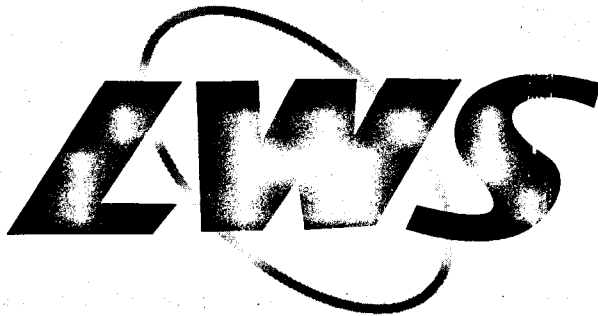


# 21st

ANNUAL REPORT 2009-2010



**LWS KNITWEAR LTD.**

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



**NOTICE**

Notice is hereby given that 21st Annual General Meeting of the members of the company will be held on Thursday, the 30th September 2010 at 11.00 a.m. 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 Balance Sheet & Profit & Loss Account for the year ended 31st March, 2010 together with the Directors' & Auditors' Report thereon.
2. To appoint a Director in place of Sh. Daya Nand who retires on ensuing annual general meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sh. Sushil Jain who had been appointed as additional director during the year; is retiring on ensuing annual general meeting and being eligible offers himself for reappointment.
4. To appoint auditors and to fix their remuneration. M/s Rajesh K. Sharma & Associates, Chartered Accountants, Ludhiana auditors of the company, retire at this Annual General Meeting and are eligible for re-appointment.
5. Any other business with the permission of the chair.

**FOR AND ON BEHALF OF THE BOARD  
FOR LWS KNITWEAR LTD.**

Sd/  
**(GIRISH KAPOOR)**  
Managing Director

Place : LUDHIANA  
Date : 07-06-2010

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself. The proxy so appointed, need not to be a member of the company. Proxy forms in order to be affective must be received by the company not less than 48 hours before the meeting. The blank proxy form is enclosed.
2. Members desiring any information on accounts are requested to write to the company at least 10 days prior to the date of meeting so as to enable the management to keep the information ready.
3. Members are requested to notify the change in their address, if any, to the company immediately.
4. Members/Proxies for their own convenience are requested to bring their own copy of Annual Report and attendance slip duly filled in for attending the meeting.

**FOR AND ON BEHALF OF THE BOARD  
FOR LWS KNITWEAR LTD.**

Sd/  
**(GIRISH KAPOOR)**  
Managing Director

Place : LUDHIANA  
Date : 07-06-2010

**DIRECTOR'S REPORT**

The Members,  
**LWS KNITWEAR LTD.**  
Ludhiana

Your Directors feel pleasure in presenting their 21st Annual Report of the company along with Audited Statement of Accounts & Profit & Loss Accounts of the company for the year ended 31 st March, 2010.

**FINANCIAL RESULTS**

<b>PARTICULARS</b>	<b>2009-10</b>	<b>2008-09</b>
Sales	0.00	0.00
Profit before Interest & Depreciation	51.48	892.27
Less Interest	0.00	0.00
Less Depreciation	2.20	3.65
Less Provision for Tax	1.50	0.24
Net Profit / (Loss)	47.78	888.38

**FINANCIAL ANALYSIS AND SALES REVIEW**

The company has not made any commercial activities and hence it has no sale and purchase during the FY 09-10. The company squared up the account with the PNB after paying all the installments during the FY 09-10. During the year under review, the company earned profit from LWS Knitwear, a partnership firm, in which the company is one of the partners and also earned income from redemption of bank guarantee from custom department, due to which it has shown a profit of Rs. 47.78 Lacs during the year under review.

**SHARE CAPITAL**

The Authorised Capital of the company is Rs. 5,50,00,000/- divided into 5500000 shares of Rs. 10 each. The paid up capital of the Company as on 31.03.2010 was Rs. 5,05,84,000/- divided into 5058400 Equity shares of Rs. 10/- each. During the year under review, the company received balance payments of Rs. 100.00 Lacs from the shareholders from whom Rs.5/- per shares were pending and also recovered the arrear amount of Rs. 129500/- from the shareholders.

**DIRECTORS**

During the year Sh. Daya Nand, the retiring Director, being eligible offered himself for reappointment.

We feel extremely sorry to say that one of our directors Sh. Sat Parkash Kapoor passed away during the previous year on 13.10.2009. We pray to the god for his peace of his soul.

Sh. Sushil Jain who had been appointed as-additional director during the previous year is going to retire at the ensuing annual general and being eligible offer himself for reappointment.

**AUDITORS**

M/s Rajesh K. Sharma & Associates, Chartered Accountants, Ludhiana are the present Statutory Auditors of the company. In terms of the provisions of Section 224 of the Companies Act, 1956, they would retire at the forthcoming Annual General Meeting of the company. Being eligible, they have offered themselves for re-appointment. The Board of Directors have received a certificate from them to the effect that their re-appointment, if made, will be within the limits specified in Section 224 (1B) and (1C) of the Companies Act, 1956.

**COMMENTS ON AUDITORS REPORT**

The company along with all its associate concerns paid all the dues of the PNB during the FY 09-10 and got no due certificate from the bank. The bank had changed classification of the company from non performing assets to performing assets.

The company has accepted the deposits from the corporates only keeping in view the stipulations laid down by the bankers. Hence the section 58-A of the Companies Act 1956 for the acceptance of Deposits is not applicable to the company.

The company has issued a placement letter with the placement agencies for the appointment of the suitable Company Secretary. But however no replies have been received from the placement agencies.

**PERSONNEL**

Statement of employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is Nil.

**DISCLOSURE OF PARTICULARS UNDER SECTION 217(I)(E)**

The information required under section 217(i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors). Rules 1988 with respect to these matters is appended hereto and forms part of this report.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, the applicable accounting standards as specified by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures.
2. The Accounting Policies have been applied consistently and judgments and estimates that have been made for the preparation of the accounts are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of financial year and of the profit of the company for the year.
3. Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and taken steps to safeguard the assets of the company and for preventing & detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

**CORPORATE GOVERNANCE**

The company is listed in Bombay Stock Exchange, Delhi Stock Exchange, Ludhiana Stock Exchange and Baroda Stock Exchange, but however due to non compliance of the provisions of the SEBI, the trading of the shares in all the stock exchanges had been stopped. A certificate from the auditors of the company regarding compliance of corporate governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report of the Corporate Governance.

**ACKNOWLEDGMENT**

The Directors place on record with pleasure their sincere thanks to workers, staff members and executives who helped the organization by their continued co-operation and zealous efforts which is acknowledged by us as great impelling force for the company to grow. Our thanks are also due to Bankers, Financial Institutions, Shareholders and other business constituents for their continued support.

FOR AND ON BEHALF OF THE BOARD  
FOR LWS KNITWEAR LTD.

Sd/  
**(GIRISH KAPOOR)**  
Managing Director

Place : LUDHIANA  
Date : 07-06-2010

**INFORMATION AS PER SECTION 217 (1) (E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2010.**

### **ANNEXURE : I**

#### **I. CONSERVATION OF ENERGY**

- a) The company has undertaken the following steps for conservation of energy :
- Better regulation and control of the equipment operation.
  - Better selection and checking at regular intervals of Devices/Motors/Transmission System.
  - Reduction of waste.

As a result of implementation of scheme, the company has been able to save energy consumption.

#### **FORM 'B'**

#### **II. PARTICULARS AS PER FORM 'B'**

##### **RESEARCH AND DEVELOPMENT**

The company is carrying the R & D activities for the development of new products, improvement in the production process and quality of process.

##### **TECHNOLOGY, ABSORPTION, ADOPTION AND INNOVATION**

The latest technology has been adopted in the plant and machinery which is improving the productivity and product quality and is reducing the consumption of scarce raw materials and energy.

#### **III. FOREIGN EXCHANGE EARNING AND OUTGO**

<b>PARTICULARS</b>	<b>2009-10</b>	<b>2008-09</b>
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

#### **AUDITOR'S REPORT**

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

Dear Sirs,

##### **SUBJECT: AUDIT REPORT FOR THE YEAR ENDING 31.03.2010.**

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 31.03.2010 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 31.03.2010 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 XVI, 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 31.03.2010 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**

Place : LUDHIANA  
Date : 07-06-2010

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

#### **ANNEXURE TO AUDIT REPORT FOR THE YEAR ENDING 31.03.2010**

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 not maintained stock records of inventories hence we are unable to give our opinion on this issue.

- (3) (a) The Company has taken loans (secured or unsecured) aggregating to Rs. 259.06 lacs from Shareholders/other parties covered under Section 301 of the Companies Act, 1956. The company has also granted loans to companies, firms and other parties covered under section 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, the above said loans are taken free of interest; the principal amount is repayable on demand.
- (c) In respect of loan taken from shareholders/directors, the principal amount is repayable on demand.
- (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 procedure 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 accepted 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 on 31.03.2010 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 accumulated profits of Rs. 434.77 Lacs at the year ended 31.03.2010 and it has not incurred cash losses during the financial year under review.
- (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, however, there was default in the repayment of the dues of financial institutions.
- (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 share debentures and other securities.
- (13) Clause (xiii) is not applicable to the company as the company is not a Chit Fund Company or 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 given 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**

Place : LUDHIANA  
Date : 07-06-2010

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

## BALANCE SHEET AS AT 31.03.2010

S.NO.	PARTICULARS	ANNEXURE	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>I.</b>	<b>SOURCES OF FUNDS</b>			
A.	SHAREHOLDERS' FUNDS			
	Share Capital	I	50584000.00	40454500.00
	Reserves & Surplus	II	43476571.16	38698761.52
			<u>94060571.16</u>	<u>79153261.52</u>
B.	LOAN FUNDS			
	Secured Loans	III	0.00	15750000.00
	Unsecured Loans	IV	25905514.00	18430514.00
			<u>119966085.16</u>	<u>113333775.52</u>
<b>II.</b>	<b>APPLICATION OF FUNDS</b>			
C.	FIXED ASSETS			
	Gross Block	V	4611715.57	6133201.57
	Less Depreciation		2781262.44	3799437.15
			<u>1830453.13</u>	<u>2333764.42</u>
D.	Investments	VI	84048782.61	104086575.98
E.	Current Assets, Loans & Advances	VII	35970691.31	27337142.12
F.	Less : Current Liabilities & Prov.	VIII	1883841.89	20423707.00
	Net Working Capital	(D-E)	<u>34086849.42</u>	<u>6913435.12</u>
G.	MISC. EXPENDITURE (To the extent not written off or adjusted)		0.00	0.00
			<u>119966085.16</u>	<u>113333775.52</u>

Notes on Accounts XIII  
In terms of our separate report of even date attached

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

**FOR LWS KNITWEAR LTD.**

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

Sd/  
**(GIRISH KAPOOR)**  
Managing Director

Sd/  
**(DAYA NAND)**  
Director

Date : 07-06-2010  
Place : LUDHIANA

**MANUFACTURING, TRADING AND P&L A/C FOR THE YEAR ENDED 31.03.2010**

<b>PARTICULARS</b>	<b>CURRENT YEAR (Rs.)</b>	<b>PREVIOUS YEAR (Rs.)</b>
<b>INCOME</b>		
Sales	0.00	0.00
Income from others sources	1677500.00	23869286.70
Share of Profit from Partnership Firm	4122768.01	65998889.40
	<b>5800268.01</b>	<b>89868176.10</b>
<b>EXPENDITURE</b>		
Material Consumed	0.00	0.00
Manufacturing Expenses <b>IX</b>	0.00	76997.00
Personnel Expenses <b>X</b>	39815.00	36650.00
Administrative Expenses <b>XI</b>	610957.22	500537.00
Selling Expenses	0.00	0.00
Financial Expenses <b>XII</b>	1130.00	26699.36
Depreciation	220556.15	365097.32
	<b>872458.37</b>	<b>1005980.68</b>
Profit Before Tax	4927809.64	88862195.42
Provision of Tax	150000.00	0.00
Provision for FBT	0.00	24564.00
Profit after Tax	4777809.64	88837631.42
Less previous years expenses/Income/Provisions	0.00	0.00
Add : Previous Years expenses/Income/Provisions	0.00	2938.07
Add : Balance B/F	36698761.52	(52141807.97)
Balance carried forward to Balance Sheet	41476571.16	36698761.52

**Notes on Accounts XIII**  
In terms of our separate report of even date attached

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

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

Date : 07-06-2010  
Place : LUDHIANA

**FOR LWS KNITWEAR LTD.**

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

**ANNEXURE-1**

**DETAIL OF SHARE CAPITAL  
PARTICULARS**

**AUTHORISED**

5500000 Equity Shares of Rs. 10 (Ten) each

**ISSUED CAPITAL**

5058400 (P. Y 5058400) Equity Shares of Rs. 10 (Ten) each

**SUBSCRIBED CAPITAL**

5058400 (P. Y 5058400) Equity Shares of Rs. 10 (Ten) each

**CALLED-UP & PAID UP CAPITAL**

5058400 Equity Shares of Rs. 10 each

2000000 Equity Shares of Rs. 5/- each

Less Calls in Arrear

**AS AT 31.03.2010  
(Rs.)**

**AS AT 31.03.2009  
(Rs.)**

55000000.00

55000000.00

50584000.00

50584000.00

50584000.00

50584000.00

50584000.00

30584000.00

0.00

10000000.00

0.00

(129500.00)

50584000.00

40454500.00

**ANNEXURE-1**

**DETAIL OF RESERVE & SURPLUS**

Profit & Loss

Share Premium

41476571.16

36698761.52

2000000.00

2000000.00

43476571.16

38698761.52

**ANNEXURE-I**

**DETAIL OF SECURED LOANS**

Punjab National Bank (Cash Credit)

0.00

15750000.00

0.00

15750000.00

**ANNEXURE-1**

**DETAIL OF UNSECURED LOANS**

From Directors

From Corporates

0.00

0.00

25905514.00

18430514.00

25905514.00

18430514.00

Annexure to the Balance Sheet of even date

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

Sd/

**(RAJESH SHARMA)**

Partner

M.No. 092948

Date : 07-06-2010

Place : LUDHIANA

**FOR LWS KNITWEAR LTD.**

Sd/

**(GIRISH KAPOOR)**

Managing Director

Sd/

**(DAYA NAND)**

Director

**ANNEXURE-V**

**FIXED ASSETS**

PARTICULARS	COST AS ON 01.04.2009	ADDITIONS BEFORE 30.9.2009	AFTER 30.9.2009	SALE/ TRANSFER	TOTAL COST OF ACQUISITION	DEPRECI- ATION AS AT 01.04.2009	DEPRECI- ATION FOR THE YEAR	TRANSFER	TOTAL DEPRECI- ATION	W.D.V. AS ON 31.03.10	W.D.V. AS ON 31.03.09
<b>LAND &amp; BUILDING</b>											
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
<b>A</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>PLANT &amp; MACHINERY</b>											
Machinery	4438148.50	0.00	0.00	0.00	4438148.50	2476389.76	210812.05	0.00	2687201.81	1750946.69	1961758.74
<b>B</b>	<b>4438148.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4438148.50</b>	<b>2476389.76</b>	<b>210812.05</b>	<b>0.00</b>	<b>2687201.81</b>	<b>1750946.69</b>	<b>1961758.74</b>
<b>MISC. ASSETS</b>											
Furniture & Fixture	94915.20	0.00	0.00	0.00	94915.20	43997.85	6008.13	0.00	50005.98	44909.22	50917.35
Office Equipments	78651.87	0.00	0.00	0.00	78651.87	40318.68	3735.96	0.00	44054.64	34597.23	38333.19
Vehicles	1521486.00	0.00	0.00	1521486.00	0.00	1238730.86	0.00	1238730.86	0.00	0.00	282755.14
<b>C</b>	<b>1695053.07</b>	<b>0.00</b>	<b>0.00</b>	<b>1521486.00</b>	<b>173567.07</b>	<b>1323047.39</b>	<b>9744.10</b>	<b>1238730.86</b>	<b>94060.63</b>	<b>79506.44</b>	<b>372005.68</b>
<b>A+B+C</b>	<b>6133201.57</b>	<b>0.00</b>	<b>0.00</b>	<b>1521486.00</b>	<b>4611715.57</b>	<b>3799437.15</b>	<b>220558.15</b>	<b>1238730.86</b>	<b>2781282.44</b>	<b>1830453.13</b>	<b>2333764.42</b>

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

Sd/  
**(RAJESH SHARMA)**  
 Partner  
 M.No. 092948  
 Date : 07-06-2010  
 Place : LUDHIANA

**FOR LWS KNITWEAR LTD.**

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

## ANNEXURE-VI

## DETAIL OF INVESTMENTS

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<b>QUOTED (EQUITY SHARES AT COST)</b>		
M/s. Riba Textiles Limited	3000000.00	3000000.00
M/s. Sportking India Limited	300000.00	300000.00
Other Investment in Partnership Concern	80748782.61	100786575.98
	<b>84048782.61</b>	<b>104086575.98</b>

## ANNEXURE-VII

## DETAIL OF CURRENT ASSETS, LOANS &amp; ADVANCES

<b>I. INVENTORIES</b>		
Raw Material	0.00	0.00
Finished Goods & Semi Finished Goods	0.00	0.00
Stores & Spares	8750.00	8750.00
	<b>8750.00</b>	<b>8750.00</b>
<b>II. RECEIVABLES</b>		
More than 6 months	2107852.60	9796347.46
Others	14725000.00	0.00
	<b>16832852.60</b>	<b>9796347.46</b>
<b>III. CASH &amp; BANK BALANCES</b>		
Cash in Hand	4196930.50	6821381.64
Balance with Schedule Banks	1465158.21	4663.02
FDR	0.00	0.00
	<b>5662088.71</b>	<b>6826044.66</b>
<b>IV. LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or kind or for value to be received	13467000.00	10697000.00
Security Deposits	0.00	9000.00
	<b>35970691.31</b>	<b>27337142.12</b>

## ANNEXURE-VIII

## DETAIL OF CURRENT LIABILITIES &amp; PROVISIONS

<b>I. CURRENT LIABILITIES</b>		
Sundry Creditors	1600000.00	20285562.00
Other Liabilities	133841.89	113581.00
<b>II. PROVISIONS</b>		
Provision for Income Tax	150000.00	24564.00
	<b>1883841.89</b>	<b>20423707.00</b>

**ANNEXURE-IX**

**MANUFACTURING EXPENSES FOR THE YEAR ENDED 31.03.2010**

<b>PARTICULARS</b>	<b>CURRENT YEAR (Rs.)</b>	<b>PREVIOUS YEAR (Rs.)</b>
Power & Fuel	0.00	76997.00
Fabrication Charges	0.00	0.00
	<u>0.00</u>	<u>76997.00</u>

**ANNEXURE-X**

**PERSONNEL EXPENSES FOR THE YEAR ENDING 31.03.2010**

Salaries	39000.00	36000.00
Employee Welfare	815.00	650.00
	<u>39815.00</u>	<u>36650.00</u>

**ANNEXURE-XI**

**ADMINISTRATIVE EXPENSES FOR THE YEAR ENDING 31.03.2010**

Advertisement	0.00	0.00
Donation	0.00	11000.00
Entertainment	1106.00	0.00
Fees & Taxes	33500.00	33500.00
Postage & Parcel	654.00	1432.00
Printing & Stationery	260.00	120.00
Professional Charges	66163.00	42000.00
Telephone Expenses	186753.08	204161.00
Meeting Expenses	5000.00	5000.00
Travelling Expenses	5450.00	6355.00
Vehicle Repair & Maintenance	1520.00	1284.00
Auditors Remuneration	20000.00	20000.00
Misc. Expenses	2436.00	200.00
Director's Remuneration	174000.00	174000.00
Conveyance Expenses	1360.00	1485.00
Loss on Sale of Fixed Assets	112755.14	0.00
	<u>610957.22</u>	<u>500537.00</u>

**ANNEXURE-XII**

**FINANCIAL EXPENSES FOR THE YEAR ENDING 31.03.2010**

Bank Charges	1130.00	26699.36
	<u>1130.00</u>	<u>26699.36</u>

Annexure to the Profit & Loss A/c of even date

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

Sd/  
**(RAJESH SHARMA)**

Partner  
M.No. 092948

Date : 07-06-2010  
Place : LUDHIANA

**FOR LWS KNITWEAR LTD.**

Sd/  
**(GIRISH KAPOOR)**  
Managing Director

Sd/  
**(DAYA NAND)**  
Director

## NOTES ON ACCOUNTS

ANNEXURE-XIV

## A. SIGNIFICANT ACCOUNTING POLICIES

## GENERAL

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and mandatory Accounting Standards.

## REVENUE RECOGNITION

Expenses and incomes considered payable and 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

The company has not maintained any stock records, hence we relied upon the valuations provided by the management. Inventories of Raw Material, Stock in Process, Finished Goods and 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, stock of waste is valued at realisable value. While calculating the valuation of stocks, FIFO Method has been adopted by the company.

## PROVISION FOR CURRENT TAX AND DEFERRED TAX

Provision for current tax has been made as per the prevailing income tax rates.

Deferred Tax resulting from "Timing Differences" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or subsequently enacted on the Balance sheet date. The deferred tax assets is recognized and carried forward only on the extent that there is a reasonable certainty that assets will be realized in future.

During the year, Deferred Tax Assets has not been accounted for on the losses brought forward as there is no hope that the company will earn profits in the coming years 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) All the creditors are subject to confirmation.
- 2) The company has not made any provision for gratuity as none of the employees is eligible for gratuity as per the information provided.
- 3) Investments as shown in the balance sheet are at cost. Their present market values are not ascertainable.
- 4) 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.
- 5) 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 :

NAME OF THE PARTNER	AS AT 31.03.2010	AS AT 31.03.2009
Sh. Girish Kapoor	20%	20%
LWS Knitwear Limited	80%	80%

- 6) The company has not maintained any stock records hence the quantitative details couldn't be prepared.
- 7) At the time of audit only test check has been made to check the records.
- 8) The Company is a sick industrial company with in the meaning of Clause(O) of Sub Section(I) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985. Hence the company deducted previous year losses from the current year profit while calculating the provision of Income Tax and MAT.



		<b>(Rs. in Lacs) For the Year ended at</b>	
		<b>31st March 2009</b>	<b>31st March 2008</b>
9)	Contingent liabilities not provided for	Information not available.	
10)	Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
11)	Remuneration including benefits to Managing Director & Director	1.74	1.74
12)	Auditors Remuneration	0.20	0.20
13)	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	Information not available	
	Actual Production	Information not available	

		<b>(Rs. in Lacs) For the Year ended at</b>	
		<b>31st March 2010</b>	<b>31st March 2009</b>
b)	Value of imported and indigenous raw material & spares parts consumed		
i)	Raw Material		
	Imported	0.00	0.00
	Indigenous	0.00	0.00
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
f)	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

**14) 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. Sushil Kumar Jain	:	Director		
	Sh. Daya Nand	:	Director		
c)	Disclosure of related party	:	Associated Concerns	Key Mgt. Personnel	Total
	Sale of Material and Services	:	Nil	Nil	Nil
d)	Outstanding Balances as at 31.03.2010				

**UNSECURED LOANS**

Associate Concerns	:	Rs. Nil
Key Management Personnel	:	Rs. Nil
Other related Parties	:	Rs. 25905514.00

**15) SEGMENT REPORTING : The company is only in one line of business activity namely textile.**

16)	Earning Per Share as required under Accounting Standard 20:	<b>2009-10</b>	<b>2008-09</b>
	Profit/(Loss) for the year	47.78	888.38
	Weighted average number of Equity Shares (Number in Lacs)	55.00	55.00
	Basic & diluted earning per share (Rs.)	0.94	16.15

17) Additional information as required under PART IV of Schedule VI of the companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERA BUSINESS PROFILE**

<b>I.</b>	<b>Registration Details</b>																				
	Registration No.					9	3	1	5	State Code		1	6								
	Balance Sheet Date		3	1	-	0	3	-	1	0											
			Date			Month			Year												
<b>II.</b>	<b>Capital Raised during the year (Amount Rs. Thousands)</b>																				
	Public Issue			Right Issue			Bonus Issue			Private Placement											
		N	I	L		N	I	L		N	I	L		N	I	L					
<b>III.</b>	<b>Position of Mobilisation &amp; Deployment of Funds (Amount Rs. Thousands)</b>																				
	Total Assets					Total Liabilities															
		1	1	9	9	6	6		1	1	9	9	6	6							
	<b>Sources of Funds</b>																				
	Paid up Capital			Reserve & Surplus			Secured Loans			Unsecured Loans											
		5	0	5	8	4		4	3	4	7	6		0	0	0		2	5	9	0
<b>Application of Funds</b>																					
Net Fixed Assets			Investments			Net Current Assets			Misc. Expenditure												
	1	8	3	0		8	4	0	4	9		3	4	0	8	7		0	0	0	
<b>IV.</b>	<b>Performance of Company (Amount in Rs. Thousand)</b>																				
	Turnover & other Income			Total Expenditure			Profit Before Tax			Profit After Tax											
		5	8	0	0		8	7	2		4	9	2	8		4	7	7	8		
	Earning per Share						Dividend Rate														
	0	9	4							0	0	0									
<b>V.</b>	<b>Generic Names of the Principal Product/Services of the Company (as per Monetary terms)</b>																				
	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 A N D																		
		H O S I E R Y G A R M E N T S																			

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

**FOR LWS KNITWEAR LTD.**

Sd/  
**(RAJESH SHARMA)**  
 Partner  
 M.No. 092948  
 Date : 07-06-2010  
 Place : LUDHIANA

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

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

**ATTENDANCE SLIP**

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

I/We hereby record by presence at the 21st Annual General Meeting being held on Thursday, 30th September, 2010 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 21st Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 11:00 a.m. and at any adjournment thereof.

At witness my/our hand (s) this \_\_\_\_\_ day of \_\_\_\_\_ 2010  
 (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**