

LAWRESHWAR POLYMERS LIMITED



18th Annual Report
2011-12

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

Lehar[®]



FOOTWEAR

National Award Winner 2000
National Award Winner 2003
National Award Winner 2003 (For Quality)
(From Govt. of India)

Hawai ❖ Canvas Shoes ❖ EVA Wave ❖ PU-Bliss
❖ Sports Shoes ❖ School Shoes ❖ Belly ❖ Casual Shoes

Contents	Page No.
Notice	2
Director's Report	6
Reports on Corporate Governance	14
Management Discussion and Analysis	23
Report of The Statutory Auditors	25
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Schedules	33
Report of The Statutory Auditors of Subsidiary Company	46
Balance Sheet of Subsidiary Company	48
Profit & Loss Account of Subsidiary Company	49
Cash Flow Statement of Subsidiary Company	50
Schedules of Subsidiary Company	51
Statutory Auditors Report on The Consolidated Financial Statements	57
Consolidated Balance Sheet	58
Consolidated Profit & Loss Account	59
Consolidated Cash Flow Statement	60
Schedules	61
Proxy Form	74

CORPORATE INFORMATION**Board of Directors**

Ramesh Chand Agarwal
Chairman

Rakesh Akar
Siddharth Singh
Radhe Shyam Mangal
Independent Directors

Raj Kumar Agarwal
Managing Director

Naresh Agarwal
Executive Director

Board Committees**Audit Committee**

Radhe Shyam Mangal
Rakesh Akar
Siddharth Singh

Remuneration Committee

Radhe Shyam Mangal
Rakesh Akar
Siddharth Singh

Shareholders' / Investors Grievance Committee

Radhe Shyam Mangal
Rakesh Akar
Siddharth 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 Eighteenth 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 28th September, 2012 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, 2012 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditor thereon.
2. To appoint a director in place of Shri Radhe Shyam Mangal, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Rakesh Akar, 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of Shareholder of the company in the ensuing Annual General Meeting and the consent as may be required, the remuneration, and other allowances payable to Shri Pramod Agarwal, Shri Sanjay Agarwal, Shri Pankaj Agarwal, Smt. Megha S Agarwal (relative of directors) be increased with effect from 02nd April, 2012 as for given in explanatory statement annexed herewith."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase the remuneration as the Board may decide from time to time with in the permissible limits of Section 314 of the Companies Act, 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board be and are hereby authorised to take all actions and do all such deeds, matters and things, as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT pursuant to provisions of Section 314(1)(b) & other applicable provisions of the Companies Act, 1956 and subject to the approval of the shareholders of the company in the ensuing General Meeting, Ms. Shally Agarwal (Relative of Managing Director) be & is hereby appointed as Administration (Head) on a Monthly Remuneration of Rs.25000/- per month (Rupees Twenty Five Thousand Only) w.e.f. 2nd April, 2012 as per the terms & conditions decided by the Board of Directors & approved by the shareholders in the next General Meeting.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase the remuneration as the Board may decide from time to time with in the permissible limits of Section 314 of the Companies Act, 1956."

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

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

**PLACE: Jaipur
DATED: 01.09.2012**

**(Ramesh Chand Agarwal)
Chairman**

Notice

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, 22nd September 2012 to Friday, 28th September 2012 (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 & 6 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".
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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
COMPANIES ACT, 1956****Item No. 5**

Keeping in view the overall salary structure in the industry, the pay scales at various levels in the company have since been revised. The pay scales of certain level/designations on which relatives of some directors are working have also been revised. Accordingly, it is proposed to revise the salaries of relatives of some of the directors working in the company at various levels.

Name	Present Remuneration	Revised Remuneration
Shri Pramod Agarwal	45000/-	80000/-
Shri Sanjay Agarwal	45000/-	60000/-
Shri Pankaj Agarwal	18000/-	50000/-
Smt. Megha S Agarwal	18000/-	25000/-

Since some of the directors are interested in holding of office or place of profit carrying a monthly remuneration in excess of prescribed limits by their relatives, the prior consent of the members by a special resolution is required in terms of Section 314(1)(b) of Companies Act, 1956. The payment of aforesaid remuneration will commence from 2nd April, 2012.

Shri Raj Kumar Agarwal being relatives of above named persons are deemed to be considered or interested in the said resolution.

The Board of Directors commends the resolution for your approval.

Item no. 6

The Board of Directors, in their meeting held on 02/04/2012 has resolved to propose to the shareholders for their approval in the ensuing Annual General Meeting for the appointment of Ms. Shally Agarwal (relative of Managing Director) as Administration (Head) for a monthly remuneration for Rs. 25000.00 (Rs. Twenty Five Thousand per month).

Smt. Shally Agarwal is Graduate. Your Board of Directors recommends that Appointment of Smt Shally Agarwal will greatly enhance the value of the company.

Your Directors recommend the annexed resolution for your approval.

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

**PLACE: Jaipur
DATED: 01.09.2012**

**(Ramesh Chand Agarwal)
Chairman**

ANNEXURE "A" "TO THE NOTICE CALLING 18TH 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 28, 2012:

Name of Director	Radhe Shyam Mangal	Rakesh Akar
Age	61 Years	49 Years
Date of Appointment/re-appointment	23.07.2005	23.07.2005
Designation	Non Executive Independent Director	Non Executive Independent Director
Expertise in specific functional area	He is a Practicing Chartered Accountant and senior partner of R.S.Mangal & Co. He has vast knowledge and expertise in audit of Banks, Public and Private Limited Companies.	He is a commerce Graduate is an innovative and young entrepreneur, having an expertise of almost 28 years interest in diversified industries.
Qualification	C.A.	B.COM
Directorship in other Public Companies as on 31/03/2012	NIL	1. MRK PIPES LIMITED 2. AGAM CEMENT PRODUCTS PRIVATE LIMITED 3. SHANTIKRIPA INDUSTRIES LIMITED
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2012	NIL	NIL

DIRECTORS REPORT

To,

All the Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the company together with the Audited financial accounts for the financial year ended on 31st March 2012.

FINANCIAL RESULTS:

Rs. (in Lacs)

Particulars	2011-2012 (Audited)	2010-2011 (Audited)
Sales	5280.48	3475.59
Profit before Depreciation & Tax	277.53	321.61
Profit before Tax	186.72	232.82
Provision for Tax (Current & Deferred Tax)	64.96	82.82
Net Profit	121.75	150.00
Appropriation		
Dividend	NIL	NIL
Balance b/f from the previous year	441.43	291.43
Transferred to General Reserve	NIL	NIL
Transferred to Reserve & Surplus	563.18	441.43

Operational Review

Your Company has achieved turnover of Rs. 5280.48 Lacs as against Rs. 3475.59 Lacs in the previous year. The Net Profit of the Company is Rs 121.75 Lacs as against Rs. 150.00 Lacs in the previous year.

Directors

As per Article 107 and 108 of Article of Association of the Company Shri Rakesh Akar and Shri Radhe Shyam Mangal, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Directors Responsibility Statement

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

- in the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation relating to material departures from the same, if there any.
- the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31st, 2012 and of the Profit of the Company for the year ended on that date.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity.

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 2011-2012.

Public Deposits

During the year ended March 31st 2012, your Company has not accepted any deposits from the public.

Future Plans

The company will install 3 new machines for manufacturing of PU footwear and 2 Machines of PVC Air Blowing Machines for manufacturing of PVC Footwear for which additional factory building, with built-up area of about 15000 sq. fts., will be constructed during the financial year 2012-13.

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
For Lawreshwar Polymers Limited**

**PLACE: Jaipur
DATED: 30.05.2012**

**(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:8**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.

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: Used: Rs.2800945/-
Earned: Rs. NIL

For and on behalf of the Board

PLACE: Jaipur
DATED: 30.05.2012

(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, 2012 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: 30.05.2012

(Raj Kumar Agarwal
Managing Director

Annexure "D" "to the Directors' Report**CEO / CFO CERTIFICATION**

We, Raj Kumar Agarwal, Managing Director and Rakesh Soni, 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 Ltd

For Lawreshwar Polymers Ltd

(Raj Kumar Agarwal)
Managing Director

(CA Rakesh Soni)
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, 2012 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
FRN : 003660C

Place: Jalpur
Date: 30.05.2012

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. 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 2.4.2011, 5.4.2011, 14.5.2011, 20.06.2011, 9.7.2011, 5.8.2011, 12.08.2011, 3.9.2011, 8.9.2011, 12.9.2011, 19.9.2011, 30.9.2011, 10.10.2011, 14.10.2011, 31.10.2011, 2.11.2011, 14.11.2011, 15.11.2011, 31.12.2011, 6.1.2012, 14.2.2012, 16.3.2012, 31.03.2012 and the time gap between two meetings did not exceeded four months. All statutory and other important items / information were placed before the Board for approval / review.

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

Name of Directors	Category	Attended the last AGM	No. of Board Meetings attended	No. of Directorship in other Companies	No. of Committee Membership held	
					As Chairman	As Member
Ramesh Chand Agarwal	Non ID / ED	Yes	23	1	-	-
Raj Kumar Agarwal	Non ID / ED	Yes	23	2	-	-
Naresh Agarwal	Non ID / ED	Yes	22@	2	-	-
Rakesh Akar	ID / Non ED	Yes	23	3	-	-
Siddharth Singh	ID / Non ED	Yes	23	2	-	-
Radhe Shyam Mangal	ID / Non ED	Yes	23	-	-	-

@ 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. Siddharth 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.
- 12 A. 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 2011-2012 the Committee met 4 times on 14.05.2011, 12.08.2011, 14.11.2011 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. Siddharth 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 10.10.2011 and 17.02.2011 during the year 2011-2012. 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. Siddharth Singh	Member	2

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

In the Financial Year 2011-2012, the Company has not received any investor complaints

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 time on 01.04.2011 during the year 2011-2012. 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. Siddharth Singh	Member	1

REMUNERATION POLICY

I (a) Executive Directors

The details of the remuneration paid during the year 2011-2012 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, 2012 are as follows:

Name	No. of Shares
Ramesh Chand Agarwal	1603035
Raj Kumar Agarwal	1267500
Naresh Agarwal	1027606

(c) Period of contract of Managing / Executive Director: 5 years from 01.12.2011 & 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 2011-2012.
- c) No Sitting fees were paid to the Non-Executive Directors for attending Board Meetings or Committee Meetings during the Financial Year 2011-2012.
- 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
2010-2011	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	30 th September 2011 at 10.00 A.M.	Not Applicable
2009-2010	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	30th 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)

No special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

The Company has passed resolution through postal ballot on dated 20th December, 2011 for alteration in Object clause of Memorandum of Association by addition of clause 37 in "The Objects Incidental or Ancillary to the attainment of the main object"

E. 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.

F. 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, 2012.
- 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.

G. 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.

H. General Shareholders Information

18 th Annual General Meeting Day, Date and Time	Friday, September 28 th , 2012 at 10.00 A.M.
Venue	A-243 (A) Road No: 6 V.K.I.Area, Jaipur 302013
Financial Year	April 1, 2011 to March 31, 2012
Book Closure	September 22, 2012 to September 28, 2012
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 2012-2013 to the BSE.	
Stock Code	BSE-532829
ISIN No.	INE 976H01018
Depository Connectivity	NSDL and CDSL

I. Market Price Data (BSE)*

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

Month	BSE Sensex			Stock Prices	
	High	Low	Volume (Nos.)	High	Low
April 2011	19,811	18,976	53,165	8.39	6.50
May 2011	19,253	17,786	1,45,520	8.36	5.97
June 2011	18,873	17,314	1,04,482	9.50	7.00
July 2011	19,131	18,131	1,77,509	10.99	5.96
August 2011	18,440	15,765	1,11,159	8.20	6.10
September 2011	17,221	15,801	27,444	8.94	6.66
October 2011	17,908	15,745	38,941	8.49	6.13
November 2011	17,702	15,478	64,900	7.81	5.50
December 2011	17,003	15,135	59,501	7.47	6.27
January 2012	17,258	15,358	2,38,635	8.10	5.62
February 2012	18,523	17,061	43,585	9.20	6.51
March 2012	18,040	16,920	50,332	7.99	6.02

*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 2012

Particulars	No. of Shares held	% of shareholding
Promoters	8186490	59.85
Financial Institutions, Banks and Mutual Funds	NIL	NIL
Trusts / Clearing Members	4475	0.03
Pvt. Corporate Bodies	698311	5.11
Indian Public	4761790	34.81
NRIs / OCBs	27733	0.20
Total	13678799	100.00

Distribution of shareholding as on 31st March 2012

Range	Total Holders	% of Total Holders	Total Holding	% of Shareholding
001-500	2707	63.085	859513	6.283
501-1000	533	12.421	464884	3.398
1001-2000	749	17.455	918164	6.712
2001-3000	83	1.934	208502	1.524
3001-4000	45	1.048	157799	1.153
4001-5000	48	1.118	229818	1.680
5001-10000	53	1.235	389957	2.850
10001 & above	73	1.701	10450162	76.396
	4291	100.00	13678799	100.00

J. 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, 2012 about 99.47 % of the Company's shares were held in dematerialized form.

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

K. 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

L. 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)

M. 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

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

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

O) 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 Hawai 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 Chappals because it is the cheapest footwear available in India. The PU Chappals have captured 75% of demand in rural areas, because in rural areas people use this product as multipurpose footwear.

Industry Outlook

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

Threats

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

Opportunities

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

Financial Performance

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

Turnover of the Company for the year under review has been increased by 52 % from Rs. 3475.59 Lacs to Rs. 5280.48 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. 121.75 Lacs as against Rs. 150.00 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 31/03/2012 is 179 including the contract labour.

Future Plans

The company will install 3 new machines for manufacturing of PU footwear and 2 Machines of PVC Air Blowing Machines for manufacturing of PVC Footwear for which additional factory building, with built-up area of about 15000 sq. ft., will be constructed during the financial year 2012-13.

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

AUDITOR'S REPORT

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Balance Sheet of **M/s Lawreshwar Polymers Limited** as at 31st March, 2012 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 Financial Statements 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 Directors on March 31, 2012 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, 2012 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 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, 2012.
- (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

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

Place: Jaipur
Date: 30.05.2012

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 and advances on current accounts 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 31.03.2012 is Rs. 82,78,286/-. The maximum balance outstanding at a point of time during the year was Rs. 3,32,12,730/-.
 - (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 (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 on Financial Statements. 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

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

Place: Jaipur
Date: 30.05.2012

Lawreshwar Polymers Limited
Balance Sheet as at 31 March 2012

		(In Rupees)	
Particulars	Note No.	Figures as at 31.03.2012	Figures as at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	3	136787990	136787990
Reserves and surplus	4	160536897	148520378
		<u>297324887</u>	<u>285308368</u>
(2) Share application money pending allotment			
(3) Non-current liabilities			
Long-term borrowings	5	2271221	744044
Deferred tax liabilities (Net)	6	9730254	9753596
Other Long term liabilities		-	-
Long-term provisions	7	505939	416987
		<u>12507414</u>	<u>10914627</u>
(4) Current liabilities			
Short-term borrowings	8	103847158	75364817
Trade payables	9	66511316	35454329
Other current liabilities	10	15595431	21569672
Short-term provisions	7	6780677	7955660
		<u>192734583</u>	<u>140344477</u>
TOTAL		<u>502586883</u>	<u>436587472</u>
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	11	111670067	94692499
Intangible assets		-	-
Capital work-in-progress	11	2047119	-
Intangible assets under development		-	-
Non-current investments	12	8139000	4639000
Long-term loans and advances	13	45540848	32956305
Trade Receivable	14	0	0
Other non-current assets	15	20378156	21429714
		<u>187775190</u>	<u>153717519</u>
(2) Current assets			
Current investments			
Inventories	16	98005060	77138133
Trade receivables	14	166782207	128395761
Cash and cash equivalents	17	9217841	26409617
Short-term loans and advances	13	40394104	50645942
Other current assets	15	392481	260498
		<u>314781693</u>	<u>282849952</u>
TOTAL		<u>502586883</u>	<u>436587472</u>

Significant Accounting Policies

Notes on Financial Statements

As per our Report of even date

 1 & 2
 3 to 35

For A. Bafna & Company
 Chartered Accountants
 (FRN 003860C)

FOR LAWRESHWAR POLYMERS LTD.
(M.K. Gupta)
 Partner
 M.No. 073515

Raj Kumar Agarwal
 (Managing Director)

Naresh Agarwal
 (Executive Director)

CA Rakesh Soni
 (Chief Finance Officer)

Lawreshwar Polymers Limited
Statement of Profit & Loss for the year ended on 31 March 2012

Particulars	Note No.	(In Rupees)	
		Figures as at 31.03.2012	Figures as at 31.03.2011
I. Revenue from operations	18	528048524	356474478
II. Other income	19	7515166	10975887
III. Total Revenue (I + II)		<u>535563790</u>	<u>367450365</u>
IV. Expenses:			
Cost of Materials Consumed	20	372373497	239620252
Purchases of Stock-in-Trade		2800945	1823722
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(11026422)	(9878398)
Employee Benefits Expense	22	10190052	8575068
Finance costs	23	14627847	12496449
Depreciation and amortization expense	24	11077049	10997284
Other expenses	25	116683170	80503974
Total expenses		<u>516726137</u>	<u>344138351</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		18837653	23312014
VI. Exceptional items		(166001)	(30038)
VII. Profit before extraordinary items and tax (V - VI)		18671652	23281976
VIII. Extraordinary items		-	-
IX. Profit before tax (VII- VIII)		18671652	23281976
X. Tax expense:			
(1) Current tax	5981784		7230817
(2) Earlier Tax	537636		111910
(2) Deferred tax	(23342)	6496078	939717
XI. Profit (Loss) for the period from continuing operations (IX-X)		<u>12175573</u>	<u>14999532</u>
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI + XIV)		<u>12175573</u>	<u>14999532</u>
XVI. Earnings per equity share:			
(1) Basic		0.89	1.10
(2) Diluted		0.89	1.10
Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3 to 35		

As per our Report of even date

For A. Bafna & Company
 Chartered Accountants
 (FRN 003860C)

FOR LAWRESHWAR POLYMERS LTD.

(M.K. Gupta)
 Partner

M.No. 073515
 Date: 30th May 2012
 Place: Jaipur

Raj Kumar Agarwal
 (Managing Director)

Naresh Agarwal
 (Executive Director)

CA Rakesh Soni
 (Chief Finance Officer)

Lawreshwar Polymers Limited
Cash Flow Statement for The Year ended 31st March, 2012

Particulars	March 31, 2012	March 31, 2011
A. Cash flow from Operating Activities		
Profit before taxes and exceptional items	18837653	23312015
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	9081433	8879245
Interest expenses	14627847	12496449
Preliminary Expenses written off	1995616	2118039
Loss on sale of Fixed Assets	220889	-
Profit on sale of Fixed Assets	(142983)	-
Profit on Insurance Claim	-	(1001973)
Interest Income	(7372183)	(965761)
Bad Debts	1973051	1750515
Operating profit before working capital changes	39221322	37888529
Movements in Working capital :		
Inventory	(20866927)	(13552487)
Trade Receivables	(38386446)	(28144117)
Other Receivables	10624239	13661233
Trade and other Payables	24220857	2260797
Bad Debts	(1973051)	(1750515)
Other Current Assets	(227301)	-
Cash generated from operating activities	12612693	10363440
Prior Period Adjustments	(166001)	(30038)
Taxes paid	(7768453)	(1582372)
Net cash flow from/ (used in) operating activities	4678239	8751030
B. Cash flow from Investing Activities		
Purchase of fixed assets	(27955161)	(9287687)
Sale of fixed assets	1737106	-
(Increase)/Decrease in CWIP	(2047119)	-
Purchase of Investments	-	(1400000)
Share Application money (investment) refunded	(3500000)	-
Capital Advances	(14870937)	(1211856)
Inter Corporate Deposits (net)	1913992	(2221925)
Profit on sale of Fixed Assets	142983	-
Profit on Insurance Claim	-	1001973
Loss on sale of Assets	(220889)	-
Interest received	7372183	9665761
Net cash flow from/ (used in) Investing activities	(37427842)	(3453734)
C. Cash flow from financing activities		
Increase in Short Term Borrowings	28482343	(17485729)
Increase in Long Term Borrowings	2552069	-
Interest paid	(14627847)	(12496449)
Increase in Reserves	1	1
Net cash flow from/ (used in) financing activities	16406567	(29982177)
Net increase / (decrease) in cash (A+B+C)	(16343036)	(24684881)
Cash and cash equivalents at the beginning of the year	26639569	51324450
Cash and cash equivalents at the end of the year	10296533	26639569

As per our Report of even date
 For A. Bafna & Company
 Chartered Accountants
 (FRN 003660C)

FOR LAWRESHWAR POLYMERS LTD.

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

Raj Kumar Agarwal
 (Managing Director)

Naresh Agarwal
 (Executive Director)

CA Rakosh Soni
 (Chief Finance Officer)

Date: 30th May 2012
 Place: Jaipur

Significant Accounting Policies

1 Corporate Information

Lawreshwar Polymers Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in manufacturing and selling of a reputed brand "LEHAR" footwears in domestic market.

2 Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting policies in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis under the historical cost convention, except for land and building acquired before 31 March 2005 which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are in consistency with those of previous years.

2.1 Summary of significant Accounting Policies

A. Presentation and disclosure of Financial Statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement, however, it has significant impact on presentation and disclosures made in financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

B. Recognition of Revenue and Expenditure

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in statement of profit and loss.

Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.

C. Fixed Assets and Capital Work In Progress

Fixed assets, except land and building acquired before 31 March 2005, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Fixed Assets comprising of Land & Building acquired before 31st March, 2005 are stated at revalued amount.

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.

D. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets has been calculated on a 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.

E. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline other than temporary in the value of the investments.

F. 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.

Significant Accounting Policies**G. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company operates gratuity plan as defined benefit plan. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains/ losses are recognized at full in the period in which they occur in the statement of profit and loss.

The company treats accumulated leave, as long-term employee benefit for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

H. Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

I. Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the lease item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease terms.

J. 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.

K. Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets. Any other exchange difference is dealt with in the statement of profit and loss.

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.

L. 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.

Notes on Financial Statements

3 Share capital	31-Mar-2012	31-Mar-2011
Authorised	15000000	15000000
15000000 Equity Shares of Rs. 10 each		
Issued, Subscribed & Paid-up	136787990	136787990
(1,36,78,799 Equity Shares of Rs. 10/- fully paid up)		
	136787990	136787990

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-Mar-2012		31-Mar-2011	
	Number	Amount	Number	Amount
At the beginning of the period	13678799	136787990	13678799	136787990
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	13678799	136787990	13678799	136787990

3.2 Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of Shareholders holding more than 5% equity shares in the Company

	31-Mar-12		31-Mar-11	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Narosh Agarwal	1027606	7.512	1027606	7.512
Raj Kumar Agarwal	1267500	9.266	1267500	9.266
Mohan Lal Agarwal	987500	7.219	987500	7.219
Pramod Kumar Agarwal	1066985	7.800	1066985	7.800
Ramesh Chand Agarwal	1603035	11.719	1428293	10.442
	5952606	43.516	5777864	42.239

4 Reserves and Surplus

	31-Mar-2012	31-Mar-2011
Securities Premium Reserve	66052794	66052794
Revaluation Reserve		
Balance as per the last Financial Statements	28313226	28472281
Less: Amount transferred to statement of profit and loss as reduction from depreciation	159055	28154171
General Reserve		10011717
Surplus/(deficit) in the statement of Profit and Loss		
Balance as per the last Financial Statements	44142642	29143111
Add: Profit for the year	12175573	14999532
	56318215	44142642
Total	160536897	148520378

5 Long-term Borrowings

	Non-current portion		Current maturities	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Deferred Vehicle Loans	2271221	744044	1533610	508717
The above amount includes	2271221	744044	1533610	508717
Secured borrowings	2271221	744044	1533610	508717
Unsecured Borrowings	-	-	-	-
Amount disclosed under the head "Other Current Liabilities" (note 10)	-	-	(1533610)	(508717)
Net Amount	2271221	744044	-	-

Deferred vehicle loans are secured by hypothecation of respective vehicles and carries interest @ 8.50% to 11.50%. Repayment schedule of the Vehicle Loans is as under:

	Starting Date	Closing Date
ICICI Bank Ltd.	15.11.2011	15.10.2014
Tata Capital Ltd.	09.01.2010	09.12.2012
ICICI Bank Ltd.	01.01.2012	01.12.2014
Tata Capital Ltd.	07.04.2010	09.04.2013
Tata Capital Ltd.	14.03.2011	09.03.2014

Notes on Financial Statements

6 Deferred Tax Liability (Net)

	31-Mar-2012	31-Mar-2011
Deferred Tax Liability		
Related to Fixed Assets	9730254	9753596
Deferred Tax Assets	9730254	9753596

7 Provisions

	Long-term		Short-term	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Provision for Employees Benefit				
Provision for Gratuity	505939	416987		
Provision for Leave Encashment			221351	199148
	505939	416987	221351	199148
Others				
Provision for Bonus			577542	525695
Provision for Income Tax			5981784	7230817
			6559326	7756512
	505939	416987	6780677	7955660

8 Short-term Borrowings

	31-Mar-2012	31-Mar-2011
Cash Credit from Punjab National Bank (Secured)*	99954042	75364817
Raw Material Assistance Scheme from NSIC (Secured)**	3893116	
Total	103847158	75364817

*Cash Credit Limit from Punjab National Bank is secured against hypothecation of Raw Material, Finished Goods, Stock in Process, Store & Spares, Packing Material and book debts, mortgage over fixed assets of the Company & mortgage of certain fixed assets of the Directors & other related parties and personal guarantees of Directors and other related parties and pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. held by the Company.

**Raw Material Assistance Scheme from NSIC is secured against bank guarantee which is secured by counter indemnity of the Company.

9 Trade Payables

	31-Mar-2012	31-Mar-2011
Sundry Creditors	66511316	35454329
	66511316	35454329

The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprises Act 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act could not be furnished, however the management does not anticipate any significant interest liability.

10 Other Current Liabilities

	31-Mar-2012	31-Mar-2011
Trade Payable for expenses & capital goods	10757536	18540991
Advances from customers	977996	761775
Statutory Liabilities	719512	458593
Current maturities of long-term borrowings (Includes	1533610	508717
current maturities of deferred vehicle loans)	52705	158110
Unpaid IPO over subscription	1060356	757208
Outstanding Expenses	493718	384278
Other Liabilities		21569672
Total	15595431	21569672

LAWRESHWAR POLYMERS LIMITED

Note No - 11
Tangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.11	Additions During the Period	Deletions During the Period	AS AT 31.03.12	UP TO 31.03.2011	For the Period	Dep. Written Back	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
Land*	25877800	10666352	-	36544152	-	-	-	-	36544152	25877800
Buildings*	14919896	1012874	-	15932870	3820025	498420	-	4318445	11614425	11099971
Plant & Machinery	45487730	1861980	7459642	39890067	19700969	2587323	6822583	15465709	24424358	25786761
Dies & Moulds and Misc.Assets	52070912	9878130	10704622	51244421	26858837	5119337	10330308	21647866	29596555	25212075
Furniture & Fixtures	580734	-	-	580734	468205	20888	-	469104	91630	112529
Vehicles**	8040844	4233182	1211110	11062916	2534838	829954	485378	2879414	8183502	5506006
Office Equipments	2770853	302843	-	3073496	1673494	194556	-	1858050	1215445	1097358
TOTAL	149748869	27955161	19375374	158328655	55056369	9240488	17638269	48658589	111670087	94692499
Capital Work-in-progress	-	7960865	5913546	2047119	-	-	-	-	2047119	-
Grand Total	149748869	35915826	25286920	160375774	55056369	9240488	17638269	46658589	113717186	94692499
Previous Reporting Period	140461182	9287687	-	149748869	46018069	9038300	-	55056369	94692499	94443112
Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
Total (Previous Reporting Period)	140461182	9287687	-	149748869	46018069	9038300	-	55056369	94692499	94443112

* 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
Note: 31.03.2005.

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

** Note: One of the vehicle is in the name of the directors, which are yet to be transferred in the name of the company.

Notes on Financial Statements

Lawreshwar Polymers Limited

12 Non-current Investments

	31-Mar-2012	31-Mar-2011
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiaries		
5100 (31 March 2011: 5100) Equity Shares of Rs. 10 each fully paid-up in Swastik Polyblends Private Limited	51000	51000
Investment in Associates		
245000 (31 March 2011: 245000) Equity Shares of Rs. 10/- each fully paid up in Lawreshwar Footcare Private Limited	3185000	3185000
490000 (31 March 2011: 140000) Equity Shares of Rs. 10/- each fully paid-up in M/s JMR Mobilink Limited	4900000	1400000
Share Application Money		
Non-trade Investments		
Government and Trust Securities (Unquoted)		
N.S.C. (Pledged with Sales Tax Authority)	3000	3000
Total	8139000	4639000
Investment Property given as security		
Investment Property with a carrying amount of Rs. 1950000 (31 March 2011: Nil) are subject to first charge to secure the company's cash credit loans)		

13 Loans and Advances

	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Unsecured considered goods				
Capital Advances	27303688	12432751		
Security Deposit	18237160	20523554	2500000	2500000
Advance to Creditors/Suppliers			7967890	7598149
Loans and advances to related parties			14670358	2852090
Advance recoverable in cash/ kind or for value to be received				
Share Application Money				5125000
Other				3502
Other Loans & Advances				
Advance Income Tax			1175828	4779592
Loans to Employees			108865	101545
Prepaid Expenses			291886	274326
Other Loans & Advances (Unsecured, considered good)			13679477	27411738
Total	45540848	32956305	40394104	50645942

Capital Advances include Advances for showroom and advances for flats.

Share Application Money includes Share Application Money with JMR Mobilink Limited Rs. Nil (31 March 2011 Rs. 5125000/-).

Notes on Financial Statements

14 Trade Receivables

	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payments				
Unsecured, considered good	-	-	41097594	35512483
Other Receivables				
Unsecured, considered good	-	-	125684613	92883278
	-	-	166782207	128395761
Trade Receivables Includes				
Due from enterprises in which Directors or their relatives are interested :	-	-	16544562	20478958

15 Other Assets

	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Insurance Claim Receivable *	18674521	18674521	145317	-
Insurance Policies for Gratuity & Leave Encashment	545100	449782	247164	260498
Miscellaneous Expenditure	78843	2075459	-	-
Non-current Bank Balances	1078692	229952	-	-
Total	20378156	21429714	392481	260498

- * 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

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

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.

16 Inventories (valued at lower of cost and net realizable value)

	31-Mar-2012	31-Mar-2011
Raw materials	37704708	27568942
Work-in-progress;	20148484	19139036
Finished goods;	34908279	26088108
Packing Material	3382339	3588568
Stock-in-trade (in respect of goods acquired for trading)	1350202	155400
Stores and spares;	485850	455551
Diese/LDO	25198	164530
Total	98005080	77138133

17 Cash and Bank Balances

	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Cash and Cash Equivalents				
Balances with banks:				
On current accounts	-	-	2822259	17374748
Cash on Hand	-	-	8595581	9034869
Margin Money Deposit	1078692	229952	-	-
	1078692	229952	9217841	26409617
Amount disclosed under non-current assets	(1078692)	(229952)	-	-
	-	-	9217841	26409617

Notes on Financial Statements
18 Revenue from Operations

	31-Mar-2012	31-Mar-2011
Sale of products		
Finished Goods	526029577	345301829
Traded Goods	2019047	2257041
Sale of services		
Other Operating Revenue	-	8915608
Revenue from Operation (Gross)	528048624	356474478
Less: Excise Duty	-	-
Revenue from Operation (Net)	528048624	356474478

Details of Products Sold
Finished Goods Sold

Rubber Footwears	66021405	60140802
Eva Injection Footwear	1144495	3162068
Canvas Shoes	23128552	21177603
PVC Footwear	26760898	23628457
PU Footwear	386117059	197491658
Fabricated Footwear	22857166	39701241
	526029577	345301829

Traded Goods Sold

Footwears	2019047	2245041
Others	-	12000
	2019047	2257041

19 Other Income

	31-Mar-2012	31-Mar-2011
Interest income on		
Bank Deposits	94773	18038
Interest from Deposits	2676785	1346507
Other Interest	4059644	8223870
Interest on Income Tax Refund	113924	95384
Profit on Insurance Claim for Fixed Assets	-	1001973
Profit on sale of Fixed Assets	142983	-
Other non-operating income	427057	290115
Total	7515166	10975887

20 Cost of Materials Consumed

	31-Mar-2012	31-Mar-2011
Raw Materials Consumed		
Opening Stock	27568942	25023433
ADD: Purchases	352202487	221473963
	379771428	246497396
Less: Closing Stock	37704708	27568942
Total (A)	342066720	218928455
Packing Materials Consumed		
Opening Stock	3568568	2371836
ADD: Purchases	30120548	21888529
	33689116	24260365
Less: Closing Stock	3382339	3568568
Total (B)	30306777	20691797
Cost of Material Consumed Total (A+B)	372373497	239620252

Details of Raw Material Consumed

Natural & Synthetic Rubber	75903462	77518565
Colours & Chemicals	19922322	18557367
Cloth	83683496	39577973
PU & PVC Material	157636901	77200751
Others	4920537	6073799
	342066720	218928455

Notes on Financial Statements

Details of Inventory		
Raw Material		
Natural & Synthetic Rubber	11166940	7579719
Colours & Chemicals	4609914	3513135
Cloth	5915776	10383091
PU & PVC Material	15501211	4872330
Others	510867	1220667
	37704708	27568942
21 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31-Mar-2012	31-Mar-2011
Opening Stock		
Finished Goods	26086108	20218140
Work-in-Progress	19139036	14793213
Stock-in-Trade	155400	490793
Total (I)	45380544	35502146
Closing Stock		
Finished Goods	34908279	26086108
Work-in-Progress	20148484	19139036
Stock-in-Trade	1350202	155400
Total (II)	56406965	45380544
Change in Inventories Total (I-II)	(11026422)	(9878398)
Details of Inventory		
Finished Goods		
Rubber Footwears	5114254	4137129
Eva Injection Footwear	2129452	2057257
Canvas Shoes	2277339	2503621
PVC Footwear	4532528	2987017
PU Footwear	18843334	11864143
Fabricated Footwear	2011372	2536941
	34908279	26086108
Traded Goods Sold		
Footwears	1350202	155400
	1350202	155400
Work- In- Progress		
Rubber Footwears	5955520	5988771
Eva Injection Footwear	-	765738
Canvas Shoes	1118531	1260546
PVC Footwear	1318066	1127529
PU Footwear	7639361	4308048
Fabricated Footwear	4117007	5688404
	20148484	19139036
22 Employee Benefits Expense	31-Mar-2012	31-Mar-2011
Salaries, wages and bonus	8960222	7545536
Contribution to provident and other funds	461009	413223
Gratuity Expenses & Leave Encashment	173434	119484
Staff Welfare Expenses	595387	496825
	10190052	8575068
23 Finance costs	31-Mar-2012	31-Mar-2011
Bank Charges	876397	803274
Interest on Term Loan	196129	1043641
Interest to Bank & others	13555321	10649534
	14627847	12496449
24 Depreciation and Amortization Expense	31-Mar-2012	31-Mar-2011
Depreciation	9240488	9038300
Less: Depreciation charged from Rev. Res.	159055	159055
	9081433	8879245
Preliminary Expenses Written Off	1995616	2118039
	11077049	10997284

Notes on Financial Statements

Lawreshwar Polymers Limited

25 Other Expenses

	31-Mar-2012	31-Mar-2011
Manufacturing Expenses		
Cartage	140230	57117
Consumable stores	2926585	2387343
Designing Charges	4200	30367
Diesel / LDO consumption	4349299	3808172
Job Charges	33583585	19782277
Power & Electricity	8114529	6582310
Repairs & Maintenance (P & M)	3474444	2870459
Scrap Grinding Expenses	-	172955
Strap Cutting Charges	231834	205774
Lease Rent (Plant & Machinery)	480000	480000
Work Shed Rent	1080000	1080000
TOTAL (A)	54384706	37456774
Administrative & Other Expenses		
Annual Constodial Fees	66180	66180
Annual Listing Fees	44120	33090
Conveyance Expenses	283532	264844
VAT	84255	46507
Directors Remuneration	3960000	3960000
Donation	400000	250000
Electricity Expenses	77521	78436
Entertainment Expenses	122830	77050
Exchange Flactuation Gain/Loss	7764	2139
Festival Expenses	345488	257561
Gardening Exp.	10800	10800
General Expenses	37553	62712
Guest House Rent	547810	627500
Insurance Expenses	329102	500990
Interest on TDS	48855	73011
Legal Expenses	263373	260029
Loss on sale of Fixed Assets	220889	-
Membership fees & Subscription Fees	11515	1100
News Papers & Periodicals	9325	11858
Office Expenses	87043	27939
Payment to Auditors (Refer details below)	320829	178036
Penalty & Fine	1210	7040
Postages & Telegrams	116363	139403
Printing & Stationery	292158	226096
Professional & Consultancy Fees	551387	2847358
Repairs & Maintenance (Building)	256594	91330
Repairs & Maintenance (Others)	254543	113108
Retainership Expenses	-	30000
Security Charges	455496	402140
Software Development Exp	51563	37842
Sundry Creditors Written Back	679000	-
Sundry Balances written off	-	1
Telephone Expenses	725235	735622
Travelling Expenses		
Director's Travelling	336146	443499
Director's Travelling(Foreign)	202930	35728
Others	451892	234038
Vehicle Running & Maintenance	1201885	960163
Water Exp.	54133	34559
Website Development Expenses	7783	55489
TOTAL (B)	12917102	13303198

Notes on Financial Statements
Lawreshwar Polymers Limited

Payment to Auditors		
Statutory Audit Fees	176480	110300
Cost Audit Fees	35000	35000
Internal Audit Fees	27576	27576
Reimbursement of Expenses	25520	5160
Income Tax Matters	56253	-
TOTAL	320829	178036
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	301909	525907
Commission on Sales	670888	702933
Discount Allowed	45251285	26180999
Freight Outward	55885	66788
Sales Promotion Expenses	927038	428650
Tender Fees	-	1000
Bad Debts	1873051	1750515
Loss of Goods Sold by Accident	117496	-
Exhibition Expenses	84210	77210
TOTAL (C)	49381363	29744802
GRAND TOTAL (A+B+C)	116683170	80503974

26 Earning Per Share (EPS)

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	2011-12	2010-11
Net Profit after tax (Rs.)	12175573	14999532
No. of paid-up Equity Shares (Weighted Average)	13678799	13678799
Amount per share (Rs.)	10	10
Earning per Share (Rs.)		
Basic	0.89	1.10
Diluted	0.89	1.10

27 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.

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	
	2011-12	2010-11	2011-12	2010-11
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	416987	352508	199148	165815
Current Service Cost	88601	71161	45264	33333
Interest Cost	-	-	-	-
Actuarial loss/(gain)	45437	14990	(5868)	-
Benefit paid	45086	21672	17193	-
Closing defined benefit obligation at 31 st March	505939	416987	221351	199148
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	449782	385287	260,498	238989
Expected Return on Plan asset	39161	32795	22390	21500
Contribution by employer	101243	53372	0	-
Benefit paid	45086	21672	35724	-
Actuarial gain/loss	-	-	-	-
Closing fair value of plan assets at 31 st March	545100	449782	247,164	260498
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	505939	416987	221351	199148
Fair Value of Plan Assets at 31 st March	545100	449782	247164	260498
Deficit/(Surplus)	(39161)	(32795)	(25813)	(61350)
Unrecognized past service cost	-	-	-	0
Net Liability/(Assets)	(39161)	(32795)	(25813)	(61350)

Notes on Financial Statements
Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Discount Rate	8%	8%	8%	8%
Expected Rate of Return	9%	9%	9%	9%
Salary Escalation	7%	7%	7%	7%

28 Segment Information

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

29 Related Party Disclosures

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 01.04.2011 to 31.03.2012.

S.No.	Particulars	Relations with Directors
	Directors & Key managerial persons & their associate concerns	
1	Ramesh Chand Agarwal	Chairman of the company
2	Raj Kumar Agarwal	MD of the company
3	Naresh Agarwal	Executive Director of the company
	Relatives	
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
	Enterprises owned/controlled by directors & their relatives	
1	Swastik Polyblends Pvt Ltd	Subsidiary Company
2	Lawreshwar Footcare Pvt Ltd.	49% shares of this company held by the company
3	JMR Moblink Limited	49% shares of this company held by the company
4	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
5	Lawreshwar Footwear	Proprietorship concern of Chairman's son
6	Jai Narayan Mohan Lal & Sons	Proprietorship concern of Chairman's Brother
7	Jeelish Properties (P) Ltd.	MD of the company is director in company
8	Sankhala Investors	Chairman is partner in firm
9	Krishan Kripa Creation	Chairman is partner in firm
10	Krishan Kripa - 3	Chairman is partner in firm
11	Krishan Kripa - 4	MD is partner in firm
12	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)	
	3/31/2012	3/31/2011
Interest received	3.95	17.58
Loan Given (ICD)	293.36	275.64
Loan Repayment Received	242.65	465.37
Rent Paid	9.60	8.60
Share Capital	35.00	14.00
Share Application	Nil	51.25
Sales Promotion Expenses	1.84	Nil

Notes on Financial Statements

Transaction with key management persons

Nature of transaction	Amount (Rs in lacs)	
	31/3/2012	31/3/2011
Remuneration	39.80	39.80

Transaction with relatives

Nature of transaction	Amount (Rs in lacs)	
	31/3/2012	31/3/2011
Salary	22.32	22.32

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31/3/2012	31/3/2011
Interest Received	26.77	13.47
Rent Paid	6.00	6.00
Deposit Received Back	25.0	25.00
Donation	2.00	2.45
Sales	95.89	61.03
Discount Allowed	9.69	3.98
Advances for Showroom Purchase	125.00	Nil

30 CIF Value of Imports

	31/3/2012	31/3/2011
a) Raw Material Purchased	Nil	Nil
b) Traded Footwears Imported	2800945	1205832

31 Expenditure in Foreign Currency

	31/3/2012	31/3/2011
a) Payment for Capital Goods	Nil	Nil
b) Payment for travelling expenses	Nil	205440

32 Contingent Liabilities and Commitments

	31/3/2012	31/3/2011
Contingent Liabilities		
Income Tax Demand for the AY 2005-06 against which the company has filed an appeal before higher authority	104433	104433
Claims against the company / disputed liabilities not acknowledged as debts	-	679000
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

33 Utilisation of money raised through Public Issue

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

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

35 Figures are rounded off to the nearest rupee.

As per our Report of even date

For A. Bafna & Company
Chartered Accountants
(FRN 003660C)

(M.K. Gupta)

Partner
M.No. 073515
Date: 30th May 2012
Place: Jaipur

FOR LAWRESHWAR POLYMERS LTD.

Raj Kumar Agarwal
(Managing Director)

Narash Agarwal
(Executive Director)

CA Rakesh Soni
(Chief Finance Officer)

M. C. JAIN & CO.
Chartered Accountants



4701/21-A, Ansari Road
Darya Ganj, New Delhi-02
Tel : 23280102
Tel/Fax: 23254375
E-mail: mcjain.co@gmail.com

AUDITOR'S REPORT

To,
The Members,
SWASTIK POLYBLEND PRIVATE LIMITED.

We have audited the attached Balance Sheet of **M/S SWASTIK POLYBLEND PRIVATE LIMITED**, as at 31st March, 2012 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.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 examination on a test basis, evidence supporting the amounts and disclosure in 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 us reasonable basis for our opinion.
2. Provisions of Companies (Auditors Report) Order 2003, issued by 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.
3. Further we report that
 - (i) We have obtained all the information and explanation, 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 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 the report are in agreement with the Books of account of the company.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the Accounting Standards as referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis written representation received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as directors 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 financial statement with the notes thereon, given the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
- (b) In case of the Profit and loss Account, of the Loss for the year ended on that date.

For M. C. JAIN & CO
Chartered Accountants
F.R.N: 304012E

Date: 18.05.2012

(MANOJ K. PATAWARI)
PARTNER
M.N.:055258

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

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Figures as at 31.03.2012		(In Rupees)	
		1	2	3	4
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	1		100,000		100,000
(b) Reserves and surplus	2		(905,801)		(463,660)
			<u>(905,801)</u>		<u>(363,660)</u>
(2) Non-current liabilities					
(a) Deferred tax liabilities (Net)	3		175,238		-
			<u>175,238</u>		<u>-</u>
(3) Current liabilities					
(a) Short-term borrowings	4		24,682,519		21,637,666
(b) Other current liabilities	5		1,148,289		333,050
(c) Short-term provisions	6		28,343		18,804
			<u>25,859,151</u>		<u>21,989,520</u>
TOTAL			<u>25,228,588</u>		<u>21,625,860</u>
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7		24,926,367		12,182,820
(ii) Capital work-in-progress			-		9,258,416
(b) Other non-current assets	8		187,500		-
			<u>25,113,867</u>		<u>21,441,236</u>
(2) Current assets					
(a) Inventories	9		3,570		-
(b) Cash and cash equivalents	10		61,151		184,624
(c) Short-term loans and advances			50,000		-
			<u>114,721</u>		<u>184,624</u>
TOTAL			<u>25,228,588</u>		<u>21,625,860</u>

AS PER OUR REPORT OF EVEN DATE
 For M.C JAIN & CO
 Chartered Accountants
 F.R.N.: 304012E

FOR SWASTIK POLYBLEND PRIVATE LIMITED

CA MANOJ K. PATAWARI
 PARTNER
 Membership No: 055258
 Date: 18.05.2012
 Place: Delhi

PANNA LAL BAID
 DIRECTOR

ABHAY JAIN
 DIRECTOR

SWASTIK POLYBLEND PRIVATE LIMITED
H-32, UDYOG NAGAR INDL. AREA
NEW DELHI-110041
PROFIT AND LOSS A/C FOR THE YEAR ENDED MARCH 31, 2012

(In Rupees)

Particulars	Note No.	Figures as at 31.03.2012	Figures as at 31.03.2011
I. Revenue from operations	11	27,000	-
II. Total Revenue (I + II)		<u>27,000</u>	<u>-</u>
III. Expenses:			
Cost of Materials Consumed	12	10,125	-
Employee Benefits Expense	13	16,872	-
Finance costs	14	62,962	233,808
Depreciation and amortization expense	15	113,140	-
Other expenses	16	90,804	40,309
Total expenses		<u>293,903</u>	<u>274,117</u>
Profit before exceptional and extraordinary items and tax (I-III)		(266,903)	(274,117)
IV.		(266,903)	(274,117)
V. Exceptional items		-	-
VI. Profit before extraordinary items and tax (IV-V)		(266,903)	(274,117)
VII. Extraordinary Items		-	-
VIII. Profit before tax (VI- VII)		(266,903)	(274,117)
IX. Tax expense:			
(1) Deferred tax		175,238	-
X. Profit (Loss) for the period from continuing operations (VIII-IX)		(442,141)	(274,117)
XI. Profit/(loss) from discontinuing operations		-	-
XII. Tax expense of discontinuing operations		-	-
XIII. Profit/(loss) from Discontinuing operations (after tax) (X-XII)		-	-
XIV. Profit (Loss) for the period		<u>(442,141)</u>	<u>(274,117)</u>
XV. Earnings per equity share:			
(1) Basic		(44.21)	(27.41)
(2) Diluted		(44.21)	(27.41)

AS PER OUR REPORT OF EVEN DATE
For M.C JAIN & CO
Chartered Accountants
F.R.N.: 304012E

FOR SWASTIK POLYBLEND PRIVATE LIMITED

CA MANDJ K. PATAWARI
PARTNER
Membership No: 055258
Date: 18.05.2012
Place: Delhi

PANNA LAL BAID
DIRECTOR

ABHAY JAIN
DIRECTOR

Swastik Polyblends Private Limited
Cash Flow Statement for The Year ended 31st March, 2012

Particulars	March 31, 2012	March 31, 2011
A. Cash flow from Operating Activities		
Profit before taxes and exceptional items	(266903)	(274117)
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation		
Interest expenses	62962	231217
Preliminary Expenses written off	113140	
Loss on sale of Fixed Assets		
Profit on sale of Fixed Assets		
Profit on Insurance Claim		
Interest income		
Bad Debts		
Operating profit before working capital changes	(90801)	(42900)
Movements in Working capital :		
Inventory	(3570)	
Trade Receivables		
Other Receivables	(187500)	
Trade and other Payables	824778	300656
Bad Debts		
Other Current Assets	(50000)	
Cash generated from operating activities	492907	257756
Prior Period Adjustments		
Taxes paid		
Net cash flow from/ (used in) operating activities	492907	257756
B. Cash flow from Investing Activities		
Purchase of fixed assets	(3598271)	(782820)
Sale of fixed assets		
(Increase)/Decrease in CWIP		(9258416)
Purchase of Investments		
Share Application money (investment) refunded		
Capital Advances		
Inter Corporate Deposits (net)		
Profit on sale of Fixed Assets		
Profit on Insurance Claim		
Loss on sale of Assets		
Interest received		
Net cash flow from/ (used in) investing activities	(3598271)	(10041236)
C. Cash flow from financing activities		
Increase in Short Term Borrowings	3044853	10051157
Increase in Long Term Borrowings		
Interest paid	(62962)	(231217)
Increase in Reserves		
Net cash flow from/ (used in) financing activities	2981891	9819940
Net increase / (decrease) In cash (A+B+C)	(123473)	36460
Cash and cash equivalents at the beginning of the year	184624	148164
Cash and cash equivalents at the end of the year	61151	184624

AS PER OUR REPORT OF EVEN DATE
For M.C JAIN & CO
Chartered Accountants
F.R.N.: 304012E

FOR SWASTIK POLYBLEND PRIVATE LIMITED

CA MANOJ K. PATAWARI
PARTNER
Membership No: 055258
Date:18.05.2012
Place: Delhi

PANNA LAL BAID
DIRECTOR

ABHAY JAIN
DIRECTOR

NOTES TO FINANCIAL STATEMENTS

1 Share capital	31.03.2012	31.03.2011
Authorised		
10000 Equity Shares of Rs. 10 each	100,000	100,000
Issued, Subscribed & Paid-up	100,000	100,000
(10000 Equity Shares of Rs. 10/- fully paid up)	-	-
	100,000	100,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	31st March, 2012		31st March, 2011	
	Number	Amount	Number	Amount
At the beginning of the period	10000	100,000	10000	100,000
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	10000	100,000	10000	100,000

b. Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a per value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by holding company

	31st March, 2012		31st March, 2011	
	Number	Amount	Number	Amount
Lawreshwar Polymers Limited	5100	51%	5100	51%

d. Details of Shareholders holding more than 5% shares in the Company

	31st March, 2012		31st March, 2011	
	Number	Holding	Number	Holding
Lawreshwar Polymers Limited	5100	51%	5100	51%
Panna Lal Baid	2800	28%	2800	28%
Abhay Jain	2100	21%	2100	21%
	10000	100%	10000	100%

2 Reserves and Surplus

Surplus /Deficit in the statement of profit & loss		
Balance as per the last Financial Statements	(463,660)	(189,543)
Surplus of Profit & Loss A/c		
Add: Profit for the year	(442,141)	(274,117)
Total Reserves and Surplus	(905,801)	(463,660)

SWASTIK POLYBLEND PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

	31st March, 2012	31st March, 2011
3 Deferred tax liabilities (net)		
Fixed assets : Impact of difference between tax depreciation and depreciation charged for the financial reporting	175,238	
Net deferred tax liability	<u>175,238</u>	<u>-</u>
4 Short-term Borrowings		
Secured		
Unsecured		
Loan from Related Parties	24,682,519	21,637,666
Total	<u>24,682,519</u>	<u>21,637,666</u>
5 Other Current Liabilities		
Creditors for expenses & capital goods	1,102,559	
Other Current Liabilities	45,730	333,050
Total	<u>1,148,289</u>	<u>333,050</u>
6 Short-term Provisions		
Provision for employee benefits	5,500	
Provision for Outstanding Expenses	22,843	18,804
Total	<u>28,343</u>	<u>18,804</u>
8 Other non-current assets		
Electricity Security Deposits	187,500	
Total	<u>187,500</u>	<u>-</u>
9 Inventories		
Raw Material	3,570	
Total	<u>3,570</u>	<u>-</u>
10 Cash and Cash Equivalents		
Cash In Hand	7,176	152,863
With Scheduled Banks	53,975	31,761
Total	<u>61,151</u>	<u>184,624</u>
11 Revenue from Operations		
Sale of products		
Finished Goods	27,000	
Total	<u>27,000</u>	<u>-</u>

SWASTIK POLYBLEND PVT. LTD.

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

SCHEDULE 7 OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2011	Additions during the year	Deletions during the year	AS AT 31.03.2012	UP TO 31.03.2011	For The Year	Dep. Written Back	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
Land*	0%	12159692	0	0	12159692	0	0	0	0	12159692	12159692
Buildings*	3.34%	0	11504841	0	11504841	0	95540	0	95540	11409301	0
Electrical Installation	6.33%	0	203850	0	203850	0	3208	0	3208	200642	0
Cellular	4.75%	1513	0	0	1513	47	72	0	119	1394	1466
Fire Extinguisher	4.75%	0	5437	0	5437	0	48	0	48	5389	0
Plant & Machinery	4.75%	0	1142559	0	1142559	0	13197	0	13197	1129362	0
Generator	4.75%	22625	0	0	22625	963	1075	0	2038	20587	21662
TOTAL		12183830	12856687	0	25040517	1010	113140	0	114150	24926367	12182820
Assets in WIP		0	0	0	0	0	0	0	0	0	0
Grand Total		12183830	12856687	0	25040517	1010	113140	0	114150	24926367	12182820
Previous year		0	0	0	0	0	0	0	0	0	0
Assets in WIP		0	0	0	0	0	0	0	0	0	0
Total (Previous year)		0	12183830	0	12183830	0	1010	0	1010	12182820	0

Note: Building under construction has been capitalised during the financial year 2011-2012 with effect from 01-01-2012 with an amount Rs 11,504,841 which includes all expenses related to Building.

SWASTIK POLYBLEND PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS

		31st March, 2012	31st March, 2011
12	Cost of Materials Consumed		
	Raw Materials Consumed		
	Opening Stock	-	-
	ADD: Purchases	13,695	-
		13,695	-
	Less: Closing Stock	3,570	-
		10,125	-
	Cost of Material Consumed	10,125	-
	Details of Raw Material Consumed		
	EVA Compound	10,125	-
	PVC Resin	3,570	-
	Total	13,695	-
	Details of Inventory		
	Raw Material		
	Pvc Resin	3,570	-
		3,570	-
13	Employee Benefits Expense	3,570	-
	Salaries	16,500	-
	Staff Welfare Expenses	372	-
		16,872	-
14	Finance costs		
	Bank Commission & Charges	2,225	2,591
	Interest to Bank & others	60,737	231,217
	Total	62,962	233,808
15	Depreciation and Amortization Expense		
	Depreciation	113,140	-
	Total	113,140	-
16	Other Expenses	31st March, 2012	31st March, 2011
A	Manufacturing Expenses		
	Processing & labour Charges	19,800	-
	Power & Fuel	18,938	-
	Total [A]	38,738	-
B	Administrative & Other Expenses		
	General Expenses	1,588	-
	Interest on TDS	88	346
	Legal Expenses	32,807	27,025
	Postages & Telegrams	31	-
	Printing & Stationery	955	1,008
	R.O.C Filing Fees	400	900
	Telephone Expenses	3,211	-
	Water Exp.	1,750	-
	Total [B]	40,830	29,279
	Payment to Auditors		
	Statutory Audit Fees	11,236	11,030
		11,236	11,030
	Grand Total [A+B]	90,804	40,309

SWASTIK POLYBLEND PRIVATE LIMITED NOTES TO FINANCIAL STATEMENTS

17 Earning Per Share (EPS)

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	2011-2012	2010-2011
Net Profit after tax (Rs.)	(442,141.00)	(274,117.00)
No. of paid-up Equity Shares (Weighted Average)	10,000.00	10,000.00
Amount per share (Rs.)		
Earning per Share (Rs.)	10.00	10.00
Basic	(44.21)	(27.41)
Diluted	(44.21)	(27.41)

18 Disclosure under AS-15 (Revised) – Employee Benefits

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

19 Disclosure under AS-16 – Borrowing Cost

During the financial year 2011-12 the Co. has provided total interest amounting Rs. 2,44,282/- on the borrowing funds. Out of it the amount Rs. 1,83,545/- fulfills the criteria of being capitalised in the cost of building as per the provision of AS-16 read with AS-10 Fixed Assets. This amount of interest is exclusively related with the borrowed for construction of building which fulfills the criteria of being qualifying assets as per AS-16. The balance interest Rs. 60,737/- have been charged to the Profit & Loss Account.

20 Related Party Disclosures

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 01.04.2011 to 31.03.2012.

S.No.	Directors & Key managerial persons & their associate concerns	Relations with Directors
1	Mr. Panna Lal Baid	Self
2	Mr. Abhay Jain	Self
3	Mr. Naresh Agarwal	Self

S. No	Relatives	Relations with Directors
1	Abhay Jain	Son

S.No.	Enterprises owned / controlled by the directors relatives	Relations with Directors
1	PLB Investments Pvt. Ltd.	Company under common control
2	Manbhawan Merchandise Pvt Ltd.	Company under common control

Transaction with key management persons

Nature of transaction	Amount (Rs in lacs)	
	31.03.2012	31.03.2011
Loan Taken	14	0.00

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2012	31.03.2011
Loan Taken	36.33	10.38
Loan Taken	196.50	206.00

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

22. Figures are rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For M.C JAIN & CO
Chartered Accountants
F.R.N.: 304012E

FOR SWASTIK POLYBLEND PRIVATE LIMITED

CA MANOJ K. PATAWARI
PARTNER
Membership No: 055258
Date: 18.05.2012
Place: Delhi

PANNA LAL 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-12
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	(226554)
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	-
	b) Not dealt with or provided for in the accounts of the Holding Company	(139800)

As per our report of even date

For A. Bafna & Company

Chartered Accountants

(FRN 003660C)

FOR LAWRESHWAR POLYMERS LTD.

(M.K. Gupta)

Partner

M.No. 073515

Date: 30th May 2012

Place: Jaipur

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

CA Rakesh Soni
(Chief Finance Officer)

A.Bafna & Co.
Chartered Accountants



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

AUDITOR'S REPORT

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Consolidated Balance Sheet of **M/s Lawreshwar Polymers Limited (the company)** as at 31st March, 2012 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. 2,52,28,588, total revenue Rs. 27000 and cash flow amounting to Rs. 123473. 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 16 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, 2012.
 - 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

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

Place: Jaipur
Date: 30.05.2012

Lawreshwar Polymers Limited Consolidated Balance Sheet as at 31 March 2012

Particulars	Note No.	(In Rupees)	
		Figures as at 31.03.2012	Figures as at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	4	136787990	136787990
Reserves and surplus	5	157661254	146086876
		<u>294449244</u>	<u>282874886</u>
(2) Share application money pending allotment			
		-	-
(3) Non-current liabilities			
Long-term borrowings	6	2271221	744044
Deferred tax liabilities (Net)	7	9905492	9753596
Other Long term liabilities		-	-
Long-term provisions	8	505939	416987
		<u>12882652</u>	<u>10914627</u>
(4) Current liabilities			
Short-term borrowings	9	128529677	97002483
Trade payables	10	66511316	35454329
Other current liabilities	11	16766563	21921526
Short-term provisions	8	6786177	7955660
		<u>218593734</u>	<u>162333897</u>
TOTAL		<u>525725630</u>	<u>456123480</u>
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	12	134577592	104856478
Intangible assets		-	-
Capital work-in-progress	12	2047119	9258416
Intangible assets under development		-	-
Non-current investments	13	8088000	4588000
Long-term loans and advances	14	45728348	32956305
Trade Receivable	15	-	-
Other non-current assets	16	20378156	21429714
		<u>210819216</u>	<u>173088913</u>
(2) Current assets			
Current investments		-	-
Inventories	17	98008630	77138133
Trade receivables	15	166782207	128395761
Cash and cash equivalents	18	9278992	26594241
Short-term loans and advances	14	40444104	50645942
Other current assets	16	392481	260498
		<u>314906414</u>	<u>283034577</u>
TOTAL		<u>525725630</u>	<u>456123480</u>
Significant Accounting Policies	1 to 3		
Notes on Financial Statements	4 to 34		

As per our Report of even date
For A. Bafna & Company
Chartered Accountants
(FRN 003650C)

(M.K. Gupta)

Partner
M.No. 073515

Date: 30th May 2012

Place: Jaipur

FOR LAWRESHWAR POLYMERS LTD.

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

CA Rakesh Soni
(Chief Finance Officer)

Lawreshwar Polymers Limited

Consolidated Statement of Profit & Loss for the year ended on 31 March 2012

Particulars	Note No.	(In Rupees)	
		2011-12	2010-11
I. Revenue from operations	19	528075624	356474478
II. Other income	20	7515166	10975887
III. Total Revenue (I + II)		<u>53590790</u>	<u>367450385</u>
IV. Expenses:			
Cost of Materials Consumed	21	372383622	239620252
Purchases of Stock-in-Trade		2800945	1823722
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(11026422)	(9878398)
Employee Benefits Expense	23	10206924	8575068
Finance costs	24	14690809	12790257
Depreciation and amortization expense	25	11190189	10997284
Other expenses	26	116773974	80544282
Total expenses		<u>517020040</u>	<u>344412467</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		18570750	23037898
VI. Exceptional items		(166001)	(30038)
VII. Profit before extraordinary items and tax (V - VI)		18404749	23007860
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		18404749	23007860
X. Tax expense:			
(1) Current tax	5981784		7230817
(2) Earlier Tax	537636		111910
(2) Deferred tax	151896	6671316	939717
			8282444
XI Profit (Loss) for the period from continuing operations (IX-X)		<u>11733432</u>	<u>14725416</u>
XII Profit/(loss) from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			
XV Profit (Loss) for the period (XI + XIV)		<u>11733432</u>	<u>14725416</u>
Minority Interest		(216649)	(134317)
Net Profit after Minority Interest		11950081	14859733
Provision for negative Minority Interest		216849	134317
Consolidated Profit		11733432	14725416
XVI Earnings per equity share:			
(1) Basic		0.86	1.08
(2) Diluted		0.86	1.08
Significant Accounting Policies	1 to 3		
Notes on Financial Statements	4 to 34		

As per our Report of even date

For A. Bafna & Company
Chartered Accountants
(FRN 003660C)

(M.K. Gupta)

Partner
M.No. 073515
Date: 30th May 2012
Place: Jaipur

FOR LAWRESHWAR POLYMERS LTD.

Raj Kumar Agarwal
(Managing Director)

Naresh Agarwal
(Executive Director)

CA Rakesh Soni
(Chief Finance Officer)

Lawreshwar Polymers Limited
Consolidated Cash Flow Statement for The Year ended 31st March, 2012

Particulars	March 31, 2012	March 31, 2011
A. Cash flow from Operating Activities		
Profit before taxes and exceptional items	18570750	23037898
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation	9081433	8879245
Interest expenses	14690809	12727666
Preliminary Expenses written off	2108756	2118039
Loss on sale of Fixed Assets	220889	0
Profit on sale of Fixed Assets	(142983)	0
Profit on Insurance Claim	0	(1001973)
Interest income	(7372183)	(9665761)
Bad Debts	1973051	1750515
Operating profit before working capital changes	39130521	37845629
Movements in Working capital:		
Inventory	(20870497)	(13552487)
Trade Receivables	(38386446)	(28144117)
Other Receivables	10436739	13661233
Trade and other Payables	25045635	2561453
Bad Debts	(1973051)	(1750515)
Other Current Assets	(277301)	-
Cash generated from operating activities	13105600	10621196
Prior Period Adjustments	(166001)	(30038)
Taxes paid	(7768453)	(1582372)
Net cash flow from/ (used in) operating activities	5171146	9008786
B. Cash flow from Investing Activities		
Purchase of fixed assets	(31553432)	(10070507)
Sale of fixed assets	1737106	0
(Increase)/Decrease in CWIP	(2047119)	(9258416)
Purchase of Investments	0	(1400000)
Share Application money (Investment) refunded	(3500000)	0
Capital Advances	(14870937)	(1211856)
Inter Corporate Deposits (net)	1913992	(2221925)
Profit on sale of Fixed Assets	142983	0
Profit on Insurance Claim	0	1001973
Loss on sale of Assets	(220889)	0
Interest received	7372183	9665761
Net cash flow from/ (used in) investing activities	(41026113)	(13494970)
C. Cash flow from financing activities		
Increase in Short Term Borrowings	31527196	(7434572)
Increase in Long Term Borrowings	2552069	0
Interest paid	(14690809)	(12727666)
Minority Interests	0	0
Increase in Reserves	1	1
Net cash flow from/ (used in) financing activities	19388458	(20162237)
Net increase / (decrease) in cash (A+B+C)	(16466509)	(24648421)
Cash and cash equivalents at the beginning of the year	26824193	51472514
Cash and cash equivalents at the end of the year	10357684	26824193

For A. Bafna & Company
 Chartered Accountants
 (FRN 003680C)

(M.K. Gupta)

Partner
 M.No. 073515
 Date: 30th May 2012
 Place: Jaipur

FOR LAWRESHWAR POLYMERS LTD.

Rej Kumar Agarwal
 (Managing Director)

Narash Agarwal
 (Executive Director)

CA Rakesh Soni
 (Chief Finance Officer)

Lawreshwar Polymers Limited Significant Accounting policies

11

1 Corporate Information

Lawreshwar Polymers Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Further, Lawreshwar Polymers Limited acquired 51% shares of its subsidiary Swastik Polyblends Pvt. Ltd. on 15.02.2010

2 Principal of Consolidation

The financial statements are prepared in accordance with the procedures required for the preparation and presentation of consolidated financial statement as laid down under the Accounting Standard 21 on Consolidation Financial Statement issued by The Institute of Chartered Accountants of India (ICAI). The financial statement 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 and expenses after eliminating intra group balances & transactions.

The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at group.

In this case, the holding company holds 51% of equity, and the investment has been accounted by using equity method in accordance with accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statement" issued by ICAI.

3 Basis of Preparation

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Policies in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis under the historical cost convention, except for land and building acquired before 31 March 2005 which are carried at revalued amounts

The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

3.1 Summary of significant Accounting Policies

A. Presentation and disclosure of Financial Statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement, however, it has significant impact on presentation and disclosures made in financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

B. Recognition of Revenue and Expenditure

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on despatch of goods.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in Statement of profit and loss.

Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.

C. Fixed Assets and Capital Work In Progress

Fixed assets, except land and building acquired before 31 March 2005, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Fixed Assets comprising of Land & Building acquired before 31st March, 2005 are stated at revalued amount.

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.

D. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets has been calculated on a 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.

E. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Lawreshwar Polymers Limited**Significant Accounting policies**

F. 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.

G. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company operates gratuity plan as defined benefit plan. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains/ losses are recognized in full in the period in which they occur in the statement of profit and loss.

The company treats accumulated leave, as long-term employee benefit for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

H. Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

I. Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the lease item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease terms.

J. Provisions, Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

K. Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction. Exchange differences relating to fixed assets are adjusted in the cost of the respective assets. Any other exchange difference is dealt with in the statement of profit and loss.

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.

L. 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.

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

4 Share capital	31-Mar-2012		31-Mar-2011	
	Number	Amount	Number	Amount
Authorised		15000000		15000000
15000000 Equity Shares of Rs. 10 each				
Issued, Subscribed & Paid-up		136787990		136787990
(1,36,78,799 Equity Shares of Rs. 10/- fully paid up)				
		136787990		136787990

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-Mar-2012		31-Mar-2011	
	Number	Amount	Number	Amount
At the beginning of the period	13678799	136787990	13678799	136787990
Issued during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	13678799	136787990	13678799	136787990

4.2 Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

4.3 Details of Shareholders holding more than 5% shares in the Company

	31-Mar-2012		31-Mar-2011	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Naresh Agarwal	1027606	7.512	1027606	7.512
Raj Kumar Agarwal	1287500	9.266	1287500	9.266
Mohan Lal Agarwal	987500	7.219	987500	7.219
Pramod Kumar Agarwal	1066965	7.800	1066965	7.800
Ramesh Chand Agarwal	1603035	11.719	1428293	10.442
	5952606	43.516	5777664	42.239

5 Reserves and Surplus

	31-Mar-2012		31-Mar-2011	
Securities Premium Reserve		66052794		66052794
Revaluation Reserve				
Balance as per the last Financial Statements	28313226		28472281	
Less: Amount transferred to statement of profit and loss as reduction from depreciation	159055	28154171	159055	28313226
General Reserve		10011717		10011715
Surplus/(deficit) in the statement of Profit and Loss				
Balance as per the last Financial Statements	41709141		26983725	
Add: Profit for the year	11733432	53442573	14725416	41709141
Total		157661254		146086876

6 Long-term Borrowings

	Non-current portion		Current maturities	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Deferred Vehicle Loans				
	2271221	744044	1533610	508717
	2271221	744044	1533610	508717
The above amount includes				
Secured borrowings	2271221	744044	1533610	508717
Unsecured Borrowings	-	-	-	-
Amount disclosed under the head "Other Current Liabilities" (note 12)			(1533610)	(508717)
Net Amount	2271221	744044		

Deferred vehicle loans are secured by hypothecation of respective vehicles and carries interest @ 9.50% to 11.50%. Repayment schedule of the Vehicle Loans is as under:

Name of Banker / Finance Institution	Starting Date of Loan	Closing Date of Loan
ICICI Bank Ltd.	15.11.2011	15.10.2014
Tata Capital Ltd.	09.01.2010	09.12.2012
ICICI Bank Ltd.	01.01.2012	01.12.2014
Tata Capital Ltd.	07.04.2010	09.04.2013

Lawreshwar Polymers Limited
Notes on Consolidated Financial Statements for the year ended 31 March 2012
7 Deferred Tax Liability (Net)

	31-Mar-2012	31-Mar-2011
Deferred Tax Liability		
Related to Fixed Assets	9905492	9753596
Deferred Tax Assets		
	9905492	9753596

8 Provisions

	Long-term		Short-term	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Provision for Employees Benefit				
Provision for Gratuity	505939	418987	-	-
Provision for Leave Encashment	-	-	221351	199148
	505939	416987	221351	199148
Others				
Provision for Bonus	-	-	583042	525695
Provision for Income Tax	-	-	5981784	7230817
	-	-	6564826	7756512
	505939	416987	6786177	7955660

9 Short-term Borrowings

	31-Mar-2012	31-Mar-2011
Cash Credit from Punjab National Bank (Secured)*	99954042	75364817
Raw Material Assistance Scheme from NSIC (Secured)**	3893116	0
Loan from Related Parties	24682519	21637666
Total	128529677	97002483

*Cash Credit Limit from Punjab National Bank is secured against hypothecation of Raw Material, Finished Goods, Stock in Process, Store & Spares, Packing Material and book debts, mortgage over fixed assets of the Company & mortgage of certain fixed assets of the Directors & other related parties and personal guarantees of Directors and other related parties and pledge of 30% equity shares of sister concern M/s Lawreshwar Footcare Pvt. Ltd. held by the Company.

**Raw Material Assistance Scheme from NSIC is secured against bank guarantee which is secured by counter indemnity of the Company.

10 Trade Payables

	31-Mar-2012	31-Mar-2011
Sundry Creditors	66511316	35454329
	66511316	35454329

The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprises Act 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act could not be furnished, however the management does not anticipate any significant interest liability.

11 Other Current Liabilities

	31-Mar-2012	31-Mar-2011
Trade Payable for expenses & capital goods	11860095	18540991
Advances from customers	977996	761775
Statutory Liabilities	719512	458593
Current maturities of long-term borrowings (Includes current maturities of deferred vehicle loans)	1533610	508717
Unpaid IPO over subscription	52705	158110
Outstanding Expenses	1083199	776012
Other Current Liabilities	45730	333050
Other Liabilities	493718	384278
Total	16766569	21921526

LAWRESHWAR POLYMERS LIMITED
**Note 12
Tangible Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.11	Additions during the year	Deletions during the year	As At 31.03.2012	UPTO 31.03.2011	Dep. For the Period	Dep. Written Back	As At 31.03.2012	As At 31.03.2011
Land*	36018651	10666352	-	46685003	-	-	-	46685003	36018651
Buildings*	14919996	12517715	-	27437711	3820025	593960	-	23023726	11099971
Plant & Machinery	49753205	3004539	7459642	45298102	21012918	2600520	6822583	28507247	28740287
Dies & Moulds and Misc Assets	47828062	10087417	10704622	47210857	25547852	5123668	10330308	26865646	22280211
Office Equipments	2772366	302643	-	3075009	1673541	184628	-	1216839	1098824
Vehicles	8040844	4233182	1211110	11062916	2534838	829954	485378	8183502	5506006
Furniture & Fixtures	580734	-	-	580734	468205	20898	-	91630	112529
TOTAL	159913857	40811848	19375374	181350331	55057379	9353628	17638269	134577592	104856478
Assett in WIP	9258416	7960665	15171962	2047119	-	-	-	2047119	9258416
Grand Total	169172273	4872513	34547336	183397450	55057379	9353628	17638269	136624711	114114894
Previous year	149842340	10071517	-	159913857	46018069	9038310	-	104856477	103824270
Assett in WIP	-	9258416	-	9258416	-	-	-	9258416	-
Total (Previous year)	149842340	19329933	-	169172273	46018069	9038310	-	114114893	103824270

* 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
Historical Cost of Land

Rs. 8220612
Rs. 1372377

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

13 Non-current Investments	31-Mar-2012		31-Mar-2011	
Trade Investments (valued at cost unless stated otherwise)				
Quoted Equity Instruments				
Investment In Associates				
245000 (31 March 2011: 245000) Equity Shares of Rs. 10/- each fully paid up in Lawreshwar Footcare Private Limited	3185000			3185000
490000 (31 March 2011: 140000) Equity Shares of Rs. 10/- each fully paid-up in M/s JMR Mobilink Limited	4900000			1400000
Share Application Money				
Non-trade Investments				
Government and Trust Securities (Unquoted N.S.C. (Pledged with Sales Tax Authority)		3000		3000
Total	8088000			4588000
Investment Property given as security				
Investment Property with a carrying amount of Rs. 1950000 (31 March 2011: Nil) are subject to first charge to secure the company's cash credit loans)				
14 Loans and Advances	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Unsecured, considered good				
Capital Advances	27303688	12432751		
Security Deposit	18424660	20523554	2500000	2500000
Advance to Creditors/Suppliers			7967890	7598149
Loans and advances to related parties			14670358	2852090
Advance recoverable in cash/ kind or for value to be received				
Share Application Money				5125000
Other				3502
Other Loans & Advances				
Advance Income Tax			1175628	4779592
Loans to Employees			108865	101545
Prepaid Expenses			291886	274326
Other Loans & Advances (Unsecured, considered good)			13729477	27411738
Total	45728348	32956305	40444104	50645942
Capital Advances include Advances for showroom and advances for flats.				
Share Application Money includes Share Application Money with JMR Mobilink Limited Rs. Nil (31 March 2011 Rs. 5125000/-).				
15 Trade Receivables	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payments	0	0	41097594	35512483
Unsecured, considered good				
Other Receivables				
Unsecured, considered good			125684613	92883278
Trade Receivables includes			188782207	128395761
Due from enterprises in which Directors or their relatives are interested :			16544562	20478958

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

16 Other Assets	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Insurance Claim Receivable *	18674521	18674521	145317	-
Insurance Policies for Gratuity & Leave	-	-	-	-
Encashment	545100	449782	247164	260498
Miscellaneous Expenditure	79843	2075459	-	-
Non-current Bank Balances	1078692	229952	-	-
Total	20378156	21429714	392481	260498
* 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				
17 Inventories (valued at lower of cost and net realizable value)	31-Mar-2012		31-Mar-2011	
Raw materials	37708278		27568942	
Work-in-progress;	20148484		19139036	
Finished goods;	34908279		26086108	
Packing Material	3382339		3568568	
Stock-in-trade (In respect of goods acquired for trading)	1350202		155400	
Stores and spares;	485850		455551	
Diese/VLDO	25198		164530	
Total	98008630		77138133	
18 Cash and Bank Balances	Non-current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Cash and Cash Equivalents				
Balances with banks:				
On current accounts	-	-	2676234	17406509
Cash on Hand	-	-	6602757	9187732
Margin Money Deposit	1078692	229952	-	-
	1078692	229952	9278992	28594241
Amount disclosed under non-current assets	(1078692)	(229952)	-	-
	-	-	9278992	28594241
19 Revenue from Operations	31-Mar-2012		31-Mar-2011	
Sale of products				
Finished Goods	526056577		345901829	
Traded Goods	2019047		2257041	
Sale of services	-		-	
Other Operating Revenue	-		8915608	
Revenue from Operation (Gross)	528075624		356474478	
Less: Excise Duty	-		-	
Revenue from Operation (Net)	528075624		356474478	
20 Other Income	31-Mar-2012		31-Mar-2011	
Interest income on				
Bank Deposits	94773		18038	
Interest from Deposits	2676785		1346507	
Other Interest	4059644		8223870	
Interest on Income Tax Refund	113924		95384	
Profit on Insurance Claim for Fixed Assets	-		1001973	
Profit on sale of Fixed Assets	-		-	
Other non-operating income	142983		-	
Total	427057		290115	
21 Cost of Materials Consumed	31-Mar-2012		31-Mar-2011	
Raw Materials Consumed				
Opening Stock	27568942		25023433	
ADD: Purchases	352216182		221473963	
	379785123		246497396	
Less: Closing Stock	37708278		27568942	
Total (A)	342076845		218928455	
Packing Materials Consumed				
Opening Stock	3568568		2371836	
ADD: Purchases	30120548		2188529	
	33689116		24260365	
	3382339		3568568	
Total (B)	30306777		20691797	
Cost of Material Consumed Total (A+B)	372383622		239620252	

Notes on Consolidated Financial Statements for the year ended 31 March 2012

22 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Opening Stock

	31-Mar-2012	31-Mar-2011
Finished Goods	26086108	20218140
Work-in-Progress	19139036	14793213
Stock-in-Trade	155400	490793
Total (I)	<u>45380544</u>	<u>35502146</u>

Closing Stock

Finished Goods	34908279	26086108
Work-in-Progress	20148484	19139036
Stock-in-Trade	1350202	155400
Total (II)	<u>56406965</u>	<u>45380544</u>

Change in inventories Total (I-II)

	<u>(11026422)</u>	<u>(9878398)</u>
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23 Employee Benefits Expense

	31-Mar-2012	31-Mar-2011
Salaries, wages and bonus	8976722	7545536
Contribution to provident and other funds	461009	413223
Gratuity Expenses & Leave Encashment	173434	119484
Staff Welfare Expenses	595759	496825
	<u>10206924</u>	<u>8575068</u>

24 Finance costs

	31-Mar-2012	31-Mar-2011
Bank Charges	878622	805865
Interest on Term Loan	196129	1043641
Interest to Bank & others	13616058	10880751
	<u>14690809</u>	<u>12730257</u>

25 Depreciation and Amortization Expense

	31-Mar-2012	31-Mar-2011
Depreciation	9353628	9038300
Less: Depreciation charged from Rev. Res.	159055	159055
	<u>9194573</u>	<u>8879245</u>
Preliminary Expenses Written Off	1995616	2118039
	<u>11190189</u>	<u>10997284</u>

26 Other Expenses

	31-Mar-2012	31-Mar-2011
Manufacturing Expenses		
Cartage	140230	57117
Consumable stores	2926585	2387343
Designing Charges	4200	30367
Diesel / LDO consumption	4349299	3808172
Job Charges	33603385	19782277
Power & Electricity	8133467	6582310
Repairs & Maintenance (P & M)	3474444	2870459
Scrap Grinding Expenses	0	172955
Strap Cutting Charges	231834	205774
Lease Rent (Plant & Machinery)	480000	480000
Work Shed Rent	1080000	1080000
TOTAL (A)	<u>54423444</u>	<u>37456774</u>

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

Administrative & Other Expenses		
Annual Constodial Fees	66180	66180
Annual Listing Fees	44120	33090
Conveyance Expenses	283532	264844
VAT	84255	46507
Directors Remuneration	3960000	3960000
Donation	400000	250000
Electricity Expenses	77521	78436
Entertainment Expenses	122830	77050
Exchange Fluctuation Gain/Loss	7764	2139
Festival Expenses	345488	257561
Gardening Exp.	10900	10800
General Expenses	39141	62712
Guest House Rent	547810	627500
Insurance Expenses	329102	500990
Interest on TDS	48943	73357
Legal Expenses	298180	287054
Loss on sale of Fixed Assots	220889	0
Membership fees & Subscription Fees	11515	1100
News Papers & Periodicals	9325	11858
Office Expenses	87043	27939
Payment to Auditors (Refer details below)	332065	189066
Penalty & Fine	1210	7040
Postages & Telegrams	116394	139403
Printing & Stationery	293113	227104
Professional & Consultancy Fees	551787	2848258
Repairs & Maintenance (Building)	266594	91330
Repairs & Maintenance (Others)	264543	113108
Retainership Expenses	0	30000
Security Charges	455496	402140
Software Development Exp	51663	37842
Sundry Creditors Written Back	679000	0
Sundry Balances written off	0	0
Telephone Expenses	728446	736622
Travelling Expenses		
Director's Travelling	338146	443499
Director's Travelling(Foreign)	202930	355728
Others	451892	234038
Vehicle Running & Maintenance	1201885	960183
Water Exp.	55883	34559
Website Development Expenses	7783	55489
TOTAL [B]	12969168	13343506
Payment to Auditors		
Statutory Audit Fees	187716	121330
Cost Audit Fees	35000	35000
Internal Audit Fees	27576	27576
Reimbursement of Expenses	25520	5180
Income Tax Matters	58253	
TOTAL	332065	189066
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	301909	525807
Commission on Sales	670688	702933
Discount Allowed	45251285	26190999
Freight Outward	55685	66788
Sales Promotion Expenses	927038	428650
Tender Fees	0	1000
Bad Debts	1973051	1750515
Loss of Goods Sold by Accident	117496	
Exhibition Expenses	84210	77210
TOTAL [C]	49381363	29744002
GRAND TOTAL [A+B+C]	116773974	80544282

Notes on Consolidated Financial Statements for the year ended 31 March 2012

27 Earning Per Share (EPS)

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	2011-12	2010-11
Net Profit after tax (Rs.)	11733432	14725416
No. of paid-up Equity Shares (Weighted Average)	13678799	13678799
Amount per share (Rs.)	10	10
Earning per Share (Rs.)		
Basic	0.86	1.08
Diluted	0.86	1.08

28 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.

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	
	2011-12	2010-11	2011-12	2010-11
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	416987	352508	199148	165,815
Current Service Cost	88601	71161	45264	33333
Interest Cost				
Actuarial loss/(gain)	45437	14990	(5868)	-
Benefit paid	45086	21672	17193	-
Closing defined benefit obligation at 31 st March	505939	416987	221351	199148
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	449782	385287	260498	238989
Expected Return on Plan asset	39161	32795	22390	21509
Contribution by employer	101243	53372	0	-
Benefit paid	45086	21672	35724	-
Actuarial gain/loss				
Closing fair value of plan assets at 31 st March	545100	449782	247164	260,498
Reconciliation of present value of the obligation and fair value of the Plan Assets				
Present Value of funded obligation at 31 st March	505939	416987	221351	199148
Fair Value of Plan Assets at 31 st March	545100	449782	247164	260498
Deficit/(Surplus)	(39161)	(32795)	(25813)	(61350)
Unrecognized past service cost	-	-	-	0
Net Liability/(Assets)	(39161)	(32795)	(25813)	(61350)

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Discount Rate	8%	8%	8%	8%
Expected Rate of Return	9%	9%	9%	9%
Salary Escalation	7%	7%	7%	7%

29 Segment Information

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

30 Related Party Disclosures

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 01.04.2011 to 31.03.2012.

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

S.No.	Particulars	Relations with Directors
Directors & Key managerial persons & their associate concerns		
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 directors & their 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	49% shares of this company held by the company
4	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
5	Lawreshwar Footwear	Proprietorship concern of Chairman's son
6	Jai Narayan Mohan Lal & Sons	Proprietorship concern of Chairman's Brother
7	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)	
	Saturday, March 31, 2012	Thursday, March 31, 2011
Interest received	3.95	17.58
Loan Given (ICD)	293.36	275.64
Loan Repayment Received	242.65	465.37
Rent Paid	9.60	9.60
Share Capital	35.00	14.00
Share Application	Nil	51.25
Sales Promotion Expenses	1.84	Nil

Transaction with key management persons

Nature of transaction	Amount (Rs In lacs)	
	Saturday, March 31, 2012	Thursday, March 31, 2011
Remuneration	39.60	39.60

Transaction with relatives

Nature of transaction	Amount (Rs In lacs)	
	Saturday, March 31, 2012	Thursday, March 31, 2011
Salary	22.32	22.32

Lawreshwar Polymers Limited

Notes on Consolidated Financial Statements for the year ended 31 March 2012

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	Saturday, March 31, 2012	Thursday, March 31, 2011
Interest Received	26.77	13.47
Rent Paid	6.00	6.00
Deposit Received Back	25.00	25.00
Donation	2.00	2.45
Sales	95.89	61.03
Discount Allowed	9.59	3.98
Advances for Showroom Purchase	125.00	Nil

31 Contingent Liabilities and Commitments

	31/3/2012	31/3/2011
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Contingent Liabilities

Income Tax Demand for the AY 2005-06 against which the company has filed an appeal before higher authority

104433	104433
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Claims against the company / disputed liabilities not acknowledged as debts :

679000

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

32 Utilisation of money raised through Public Issue

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

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

34 Figures are rounded off to the nearest rupee.

As per our Report of even date

For A. Bafna & Company
Chartered Accountants
(FRN 003860C)

(M.K. Gupta)

Partner
M.No. 073515
Date: 30th May 2012
Place: Jaipur

FOR LAWRESHWAR POLYMERS LTD.

Raj Kumar Agarwal
(Managing Director)

Narash Agarwal
(Executive Director)

CA Rakesh Soni
(Chief Finance Officer)

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 18th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area -302013 on Friday the 28th September, 2012 at 10.00 A. M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

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

Signature

Applicable for shares held in physical form.

* Applicable for shares held in dematerialized form.

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

PROXY FORM**LAWRESHWAR POLYMERS LIMITED****REGISTERED OFFICE: A-243 (A) ROAD NO.6 V. K. I. AREA, JAIPUR-302013 (RAJ.)**

I/We _____ of _____ in the district of _____ being member(s) of LAWRESHWAR POLYMERS LTD. hereby appoint Mr. / Mrs. _____

of _____ in the district of _____ or failing him/her Mr./ Mrs. Of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the

18th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area -302013 on Friday the 28th September 2012 at 10.00 A. M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

Signed this _____ day of _____, 2012

Signature

Affix Rs. One
Revenue Stamp

Applicable for shares held in physical form.

* Applicable for shares held in dematerialized form.

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

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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