Expenses		
Cartage	57,117	59,100
Consumable stores	2,387,343	1,836,530
Designing Charges	30,367	24,320
Diesel / LDO consumption	3,808,172	4,673,483
Job Charges	19,782,277	24,072,206
Power & Electricity	6,582,310	7,682,413
Repairs & Maintenance (P & M)	2,870,459	3,205,141
Scrap Grinding Expenses	172,955	200,068
Strap Cutting Charges	205,774	274,550
Lease Rent (Plant & Machinery)	480,000	480,000
Work Shed Rent	1,080,000	840,000
TOTAL (A)	37,456,774	43,347,812
B. Payment to & Provision for Employees		
Bonus to Employees	525,695	481,186
Contribution to ESI & P.F.	413,223	358,344
Gratuity Fund/ Leave Encashment	119,484.00	111,838
Salaries & Allowances	4,358,276	3,596,544
Staff & Labour Welfare	496,825	461,769
Wages	2,661,565	2,326,759
TOTAL (B)	8,575,068	7,336,441

LAWRESHWAR POLYMERS LIMITED
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011.

	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
C. Administrative & Other Expenses		
Annual Constodial Fees	66,180	66,180
Annual Listing Fees	33,090	33,090
Auditors Expenses	5,160	12,360
Conveyance Expenses	264,844	242,327
Cost Audit Fees	35,000	-
Demand A/c	46,507	49,131
Directors Remuneration	3,960,000	3,467,742
Donation	250,000	225,000
Electricity Expenses (Guest House)	78,436.00	100,633
Entertainment Expenses	77,050	23,700
Exchange Flactuation Gain/Loss	2,139	-
Festival Expenses	257,561	241,667
Gardening Exp.	10,800	10,800
General Expenses	62,712	20,425
Guest House Rent	627,500	531,680
Insurance Expenses	500,990	308,030
Interest on TDS	73,357	96,404
Internal Audit Fees	27,576	27,575
Legal Expenses	287,954	245,250
Loss on Sale of Assets	-	3,871
Membership fees & Subscription Fees	1,100	14,100
News Papers & Periodicals	11,858	8,793
Office Expenses	27,939	32,110
Penalty & Fine	7,040	570
Postages & Telegrams	139,403	109,298
Printing & Stationery	227,104	307,339
Professional & Consultancy Fees	2,647,358	2,732,681
Repairs & Maintenance (Building)	91,330	186,061
Repairs & Maintenance (Others)	113,108	105,281
Retainership Expenses	30,000	361,000
Security Charges	402,140	424,204
Software Development Exp	37,842	38,000
Statutory Audit Fees	121,330	156,330
Sundry Balances written off	1	0
Telephone Expenses	735,622	527,630
Travelling Expenses	-	0
Director's Travelling	443,499	380,632
Director's Travelling(Foreign)	355,728	0
Others	234,038	202,442
Vehicle Running & Maintenance	960,163	628,858
Water Exp.	34,559	31,722
Website Development Expenses	55,489	12,714
TOTAL (C)	13,343,506	11,965,629
D SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	525,907	366,857
Commission on Sales	702,933	712,882
Discount Allowed	26,190,999	20,861,475
Freight Outward	66,788	56,264
Sales Promotion Expenses	428,650	796,144
Tender Fees	1,000	-
Bad Debts	1,750,515	1,824,452
Exhibition Expenses	77,210	-
TOTAL (D)	29,744,002	24,618,074
Grand Total (A+B+C+D)	89,119,350	87,267,955
SCHEDULE - 15		
FINANCIAL EXPENSES		
Bank Commission & Charges	805,865	743,732
Interest on Term Loan	920,887	3,483,768
Interest to Bank & others	11,003,505	8,543,655
TOTAL	12,730,257	12,771,156

LAWRESHWAR POLYMERS LIMITED

FINANCIAL YEAR 2010-2011

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 Polyblend Pvt. Ltd.
- (B) **PRINCIPALS OF CONSOLIDATION**
- 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 statements of Lawreshwar Polymers Ltd., the parent company and its subsidiary have been combined on line by line basis by adding together book value of similar items of assets, liabilities, income & expenses after eliminating intra group balances and transactions.
 - The Consolidated Financial Statements are preparing by applying uniform accounting policies in use at group.
 - In this case, the holding company hold 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: -**
- Basis of Preparation of Financial Statement**
Accounting policies, not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.
 - Recognition of Income & Expenditure**
 - Revenue from sale is recognized on invoicing of goods to customers. Sales are net of sales return & Rate Difference.
 - All expenses are charged to the profit & loss account as and when they are incurred.
 - 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 asset.
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.
 - 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.
 - Investments**
 - Current Investments are valued at lower of cost and fair value determined on an individual investment basis.
 - 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 is provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which is 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. Foreign Currency Transactions:

Transactions in Foreign currency are recorded at the exchange rate prevailing on the date of transaction, Foreign currency monetary assets and liabilities and forward contracts are restated at year end exchange rates. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets. Any other exchange difference is dealt with in profit and loss account.

In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.

13. 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).
 - c) claim against the company of Rs. 6,79,000 is not acknowledged as debts.
(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 2009-2010)	(Nil) (Nil)
b) Due from subsidiary companies (Previous year 2009-2010)	(Nil) (Nil)
c) Due from Enterprises in which directors or their relatives are interest (Previous year 2009-2010)	204.79 Lacs 129.56 Lacs

5. Remuneration to Directors:

Particulars		2010-11	2009-10
A	Remuneration		
	Chairman	13,20,000	10,67,742
	Managing Director	13,20,000	12,00,000
	Executive Director's	13,20,000	12,00,000
B	Perks		
	Chairman	-	-
	Managing Director	-	-
	Executive Director's	-	1,603

5. Auditors remuneration

Particulars	2010-11	2009-10
Audit fees	85,000	85,000
Tax audit fees	25,000	25,000
Service tax	11,330	11,330
Total	1,21,330	1,21,330

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	2010-11	2009-10
Net profit after tax (Rs.)	1,47,25,416	53,23,206
No. of paid up equity shares (weighted average)	1,36,78,799	13,678,799
Amount per share (Rs.)	10	10
Earnings per share (Rs.) (Basic & Diluted)	1.08	0.39

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 31.03.2011 are as under:

	Particulars	As at 31.03.2011	As at 31.03.2010
1.	(A) Deferred Tax Liabilities	97,53,596	88,13,879
	Difference between Books & Tax (WDV) of Fixed Assets		
	(B) Deferred Tax Asset		
	Net Amount	97,53,596	88,13,879

9. **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	
	2010-11	2009-10	2010-11	2009-10
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	3,52,508	3,56,171	1,65,815	2,35,511
Current Service Cost	71,161	68,475	33,333	43,363
Interest Cost				
Actuarial loss/(gain)	14,990	(28,869)	-	(77,959)
Benefit paid	21,672	43,269	-	35,100
Closing defined benefit obligation at 31 st March	4,16,987	3,52,508	1,99,148	1,65,815
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	3,85,287	3,56,171	2,38,989	2,35,511
Expected Return on Plan asset	32,795	60,868	21,509	38,578
Contribution by employer	53,372	11,517	-	-
Benefit paid	21,672	43,269	-	35,100
Actuarial gain/loss				
Closing fair value of plan assets at 31 st March	4,49,782	3,85,287	2,60,498	2,38,989
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	4,16,987	3,52,508	1,99,148	1,65,815
Fair Value of Plan Assets at 31 st March	4,49,782	3,85,287	2,60,498	2,38,989
Deficit/(Surplus)	(32,795)	(32,779)	(61350)	(73174)
Unrecognized past service cost	-	-	-	-
Net Liability/(Assets)	(32,795)	(32,779)	(61350)	(73174)

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Discount Rate	8%	8%	8%	8%
Expected Rate of Return	9%	9%	9%	9%
Salary Escalation	7%	7%	7%	7%

10. Segment Reporting AS 17

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

11. 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 01.04.2010 to 31.03.2011

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.	Megha Lodha	Daughter in law of MD
3.	Sanjay Agarwal	Son of MD
4.	Naveen Agarwal	Son of Chairman
5.	Pramod Agarwal	Brother of Chairman of the company
6.	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.	PLB Investment Pvt Ltd Co.	Associate Company of Swastik Polyblends Pvt Ltd
3.	Lawreshwar Footcare Pvt Ltd.	49% shares of this company held by the company
4.	JMR Mobilink Limited	40% shares of this company held by the company
5.	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
6.	Lawreshwar Footwear	Proprietorship concern of Chairman's son
7.	Jai Narayan Mohan Lal & Sons	Proprietorship concern of Chairman's Brother
8.	Jeetish Properties (P) Ltd.	MD of the company is director in company
9.	Sankhala Investors	Chairman is partner in firm
10.	Krishan Kripa Creation	Chairman is partner in firm
11.	Krishan Kripa – 3	Chairman is partner in firm
12.	Krishan Kripa – 4	MD is partner in firm
13.	Shree Constructions	MD is partner in firm
14.	Shiv Kripa Builders	MD is partner in firm
15.	Krishna Developers	Chairman's Brother is partner in the firm
16.	Raj Shoe Palace	Proprietorship concern of MD
17.	P.K. Shoe Co.	Proprietorship concern of Chairman's Brother
18.	Ramesh Footwear	Proprietorship concern of Chairman
19.	Naveen Footwear	Proprietorship concern of Chairman's son
20.	N.K. Footwear	Proprietorship concern of EDs HUF
21.	R.K. Boothouse	Proprietorship concern of MDs HUF
22.	M.L. Boot House	Proprietorship concern of Chairman Father's HUF
23.	Lawreshwar Mahadev Mandir Trust	Chairman is Trustee

Transaction with associate companies

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Interest received	17.58	12.52
Purchases	-	30.30
Loan Given (ICD)	275.64	299.16
Loan Repayment Received	465.37	108.00
Rent Paid	9.60	9.60
Share Capital	14.00	-
Share Application Money	51.25	-

Transaction with key management persons

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Remuneration	39.60	35.27

Transaction with relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Salary	22.32	16.62

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2011	31.03.2010
Interest Received	13.47	0.94
Rent Paid	6.00	3.60
Interest Paid	-	1.52
Deposit	-	25.00
Donation	2.45	1.10
Sales	61.03	52.39
Loan Received	22.00	114.50
Loan Repayment Given	126.50	-
Discount Allowed	3.98	5.24
Loan Given	10.00	-
Loan repayment Received	10.00	-

12. Some of the Vehicles are in the name of the directors, which are yet to be transferred.
13. Capital Work in Progress includes Advance for Showroom and Building WIP Rs. 2,16,91,167 (Previous Year Rs. 1,12,20,895).
14. a) There had occurred a fire on 24.02.2008 at the registered office & factory premises of the company. 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. The company has received Rs. 89.16 Lacs during the financial year against the above said claim, which has been shown under the head of Other Income.
- 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 company has received the claim from the insurance company during the financial year.
15. The Company has partially deployed the IPO Proceeds as per the offer document and revised capital expenditure plan as passed is 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.
16. Previous years figures have been regrouped and rearranged wherever considered necessary.
17. 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: 003660C

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)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration detail:		
	Registration No.	08196	State Code 17
	Balance Sheet date	31-03-2011	
2.	Capital raised during the year (Amount in thousands)		
	Public Issue		Right Issue
	Nil		Nil
	Bonus issue		Private Placement
	Nil		Nil
3.	Position of mobilization and deployment of Funds (Rs. in thousand)		
	Total Liabilities		Total Assets
	390884		390884
	Sources of Funds		
	Paid up capital including share application		Reserves & surplus
	136788		146087
	Secured Loan		Unsecured Loan
	76618		21638
	Deferred Tax Liabilities		
	9754		
	Application of Fund		
	Net Fixed Assets including CWIP	Investment	Net Current asset
	126548	4588	257673
	Misc. Expenditure		Accumulated Losses
	2075		Nil
4.	Performance of Company (Rs. in Thousand)		
	Total Income		Total Expenditure
	377664		354656
	Profit before tax		Profit after tax
	23008		14725
	Earning per share		Dividend Rate
	1.08		-
5.	Generic names of principal product of company		
	Item code		Product Description
	6402		Hawai Chappal
	64041101		Canvas Shoes

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

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

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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 17th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area -302013 on Friday the 30th September, 2011 at 10.00 A.M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

Signed this _____ day of _____, 2011

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 17th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area -302013 on Friday the 30th September 2011 at 10.00 A.M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

Signed this _____ day of _____, 2011

Affix
Rs. One
Revenue
Stamp

Signature

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