

LAWRESHWAR POLYMERS LIMITED



15th Annual Report
2008-09

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

Contents	Page No.
Notice	2
Director's Report	6
Reports on Corporate Governance	11
Management Discussion and Analysis	18
Report of The Statutory Auditors	19
Balance Sheet	22
Profit & Loss Account	23
Cash Flow Statement	24
Schedules	25
Proxy Form	37

CORPORATE INFORMATION
Board of Directors

Ramesh Chand Agarwal
Chairman
(w.e.f.26.06.2009)

Raj Kumar Agarwal
Chairman & Managing Director
(up to 25.06.2009)

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

Naresh Agarwal
Executive Director

Board Committees**Audit
Committee**

Radhe Shyam Mangal
Rakesh Akar
K. P. Singh

**Remuneration
Committee**

Radhe Shyam Mangal
Rakesh Akar
K. P. Singh

**Shareholders' / Investors
Grievance Committee**

Radhe Shyam Mangal
Rakesh Akar
K. P. Singh

Rakesh Kumar Soni
Chief Financial Officer

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 -302003

Cost Auditor

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

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

Banker

AXIS Bank Limited
Green House, Ashok Marg,
C-Scheme
Jaipur-302 001. (Raj)

Regd. Office & Works

A-243 (A), Road No.6, V.K.I.Area,
Jaipur - 302013
e-mail: info@leharfootwear.com
URL: www.leharfootwear.com

Notice

Notice is hereby given that the Fifteenth 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 Wednesday the 30th September, 2009 at 2.30 P. M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 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 Rakesh Akar, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of K.K.Gupta, who retire by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditor and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:
"RESOLVED THAT Shri Ramesh Chand Agarwal who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, under sec 257 of the Companies Act, 1956, from a member, be and is hereby appointed as a Director liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to section 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if there any, of the Companies Act, 1956, Shri Ramesh Chand Agarwal, be and is hereby appointed as Director of the Company subject to the terms and conditions as being furnished in the Explanatory Statement to this resolution annexed herewith.
RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be required to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:
RESOLVED THAT pursuant to the provisions of sec 314(1) (b) & other applicable provisions of the Companies act, 1956 & subject to the approval of the Shareholders of the company in the ensuing General Meeting, Mr. Pankaj Agarwal (Relative of Managing Director) be & is hereby appointed on a Monthly Remuneration of Rs. 18000/- per month (Rupees Eighteen Thousand Only) w.e.f. 01st July, 2009 as per the terms & conditions decided by the Board of Directors & approved by the Shareholders in the next General Meeting.

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

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

By the order of the Board

PLACE: Jaipur

(Ramesh Chand Agarwal)

DATED: 04.09.2009

Chairman

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 25th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
3. Non-Resident Indian Shareholders are requested to inform M/s Big Share Services Private Limited, the Registrar and Transfer Agent of the Company immediately about :-
 - a) the change in the Residential status on return to India for permanent settlement.
 - b) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
4. Members requiring information on the accounts are requested to write to the company at least 10 (Ten) days before the date of the meeting to enable the company to furnish the information.
5. Members are requested to:
 - i) Intimate change in their Registered Addresses, if any, in respect of Equity Shares held in electronic form (Dematerialized form) to their Depository Participant(s).
 - ii) Intimate the Registrar & Share Transfer Agent about any change in their Registered Addresses in respect of equity shares held in physical form.
 - iii) Quote the registered folio number / DP-ID and CL-ID in all future correspondence.
 - iv) To address their grievances to the Company Secretary, if they require at the Registered Office of the Company.

6. Members are requested to please bring their copies of Annual Report at the meeting.
7. Members and Proxies attending the meeting should bring the attendance slip duly filled in for attending the meeting.
8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special business mentioned under item No. 5 & 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".

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

The Board of Directors of the Company (The Board), under Section 260 of the Companies Act,1956(The Act) and Article 95 of the Articles of Association of the Company, appointed Shri Ramesh Chand Agarwal as an Additional Director of the Company with effect from May11,2009.

In terms of Section 260 of the Act, Shri Ramesh Chand Agarwal holds office up to the date of this Annual General Meeting.

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

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

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

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

Item No: 6

The Board of Directors, in their meeting held on 11/05/2009 has resolved to propose to the shareholders for their approval in the ensuing Annual General Meeting for Appointment of Ramesh Chand Agarwal for a monthly Remuneration for Rs 100000.00 (Rs One Lacs per Month)

Shri Ramesh Chand Agarwal is a Commerce Graduate. His expertise in the filed of Finance, Accounts & Marketing has always been of immense value and help to the Company and has more than 20 years of experience in footwear business and is well aware of each and every aspect of business and handling them at well. Your Board of Directors recommends that from the terms and conditions for appointment of Shri Ramesh Chand Agarwal, Director of the Company, as furnished here in below, your directors confirm that the remuneration proposed is strictly in conformity with part II of Schedule XIII.

The proposed remuneration of Shri Ramesh Chand Agarwal and other terms and conditions related thereto are being furnished here in below:

Remuneration:

(I) Basic Salary: Rs. 100000/- per month.

(II) Perquisites:

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

- (i) Provision of Company's car with driver for use on Company's business, Mobile Phone and Telephone at residence will not be considered as perquisites.
- (ii) Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the Director.
- (iii) Reimbursement of entertainment, traveling and all other expenses, actually and properly incurred for the business of the Company.
- (iv) No sitting fees shall be payable to the Director for attending the Meetings of the Board of Directors or Committee thereof.
- (v) Personal Accident / Medical Insurance: Appropriate Insurance covering the Director against accidental risks upto Rs. 20000/- as premium per annum.

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

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

(III) Other terms & Conditions:

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

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

Your Directors recommend the annexed resolution for your approval

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

Item No: 7

The Board of Directors, in their meeting held on 01/06/2009 has resolved to propose to the shareholders for their approval in the ensuing Annual General Meeting for Appointment of Pankaj Agarwal (relative of Managing Director) as a CEO (operation) for a monthly Remuneration for Rs 18000.00 (Rs Eighteen Thousand per Month)

Shri Pankaj Agarwal is Commerce Graduate along with MBA. His expertise in the field of Finance, Accounts & Marketing has always been of immense value and help to the Company and is well aware of each and every aspect of business and handling them at well. Your Board of Directors recommend that Appointment of Mr. Pankaj Agarwal will greatly enhance the value of the Company.

Your Directors recommend the annexed resolution for your approval.

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

By the order of the Board

(Ramesh Chand Agarwal)
Chairman

PLACE: Jaipur

DATED: 04.09.2009

ANNEXURE "A" TO THE NOTICE CALLING 15TH ANNUAL GENERAL MEETING:

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting to be held on September 30, 2009:

Name of Director	Rakesh Akar	K.K.GUPTA	Ramesh Chand Agarwal
Age	46years	43 years	57years
Date of Appointment	23.07.2005	23.07.2005	11.05.2009
Designation	Non Executive Independent Director	Non Executive Independent Director	Non Independent Executive Director
Expertise in specific functional area	He is a Commerce Graduate is an innovative and young entrepreneur, having an expertise of almost 25 years interest in diversified industries	He is Chartered Accountants by profession and a Commerce Graduate having post qualification experience of 19 Years. He is started his carrier with jayshree insulators as Commercial Executive at Halol. His expertise in the filed of finance has always been of Immense value and help to the Company.	Shri Ramesh Chand Agarwal is a Commerce Graduate. His expertise in the filed of finance, Accounts & Marketing has always been of immense value and help to the Company and has more than 20 years of experience in footwear business and is well aware of each and every aspect of business and handling them at well
Qualification	B.COM	B.COM,F.C.A	B.COM
Directorship in other Public Limited Companies as on 31/03/2009	01.MRK PIPES LIMITED 02.GARIMA OVERSEAS LIMITED 03.SHANTI KRIPA INDUSTRY LIMITED	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2009	NIL	NIL	NIL

DIRECTOR'S REPORT

To,

All the Shareholders,

Your Directors have pleasure in presenting the Fifteenth Annual Report of the company together with the Audited financial accounts for the financial year ended on 31st March, 2009.

FINANCIAL RESULTS:

Particulars	(Rs. In lacs)	
	2008-2009 (Audited)	2007-2008 (Audited)
Sales	2836.13	2319.91
Profit before Depreciation & Tax	85.76	182.75
Profit before Tax	9.40	126.88
Provision for Tax (Current & Deferred Tax)	8.23	60.78
Net Profit	15.27	74.97
Appropriation		
Dividend	NIL	NIL
Balance b/f from the previous year	201.33	126.36
Transferred to General Reserve	NIL	NIL
Transferred to Reserve & Surplus	216.60	201.34

Operational Review

Your Company has achieved turnover of Rs. 28.36 Crores as against Rs. 23.19 Crores in the previous year. The Net Profit of the Company is Rs 0.15 Crores as against Rs 0.75 Crores in the previous year.

Tribute to Mohan Lal Agarwal

The Board of Directors noted with deep regret the sad demise of the Company's founder Chairman, Mohan Lal Agarwal on August 24, 2008. Mr. Mohan Lal Agarwal was a visionary, philanthropist, apart from being a leading industrialist. Spiritual strength and moral values were part of his personal credo. Shri Mohan Lal Agarwal was known for his dignified unassuming personality, intellect, meticulous planning, deep regard for punctuality, business acumen and dynamic leadership.

Directors

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

Directors Responsibility Statement.

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

- a) In the preparation of Annual Accounts of the Company the applicable Accounting Standards have been followed along with proper explanation to material departure from the same, if there any.
- b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31st, 2009 and of the Profit of the Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity.
- d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

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

None of the Employee of the Company has been paid such remuneration which attracts 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 Auditor to the effect that the 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 in its Board meeting held on 18.11.2008 has approved to sell out 10000 No. of equity shares at very attractive price @ Rs.18.00 per share to the applicant of its subsidiary Company of Lawreshwar Footcare Private Limited. Hence the requirement of published of the consolidated statement of the Company need not arise.

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 2008-2009

Public Deposits

During the year ended March 31st, 2009, your Company has not accepted any deposits from the public.

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

By the order of the Board

PLACE: Jaipur
DATED: 04.09.2009

(Ramesh Chand Agarwal)
Chairman

Annexure "B" to the Directors' Report

A. CONSERVATION OF ENERGY

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

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

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

FORM 'B'

Form for Disclosure of particulars with respect to Technology Absorption:

A. RESEARCH & DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company:

The company is making all efforts on continuous basis for development of products as per customer's requirement for expanding its market share and to optimize its cost of production to face successfully the stiff competition.

2. Benefits derived as a result of the above R & D:

New consumer preferred products to drive growth and continuous product optimization for funding growth with an absolute focus on quality and cost effectiveness.

3. Future plan of action:

The Company will continue to focus on developing high quality products to drive growth and a relentless focus on reducing cost to fund growth.

4. Expenditure on R & D:

Capital	Nil
Recurring	Nil
Total	Nil
Total R&D expenditure as a percentage of total turnover	N. A.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards Technology absorption, adaptation and innovation:

The Technology used for manufacturing of products of the Company is fully absorbed and new innovations in process control, product development, cost reduction and quality improvements are being made on continuous basis.

2. Benefits derived as a result of the above Efforts:

Improvement in overall productivity, quality of the products and reduced process scrap and cost.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

Technology Imported	No technology has been imported by the Company.
Year of Import	N. A.
Has technology been fully absorbed	N. A.
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	N. A.

For and on behalf of the Board

(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, 2009 received a declaration of compliance with the Code of Conduct from the Senior Management Team of the Company and the Members of the Board as applicable to them.

Place: Jaipur
Date: 04/09/2009

(Raj Kumar Agarwal)
Managing Director

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

We, Raj Kumar Agarwal, Managing Director and Rakesh Kumar Soni, CFO 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 and that we have evaluated the effectiveness of internal control system of the Company and shall disclose to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee;
- i) Significant Changes in internal control, if any, over financial reporting, during the year.
- ii) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
- iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

For Lawreshwar Polymers Ltd

(Raj Kumar Agarwal)
Managing Director

For Lawreshwar Polymers Ltd

(Rakesh Kumar 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
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, 2009 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

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

Place: Jaipur
Date: 04.09.2009

Annexure "F" to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

(A) Company's Corporate Governance Philosophy

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

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

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

(B) Board of Directors

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

Board Meeting:

During the year under review, seventeen Board Meetings were held on 01.04.2008, 22.04.2008, 23.06.2008, 30.06.2008, 21.07.2008, 06.08.2008, 24.08.2008, 25.08.2008, 31.08.2008, 22.09.2008, 30.09.2008, 18.11.2008, 30.11.2008, 31.12.2008, 31.01.2009, 26.02.2009, 31.03.2009 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	Attend ed the last AGM	No. of Board Meetin gs attend ed	No. of Directors hip in other Compani es	No. of Committee Membership held#	
					As Chairman	As Member
Mohan Lal Agarwal	Non ID / NED	No	06#	-	-	-
Raj Kumar Agarwal	Non ID / ED	Yes	17	2	-	-
Naresh Agarwal	Non ID / ED	Yes	17	-	-	-
Krishan Kumar Gupta	ID / Non ED	No	-@	-	-	-
Rakesh Akar	ID / Non ED	Yes	17	4	-	-
Kaushlendra Pratap Singh	ID / Non ED	Yes	17	-	-	-
Radhe Shyam Mangal	ID / Non ED	Yes	17	-	-	-

Mohan Lal Agarwal has passed away on 24.08.2008, so he has attende d only six board meeting of the company.

@ Leave of absence was granted.

ID Independent Director NED Non Executive Director ED Executive Director

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

Information supplied to the Board among others

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

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

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

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

(C). Board Committees**Audit Committee**

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

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has the following powers:

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

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

During the Financial Year 2008-2009 the Committee met 5 times on 30.06.2008, 21.07.2008, 31.08.2008, 30.11.2008, 26.02.2009.

Name of Directors	Position held in the Committee	No. of meetings attended
Mr. Radhe Shyam Mangal	Chairman	5
Mr. Rakesh Akar	Member	5
Mr. Kaushlendra Pratap Singh	Member	5

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 three times on 31.05.2008, 13.06.2008, & 18.11.2008 during the year 2008-2009. 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	3
Mr. Rakesh Akar	Member	3
Mr. Kaushlendra Pratap Singh	Member	3

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

In the Financial Year 2008-2009, the Company received 12 complaints during the year, they were duly resolved. There is no complaint pending at the end of the year.

Remuneration Committee

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

The Committee met one times on 01.04.2008 during the year 2008-2009. The Composition and attendance of the members at the Committee meetings were as follows:

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

The Company Secretary of the Company acts as secretary of the Committee.

REMUNERATION POLICY

I (a) Executive Directors

The details of the remuneration paid during the year 2008-2009 to the Managing / Executive Director(s) are as follows:

Name of Director	Designation	Salary (Rs.)
Raj Kumar Agarwal	Managing Director	900000.00
Naresh Agarwal	Executive Director	900000.00

(b) Details of Shares of the Company held by the Directors as on March 31, 2009 are as follows:

Name	No. of Shares
Mohan Lal Agarwal*	987500
Raj Kumar Agarwal	1267500
Naresh Agarwal	1027606
Ramesh Chand Agarwal	1093833

*Mr. Mohan Lal Agarwal has been passed away on Sunday 24.08.2008

(c) Period of contract of Managing / Executive Director : 5 years from 01.12.2006 & 30.09.2008 respectively.

(d) There is no separate provision for payment of Severance Fees.

e) The service contract with Managing / Executive Directors are normally for a period of 5 years. The contract may be terminated by either party giving the other party one month's prior notice.

II Non Executive Directors

- a) The Non - executive Directors did not have any other material pecuniary relationship or transactions with the Company during the year.
- b) No Remunerations was paid to the Non Executive Directors during the Financial Year 2008-2009.
- c) No Sitting fees was paid to the Non-Executive Directors for attending Board Meetings or Committee Meetings during the Financial Year 2008-2009.
- d) No commission has been paid to any Director.

Severance Fees : NIL

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

Mr. Mohan Lal Agarwal 987500
Other 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
2007-2008	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	29 th September 2008 at 4.00 P. M.	Special Resolution was passed u/s 314(1)(b)
2006-2007	Vishwakarma Industries Association, Association Bhawan, Road No:1, Vishwakarma Industrial Area Jaipur 302013	28 th September 2007 at 10.00 A.M.	No Special Resolution was passed
2005-2006	A-243 A Road No 6 V. K. I. Area, Jaipur - 302 013.	30 th September 2006 at 4.00 P. M.	No Special Resolution was passed

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

Subsidiary

The Company in its Board meeting held on 18.11.2008 has decided to sell out 10000 No. of equity shares at very attractive price @ Rs.18.00 per share to the applicant of its subsidiary Company of Lawreshwar Footcare Private Limited. Therefore the Company hold only 49% Shareholding of Lawreshwar Footcare private limited. Hence the requirement of published of the consolidated financial statement of the Company need not arise.

E. Disclosures

- a) Details of transactions of a material nature with any of the related parties as specified in Accounting Standard-18 Issued by the Institute of Chartered Accountants of India have been reported in the Notes in Schedule 12 under notes on accounts to the Financial Statements of the Company for the year ended March 31, 2009.
- b) There is no transaction of a material nature with any of the related party, which is in conflict with the interest of the company.
- c) There has not been any non compliance, penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any other Statutory Authority on any matter relating to the capital markets.
- d) The Company has not adopted any of the non mandatory requirements, except the remuneration Committee mentioned in annexure of Clause 49 of the Listing Agreement.

F. Means of Communication

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

15 th Annual General Meeting Day, Date and Time	Wednesday , September 30 th , 2009 at 2.30 P. M.
Venue	A-243(A) Road No: 6 V.K.I.Area Jaipur 302013
Financial Year	April 1, 2008 to March 31, 2009
Book Closure	September 25, 2009 to September 30, 2009
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.
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 2009-10 to the BSE.	
Stock Code	BSE-532829
ISIN No.	INE 976H01018
Depository Connectivity	NSDL and CDSL

H. Market Price Data (BSE)*

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

Month	BSE Sensex			Stock Prices	
	High	Low	Volume (Nos.)	High	Low
April 2008	17480	15297	220748	8.94	6.36
May 2008	17735	16196	278270	9.95	7.20
June 2008	16632	13405	177061	8.15	5.82
July 2008	15130	12514	172860	7.05	5.32
August 2008	15579	14002	114632	7.50	5.01
September 2008	15107	12153	124958	6.25	4.37
October 2008	13203	7697	122720	5.40	2.65
November 2008	10945	8316	127484	4.64	3.50
December 2008	10188	8467	132536	5.57	3.43
January 2009	10469	8631	110404	6.35	4.40
February 2009	9724	8619	48344	5.05	4.21
March 2009	10127	8047	76834	4.51	3.52

*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, 2009

Particulars	No. of Shares held	% of shareholding
Promoters	7677288	56.13
Financial Institutions, Banks and Mutual Funds	0	0.00
FIIs	0	0.00
Pvt. Corporate Bodies	967336	7.07
Indian Public	4978669	36.39
NRIs / OCBs	55506	0.41
Total	13678799	100.00

Distribution of shareholding as on 31st March, 2009

Range	Total Holders	% of Total Holders	Total Holding	% of Shareholding
001-500	3273	62.76	1088034	7.96
501-1000	629	12.06	543314	3.97
1001- 2000	969	18.58	1152161	8.42
2001-3000	102	1.96	256972	1.88
3001- 4000	43	0.83	150748	1.10
4001-5000	58	1.11	281969	2.06
5001-10000	59	1.13	467068	3.42
10001 & above	82	1.57	9738533	71.19
	5215	100.00	13678799	100.00

Dematerialization of Shares and liquidity

The Company's shares are currently traded only in dematerialized form at The Bombay Stock Exchange Ltd. To facilitate trading in dematerialized 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, 2009 about 96.91 % of the Company's shares were held in dematerialized form.

The 28.86% of the Equity Shares of the Company are under Lock In.

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

I. Investors' Service and Share Transfer System

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

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

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

Following is the procedure for dematerialization of share:-

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

J. Plant Location

01. A-243(A) Road No. 6, V. K. I. Area, Jaipur 302 013 (Rajasthan)
02. G1-685, Road No: 9F2. V.K.I.Area, Jaipur 302 013 (Rajasthan)

K. Address for Correspondence for Share Transfer and related matters

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

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

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

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

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

M) Declaration

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

Annexure "G" to the Directors' Report**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Industry Structure and Development**

The Indian footwear industry has witnessed a metamorphosis growth with the advent of new retail brands in the market. The industry has grown by leaps & bounds in the last decade with the introduction of new technology and inflow of investments. Your Company is predominantly engaged in the manufacturing of Light Weight 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 Eva injected Chappals because it is the cheapest footwear available in India. The Eva injected Chappals have captured 75% of demand in rural areas, because in rural areas people use this product as multipurpose footwear.

Industry Outlook

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

Threats

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

Opportunities

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

Financial Performance

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

Turnover of the Company for the year under review has been increased by 22.29% from Rs. 23.19 Crores to Rs.28.36 Crores. 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 for the current year is Rs 0.15 Crores as against 0.75 Crores in the previous year.

Internal control System and their adequacy

The Company has an adequate system of internal controls comprising authorization levels, supervision, checks and balances and procedures through documented policy guidelines and manuals, which provide that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. The operational managers exercise their control over business processes through operational systems, procedural manual and financial limits of authority manual, which are reviewed and updated on an on going 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 31/03/2009 is 148 including the contract labour.

Cautionary Statement

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

AUDITOR'S REPORT

To,
The Members,
Lawreshwar Polymers Limited.

We have audited the attached Balance Sheet of M/s Lawreshwar Polymers Limited as at 31st March, 2009 together with the Profit & Loss A/c and cash flow statement of the Company for the year ending on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003(as amended), issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the explanation given to us, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments referred to in paragraphs 1 & 2 above we report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, subject to Note No.16 of Notes On Accounts regarding loss by fire and non finalization of concerned Insurance claim;
 - (b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books
 - (c) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report compliance with the Mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act 1956.
 - (e) On the basis of Written representation received from all the Director on March 31,2009 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, 2009 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. 16 of Notes on Accounts regarding Loss by Fire, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally in India subject to Note No. 14 regarding Loss by Fire:
 - a) In case of Balance Sheet, of the State of affairs of the Company as at March 31,2009
 - 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 & CO.**
Chartered Accountants

(CA M. K. GUPTA)
Partner
Membership No. 73515

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 a substantial part of its the fixed assets during the year and the going concern status of the company not affected.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of inventory, the company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii) (a) According to the Information & Explanation given to us, the company has granted loans to 2 parties and deposit 1 party listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of such deposits as on 31.03.2009 is Rs. 60,00,000/-. The maximum balance outstanding at a point of time during the year was Rs. 2,15,80,953/-.
- (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 taken loans from one party covered in the register maintained Under Section 301 of The Companies Act, 1956. The Maximum balance outstanding at a point of time during the year was Rs. 2,00,000/- & the year end balance of loans taken from such party was NIL.
- (f) In our opinion, the rate of interest & other terms & conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of The Companies Act, 1956 are not prima facie prejudicial to the interest of the company
- (g) According to the information & explanation given to us the company is regular in payment of principal amount & interest due o loans taken by it.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In respect of the contracts or arrangements referred to in Section 301 of The Companies Act, 1956:
- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained u/s 301 of the companies act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, each of such transaction in respect of any party, listed in the register maintained u/s 301 of The Companies Act, 1956 have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year and accordingly the provisions of Section 58A & Section 58AA of the Companies (Acceptance of Deposit) rules, 1975 are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records u/s 209(1) (d) of The Companies Act, 1956 in respect of certain manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, The prescribed accounts and records have been made and maintained. We have, however not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) To the best of our knowledge and information obtained and verifications made, we report that the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, Wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable to it *except for few delay in payment of Service Tax* and there are no undisputed amounts payable in respect of such dues which have remained outstanding as at 31st March 2009 for a period exceeding six months from the date of becoming payable. 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 3, 2007 as Net Offer to the public during the Financial Year 2006-2007. Management has disclosed the end use of money raised by public issue in Notes of Accounts. However according to information & explanation given to us the same is not yet fully utilized.
- (xxi) During the course of examination of the books and records of the company, carried out in accordance with the generally accepted accounting Practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, nor we have been informed of such cases by the management that causes the financial statements to be materially misstated.

For **A. Bafna & Company**
Chartered Accountants

Place: Jaipur
Date: 28th June, 2009

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

LAWRESHWAR POLYMERS LIMITED

BALANCE SHEET AS ON 31st MARCH, 2009

	SCH.No.	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	136,787,990	136,787,990
Reserve & Surplus	2	126,356,363	124,988,685
		263,144,353	261,776,675
Deferred Tax Liabilities		6,967,141	6,505,726
LOAN FUNDS			
Secured Loans	3	100,676,405	85,025,828
Unsecured loans	4	489,627	1,628,690
		101,166,032	86,654,518
Total		371,277,526	354,936,919
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	137,287,790	117,463,346
Less: Depreciation		39,212,097	31,614,200
Net Block		98,075,692	85,849,146
Capital Work in Progress		15,023,943	14,571,816
INVESTMENT			
CURRENT ASSETS , LOANS & ADVANCES	6	3,188,000	3,318,000
Inventories	7	59,056,793	26,644,187
Sundry Debtors		103,683,177	102,914,030
Cash & Bank Balance		37,586,179	25,421,928
Loans & Advances		94,491,441	117,886,144
		294,817,591	272,866,288
Less: Current Liabilities & Provision	8	46,139,238	30,097,908
Net Current Assets		248,678,354	242,768,381
Miscellaneous Expenditure	9	6,311,537	8,429,576
Accounting Policies & Notes on Accounts	16		
Total		371,277,526	354,936,919

As per our report of even date
For A. BAFNA & CO.
Chartered Accountants

For LAWRESHWAR POLYMERS LIMITED

(CA M K GUPTA)
Partner

RAJ KUMAR AGARWAL
(Managing Director)

Date : 28th June, 2009
Place : Jaipur

NARESH AGARWAL
(Executive Director)

K. P. SINGH
(Indendent Director)

CA RAKESH SONI
(Chief Finance Officer)

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2009

	SCH. NO.	AS AT 31.03.2009 (Rs.)		AS AT 31.03.2008 (Rs.)
INCOME				
Turnover	10	283,613,437		231,990,955
Increase(decrease) in Stock	11	30,117,625		-
Insurance Claim Receivable				40,926,239
Other Income	12	8,227,045		9,955,136
TOTAL		321,958,106		282,872,329
EXPENDITURES				
Material Cost	13	221,390,742		173,205,158
Goods Lost by fire		-		40,926,239
Stock Adjustment Account		-		(13,029,937)
Manufacturing & Other Exp.	14	74,907,688		52,662,850
Financial Expenses	15	15,064,114		8,895,609
Depreciation	5	7,597,897	5,845,830	
Less: Depreciation charged from revaluation reserve		159,055	259,030	5,586,800
Preliminary Expenses/Public Issue Written off		2,118,039		2,123,770
TOTAL		320,919,426		270,370,490
Profit before tax		1,038,680		12,501,839
Add/(Less): Prior Period Adjustments		98,300		185,970
Profit After Prior Period Adjustment		940,380		12,687,809
Provision for Taxation				
Current Year (MAT)	76888		3,774,589	
MAT Credit Available	76888			
Earlier Year		168,103	602,588	
Deferred Tax		461,415	1,520,072	
Fringe Benefit Tax		193,898	180,916	6,078,165
Net Profit After Tax before prior period adjustment		116,964		6,609,644
Add/(Less): Prior Period Adjustments		1,409,767		887,484
Net Profit After Tax		1,526,731		7,497,128
Balance Brought Forward from Previous Year		20,133,788		12,636,660
Accounting Policies & Notes on Accounts 16				
Balance Carried to Balance Sheet		21,660,519		20,133,788
Earnings per Share (Refer Note No.10, Face value per share Rs.10)				
Basic		0.11		0.55
Diluted		0.11		0.55

As per our report of even date
For A. BAFNA & CO.
Chartered Accountant.

For LAWRESHWAR POLYMERS LIMITED

(CA M K GUPTA)
Partner

RAJ KUMAR AGARWAL
(Managing Director)

Date : 28th June, 2009
Place : Jaipur

NARESH AGARWAL
(Executive Director)

K. P. SINGH
(Independent Director)

CA RAKESH SONI
(Chief Finance Officer)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2009

Particulars	2008-09	2007-08
A. Cash flow from operating activities		
Profit before taxes and exceptional items	1038680	12501840
Adjustment for:		
Depreciation	7438842	5586800
Interest expenses	15064114	8895609
Preliminary Expenses written off	2118039	2123770
Loss on sale of Fixed Assets		36106
Profit on sale of Investment	(50000)	-
Interest income	(7902873)	(9801243)
Operating profit before working capital changes	17706803	19342882
Working capital changes		
Inventory	(32412607)	25420440
Sundry debtors	(769148)	(22420282)
Loans and advances	2607893	(50854397)
Current Liabilities and provisions	19730268	4138979
Prior Period Adjustments	(98300)	24363
Cash generated from operating activities	6764910	(24348015)
Taxes paid	(2718060)	(5105827)
Net cash provided by operating activities	4046850	(29453842)
B. Cash flow from investing activities		
Purchase of fixed assets	(12277665)	(25254922)
Sale of fixed assets	-	1305000
(Increase)/Decrease in CWIP	(7998905)	(1170373)
Sale of Trade of investment	130000	-
Advance given to subsidiaries (net)	13126640	11263303
Inter corporate deposits(net)	7737056	11389791
Profit on sale of Investment	50000	-
Interest received	7902873	9801243
Net cash used in investing activities	8669999	7334042
C. Cash flow from financing activities		
Issue of equity shares(net of issue expenses)	-	-
Public Issue Expenses	-	(316000)
Increase in Borrowings	15650578	28278947
Unsecured Loan	(1139063)	(1258985)
Interest paid	(15064114)	(8895609)
Increase in Reserves	1	2919295
Net cash (used in)/ provided by financing activities	(552598)	20727648
Net Increase / (decrease) in cash (A+B+C)	12164250	(1392152)
Cash and cash equivalents at the beginning of the year	25421928	26814080
Cash and cash equivalents at the end of the year	37586179	25421928

As per our report of even date
 For A. BAFNA & CO.
 Chartered Accountants

For and on behalf of Board of Directors
LAWRESHWAR POLYMERS LIMITED

CA M. K. GUPTA)
 Partner

RAJ KUMAR AGARWAL
 (Managing Director)

NARESH AGARWAL
 (Executive Director)

K P SINGH
 (Independent Director)

CA RAKESH SONI
 (Chief Finance Officer)

Date : 28th June 2009
 Place : Jaipur

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009.

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE-1		
SHARE CAPITAL		
Authorised	<u>150,000,000</u>	<u>150,000,000</u>
15000000 (Previous Yr. 15000000) Equity Shares of Rs. 10/- each		
Issued, Subscribed & Paid-up	136,787,990	136,787,990
1,36,78,799 (Previous Yr. 1,36,78,799) Equity Shares of Rs. 10/- fully paid up.		
TOTAL	<u>136,787,990</u>	<u>136,787,990</u>
SCHEDULE - 2		
Reserve & Surplus		
Shri Ganesh ji Maharaj	19	18
General Reserve	10,011,694	10,011,694
Share Premium	66,052,794	66,052,794
Revaluation Reserve	28,631,337	28,790,392
Surplus of Profit & Loss Account	21,660,519	20,133,788
TOTAL	<u>126,356,363</u>	<u>124,988,685</u>
SCHEDULE - 3		
Secured Loans		
Term Loans from:		
AXIS Bank Ltd.	630,451	1,857,616
AXIS Bank Ltd.(New)	34,983,441	24,444,721
Deferred Payment Loans on Vehicles	1,789,788	2,177,971
HSIDC Against Land	1,320,740	2,516,725
Working Capital Limits from		
AXIS Bank Ltd.	61,951,986	54,028,796
TOTAL	<u>100,676,406</u>	<u>85,025,828</u>

NOTES:-

- Term Loan From AXIS Bank Limited is secured by way of equitable mortgage of Land & Building of the Company by deposition of title deeds & Hypothecation of all plant & machinery, Misc fixed assets & movable properties incl computers, furnitures both
- Cash Credit from AXIS Bank Limited is secured by way of Hypothecation of Raw Material, Finished Goods Stock in Process, Store & Spares, Packing Material etc & mortgage over fixed assets & assignment of "LEHAR" and pledge of 30% e
- Deferred Payment loan on vehicles Secured by hypothecation of respective vehicles & personal guarantee of directors.
- Amount due to HSIDC is secured against land allotted by HSIDC.

**SCHEDULE - 4
UNSECURED LOANS**

From Banks	489,627	1,628,690
TOTAL	<u>489,627</u>	<u>1,628,690</u>

**SCHEDULE - 5
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.08	Additions during the year	Deletions during the year	AS AT 31.03.2008	UP TO 31.03.2008	For the year 2008- 09	Dep. Written Back	UPTO 31.03.2009	AS AT 31.03.2009	31.03.2008
Land*	34935093	193029	0	35128122	0	0	0	0	35128122	34935093
Buildings*	6821481	4597972	0	14419454	2475433	364789	0	2840222	11579232	7346048
Pla & Machinery	36529234	4767465	0	41296699	13752460	2479506	0	16231965	25064734	22776775
Dies & Moulds and Misc Assets	29015975	8647039	0	37663014	12867955	4035631	0	16903786	20759227	16148019
Office Equipments	1915901	201918	0	2117819	1110228	129379	0	1239607	878212	805673
Vehicles	4783654	1343253	0	6126907	1051880	536002	0	1587882	4539025	3731774
Furniture & Fixtures	462009	73767	0	535776	356245	52391	0	408635	127141	105764
TOTAL	117463346	19824443	0	137287790	31614200	7587897	0	39212097	98075692	85849147
Asset in WIP	14571816	7998905	7546778	15023943	0	0	0	0	15023943	14571816
Grand Total	132035162	27823348	7546778	152311733	31614200	7597897	0	39212097	113099635	100420963
Previous year	110414036	26800060	19750749	117463346	35344233	0	9575864	31614200	85849147	65590550
Asset in WIP	14946581	1170373	1545136	14571816	0	0	0	0	14571816	14946581
Total (Previous year)	125360617	27970433	21295887	132035162	35344233	0	9575864	31614200	100420963	80537131

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

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

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
SCHEDULE- 6		
INVESTMENTS		
(Long Term & Unquoted)		
In Govt. Securities		
N.S.C. (Pledged with Sales Tax Authority) In Equity Shares	3,000	3,000
245000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd. (Previous year 255000 Equity Shares of Rs. 10/- each of Lawreshwar Footcare Pvt. Ltd. Subsidiary Company)	3,185,000	3,315,000
TOTAL	<u>3,188,000</u>	<u>3,318,000</u>
SCHEDULE- 7		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
1 Inventory		
(As taken valued & certified by the Mgt.)		
Raw Material	17,502,652	18,848,888
Finished Goods	18,630,445	2,765,572
Work in Progress	16,697,561	2,444,810
Packing Material	2,499,786	724,442
Traded Goods	2,516,610	601,350
Consumable Stores & Spares	508,724	467,882
Diesel / LDO	701,014	791,242
	<u>59,056,793</u>	<u>26,644,187</u>
2 Sundry debtors		
(Unsecured but considered good)		
More than six months	35,001,653	37,268,374
Others	68,681,524	65,645,656
	<u>103,683,177</u>	<u>102,914,030</u>
3 Cash & Bank Balance		
Cash in Hand	4,769,850	4,484,416
Cash with Promoters	0	3,900,385
With Scheduled Bank in Current Accounts	1,533,248	1,777,143
With Scheduled Bank in FDR	31,283,082	15,259,984
	<u>37,586,179</u>	<u>25,421,928</u>
TOTAL (A)	<u>200,326,150</u>	<u>154,980,144</u>
B. LOANS & ADVANCES		
(Unsecured but considered good)		
Advance recoverable in cash or in kind or for value to be received	1,051,594	1,641,552
Inter Corporate Deposits	6,747,423	14,484,479
Advances to Subsidiary Company/Sister Concern	0	13,126,640
Advance to Creditors/Suppliers	14,555,559	16,930,039
Security Deposit	27,179,145	21,057,457
Insurance Claim Receivable	41,865,164	47,036,136
Income Tax	3,092,557	3,609,840
	<u>94,491,441</u>	<u>117,886,143</u>
TOTAL (B)	<u>94,491,441</u>	<u>117,886,143</u>
TOTAL (A+B)	<u>294,817,591</u>	<u>272,866,287</u>
SCHEDULE- 8		
CURRENT LIABILITIES & PROVISIONS		
1 Current Liabilities		
Sundry Creditors	29,857,604	15,730,410
Advance from Customers	295,728	617,833
Statutory Liabilities	454,011	385,664
Other Liabilities	14,439,530	8,288,958
	<u>45,046,873</u>	<u>25,022,865</u>
TOTAL (A)	<u>45,046,873</u>	<u>25,022,865</u>
2 Provisions		
Provision for Income Tax(Current Year)	76,888	4,650,675
Fringe Benefit Tax	48,382	39,619
Other Provisions	967,095	384,749
	<u>1,092,365</u>	<u>5,075,043</u>
TOTAL (B)	<u>1,092,365</u>	<u>5,075,043</u>
TOTAL (A+ B)	<u>46,139,238</u>	<u>30,097,908</u>

SCHEDULE - 9 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Preliminary Expenses	186,300	212,914
Less: Written off during the year	<u>26,614</u>	<u>26,614</u>
	159,685	186,300
Public issue expenses	8,243,276	10,024,432
Add: Incurred during the year	0	316,000
Less: Written off during the year	<u>2,091,425</u>	<u>2,097,156</u>
	6,151,851	8,243,276
Total	<u>6,311,537</u>	<u>8,429,576</u>

SCHEDULE - 10

TURNOVER

Sales	283,613,437	231,708,686
Income from Job Work	0	282,269
Total	<u>283,613,437</u>	<u>231,990,955</u>

SCHEDULE - 11

STOCK ADJUSTMENT

A) INCREASE/ (DECREASE) IN STOCK

Finished Goods	18,630,445	2,765,572	
Work in Progress	16,697,561	2,444,810	
		<u>35,328,007</u>	5,210,382
Opening Stock			
Finished Goods	2,765,572	12,572,426	
Work in Progress	<u>2,444,810</u>	<u>10,365,224</u>	
		5,210,382	22,937,650
Total (A) Increase / Decrease in Stock	<u>30,117,625</u>		(17,727,267)
B) Loss by fire			
Finished Goods (Loss by Fire)	-	16,080,191	
Work in Progress (Loss by Fire)	-	14,677,013	
Total (B)		<u>0</u>	30757204
Increase \ Decrease in Stock	<u>30,117,625</u>		13,029,937

SCHEDULE - 12

Other Income

Interest Received	7,902,873	9,801,243
Misc. Income	274,172	153,893
Profit on sale of Shares of LFPL	50,000	
TOTAL	<u>8,227,045</u>	<u>9,955,136</u>

SCHEDULE - 13

MATERIAL COST

Particulars	Op. Stock	Purchases	Cl. Stock	Consumed	Loss by fire
A. Raw Material	18,848,888	167,450,261	17,502,652	168,796,498	-
Previous Year	26,459,246	112,940,779	18,848,888	115,145,076	5,406,061
B. Packing Material	724,442	18,271,983	2,499,786	16,496,639	-
Previous Year	1,445,318	9,036,073	724,442	7,782,095	1,974,854
C. Footwears	601,350	38,012,866	2,516,610	36,097,605	-
Previous Year	752,853	52,827,777	601,350	50,277,987	2,701,293
SUM(A+B+C)	<u>20,174,681</u>	<u>223,735,110</u>	<u>22,519,048</u>	<u>221,390,742</u>	-
Previous Year	28,657,418	174,804,629	20,174,681	173,205,158	10,082,208

SCHEDULE-14

MANUFACTURING & OTHER EXPENSES

A. Manufacturing Expenses

Cartage	51,190	99,036
Consumable stores	1,287,632	1,878,267
Designing Charges	4,720	9,388
Diesel / LDO consumption	3,191,005	3,308,915
Job Charges	21,729,100	10,287,205
Power & Electricity	8,426,987	8,429,215
Repairs & Maintenance (P & M)	2,588,095	1,959,190
Service Tax on Freight	0	28,547
Scrap Grinding Expenses	519,046	287,572
Strap Cutting Charges	211,127	234,511
Lease Rent (Plant & Machinery)	480,000	0
Work Shed Rent	935,000	0
TOTAL (A)	<u>39,423,901</u>	<u>26,521,847</u>

	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
TOTAL (A)	39,423,901	26,521,847
B. Payment to & Provision for Employees		
Bonus to Employees	375,413	256,768
Contribution to ESI & P.F.	312,910	283,316
Gratuity Fund/ Leave Encashment	8,820	318,249
Salaries & Allowances	3,514,491	1,642,502
Staff & Labour Welfare	274,998	257,230
Wages	2,140,570	1,045,084
Leave Encashment	3,194	0
TOTAL (B)	6,630,396	3,803,149
C. Administrative & Other Expenses		
Commission or Brokerage		96,860
Professional & Consultancy Fees	122,724	382,235
Conveyance Expenses	378,087	75,242
Cost Audit Fees	51,135	24,108
Donation	182,000	278,000
Directors Remuneration	1,800,000	1,500,833
Demand A/c	90,185	126,021
Festival Expenses	239,567	99,009
Electricity Expenses (Guest House)	81,715	83,209
Entertainment Expenses	14,700	600
Exchange Flactuation Gain/Loss	110,510	0
General Expenses	11,387	12,130
Guest House Rent	242,124	230,598
Gardening Exp.	13,500	14,300
Insurance Expenses	500,827	356,076
ISO Expenses	0	20,000
Interest on VAT	0	16,349
Legal Expenses	204,719	317,537
Loss on Sale of Assets	0	36,106
Membership fees & Subscription Fees	4,600	3,750
News Papers & Periodicals	13,057	5,598
Office Expenses	38,062	32,548
Postages & Telegrams	125,027	96,150
Penalty & Fine	2,650	20,376
Penalty on late supply	30,961	
Printing & Stationery	246,226	236,769
Recruitment & Training Expenses	17,036	300
Repairs & Maintenance (Building)	51,888	96,617
Repairs & Maintenance (Others)	169,959	101,039
Retainership Expenses	666,000	526,613
Security Charges	436,741	285,536
Sundry Balances written off	1	2,170
Software Development Exp	17,901	0
Service Tax Expenses	0	30,723
Website Development Expenses	4,616	7,985
Telephone Expenses	497,463	568,736
Travelling Expenses		
Director's Travelling(Foreign)	80,100	143,671
Director's Travelling	144,472	271,495
Others	170,643	157,559
Vehicle Running & Maintenance	633,627	455,312
Water Exp.	91,009	35,231
VAT Audit Fee	11,000	22,000
Auditors Expenses	11,625	7,120
Annual Listing Fees	33,251	0
Annual Constodial Fees	69,491	76,596
Internal Audit Fees	15,000	15,000
Statutory Audit Fees	112,360	106,180
TOTAL (C)	7737945	6974286
D SELLING & DISTRIBUTION EXPENSES		
Advertisement & Publicity	198,462	181,922
Commission on Sales	640,212	66,761
Discount Allowed	19,255,113	14,149,392
Exhibition Exp.	0	66,586
Freight Outward	350,589	210,285
Godown Rent	480,000	360,000
Sales Promotion Expenses	188,072	325,623
Tender Fees	3,000	3,000
TOTAL (D)	21,115,447	15,363,568
Grand Total (A+B+C+D)	74,907,688	52,662,850

SCHEDULE - 15 FINANCIAL EXPENSES	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Bank Commission & Charges	1,013,351	675,985
Interest on Term Loan	5,732,216	1,268,371
Interest to Bank & others	8,318,548	6,951,253
TOTAL	<u>15,064,114</u>	<u>8,895,609</u>

SCHEDULE 16
ACCOUNTING POLICIES AND NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
(A) SIGNIFICANT ACCOUNTING POLICIES: -
1. Basis of Preparation of Financial Statement

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

2. Recognition of Income & Expenditure

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

3. Fixed Assets and Capital Work in Progress

Fixed assets are stated at their historical cost less accumulated depreciation. Cost of the Fixed Assets is inclusive of taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets.

Capital work in progress comprise of cost of Fixed Assets that are not ready for their intended use as at the Balance Sheet date and Advances against Fixed Assets.

4. Depreciation and Amortization

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

5. Investments

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

6. Inventory

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

7. Retirement Benefits

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

- (a) Liability in respect of retirement benefits are provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which are charged against revenue.
- (b) Gratuity liability & leave encashment of employees is covered under the group gratuity policy and leave encashment policy taken from L.I.C. The annual premium is debited to profit & loss account.

8. Miscellaneous Expenditure:

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

9. Income Tax and Deferred Tax

- (a) Provision is made for tax, based on the tax liability computed, after considering tax allowances and deductions in accordance with the provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognized on timing difference, being the deferral resulting from the recognition of items in the financial statement and in estimating current Income Tax.
- (c) Deferred tax assets are recognized on unabsorbed depreciation and on expenses incurred but to be allowed on payment basis as per the provisions of the Income Tax Act, 1961.
- (d) Deferred tax assets and liabilities are measured using the tax rate and tax law that have been enacted on the balance sheet date.

10. Leased Assets

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

11. Provisions, Contingent Liabilities and Contingent Asset

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

12. Impairment of Assets

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

(B.) NOTES ON ACCOUNTS:

1. Contingent Liabilities not provided for:
 - a) Income Tax Demand of Rs. 1,04,433/- for the assessment year 2005-06 against which the company has filed an appeal with higher authority.
 - b) Estimated amount of Contracts remaining to be executed on capital account not provided for Rs. Nil (Previous Year: 145.47 lacs).
2. Book debts, advances, creditors, unsecured loans, deposits from customers etc. have been taken at their book value and are subject to confirmations and reconciliation.
3. Loans and advances and debtors have been considered good and in respect of which the company holds no security other than the personal guarantee of the person concerned.
4. Debtors includes
 - a) Due by directors of the company (Previous year 2007-2008) (Nil)
 - b) Due from subsidiary companies (Previous year 2007-2008) (Nil) 14.11 lacs
 - c) Due from Enterprises in which directors or their relatives are interest (Previous year 2007-2008) 108.27 Lacs
43.35 Lacs

5. Remuneration to Directors:

Particulars		2008-09	2007-08
A	Remuneration		
	Managing Director	9,00,000	7,50,000
	Executive Director's	9,00,000	7,50,883
B	Perks		
	Managing Director	-	-
	Executive Director's	-	-

6. Auditors remuneration

Particulars	2008-09	2007-08
Audit fees	75,000	75,000
Tax audit fees	25,000	25,000
Service tax	12,360	12,360
Other matters	-	41,000
Reimbursement of expenses	-	-
Total	1,12,360	1,53,360

7. Earnings per Share

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

Particulars	2008-09	2007-08
Net profit after tax (Rs.)	15,26,731	74,97,128
No. of paid up equity shares (weighted average)	13,678,799	13,678,799
Amount per share (Rs.)	10	10
Earnings per share (Rs.) (Basic & Diluted)	0.11	0.55

8. Particulars of deferred tax liability & assets as per Accounting Standard-22: Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Details of deferred tax liability as at 31.03.2009 are as under :

Particulars	As at 31.03.2009	As at 31.03.2008
(A) Deferred Tax Liabilities Difference between Books & Tax (WDV) of Fixed Assets	78,97,963	65,88,890
(B) Deferred Tax Asset	9,30,822	83164
Net Amount	69,67,141	65,05,726

9. Provision of income tax has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the company has recognized MAT Credit Entitlement of Rs. 76,888/- as an asset by crediting to the Profit and Loss Account an equivalent amount and included under Loans and Advances in accordance with the guidance note on Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.
10. Disclosure under AS-15 (Revised) Employee Benefits Provision has been made for employee benefits gratuity, leave encashment and other benefits in accordance with AS-15 (Revised) on the basis of actuarial valuation.
- a) Provident Fund
Retirement benefit in the form of Provident Fund is defined contribution scheme and the contributions are charged to Profit & Loss A/c of the year when the contributions to the respective fund are due. There is no other obligation other than the contribution payable to the respective trusts.
- b) Gratuity and Leave Encashment
The following table sets out the status of the defined gratuity plan and defined leave encashment plan:-

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April	352847	277147	206648	133252
Current Service Cost	59906	55138	107595	73396
Interest Cost	15130	20562		-
Actuarial loss/gain	-	-	(50965)	-
Benefit paid	(71712)	-	(27767)	-
Closing defined benefit obligation at 31 st March	356171	352847	235511	206648
Change in plan assets				
Opening Fair Value of plan asset at 1 st April	352847	227029	206648	46907
Expected Return on Plan asset	28116	20562	17229	4413
Contribution by employer	75009	105256	56626	155328
Benefit paid	(71712)	-	27767	-
Actuarial gain/loss	(28089)	-	(17225)	-
Closing fair value of plan assets at 31 st March	356171	352847	235511	206648
Reconciliation of present value of the obligation and fair value of the plan Assets				
Present Value of funded obligation at 31 st March	356171	352847	235511	206648
Fair Value of Plan Assets at 31 st March	356171	352847	-	-
Deficit/(Surplus)	-	-	-	-
Unrecognised past service cost	-	-	-	-
Net Liability/Assets	-	-	-	-

Principal Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Discount Rate	8%	8%	8 ^o / _o	8%
Expected Rate of Return	9%	9%	9 ^o / _o	9%
Salary Escalation	7%	7%	7 ^o / _o	7%

11. Segment Reporting AS 17

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

12. Related Party Transactions AS 18

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

List of related parties along with the nature and volume of transaction is given below from 01.04.2008 to 31.03.2009.

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

S. No	Relatives	Relations with Directors
1.	Megha Agarwal	Wife of executive director
2.	Sanjay Agarwal	Son of MD
3.	Naveen Agarwal	Brother of executive director
4.	Pramod Agarwal	Brother of MD of the company
5.	Ramesh Chand Agarwal	Father of Executive Director

S.No.	Enterprises owned / controlled by the directors relatives	Relations with Directors
1.	Lawreshwar Footcare Pvt Ltd. *	49% shares of this company held by the company and MD's brothers are director in this company
2.	Jai Narayan Mohan Lal Charitable Trust	MD is trustee of the trust
3.	Lawreshwar Footwear	Proprietorship concern of executive director's brother
4.	Jai Narayan Mohan Lal & Sons	Proprietorship concern of MD's brother
5.	Jeetish Properties (P) Ltd.	MD of company is director in company
6.	Sankhala Investors	Father of Executive Director is partner in firm
7.	Krishan Kripa Creation	Father of Executive Director is partner in firm
8.	Krishan Kripa - 3	Father of Executive Director is partner in firm
9.	Krishan Kripa - 4	MD is partner in firm
10.	Raj Shoe Palace	Proprietorship concern of MD

Transaction with Lawreshwar Footcare Pvt Ltd.*

Nature of transaction	Amount (Rs in lacs)	
	31.03.2009	31.03.2008
Interest received	4.54	29.97
Sales	0.00	191.96
Purchases	200.35	473.36
Loan Given (ICD)	0.00	0.00
Loan Repayment Received	88.04	134.75
Rent Paid	9.60	0.00
Deposit given	60.00	0.00

Deposit given	60.00	00
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* Lawreshwar Footcare Private Limited was subsidiary company in previous year.

Transaction with key management persons

Nature of transaction	Amount (Rs in lacs)	
	31.03.2009	31.03.2008
Remuneration	18.00	15.01
Loan Received	63.82	11.13
Loan Repaid / given	63.82	11.13

Transaction with relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2009	31.03.2008
Interest Paid	0.00	0.02
Interest received	0.00	0.00
Salary	18.12	6.12
Loan Received	0.35	0.91
Loan Repaid	0.35	1.45
Share capital	0.00	0.00
Investments	0.00	0.00

Enterprises owned & controlled by the Directors and their relatives

Nature of transaction	Amount (Rs in lacs)	
	31.03.2009	31.03.2008
Interest Received	2.88	16.36
Rent Paid	3.60	3.60
Advance Rent	2.40	0.00
Deposit	0.00	0.00
Donation	0.62	1.05
Sales	81.66	9.85
Loan Given	0.00	40.00
Loan Repaid	2.00	0.00
Loan Received	0.00	2.00
Discount Allowed	6.74	0.79
Loan Repayment Recd	25.08	0.00

13. During the year 2006-07 government of India has promulgated an Act namely "The Micro, Small & Medium Enterprises Development Act" 2006 which comes into force with effect from October 2, 2006. As per the act, the company is required to identify the Micro & Small Enterprises & pay them interest on over due beyond the specified period irrespective of the terms agreed with the enterprises. The company has initiated the process of identification of such suppliers. In view of No. of suppliers & no receipt of critical inputs & response from several such potential parties, the liability of interest cannot be reliable estimated nor can required disclosure be made. Accounting in the regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.
14. Some of the Vehicles are in the name of the directors, which are yet to be transferred.
15. Capital Work in Progress includes Advance for Office Rs. 60,96,140 (Previous Year Rs. 55,97,756) & Advance for Showroom Rs. 89,27,803 (Previous Year Rs. 83,99,054).
16. a) There had occurred a fire on 24.02.2008 at the Registered office and factory premises of the company. Stock worth Rs. 409.26 Lacs was destroyed in fire. The Company has lodged claim towards this loss (Based on Reinstatement Cost). The said claim is under process with the Insurance Company and Rs. 49.88 Lacs have been received from the Insurance company and the balance is to be received after finalization of this insurance claim. The company has debited this amount of Rs. 409.26 lacs to Insurance Claim Receivable Account and balance of Rs. 359.37 lacs and has shown the same under the head Current Assets in the Balance Sheet.
 a) The Company also holds "Loss of Profit" policy and the company has lodged its claim of Rs. 140.89 Lacs against this policy during the month of May 2009, however, because of uncertainty attached with the amount of claim the company has decided to take no effect of Loss of Profit policy in current year results. Accounting for the same will be done after passage of the same by the Insurance Company.
 b) Certain items of Plant & Machinery, Building and other assets were also destroyed in the fire. The company is fully insured against such loss and the insurance policy is based on "Reinstatement Cost". The company has lodged claim towards this loss (Based on Reinstatement Cost). The said loss is under process with insurance company and pending finalization of this insurance claim. The above claim has debited in Insurance Claim receivable and shown the same under the head Current Assets in the balance sheet.
17. Additional information pursuant to the paragraphs 3 and 4 of part II of the schedule VI of companies Act, 1956 is NIL or none except to the extent given below.

Details Of Production

Particulars	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Hawai Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods	
Licensed Capacity	NA		NA		NA		NA		NA		NA		NA	
Installed Capacity	75.00 Lacs	75.00 Lacs	15.87 Lacs	15.87 Lacs	12.00 Lacs	12.00 Lacs	6.00 Lacs	NA	6.00 Lacs	6.00 Lacs	15.00 Lacs	15.00 Lacs	NA	NA
Actual Production	1463634	1853123	572481	909398	21395	377700	431191	0	624454	91928	1108474	0		

B. Detail of Opening Stock/Closing Stock/Turnover

Particulars	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Hawai Chappals		EVA Injection Footwear		Canvas Shoes		PVC Footwear		PU Footwear		Fabricated chappals		Traded Goods	
Opening Stock	9002	246805	4428	173995	169	37890			23513				4894	3509
Turnover	1399043	1841815	510977	959301	21564	350020	362346		577163	68415	1016898		569652	1260287
Lost by Fire		249111		119664		65401								39960
Purchased Footwear													598992	1301632
Closing Stock	73593	9002	65932	4428		169	68845		70804	23513	91576		34234	4894

C. Quantitative Value of Raw Material Consumed

	Unit	Quantity	Value
Natural & Syn. Rubber	Kg.	784928	73802269
Previous Year (2007-08)		835694	70067501
Colours & Chemicals	Kg.	830492	27093346
Previous Year (2007-08)		1014117	30912076
Cloth	Meters	234827	23515767
Previous Year (2007-08)		175833	6186551
PU & PVC Material	N.A	N.A.	32560568
Previous Year (2007-08)		N.A.	-
Other Raw Material	N.A	N.A.	11824548
Previous Year (2007-08)		N.A.	7978948

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

S.No.	Particulars	2008-09	
		Percentage (%)	Value in Rs.
1.	RAW MATERIAL/ CONSUMABLE/ DIESEL/LDO		
	Imported	-	-
	Previous Year (2007-08)	-	-
	Indigenous	100%	168,796,498
2.	Packing Material & Stores & Spares	100%	115,145,076
	Imported	-	-
	Previous Year (2007-08)	-	-
	Indigenous	100%	16,496,639
	Previous Year (2007-08)	100%	7,782,095

D. CIF Value of Imports:

a)	Raw Material purchased	Nil
	(Previous Year 2007-08)	Nil

- E. Expenditures in foreign currency
- | | | |
|----|---|-----------------|
| 1) | Payment for capital goods
(Previous year 2007-08) | Nil
846245 |
| 2) | Payment for traveling expenses
Previous year 2007-08 | 80100
143671 |
18. Sundry Creditors include Rs. 4675297/- (Previous Year 5164329) due to small scale industrial undertaking to the extent such parties have been identified from available information and Rs. 25182307/- (Previous Year 10566081) due to the creditors other than small scale industrial undertaking. The company has agreement of payment within 120 days with Small Scale Industries suppliers, and there is no outstanding amount above 120 days. Therefore, there is no need to make provision for interest due to SSI Suppliers.
19. During the year the company has sold 2% shares of its subsidiary company Lawreshwar Footcare P. Ltd., reducing its shareholding to 49% in the said company. Hence, w.e.f. 1st April, 2008 Lawreshwar Footcare P. Ltd does not remain a subsidiary of Lawreshwar Polymers Limited and w.e.f. 1st April, 2008 there exists a lease agreement with Lawreshwar Footcare P. Ltd. & all terms and conditions of lease agreement are duly signed by authorized persons and payment of lease rent and interest has been made as per agreement.
20. The Company has partially deployed the IPO Proceeds as per the offer document and revised capital expenditure plan as passed is last AGM. Balance Proceeds will be utilized in the next financial year in accordance with the details as per offer document and revised capital expenditure program. Pending such utilization, Unutilized money has been deposited with bank as FDR or given as Inter Corporate Deposit to corporates for short term on interest.
21. The Company has taken factory Land & Building of Lawreshwar Footcare Pvt. Ltd. (including Plant & Machinery, Furniture & fitting, therein as applicable) under operating lease agreement. This is non cancelable for a period of 10 (Ten) years and is renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposit in accordance with the agreed terms. The lease payments amounting to Rs. 9,60,000/- (Previous year Rs. Nil) are recognized in the profit & loss A/c under manufacturing expenses under schedule 14.
22. Previous years figures have been regrouped and rearranged wherever considered necessary.
23. Figures are rounded off to the nearest rupee.

As per our report of even date

Signed to Schedule 1 to 16

For A. Bafna & Co.
Chartered Accountants

(CAM.K.GUPTA)
Partner

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

(RAJ KUMAR AGARWAL)
Managing Director

NARESH AGARWAL
(Executive Director)

K.P. SINGH
(Independent Director)

CA RAKESH SONI
(Chief Finance Officer)

Date : 28th June 2009

Place : Jaipur

LAWRESHWAR POLYMERS LIMITED
Financial Year 2008-09

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.	Registration detail: Registration No. 08196 Balance Sheet date 31-03-2009	State Code 17
2.	Capital raised during the year (Amount in thousands) Public Issue Nil Bonus Issue Nil	Right Issue Nil Private Placement Nil
3.	Position of mobilization and deployment of Funds (Rs. in thousand) Total Liabilities 371277 Sources of Funds Paid up capital including share application 136788 Secured Loan 100676 Deferred Tax Liabilities 6967 Application of Fund Net Fixed Assets including CWIP 113099 Investment 3188 Misc. Expenditure 6312	Total Assets 371277 Reserves & surplus 126356 Unsecured Loan 490 Net Current assets 248678 Accumulated Losses Nil
4.	Performance of Company (Rs. in Thousand) Turnover 283613 Profit before tax 1039 Earning per share 0.11	Total Expenditure 320919 Profit after tax 1526 Dividend Rate
5.	Generic names of principal product of company	
	Item code 6402 64041101	Product Description Hawai Chappal Canvas Shoes

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

RAJ KUMAR AGARWAL
(Managing Director)

NARESH AGARWAL
(Executive Director)

K. P. SINGH
(Independent Director)

CA RAKESH SONI
(Chief Finance Officer)

Date : 28th June 2009
Place : Jaipur

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 15th Annual General Meeting of the Company to be held at A-243(A) Road No:6 V.K.I.Area -302013 on Wednesday the 30th September, 2009 at 2.30 P. 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 15th Annual General Meeting of the Company to be held at A-243(A) Road No: 6 V.K.I.Area Jaipur-302013 on Wednesday the 30th September, 2009 at 2.30 P. M.

Folio No. # _____

DP ID* _____

No. of shares held _____

CLIENT ID* _____

s _____ day of _____, 2009

Signature

Affix Rs. One
Revenue Stamp

Applicable for shares held in physical form.

* Applicable for shares held in dematerialized form.

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

BOOK POST

THE BOMBAY STOCK EXCHANGE,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001.

If undelivered, please return to :

LAWRESHWAR POLYMERS LIMITED

Regd. Office & Works

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

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

e-mail : info@leharfootwear.com

URL : www.leharfootwear.com