

23rd

ANNUAL REPORT 2011-2012

LWS

LWS KNITWEAR LTD.

Regd. Office : G.T. Road (West), Ludhiana-141 008 (Punjab)

CORPORATE INFORMATION

Board of Directors : Sh. Girish Kapoor Managing Director
Sh. Varinder Kumar Director
Sh. Daya Nand Director

Auditors : M/s. Rajesh K. Sharma & Associates
Chartered Accountants
B-XXXIV-17, Bawa Colony,
Backside Grewal Lal Kothi,
Haibowal Kalan,
Ludhiana-141 001

Registered Office & Works : G.T. Road (West)
Ludhiana-141 008 (Punjab)

Bankers : State Bank of Hyderabad
Ferozpur Road,
Ludhiana

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the members of LWS Knitwear Ltd, will be held on Saturday, the 29th day of September, 2012 at 11.00 at the Registered Office of the Company situated at G.T Road(West), Ludhiana, to transact the following business :

ORDINARY BUSINESS

1. To receive , consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance sheet as on that date and Report of the Directors and Auditors thereon.
2. To appoint a director in place of Sh. Varinder Kumar Dhamija , who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint Auditors and to fix their remuneration.

BY ORDER OF THE BOARD
FOR LWS KNITWEAR LTD.

Place : LUDHIANA
Date : 25-08-2012

Sd/
(GIRISH KAPOOR)
Managing Director

NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The proxy, in order to be effective, must be received by the company not less than forty eight hours before the meeting. The proxy form is enclosed.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 27th day of September, 2012 to 29th day of September, 2012 (both days inclusive).

DIRECTORS' REPORT

To
The Members,

The Directors of your company have pleasure in presenting the 23rd Annual Report together with Audited Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results of the company are as under :

	(Rs. In Lacs)	
	2011-12	2010-11
TURNOVER / OTHER INCOME	1181.61	349.71
PROFIT BEFORE TAXATION	0.94	5.99
PROVISION FOR TAX	2.74	0.60
PROFIT AFTER TAX	-1.80	5.39

1. REVIEW OF OPERATIONS

Your Company achieved Sales & Other income of Rs. 1181.61 Lacs as compared to Rs. 349.71 Lacs during the previous year with a net loss of Rs. 1.80 Lacs as compared to Profit of Rs. 5.39 Lacs in the previous year.

2. DIVIDEND

Your Directors do not recommend any dividend for this year.

3. PUBLIC DEPOSITS

The company has not accepted any deposits under sections 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

5. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information under section 217 (1)e of The Companies Act, 1956 is annexed.

6. PERSONNEL

None of the employee of the company is in receipt of remuneration for whole / part of the year exceeding the limit prescribed under section 217(2 A) of the Companies Act 1956. The relations with the employees remained cordial throughout the year.

7. DIRECTORS

Sh. Varinder Kumar Dhamija , Director retire by rotation at the forth coming Annual General Meeting and being eligible, offer himself for re- appointment .

8. LISTING

The securities of the company are listed at Mumbai, Delhi, Ludhiana and Vadodara Stock Exchanges. Trading in securities was suspended by all the exchanges. However, Bombay Stock Exchange has revoked the suspension in trading of securities on 22/08/2011. The Company has paid the listing fees for the financial year 2012-13 to Bombay and Delhi Stock Exchanges only.

9. AUDITORS

M/s. Rajesh K.Sharma and Associates, Chartered Accountants, Ludhiana are proposed for re-appointment as Statutory Auditors of the company from the conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. They have given their consent to acts as Auditors of the Company and have further confirmed that their appointment would be in conformity of the provision of section 224(IB) of the Companies Act, 1956. The Board recommends their re-appointment for the approval of members in the ensuing Annual General Meeting.

The observation of the Auditors in their report read with relevant notes to accounts are self explanatory and therefore, do not require further explanation.

10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that :

1. In the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review ;
3. 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 irregularities ;

4. The Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

11. FOREIGN EXCHANGE EARNINGS AND OUT GO

Your company has neither earned any foreign exchange nor incurred any expenditure of foreign exchange during the year under review.

12. CORPORATE GOVERNANCE

Pursuant to clause 49 of Listing Agreement with Stock Exchange(s), the Company has complied with the provisions of Clause 49 as per the schedule of implementation of Corporate Governance and Management Discussion and Analysis report on corporate governance and auditors certificate regarding compliance with corporate governance form part of the annual report.

13. ACKNOWLEDGEMENTS

Your directors express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of the operations of the company during the year and we are confident that your company will continue to receive such co-operation from them in future also.

BY ORDER OF THE BOARD
FOR LWS KNITWEAR LTD.

Place : LUDHIANA
Date : 25-08-2012

Sd/
(GIRISH KAPOOR)
Managing Director

REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

The report on Corporate Governance is requirement under Listing Agreement entered into with stock Exchange and forms part of the report of the Board of Directors to the shareholders of the Company. This report gives an insight into the organizational structure of the Company.

VISION AND PHILOSOPHY ON THE CODE OF GOVERNANCE

The vision of the company is to be a financially sound, profitable, growth oriented company committed to building and maximizing sustainable value for all the shareholders. In its endeavour to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

BOARD OF DIRECTORS

Composition : The present strength of Board of Directors of the Company is Three comprising of one promoter directors and two independent directors having diversified professional experience. Only one director is whole time director in the Company. The composition of board of directors is as below :

Chairman of the company is **executive**.

The particulars relating to the Directors as on 31.03.2012 are given below:-

S.No.	Name	Designation	Nature of Directorship
1.	Sh. Girish Kapoor	Managing Director	Promoter / Executive
2.	Sh. Daya Nand Sahu	Director	Independent / Non Executive
3.	Sh. Varinder Kumar Dhamija	Director	Independent / Non Executive

At present no sitting fees is being paid to any director and there are no pecuniary relationships or transactions between the company and independent directors. None of the directors on Board holds the office of directors in more than fifteen Companies or membership in more than ten committees of the board or chairmanship of more than five committees.

CONDUCT OF BOARD MEETING

The meetings of the board of directors are held at periodical intervals. The meeting dates are decided well in advance and the agenda papers are circulated sufficiently in advance to the Directors. The Directors have access to all the information about the Company and can suggest for inclusion of any other matter in the agenda for discussion at the Board meetings. The responsibilities, such as policy formulation, performance review and analysis & controls are handled by the Board. The Board has delegated various powers to the committee of Board of Directors of the Company.

The meetings of the Board are ordinarily required to be held at least once in quarter and four times in a year. During the year, the Board met 5 times on the following dates.

30/04/2011	30/07/2011	30/08/2011	31/10/2011
31/01/2012			

The attendance of Directors at the meetings for the year 2011-12 and directorship in other companies, membership in other companies and Share holding as on 31-03-2012 is furnished below :

S. No.	Name of Director	No. of Board Meeting Attended	No. of other Directorship	Membership in other Committees	Share holding as on 31-03-2012
1	Sh. Girish Kapoor	5	2	-	774700
2	Sh. Daya Nand Sahu	5	2	-	
3	Sh. Varinder Kumar Dhamija	5	-	-	

The following Directors attended the last Annual General Meeting held on 30.09.2011.

1. Sh. Girish Kapoor
2. Sh. Daya Nand Sahu

COMMITTEES OF THE BOARD OF DIRECTORS

The Board constituted the following committees :

1. Audit Committee to oversee audit functions of the Company.
2. Shareholders'/Investors' Grievances Committee to look into the redressal of shareholders'/investors' Grievances.
3. Remuneration Committee

The minutes of each Committee are placed before the Board of Directors at their subsequent meeting.

AUDIT COMMITTEE

Audit committee consists of three directors and two of them are independent and non-executive directors. Five meetings of Audit Committee were held in the year under consideration. The details of members and their attendance is as under :

Name of Director	Category	Designation	Nos. of Meetings Attended
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman	5
Sh. Girish Kapoor	Executive and Promoter	Member	5
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member	5

SHAREHOLDERS/INVESTORS GRIEVANCE REDRESSAL COMMITTEE

It consists of three directors and two of them are independent and non-executive directors. Two meetings were held to consider all the matters concerning with shareholders. Managing Director is authorized to approve all the share transfers and related matters. The details of members and their attendance is as under :

Name of Director	Category	Designation	Nos. of Meetings Attended
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman	2
Sh. Girish Kapoor	Executive and Promoter	Member	2
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member	2

REMUNERATION OF DIRECTORS

There is no pecuniary relationship or transaction of the company with its independent directors and no commission is paid to them. Sh. Girish Kapoor Managing Director is paid monthly Remuneration

REMUNERATION COMMITTEE

It consists of three directors and two of them are independent and non-executive directors. One meeting of Committee was held in the year under consideration on 30.08.2011. The details of members is as under :

Name of Director	Category	Designation	Nos. of Meetings Attended
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman	1
Sh. Girish Kapoor	Executive and Promoter	Member	1
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member	1

COMPLIANCE OFFICER

Sh. Daya Nand Sahu, Director of the company has been appointed as Compliance officer for the purpose of complying with various provisions of the Guidelines, Regulations issued by Securities & Exchange Board of India and Listing Agreement with stock exchanges.

COMMON AGENCY/SHARE TRANSFER AGENT

The Company has appointed M/s Beetal Financial & Computer Services Pvt Ltd , New Delhi as Common Agency for Share Transfer work in both modes physical as well as electronically. Following is the address of Transfer Agent :

M/s Beetal Financial & Computer Services Pvt Ltd.

Beetal House, 3rd Floor, 99 Madangir,

Behind Local Shopping Center,

Near Data Harsukhdas Mandir

New Delhi- 110062

Ph.: 011-29961281/82

Fax : 011-29961284

SHARE HOLDERS COMPLAINTS

Opening Balance	Nil
Received	Nil
Settled	Nil
Closing Balance	Nil

No shareholders complaint and no share transfer is pending with the company.

GENERAL BODY MEETINGS

Detail of last 3 Annual General Meetings are given here below :

Financial Year	Date	Time	Venue
2008-09	30.09.2009	11 a.m.	Regd. Office
2009-10	30.09.2010	11 a.m.	Regd. Office
2010-11	30.09.2011	11 a.m.	Regd. Office

SPECIAL RESOLUTIONS

Details of Special Resolutions were passed in the past 3 Annual General Meetings is as under :

Date of AGM	Special Resolution
30.09.2009	Nil
30.09.2010	Nil
30.09.2011	Nil

COMMUNICATION TO SHAREHOLDERS

Company provides information relating to the company mainly through the annual reports which includes the Directors report, audited accounts, cash flow statements etc. The shareholders are also intimated the quarterly, and yearly and annual performances through intimation to stock exchanges.

GENERAL INFORMATION TO SHAREHOLDERS**LISTING ON STOCK EXCHANGES**

The shares of the company are listed on the following stock exchanges:

1. The Stock Exchange, Mumbai
2. The Delhi Stock Exchange
3. The Ludhiana Stock Exchange
4. The Vadodara Stock Exchange

Annual Listing fee for the year 2011-12 has been paid to the Delhi and Bombay Stock Exchanges only.

23RD ANNUAL GENERAL MEETING

Date	:	29.09.2012
Time	:	11.00 AM
Venue	:	GT Road (West), Ludhiana
Financial Year	:	2011-12
Date of Book Closure	:	27-09-2012 - 29-09-2012 (Both Days inclusive)

Distribution of share holding of the company as on 31.03.2012 – Category wise

S.No.	Category	No. of Shares Held	% of shareholders
1.	Promoter	2925100	57.83
2.	Indian Public	2133300	42.17
Total		5058400	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has ensured connectivity with NSDL/CDSL for dematerialization of shares. The ISIN Number is INE281M01013.

ADDRESS FOR CORRESPONDENCE

Followings are addresses for correspondence:

REGISTERED OFFICE/ PLANT LOCATION/ ADDRESS FOR CORRESPONDENCE

LWS KNITWEAR LTD.
G.T. ROAD (WEST)
NEAR CHAND CINEMA
LUDHIANA, PUNJAB
141008

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Name : Sh. Varinder Kumar Dhamija
Age : 55
Occupation : Business
Directorship in others companies : NIL
Qualification : Graduate

NON –MANDATORY REQUIREMENTS

1. CHAIRMAN OFFICE

Chairman of the Company is Executive Director and the company is not required to maintain separate office for chairman.

- The Company has constituted a remuneration committee.

CEO declaration on Code of Conduct

The Board of Directors of the company has laid down Code of Conduct for the Company Directors and Senior Employees. All the Directors and the senior Employees covered by the code affirm compliance with the Code on an annual basis.

CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to certify that Board of Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct applicable to them during the year ended 31st March 2012.

CEO & CFO CERTIFICATION UNDER CLAUSE 41 & 49(V) OF THE LISTING AGREEMENT TO BE PLACED BEFORE THE BOARD ALONG WITH AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

It is hereby certified that;

- 1) We have reviewed financial statements and the cash flow for the year and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or volatile to the company code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial Reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit committee :
 - a) Significant changes in internal control over financial reporting during the year if any;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements if any;
 - c) There were no instances of fraud of which they have become aware and the involvement their in , if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

BY ORDER OF THE BOARD
FOR LWS KNITWEAR LTD.

Place : LUDHIANA
Date : 25-08-2012

Sd/
(GIRISH KAPOOR)
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. INDUSTRY STRUCTURE AND DEVELOPMENT**

Ludhiana is a leading producer of woolen and acrylic garments . The industry caters largely to domestic market , it is also exporting hosiery goods which is around 10% of total production . Main export markets till early 1990s , it was former USSR and Middle East and now in recent years it has expanded to other markets in Europe and USA.

2. OPPORTUNITIES AND THREATS

The company is engaged in the manufacture of woolen garments which is a consumer product and has a ready market in India and abroad . However , the company faces competition from other manufactures .

3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The company suffered losses in past some years and there were some financial constraints which led to the closure of production. However , company has come out of all the constraints and it has paid all the loans and the company is now debt free .

4. OUTLOOK

Company is all set to export readymade garments and it is expected to earn good profits in the coming years.

5. RISKS AND CONCERN

Management does not foresee any significant risk to the industry.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a qualified and independent audit committee which reviews the adequacy of internal controls

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The gross block of assets of the company stood at Rs. 52.61 lacs and net worth of the company is Rs. 9.38 crores as at 31.03.2012.

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
LWS Knitwear Limited
Ludhiana

We have examined the compliance of conditions of Corporate Governance by M/s. LWS Knitwear Limited for the year ended on 31st March 2012 as stipulated in clause 49 of the listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate Governance is the responsibility of the Management. Our examination is limited to review of the procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause . It is neither an audit nor expression of the opinion on the financial statement of the company.

In our opinion and to the best of our information and accordance to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investor Grievance Committee, other than those which are a subject matter of litigation.

We further certify 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 RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/
(RAJESH SHARMA)
Partner
M.No. 092948

Place : LUDHIANA
Date : 25-08-2012

AUDITOR'S REPORT

The Share Holders,
M/s. LWS KNITWEAR LTD.
LUDHIANA

Dear Sirs,

SUBJECT : AUDIT REPORT FOR THE YEAR ENDING 31.03.2012

We have audited the attached Balance Sheet of M/s. LWS KNITWEAR LTD., LUDHIANA and also Profit & Loss Account & Cash Flow Statement for the year ended 31.03.2012 annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Manufacturing and other Companies (Auditors Report) Order 2005, issued by the Central Govt. of India in terms of Section 227(4A) of the Companies Act, 1956, we annexe a statement on the relevant matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in annexure referred to 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 purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with referred to by this report are in agreement with the books of account of the company.
 - (d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (e) The Directors are not disqualified as on 31.03.2012 for being appointed as director in terms of clause (g) of

sub-section (1) of Section 274 of the Companies Act,

- (f) In our opinion and to the best of our information and according to the explanations given to us and subject to the notes on accounts given at Annexure XVII, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
- (i) In the case of the Balance Sheet of the State if affairs of the company as at 31.03.2012 and ;
 - (ii) In the case of Profit & Loss Account of the profits for the year ended on that date and ;
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

**FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/
(RAJESH SHARMA)
Partner
M.No. 092948

Place : LUDHIANA
Date : 25-08-2012

ANNEXURE TO AUDIT REPORT FOR THE YEAR ENDING 31.03.2012.

As required by the Manufacturing and Other Companies (Auditor's Report) order, 2004, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we further report that :

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, which are in process of up-dation/completion.
- (b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme. Pursuant to programme, physical verification of the fixed assets was carried out during the period by the management and discrepancies noticed were not material.
- (c) No Substantial part of the fixed assets has been disposed during the year.
- (2) (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion and according to the information & explanations given to us, the proceeds of physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.
- (c) The company has maintained stock records of inventories and discrepancies noticed on physical verification were not material.
- (3) (a) The Company has not taken any loans (secured or unsecured) from Shareholders/other parties covered under Section 301 of the Companies Act, 1956. However the company has granted loans to companies, firms and other parties covered under section 301 of the Act.
- (b) N.A.
- (c) N.A.
- (d) There is no overdue amount in respect of loans taken by the company.
- (4) In our opinion and according to information provided to us, there are adequate internal control procedures commensurate with the size of the company and nature of the business for the purchase of the inventory and fixed assets of the company and for the sale of the goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) (a) According to the information and explanation given to us and audit in accordance with generally accepted auditing practices, in our opinion, the transactions that need to be entered into the register in pursuance of section 301 of the Act have been so entered.

- (b) In our opinion and according to information and explanations given to us, the transactions with parties as stated in para 5(a) above, with whom transactions exceeding Rs. 5,00,000/- have been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (6) As per the information and documents provided to us, during the year the company has not accepted any deposits from the public as defined under section 58A and 58AA of the Companies Act 1956, and the rules framed there under.
- (7) In our opinion the company has an internal audit system commensurate with the size and nature of the business.
- (8) During the year under review, Maintenance of Cost records under section 209(1) of the Companies Act, 1956, is not applicable to company.
- (9) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including P.F., ESI, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues which are applicable to it. According to the information and explanation given to us, disputed amount payable in respect of the statutory dues which are remained outstanding as at 31.03.2012 for a period more than 6 months is Nil.
- (b) According to the records and information and explanations given to us, there are dues of Rs. Nil in respect of P.F., ESI, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues that have not been deposited on account of dispute.
- (10) The company has neither any accumulated losses nor has incurred any cash losses in the current financial year.
- (11) Based on our audit procedures and on the information and explanations provided by the management, the company has not defaulted in repayment of dues to bank. There were no dues to debenture holders during the year.
- (12) According to the information and explanations provided to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) Clause (xiii) is not applicable to the company as the company is not a Chit fund company or nidhi/mutual benefit fund/society.
- (14) In our opinion and according to information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the company.
- (15) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from the bank or financial institutions.
- (16) According to information and explanations given to us, the no term loan has been availed during the year under review.
- (17) According to information and explanations given to us, and on overall examination of the Balance Sheet of the company, we are of the opinion that the company has not used funds raised on short term basis for long term investments and vice versa.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 during the year.
- (19) No debentures have been issued / outstanding during the year hence the provision of clause (xix) of the said order is not applicable.
- (20) The company has not raised money by public issues during the year.
- (21) Based on the audited procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/
(RAJESH SHARMA)
Partner
M.No. 092948

Place : LUDHIANA
Date : 25-08-2012

BALANCE SHEET AS AT 31.03.2012

S.NO.	PARTICULARS	ANNEXURE	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
I.	EQUITY AND LIABILITIES			
1.	Shareholders' Funds			
(a)	Share Capital	I	50584000.00	50584000.00
(b)	Reserves and Surplus	II	43355337.10	43714552.55
(c)	Money received against share warrants		0.00	0.00
2.	Share application money pending allotment		0.00	0.00
	SUB TOTAL (A)		93939337.10	94298552.55
3.	Non-Current Liabilities			
(a)	Long Term Borrowings	III	8405514.00	8405514.00
(b)	Deferred Tax Liabilities (Net)		0.00	0.00
(c)	Other Long Term Liabilities		0.00	0.00
(d)	Long Term Provisions		0.00	0.00
	SUB TOTAL (B)		8405514.00	8405514.00
4.	Current Liabilities			
(a)	Short Term Borrowings		0.00	0.00
(b)	Trade Payables	IV	13525782.00	8548475.02
(c)	Other Current Liabilities	IV	106672.89	16649258.89
(d)	Short Term Provisions	IV	88800.00	60000.00
	SUB TOTAL (C)		13721254.89	25257733.91
	TOTAL (A+B+C)		116066105.99	127961800.46
II.	ASSETS			
1.	Non-Current Assets			
(a)	Fixed Assets			
(i)	Tangible Assets	V	2034963.26	1609896.98
(ii)	Intangible Assets		0.00	0.00
(iii)	Capital work-in-progress		0.00	0.00
(iv)	Intangible Assets under development		0.00	0.00
(b)	Non-Current Investments	VI	66436973.40	88852317.74
(c)	Deferred Tax Assets		56165.06	414167.06
(d)	Long Term Loans and Advances	VII	4300000.00	9100000.00
(e)	Other Non-Current Assets	VIII	1450000.00	0.00
	SUB TOTAL (D)		74278101.72	99976381.78
2.	Current Assets			
(a)	Current Investments		0.00	0.00
(b)	Inventories	IX	8750.00	8750.00
(c)	Trade Receivables	IX	40254646.00	26397273.20
(d)	Cash and Cash Equivalents	IX	1524608.27	1579395.48
(e)	Short-Term Loans and Advances	IX	0.00	0.00
(f)	Other Current Assets	IX	0.00	0.00
	SUB TOTAL (E)		41788004.27	27985418.68
	TOTAL (D+E)		116066105.99	127961800.46

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

As per our report of even date attached

ANNEXURE-XVII

FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LWS KNITWEAR LTD.

Sd/
(RAJESH SHARMA)
Partner
M.No. 092948
Date : 25-08-2012
Place : LUDHIANASd/
(GIRISH KAPOOR)
Managing DirectorSd/
(DAYA NAND)
Director

ANNEXURE-I

**DETAIL OF SHARE CAPITAL
PARTICULARS**

	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
AUTHORISED		
55,00,000 (P.Y. 55,00,000) Equity Shares of Rs. 10/- each	55000000.00	55000000.00
ISSUED SUBSCRIBED AND PAID UP		
55,58,400 (P.Y. 55,58,000) Equity Shares of Rs. 10/- each fully paid up	50584000.00	50584000.00
	50584000.00	50584000.00

ANNEXURE-II

DETAIL OF RESERVE & SURPLUS

Profit & Loss	41355337.10	41714552.55
Share Premium	2000000.00	2000000.00
	43355337.10	43714552.55

ANNEXURE-III

DETAIL OF LONG TERM BORROWINGS

(A) Secured Borrowings from Banks and FIs	0.00	0.00
(B) From Others		
Unsecured Borrowings from Directors	0.00	0.00
Unsecured Borrowings from Shareholders	0.00	0.00
Unsecured Borrowings from Others (Corporates)	8405514.00	8405514.00
	8405514.00	8405514.00

ANNEXURE-IV

DETAIL OF TRADE PAYABLES & OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
TRADE PAYABLES		
Sundry Creditors	13525782.00	8548475.02
Sundry Creditors for Capital Goods	0.00	0.00
Advance from Customers	0.00	0.00
SUB TOTAL (A)	13525782.00	8548475.02
OTHER CURRENT LIABILITIES		
Payable Expenses	106672.89	16649258.89
SUB TOTAL (B)	106672.89	16649258.89
DETAIL OF SHORT TERM PROVISIONS		
Provision for Income Tax	88800.00	60000.00
SUB TOTAL (C)	88800.00	60000.00
SUB TOTAL (A+B+C)	13721254.89	25257733.91

ANNEXURE-V

FIXED ASSETS

PARTICULARS	COST AS ON 01.04.2011	ADDITIONS BEFORE 30.9.2011	AFTER 30.9.2011	SALE/ TRANSFER	TOTAL COST OF ACQUISITION	DEPRECI- ATION AS AT 01.04.2011	DEPRECI- ATION FOR THE YEAR	TRANSFER	TOTAL DEPRECI- ATION	W.D.V. AS ON 31.03.12	W.D.V. AS ON 31.03.11
LAND & BUILDING											
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PLANT & MACHINERY											
Machinery	4438148.50	0.00	0.00	0.00	4438148.50	2898013.87	210812.05	0.00	3108825.92	1329322.58	1540134.63
Machinery under Installation	0.00	122955.00	484100.00	0.00	607055.00	0.00	0.00	0.00	0.00	607055.00	0.00
B	4438148.50	122955.00	484100.00	0.00	5045203.50	2898013.87	210812.05	0.00	3108825.92	1936377.58	1540134.63
MISC. ASSETS											
Furniture & Fixture	94915.20	0.00	0.00	0.00	94915.20	56014.11	6008.13	0.00	62022.24	32892.96	38901.09
Office Equipments	78651.87	0.00	0.00	0.00	78651.87	47790.61	3735.96	0.00	51526.57	27125.30	30861.26
Computer	0.00	16700.00	0.00	0.00	16700.00	0.00	2707.07	0.00	2707.07	13992.93	0.00
Water Cooler	0.00	0.00	25800.00	0.00	25800.00	0.00	1225.50	0.00	1225.50	24574.50	0.00
C	173567.07	16700.00	25800.00	0.00	216067.07	103804.72	13676.67	0.00	117481.39	98585.68	69762.35
A+B+C	4611715.57	139655.00	509900.00	0.00	5261270.57	3001818.59	224488.72	0.00	3226307.31	2034963.26	1609896.98

Annexure to the Balance Sheet of even date
FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/
(RAJESH SHARMA)
 Partner
 M.No. 092948
 Date : 25-08-2012
 Place : LUDHIANA

FOR LWS KNITWEAR LTD.

Sd/
(GIRISH KAPOOR)
 Managing Director

Sd/
(DAYA NAND)
 Director

ANNEXURE-VI

DETAIL OF NON CURRENT INVESTMENTS

TRADE INVESTMENTS	0.00	0.00
OTHER INVESTMENTS		
INVESTMENT IN EQUITY INSTRUMENTS		
- Subsidiaries/Associates/Joint Ventures/Controlled	0.00	0.00
- Others (Quoted at cost)		
- Riba Textiles Ltd.	3000000.00	3000000.00
- Sportking India Ltd.	300000.00	300000.00
INVESTMENT IN PARTNERSHIP FIRMS		
- LWS Knitwear (Associate Concern)	63136973.40	85552317.74
TOTAL	66436973.40	88852317.74

NAME OF THE PARTNERS IN PARTNERSHIP CONCERN	SHARE	CAPITAL AS AT 31.03.12
LWS Knitwear Limited	80.00%	63136973.40
Girish Kapoor	10.00%	-3491758.24
Gopal Kapoor	10.00%	2393565.27

ANNEXURE-VII

LONG TERM LOANS & ADVANCES

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
(Unsecured considered Good)		
Advance against Capital Goods	0.00	0.00
Security Deposits	0.00	0.00
Loans & Advances to Related Parties	0.00	0.00
Other Loans & Advances	4300000.00	9100000.00
TOTAL	4300000.00	9100000.00

ANNEXURE-VIII

LONG TERM LOANS & ADVANCES

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Preliminary Expenses	0.00	0.00
Pre-Operative Exp. Pending for Capitalisation	0.00	0.00
LONG TERM TRADE RECEIVABLES (Considered Doubtful)		
Debtors outstanding exceeding one year	1450000.00	0.00
TOTAL	1450000.00	0.00

ANNEXURE-IX

**DETAILS OF CURRENT ASSETS
PARTICULARS**

	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
INVENTORIES		
Raw Material	0.00	0.00
Stock in Process	0.00	0.00
Finished Goods	0.00	0.00
Stores & Spares	8750.00	8750.00
SUB TOTAL (A)	8750.00	8750.00
TRADE RECEIVABLES (Secured & Considered Good)		
Less than 6 months	40045054.00	24466094.20
More than 6 months but less than one year	209592.00	1931179.00
SUB TOTAL (B)	40254646.00	26397273.20
CASH & CASH EQUIVALENTS		
Cash in Hand	1355967.46	1564655.36
Balance with Schedule Banks	168640.81	14740.12
Margin Money FDRs (Maturity Less than 12 months)	0.00	0.00
Margin Money FDRs (Maturity more than 12 months)	0.00	0.00
SUB TOTAL (C)	1524608.27	1579395.48
SHORT TERM LOANS & ADVANCES (Secured and Considered Good)		
- Loans & Advances to related parties	0.00	0.00
- Loans & Advances to others Advances to Suppliers	0.00	0.00
SUB TOTAL (D)	0.00	0.00
OTHER CURRENT ASSETS		
Duties & Taxes	0.00	0.00
Misc. Receivables	0.00	0.00
SUB TOTAL (E)	0.00	0.00
TOTAL	41788004.27	27985418.68

ANNEXURE-X

DETAIL OF REVENUE FROM OPERATIONS DURING THE YEAR ENDED 31.03.2012

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Sale of Products	118159767.65	34389693.67
Sale of Services	0.00	0.00
Sale of Licences	0.00	0.00
TOTAL	118159767.65	34389693.67

Less Excise Duty & VAT	0.00	0.00
NET AVENUE	118159767.65	34389693.67

ANNEXURE-XI**DETAIL OF INCOME FROM OTHER SOURCES DURING THE YEAR ENDED 31.03.2012**

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Rounded Off	421.67	244.93
Freight & Cartage Received	888.00	0.00
Profit from Partnership Concern	0.00	581275.53
TOTAL	1309.67	581520.46

ANNEXURE-XII**DETAIL OF COST OF MATERIAL CONSUMED DURING THE YEAR ENDED 31.03.2012**

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Opening Stock of Raw Material	0.00	0.00
Add Purchases	116313887.81	33401511.16
Less Closing Stock of Raw Material	0.00	0.00
Less Excise Duty and VAT Consumed	0.00	0.00
Raw Material Consumed	116313887.81	33401511.16
Other Manufacturing Expenses	0.00	0.00
TOTAL	116313887.81	33401511.16

ANNEXURE-XIII**DETAIL OF EMPLOYEE BENEFIT EXPENSES DURING THE YEAR ENDED 31.03.2012**

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Salary & Allowances	132000.00	48000.00
Staff & Labour Welfare Expenses	1845.00	964.00
TOTAL	133845.00	48964.00

ANNEXURE-XIV**DETAIL OF FINANCIAL COST DURING THE YEAR ENDED 31.03.2012**

PARTICULARS	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
Bank Charges	1000.00	1637.00
TOTAL	1000.00	1637.00

REVENUE RECOGNITION - Expenses and incomes considered payable & receivable respectively are accounted for on accrual basis.

FIXED ASSETS - The Fixed assets are stated at Historical Cost less depreciation.

DEPRECIATION - Depreciation on fixed assets has been provided as per SLM Method of Companies Act 1956.

METHOD OF ACCOUNTING - The company has adopted mercantile system of accounting.

VALUATION OF INVENTORIES - Store & Spares are valued and certified by the management. As per their views the stocks are valued at cost or net realisable value whichever is low.

PROVISION FOR CURRENT TAX AND DEFERRED TAX - Provision for current tax has been made as per the prevailing income tax rates and Provision for Deferred Tax Assets has been calculated in terms of newly issued accounting standard interpretation (ASI) No-5 along with ASI-3 and AS-22 issued by the ICAI.

B. OTHER NOTES

- 1) The company has not made any provision for gratuity as none of the employees is eligible for gratuity as per the information provided. The rules of Provident Fund & ESI act is not applicable on the company; hence the company has not deducted & deposited any ESI and Provident Fund on behalf of its employees, hence AS-15 is not applicable on the company.
- 2) The company has not acquired any fixed assets on which it has availed any loan from the banks, hence the capitalization of the borrowing costs as stated under AS-16 is not applicable on the company. (AS-16)
- 3) Investments as shown in the balance sheet are at cost. Their present market values are not ascertainable. The company has not received any dividend, interest or rent from the companies in which it had made investments. The company has received share of profit from M/s. LWS Knitwear, a partnership concern in which the company is one of the partner. (AS-13)
- 4) The company has not made any foreign currency transactions during the year, hence AS-11 is not applicable on the company.
- 5) The company has made investments in LWS Knitwear, a partnership concern and Sh. Girish Kapoor, Mg. Director of the company is one of the partners.
- 6) The company has not received any grant or subsidy from Government of India during the year.
- 7) The company is a partner in LWS Knitwear. The information required by the Schedule VI of the Companies Act, 1956 in this regard is given as below :

During the year under reference the Company's share in the Profit/Loss from the firm was as under :

NAME OF THE PARTNER	AS AT 31.03.2012	AS AT 31.03.2011
Sh. Girish Kapoor	10%	10%
Sh. Gopal Kapoor	10%	10%
LWS Knitwear Limited	80%	80%
8) At the time of audit only test check has been made to check the records.		
9) Auditors Remuneration	2011-12	2010-11
Audit Fees	5000/-	10000/-
Tax audit Fees	5000/-	5000/-
Misc. Services	5000/-	5000/-
	(Rs.in Lacs) For the Year ended at	
	31st March 2012	31st March 2011
10) Contingent liabilities not provided for	Nil	Nil
11) Estimated amount of contracts remaining to be executed on capital account.	Nil	Nil
12) Remuneration including benefits to Managing Director & Director	2.40	1.74
13) Impact of Prior period items on profit is as under :		(Rs.in Lacs)
Particulars		2011-12
Pre-Tax Profit after adjustment of prior period items		0.94
Add Prior Period Expenses		0.00
Less Prior Period Expenses		0.00
Net Profit before Prior Period Items		0.94
		2010-11
		5.99
		0.00
		0.00
14) Additional information pursuant to paragraph 3,4C and 4D of part of the Schedule VI of the Companies Act, 1956 is as under :		
	Current Year	Previous Year
a) Licenced, Installed Capacity & Actual Production;		
Licenced Capacity	N.A.	N.A.
Installed Capacity (Certified by Directors of the Co.) 1000 pcs per day		
Actual Production	Nil	Nil
b) Value of imported and indigenous raw material & spares parts consumed.		
i) Raw Material		
Imported	0.00	0.00
Indigenous	1163.14	334.02
ii) Store & Spare		
Imported	0.00	0.00
Indigenous	0.00	0.00

- c) Value of imports on CIF basis.
- | | | |
|---------------|-----|-----|
| Raw Material | Nil | Nil |
| Capital Goods | Nil | Nil |
- d) Expenditure in foreign currency Nil Nil
- e) Break up of expenditure incurred on employees in receipt of remuneration amounting to Rs. 2400000 or more if employed for full year or Rs. 200000 or more per month if employed for part of the year. Nil Nil
- 15) Disclosure of related parties/related party transactions.
- a) Names of the related parties : M/s. LWS Knitwear
M/s. LWS Exports Limited
M/s. Gee Kay Knitwear (P) Ltd.
- b) Key Management personnels :
Sh. Girish Kapoor : Director
Sh. Daya Nand : Director
Sh. Varinder Kumar Dhamija : Director
- | | | | |
|--|--------|------------------------|--------------|
| c) Disclosure of related party Sale of Material and Services | 500.67 | Key Mgt. Personnel Nil | Total 500.67 |
| d) Outstanding Balances as at 31.03.2012 | | | |
- UNSECURED LOANS**
- | | |
|--------------------------|-----------|
| Associate Concerns | : Rs. Nil |
| Key Management Personnel | : Rs. Nil |
| Other related Parties | : Rs. Nil |
- 16) **SEGMENT REPORTING** : The company is only in one line of business activity namely textile and selling its products within India only. It has not earned or paid any foreign exchange during the FY 11-12, hence AS-17 is not applicable on the company.
- 17) Earning Per Share as required under Accounting Standard 20 :
- | | 2011-12 | 2010-11 |
|---|---------|---------|
| Profit/(Loss) for the year | (1.80) | 5.40 |
| Weighted average number of Equity Shares (Number in Lacs) | 55.00 | 55.00 |
| Basic earning per share (Rs.) | 0.00 | 0.11 |
| Diluted earning per share (Rs.) | 0.00 | 0.11 |
18. An appeal is pending with the CESTAT, New Delhi against the refund of bank guarantees en-cashed by the Custom Authorities for an amount of Rs. 165459/- and Rs. 843697/- which had been filed by Commissioner of Customs, New Delhi against the orders passed by the Commissioner Appeal, hence no provision for the refund of the amount has been made in the books of accounts. Refund will be treated in the account books on receipt basis.
19. **MSME COMMENTS** : None of our suppliers have come forward with their registration under the MSME Development Act 2006.
20. **EQUITY SHARE CAPITAL - AUTHORISED** : The company has an Authorised Equity Share Capital of Rs. 5.50 crores divided into 55.00 Lacs equity shares of Rs.10/- each.
- ISSUED, SUBSCRIBED AND PAID UP** : Issued, Subscribed and paid up equity share capital of the company is Rs. 50584000/- divided into 5058400 equity shares of Rs.10/- each fully paid-up.
- | | |
|--------------------------|-----------|
| Equity Shares (Opening) | - 5058400 |
| Allotted during the year | - Nil |
| Equity Shares Closing | - 5058400 |
21. **MAJOR SHARE HOLDERS OF THE COMPANY HAVING STAKE OF MORE THAN 5%**
- | | | | |
|-------------------|------------------------|-------------------|-------------------------|
| Sh. Girish Kapoor | - 774700 Equity shares | Smt. Kusum Kapoor | - 2059900 Equity shares |
|-------------------|------------------------|-------------------|-------------------------|
23. **Aggregate Expenditure on (Rs. Lacs)**
- | | | | |
|--------------------------------------|--------|---|--------|
| Employees Benefit Expenses | | Dividend Income | - 0.00 |
| Salary & Wages | - 1.32 | Net gain/loss on sale of Investments | - 0.00 |
| Depreciation & amortization Expenses | - 2.24 | Net gain on foreign currency transactions | - 0.00 |
| Interest Income | - 0.00 | Prior Period Items | - 0.00 |
| Interest Expenses | - 0.00 | | |
24. Expenditure incurred on
- | | | | |
|--------------------------------|--------|---------------------|--------|
| Consumption of Stores & Spares | - 0.00 | Power & Fuel | - 0.00 |
| Rent | - 0.00 | Repair to buildings | - 0.00 |
| Repair to Machinery | - 0.00 | | |
| Insurance | - 0.00 | | |
| Fees & Taxes | - 6.94 | | |
25. The company has no unpaid calls and there is no forfeited shares during the year.
26. Additional information as required under PART IV of Schedule VI of the companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details																
	Registration No.						9	3	1	5	State Code		1	6			
	Balance Sheet Date			3	1	-	0	3	-	1	2						
				Date			Month			Year							
II.	Capital Raised during the year (Rs. in Thousand)																
	Public Issue			Right Issue			Bonus Share			Private Placement							
	NIL			NIL			NIL			NIL							
III.	Position of Mobilisation & Deployment of Funds (Amount in Rs. Lacs)																
	Total Assets						Total Liabilities										
	1 1 6 0 6 6						1 1 6 0 6 6										
	Sources of Funds																
	Paid up Capital				Reserve & Surplus				Secured Loans				Unsecured Loans				
	5 0 5 8 4				4 3 1 6 9				0 0 0				8 4 0 6				
	Application of Funds																
Current Liabilities						Non Current Assets						Current Assets					
1 3 9 0 7						7 4 2 7 8						4 1 7 8 8					
IV.	Performance of Company (Amount in Rs. Thousand)																
	Turnover & other Income				Total Expenditure				Profit Before Tax				Profit After Tax				
	1 1 8 1 6 1				1 1 8 0 6 7				0 9 4				- 1 8 0				
	Earning per Share				Dividend Rate												
0 0 0				0 0 0													
V.	Generic Name of the Principal Product/Services of the Company (as per Monetary terms)																
	Item Code No. (ITC Code)			6 0 0 2			6 1 1 0										
	Product Description			K N I T T E D C L O T H													

FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LWS KNITWEAR LTD.

Sd/
(RAJESH SHARMA)
 Partner
 M.No. 092948
 Date : 25-08-2012
 Place : LUDHIANA

Sd/
(GIRISH KAPOOR)
 Managing Director

Sd/
(DAYA NAND)
 Director

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2012

PARTICULARS	AMOUNT (RS.)	AMOUNT (Rs.) YEAR ENDED 31.03.2012
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items		94236.55
Adjustments for		
a) Depreciation & Amortization Exp. (Adjusted)	224488.72	
b) Interest paid	0.00	
c) Interest Received	0.00	
	224488.72	224488.72
Operating Profit before Working Capital Charges		318725.27
Adjustments for		
a) Increase in Inventories	0.00	
b) Increase in Receivables	-13857372.80	
c) Increase in Loan & Advances	0.00	
d) Increase in Other Current Assets	0.00	
e) Increase in Current Liabilities & Provisions	-11536479.02	
	-25393851.82	-25393851.82
CASH GENERATED FROM OPERATIONS		-25075126.55
a) Interest Paid	0.00	
b) Prov. for Taxation	-88800.00	
	-88800.00	-88800.00
Cash flow before extraordinary items		-25163926.55
Previous Year Tax Adjustments		-6650.00
Net cash from operating activities		-25170576.55
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net of Sales)	-649555.00	
Increase in Long Term Loans & Advances	4800000.00	
Increase in Non Current Assets	-1450000.00	
Increase in Non Current Investments	22415344.34	
Interest Received	0.00	
	25115789.34	
Net cash used in Investing Activities		25115789.34 -54787.21
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital & Share Premiums	0.00	
Increase in Deferred Tax Liability	0.00	
Increase in Long term Borrowings	0.00	
Increase in Short Term Borrowings	0.00	
	0.00	
Net cash from Financing Activities		0.00
Net Increase (+)/Decrease(-) in Cash & Cash Equiv.		-54787.21
Cash & Cash Equiv. as at 01.04.2011 (Op. Bal.)		1579395.48
Cash & Cash Equiv. as at 31.03.2012 (Cl. Bal.)		1524608.27

As per our report of even date attached

FOR RAJESH K. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTSSd/
(RAJESH SHARMA)

Partner

M.No. 092948

Date : 25-08-2012

Place : LUDHIANA

FOR LWS KNITWEAR LTD.

Sd/
(GIRISH KAPOOR)
Managing DirectorSd/
(DAYA NAND)
Director

LWS KNITWEAR LIMITED
REGISTERED OFFICE : G.T. ROAD (WEST), LUDHIANA

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I/We hereby record by presence at the 23rd Annual General Meeting being held on Saturday, 29th September, 2012 at 11:00 a.m. at G.T. Road (West), Ludhiana

FOLIO NO. _____ NO. OF SHARE HELD _____

NAME OF SHAREHOLDER/PROXY* _____

ADDRESS _____

SIGNATURE OF SHAREHOLDER/PROXY*

*Strike out whichever is not applicable.

----- CUT HERE -----

LWS KNITWEAR LIMITED
REGISTERED OFFICE : G.T. ROAD (WEST), LUDHIANA

PROXY FORM

I/We _____

of _____ being the member/member

of LWS KNITWEAR LIMITED, hereby appoint _____

of failing him/her _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Saturday, 29th September, 2012 at 11:00 a.m. and at any adjournment thereof.

At witness my/our hand (s) this _____ day of _____ 2011
(Date) (Month)

L.F. No. _____

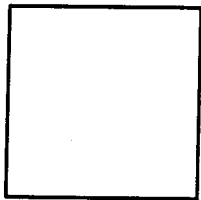
Signature

Note

The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not to be a member.

As per SEBI Guidelines No Gifts/Gift Coupons shall be distributed at the Annual General Meeting

(BOOK POST)
PRINTED MATTER



To

If undelivered please return to :
LWS KNITWEAR LTD.
Regd. Office : G. T. Road (West),
LUDHIANA (PUNJAB)