

DRIVING GROWTH CREATING VALUE



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BOARD OF DIRECTORS

Shri Lalit Kumar Jain
Chairman & Managing Director

Shri Dinesh Kumar Jain
Vice Chairman & Managing Director

Shri Vijay Kumar Jain
Joint Managing Director

Shri Rajesh Jain
Director

Smt. Sushila Devi Jain
Director

Shri Jamshed Rustomji Desai
Director

Shri Ajay Kumar Chakraborty
Director

Shri Bhagwan Das Narang
Director

Shri Keshwa Nand Rattan
Director

COMPANY SECRETARY

Shri Naveen Kakkar

STATUTORY AUDITORS

M/s. V.R. Bansal & Associates
Chartered Accountants, Noida.

REGISTRAR AND SHARE TRANSFER AGENT

M/s. MCS Ltd.
F – 65, 1st Floor,
Okhla Industrial Area, Phase – I,
New Delhi – 110 020.
Tel: 011 – 41406149.

BANKERS

Canara Bank, Rohtak.
State Bank of India, New Delhi.

REGD. OFFICE & FACTORY

46/1, Mile Stone, Hissar Road,
Rohtak – 124 001 (Haryana)
Tel: 01262 – 248790 & 248289.
Fax: 01262 – 248297.

CORPORATE OFFICE

501 A & 501 B,
5th Floor, Tower-A,
Millennium Plaza, Gurgaon,
Tel: 0124 – 4200492.

BRANCH OFFICES

146, New Cycle Market,
Jhandewalan Extension,
New Delhi – 110 055.
Tel: 011 – 23527642.

153-Wing-A, Mittal Tower,
Nariman Point,
Mumbai – 400 021.
Tel: 022 – 40025861.

8, Canning Street,
3rd Floor, Room No.303,
Kolkata – 700 001.
Tel: 033 – 22210754.

305-A, Mittal Tower,
3rd Floor, M.G. Road,
Bangalore – 560 001.
Tel: 080 – 25588587.

40, Rahul Chamber,
Kasar Wadi,
Pune – 411 034.
Tel: 020 – 27145231.

ATTENTION TO THE MINUTEST DETAIL



At Lakshmi Precision Screws Ltd., fastening technology is our core business and customer service our guiding principle. Headquartered at Rohtak (Haryana), the LPS works comprises of two manufacturing units spread across an area of about 100,000 square meters, just 60 km from New Delhi, the capital of India. With Net Assets of 1350 million INR supported by 1140 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are a 3446 million INR Company with approx. 18% contribution coming from exports.

Our installed capacity is 25747 metric ton per annum and is supported by a host of ancillaries. We understand what we have to do for our customers. We assure that we will do our best to make our products safe and reliable for our customers' assembly line.

We are committed to improve our products so that they meet the ever-increasing expectations of our customers and are always obliged for their continuous guidance and patronage.

VISION STATEMENT

'LPS Vision is to provide world class fastening solutions and components for our customers through competitive pricing, performance, superior quality, safety & environmental care'.

MISSION STATEMENT

'Creating value for our customers and shareholders, we will use our expertise to create fastening solutions, and components of superior quality with safety and environmental care for our esteemed customers in selected segments.

At LPS we will work with energy, passion and respect for the individuals'.

INTEGRATING BIG AND SMALL





Dear Shareholders,

It is my privilege to communicate with you at the end of another eventful year for LPS.

While India's Growth story remains intact in the long run, currently its economy is undergoing a difficult phase when industry is also slowing down. This has led to tapering of the economy growth curve as reflected in the estimated 6.5% GDP growth for 2011-12, after having grown at 8.4 percent in preceding two years.

After an excellent 2010-11 where in passenger vehicles industry grew by 29%, the growth rate in 2011-12 fell to 5%. The Commercial vehicle industry registered a growth of 18% in 2011-12 as compared to 27% in 2010-11 due to tightening of interest rates and high fuel prices.

At LPS we have always believed in satisfying our customers to the best of our abilities. This has resulted in winning awards & recognitions for the Year 2011-12 from our customers like John Deere & Suzuki Motorcycles for 'Best Vendor in Quality products & timely delivery'.

The financial performance of the Company during the year is highlighted as below:

- Your Company's turnover and other income reached to Rs.34458 lacs as on 31st March, 2012 resulting in an increase of approx 10% as against Rs.31362 lacs as on 31st March, 2011.
- EBIDTA for the Company was Rs.5614 lacs as on 31st March, 2012 resulting in an increase of approx 12% as against Rs.5011 lacs as on 31st March, 2011.
- Net profit stood at Rs.737 lacs at the end of the year as against Rs.888 lacs for the previous year.
- A dividend @ 15% (previous year @ 15%) has been recommended by the Board of Directors for the year 2011-12, if approved by the members at their forthcoming Annual General Meeting. The total outflow will be to the tune of Rs.190.75 lacs inclusive of corporate dividend tax.

Manpower and human resources has always been a key growth driver in any industry including the automobile industry. Though Indian has vast pool of talented and skilled professionals, the country needs initiatives and support to treasure these resources to excel in all arenas of the industries. Automobile industry is no exception and highly skilled manpower will further become the most reliable source of competitive advantage across the global as well as Indian automobile industry.

I sincerely thank all our shareholders, customers, business partners, bankers, government and statutory authorities for the continued support and faith reposed in your Company.

I take this opportunity to thank you for your continued engagement and look forward to valuable suggestions that will further reinforce our sustainability journey.

Thanking you once again for your continuous support.

Lalit Kumar Jain
Chairman & Managing Director

**GEARED TO
PERFORM**



JOINT VENTURES

LPS Bossard Pvt. Ltd.

A Joint Venture Company of LPS and Bossard AG of Switzerland. This venture gives state-of-the-art fastening solution/technology to customers in India. The latest inventory management technique through logistic support is also provided by the Company.

LICENSING & DISTRIBUTION

Recoil Business Division of LPS

This division of LPS is master distributor of fastening solutions from Alcoa Fastening Systems, USA. This Company ensures global consistency of quality design standards in manufacturing Wire Threads, Inserts, STI Taps, Thread Repair Kits etc.

Acument Global Technologies

LPS has entered into a licensing agreement with Acument Global Technologies to manufacture Torx® drive. Acument™ Global Technologies provides fastening solutions to leading companies around the world.

Dorcen

LPS has signed a license agreement with DORKEN of Germany to provide finishing coatings in Delta Tone and Delta Seal.

EJOT

LPS has signed an agreement with EJOT of Germany to manufacture in India the Delta PT® and ALtracs® screws, for thermo plastic & light alloy applications respectively.

ALLIANCE

Global Fastener Alliance (GFA)

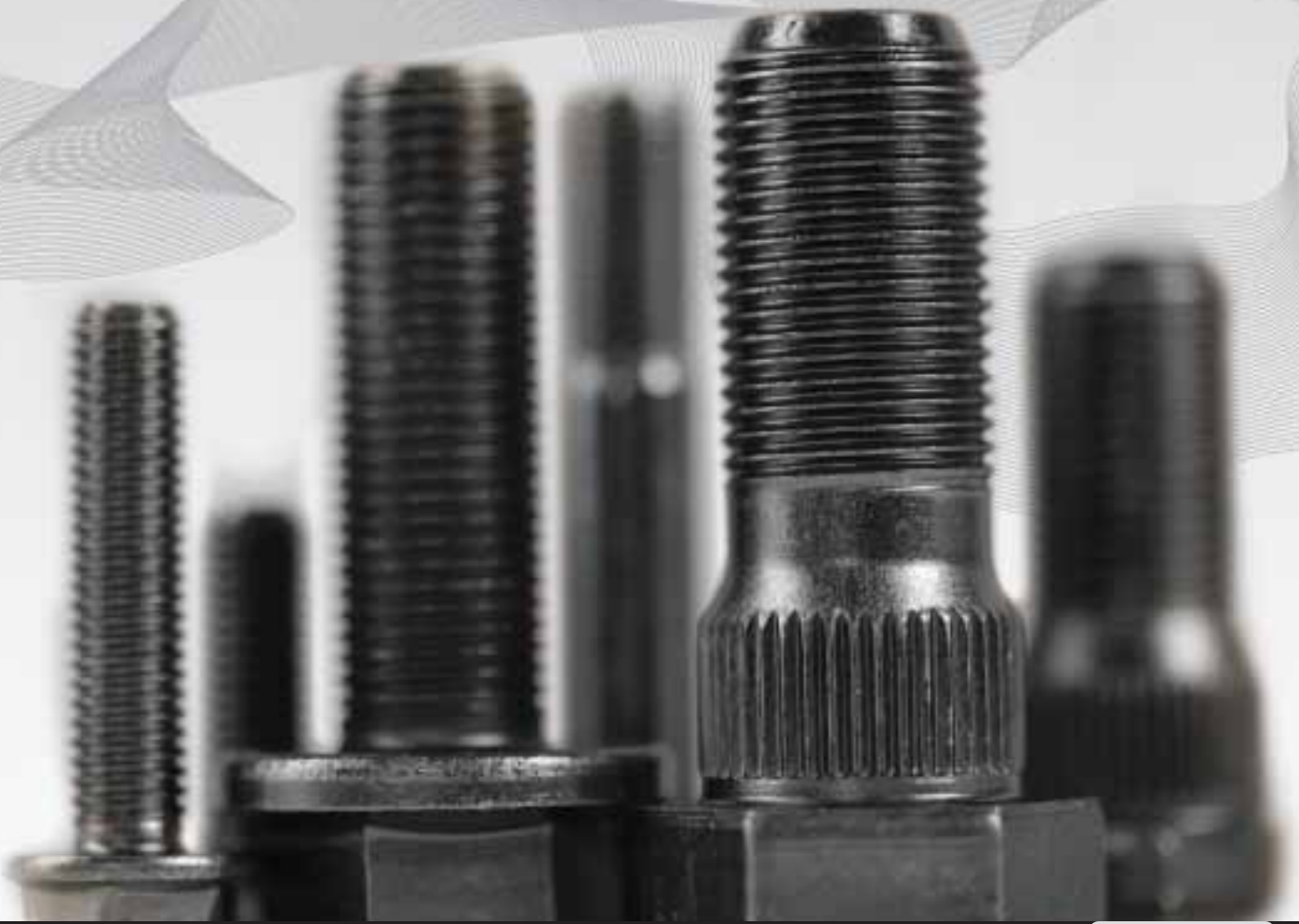
GFA is a group of Global Fastener Companies for establishing the global network, GFA is striving to improve global competitiveness through marketing, manufacturing, technical cooperation and information sharing, and Lakshmi Precision Screws Ltd. is the only Company in India that joined the alliance.



**WORKING
TOGETHER WORKS**



INSPIRING GROWTH, FOSTERING INITIATIVE



NOTICE

Notice is hereby given that the **43rd Annual General Meeting** of the Members of **Lakshmi Precision Screws Ltd.** will be held on **Saturday, the September 29, 2012 at 11.30 A.M.** at the **registered office** of the Company i.e. **46/1 Mile Stone, Hissar Road, Rohtak, (Haryana)** to transact the following businesses: -

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2012.
3. To appoint a Director in place of Mr. Rajesh Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bhagwan Das Narang, who retires by rotation and being eligible, offers himself for re- appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 M/s. V.R. Bansal & Associates, Chartered Accountants, Noida, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of ensuing 43rd Annual General Meeting until the conclusion of the 44th Annual General Meeting of the Company on such remuneration (including tax audit fees) plus out of pocket expenses as shall be fixed by the Audit Committee/ Board later on.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government Mr. Lalit Kumar Jain be and is hereby reappointed as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 01.01.2013 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter or vary the said terms and conditions at its discretion as it may deem fit and as acceptable to Mr. Lalit Kumar Jain within the limits specified in the Explanatory Statement without being required to seek further consent or approval of the members of the Company.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

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 Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government Mr. Dinesh Kumar Jain be and is hereby reappointed as Vice Chairman and Managing Director of the Company for a period of 5 years w.e.f. 01.01.2013 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter or vary the said terms and conditions at its discretion as it may deem fit and as acceptable to Mr. Dinesh Kumar Jain within the limits specified in the Explanatory Statement without being required to seek further consent or approval of the members of the Company.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

8. 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 Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government and Mr. Vijay Kumar Jain be and is hereby reappointed as Joint Managing Director of the Company for a period of 5 years w.e.f. 01.01.2013 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter or vary the said terms and conditions at its discretion as it may deem fit and as acceptable to Mr. Vijay Kumar Jain within the limits specified in the Explanatory Statement without being required to seek further consent or approval of the members of the Company.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

9. 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 provision of Section 314(1B) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the increase the remuneration of Mr. Sudesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Executive Vice President (Marketing) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Sudesh Kumar Jain, without any further reference to the Company in General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

10. 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 provision of Section 314(1B) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the remuneration of Mr. Nikhlesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Marketing) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Nikhlesh Kumar Jain, without any further reference to the Company in Annual General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

11. 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 provision of Section 314(1B) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the remuneration of Mr. Amit Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Exports) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Amit Kumar Jain, without any further reference to the Company in Annual General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard.”

12. 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 provision of Section 314(1B) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the remuneration of Mr. Gagan Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Operations) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Gagan Jain, without any further reference to the Company in Annual General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard."

13. 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 provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the remuneration of Mr. Gautam Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Business Development) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Gautam Jain, without any further reference to the Company in Annual General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard."

14. 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 provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for re-appointment and increase in the remuneration of Mr. Rahul Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Supply Chain) w.e.f. 01.10.2012 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms and conditions relating to the payment of remuneration to him, in such a manner as may be required by the Central Government and as further agreed between the Board of Directors and Mr. Rahul Jain, without any further reference to the Company in Annual General Meeting.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary application to the Central Government for obtaining the approval and to do all such acts and things as may be deemed necessary in this regard."

By order of the Board
for Lakshmi Precision Screws Ltd.

Place : **New Delhi**
Dated : **August 08, 2012**

Naveen Kakkar
Company Secretary

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE DULY SIGNED AND COMPLETED PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business at item No. 6 to 14 to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 21, 2012 to Saturday, September 29, 2012 (both days inclusive) in connection with the ensuing Annual General Meeting and for purpose of determining the entitlement of dividend, if any, declared by the Company.
4. The dividend on Equity Shares, if declared at the Meeting, will be paid to those members whose names appear on the Company's Register of Members on Thursday, September 20, 2012. In respect of the shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
5. Members may please note that dividend warrants are payable at par at all the branches of the Canara Bank in India for an initial period of 3 months and thereafter will be sent to the Registered office of the Company for revalidation. Members are, therefore, advised to encash dividend warrants within the initial validity period to avoid the revalidation formalities.
6. The Company has transferred all unclaimed dividends declared upto the financial year ended March 31, 1995 to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government)

Rules, 1978 (the Rules). Members who have so far not claimed or collected their dividends declared upto the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, NCT of Delhi and Haryana, Paryavaran Bhawan, 2nd Floor, 'B' Block, CGO Complex, Lodhi Road, New Delhi – 110 003, by making an application in the prescribed form. Pursuant to the provisions of Section 205A(5) and 205(c) of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of the Investors) Rules, any dividend transferred by the Company to unpaid dividend account/ application money due for refund and remaining unpaid for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called the Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid/ unclaimed dividend for the financial year 2004-05 and application money due for refund shall become transferable to the fund on 28.09.2012 and 21.11.2012 respectively, followed by the transfers of the amounts of unpaid/ unclaimed dividends for the subsequent years. No claim shall lie thereafter against the funds or the Company in respect of such amounts transferred. Members are therefore requested to verify their records and send claims, if any, for the relevant years from 2004-05 onwards, before the respective amounts become due for transfer to the fund. The following are the details of the dividends declared by the Company and respective due dates for claiming by the Members:

Dividend Year	Date of declaration of dividend	Last date for claim
2004-05	29.09.2005	28.09.2012
2005-06	29.09.2006	28.09.2013
2006-07	29.09.2007	28.09.2014
2007-08	29.09.2008	28.09.2015
2008-09	30.09.2009	29.09.2016
2009-10	29.09.2010	28.09.2017
2010-11	29.09.2010	28.09.2018

Those Members who have not so far claimed their dividend for the above financial years from 2004-05 to 2010-11 are requested to make their claims to the Company for obtaining duplicate dividend warrants.

7. Members are requested to notify immediately any change of address
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
 - ii) To the Company's Registrar, MCS Ltd. in respect of their physical share folios, if any, quoting their folio number.
8. Members who hold shares in the physical form and wish to make/change in nomination in respect of their shareholding in the Company, as permitted pursuant to the provisions of Section 109A of the Companies Act, 1956, may do so by submitting to the Company the prescribed Form 2B.
9. Corporate Members are requested to send a duly certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
10. Members who hold shares in dematerialized form may kindly note that their bank account details, as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in dematerialized form. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
11. Register of Contract will be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.30 A.M. to 2.30 P.M. except the date on which the same will be placed in the Board Meeting for compliance of Section 301 of the Companies Act, 1956.
12. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges on Corporate Governance the information about the Directors proposed to be re-appointed/ appointed is given in the Annexure to the Notice.
13. Pursuant to the directions of the Securities and Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory dematerialized form. Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent. The promoters of the Company have already converted their 100% physical shareholding into demat form.
14. Members desiring of getting any information/ clarification relating to the accounts of the Company under reference or about operations of the Company, are requested to write to the Company Secretary at least 7 days before the Meeting to enable the Company to make it available at the Meeting.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated August 08, 2012.

Item No. 06 to 08

Mr. Lalit Kumar Jain, Chairman and Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director were appointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.01.2008 to 31.12.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government for the payment of remuneration for the above said period vide its letters no.12/926/2007-CL.VII, no.12/1063/2007-CL.VII and no.12/1064/2007-CL.VII dated 21.02.2008 respectively.

Further, the increase in the remuneration package of the above Whole Time Executive Directors was approved by the members in their Annual General Meeting held on 29.09.2011 for the remaining period of their appointment i.e. 01.01.2011 to 31.12.2012 and thereafter by the Central Government vide its letters No.B22892418/02/2011-CL-VII, No.B22893614/02/2011-CL-VII dated 27.03.2012 and No.B22893853/02/2011-CL-VII dated 15.03.2012 respectively. Accordingly, their term of appointment and remuneration are effective upto 31.12.2012.

Presently, Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director each are drawing remuneration of Rs.10 lacs per month. The annual turnover of the Company touched to Rs.340 crores during the financial year 2011-12 as on 31.03.2012. The Company has fixed the target of turnover of Rs.400 crores for the financial year 2012-13 and Rs.480 crores for the financial year 2013-14. The job responsibilities of Whole Time Executive Directors have also considerably increased. In order to achieve the planned growth of the Company, the services of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain are required for another period of 5 years. Considering their background, outstanding contribution and achievements, and as a part of the initiative to create enduring leadership for the Company, the Remuneration Committee as well as the Board of Directors at their meetings held on 08.08.2012 have approved the reappointment of Mr. Lalit Kumar Jain as Chairman & Managing Director, Mr. Dinesh Kumar Jain as Vice Chairman & Managing Director and Mr. Vijay Kumar Jain as Joint Managing Director of the Company subject to the approval of members and the Central Government, for a further period of 5 years w.e.f. 01.01.2013 on the payment of remuneration package to be paid individually and severally and on the terms and conditions as set out below:-

1. Basic Salary and Other Allowances:

(a)	Mr. Lalit Kumar Jain	:	Basic Salary Rs.5,00,000 per month Other Allowances Rs.5,90,000 per month
(b)	Mr. Dinesh Kumar Jain	:	Basic Salary Rs.5,00,000 per month Other Allowances Rs.5,40,000 per month
(c)	Mr. Vijay Kumar Jain	:	Basic Salary Rs.5,00,000 per month Other Allowances Rs.5,40,000 per month

2. Contribution to provident fund, superannuation fund or any annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

3. OTHER BENEFITS

- (i) The Chairman & Managing Director, Vice Chairman & Managing Director and Joint Managing Director shall also be entitled to such other benefits, schemes, privileges and amenities as are granted to senior executives of the Company in accordance with the Company's practices, rules and regulations in force from time to time.
- (ii) Further they will be reimbursed various expenses incurred in the interest of the business of the Company like entertainment and traveling expenses.

Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain are deemed to be interested in the revised remuneration package of Mr. Lalit Kumar Jain and Mr. Vijay Kumar Jain. Further, none of the directors of the Company except Mr. Dinesh Kumar Jain is concerned or interested in his revised remuneration package.

The above may also be treated as an abstract of the terms and conditions of above appointment and memorandum of interest pursuant to the provisions of Section 302 of the Companies Act, 1956.

Item No. 09.

Mr. Sudesh Kumar Jain is working with the Company since 1974. He is having more than 38 years of experience in the fields of marketing and administration. Mr. Sudesh Kumar Jain was reappointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.10.2007 to 30.09.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.12/1053/2007-CL.VII dated 28.01.2008 for payment of remuneration package of Rs.2,52,533/- per month to Mr. Sudesh Kumar Jain for the above

said period. Accordingly, his term of appointment and remuneration is effective upto 30.09.2012. The Selection Committee as well as the Board of Directors at their meetings held on 08.08.2012 have approved the reappointment and increased remuneration package of Mr. Sudesh Kumar Jain as Executive Vice President (Marketing) of the Company subject to the approval of members and the Central Government, for a further period of 5 years w.e.f. 01.10.2012 on the payment of remuneration package to be paid on the terms and conditions as set out below:-

Salary and Benefits:

(a)	Basic Salary	:	Rs.3,00,000/- per month
(b)	HRA	:	40% of Basic Salary
(c)	Professional Development Allowance	:	10% of Basic Salary

Apart from the above, the appointees will be entitled to the Company's contribution to Provident Fund, Superannuation Fund and other benefits as per the rules of the Company. Gratuity is payable at the rate not exceeding half a month's salary for each completed year of service.

Other Terms and Conditions

- (a) Use of Company's Car with Driver and Telephone at the residence. The perquisite value of these terms will be valued as per the Income Tax Act, if applicable.
- (b) Leave at the rate allowable as per the rules of the Company and encashment at the end of the tenure.
- (c) Reimbursement of expenses incurred in connection with the business of the Company including entertainment expenses.
- (d) The appointees shall be in the exclusive employment of the Company and will not hold a place of profit in any other company.

The Directors recommend the adoption of the Special Resolution contained in Item no.9 of the notice.

Mr. Sudesh Kumar Jain is brother of Mr. Dinesh Kumar Jain, one of the Directors of the Company and increase in his remuneration requires the consent of the members of the Company in Annual General Meeting and prior approval of the Central Government under sub Section (1B) of Section 314 of the Companies Act, 1956.

Except Mr. Dinesh Kumar Jain, who is related to Mr. Sudesh Kumar Jain, no other Director of the Company is concerned or interested in passing of this Special Resolution.

Item No. 10

Mr. Nikhlesh Kumar Jain is an MBA from North Eastern University of USA and is at present working with the Company since 2004. He is having more than 8 years of experience in the field of marketing. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.10.2007 to 30.09.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.12/1065/2007-CL.VII dated 27.12.2007 for payment of remuneration package of Rs.1,30,116/- per month to Mr. Nikhlesh Kumar Jain for a period of 5 years i.e. 01.10.2007 to 30.09.2012 with an annual increment. Presently, he is drawing a monthly remuneration package of Rs.1,73,500/- per month. Accordingly, his term of appointment and remuneration is effective upto 30.09.2012. It is proposed to approve the revision in the monthly remuneration package of Mr. Nikhlesh Kumar Jain w.e.f. 01.10.2012 with an annual increment for a further period of 5 years.

Item No. 11

Mr. Amit Kumar Jain is a BBA from University of Chicago, USA and is at present working with the Company since 2004. He is having more than 8 years of experience in the field of marketing. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.10.2007 to 30.09.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.12/1066/2007-CL.VII dated 27.12.2007 for payment of remuneration package of Rs.1,30,116/- per month to Mr. Amit Kumar Jain for a period of 5 years i.e. 01.10.2007 to 30.09.2012 with an annual increment. Presently, he is drawing a monthly remuneration package of Rs.1,83,583/- per month. Accordingly, his term of appointment and remuneration is effective upto 30.09.2012. It is proposed to approve the revision in the monthly remuneration package of Mr. Amit Kumar Jain w.e.f. 01.10.2012 with an annual increment for a further period of 5 years.

Item No. 12

Mr. Gagan Jain is a Bachelor of Information Systems from University of Melbourne, Australia and is at present working with the Company since 2004. He is having more than 8 years of experience in the field of operational activities. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.10.2007 to 30.09.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.12/1067/2007-CL.VII dated 27.12.2007 for payment of remuneration package of Rs.1,30,116/- per month to Mr. Gagan Jain for a period of 5 years i.e. 01.10.2007 to 30.09.2012 with an annual increment. Presently, he is drawing a monthly remuneration package of Rs.1,83,583/- per month. Accordingly, his term of appointment and remuneration is effective upto 30.09.2012. It is proposed to approve the revision in the monthly remuneration package of Mr. Gagan Jain w.e.f. 01.10.2012 with an annual increment for a further period of 5 years.

Item No. 13

Mr. Gautam Jain is a Bachelor of Commerce (Management) from University of Melbourne, Australia and is at present working with the Company since 2004. He is having more than 8 years of experience in the field of commercial activities. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.10.2007 to 30.09.2012 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.12/1068/2007-CL.VII dated 27.12.2007 for payment of remuneration package of Rs.1,30,116/- per month to Mr. Gautam Jain for a period of 5 years i.e. 01.10.2007 to 30.09.2012 with an annual increment. Presently, he is drawing a monthly remuneration package of Rs.1,83,583/- per month. Accordingly, his term of appointment and remuneration is effective upto 30.09.2012. It is proposed to approve the revision in the monthly remuneration package of Mr. Gautam Jain w.e.f. 01.10.2012 with an annual increment for a further period of 5 years.

Item No. 14

Mr. Rahul Jain is a B.Tech (Mechanical and Automation) from Amity School of Engineering and Technology, GGSIP University and is at present working with the Company since 2007. He is having more than 6 years of experience in the field of Supply Chain, Sourcing, Marketing, Sales and Distribution. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2008 for a period of 5 years i.e. 01.10.2008 to 30.09.2013 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no.50332410-CL.VII dated 03.06.2009 for payment of remuneration package of Rs.1,30,116/- per month to Mr. Rahul Jain for a period of 5 years i.e. 01.10.2008 to 30.09.2013 with an annual increment. Presently, he is drawing a monthly remuneration package of Rs.1,61,167/- per month. Accordingly, his term of appointment and remuneration is effective upto 30.09.2013. It is proposed to approve the revision in the monthly remuneration package of Mr. Rahul Jain w.e.f. 01.10.2012 with an annual increment for a further period of 5 years.

The Selection Committee as well as the Board of Directors at their meetings held on 08.08.2012 have approved the reappointments and increase in the remunerations of Mr. Nikhlesh Kumar Jain as Vice President (Marketing), Mr. Amit Kumar Jain as Vice President (Exports), Mr. Gagan Jain as Vice President (Operations), Mr. Gautam Jain as Vice President (Business Development) and Mr. Rahul Jain as Vice President (Supply Chain) subject to the approval of members and the Central Government under sub section (1B) of Section 314 of the Companies Act, 1956, for a further period of 5 years w.e.f. 01.10.2012 on the payment of remuneration package to be paid individually and severally and on the terms and conditions as set out below: -

Salary and Benefits:

(a)	Basic Salary	:	Rs.1,45,000/- per month (in the scale of Rs.1,45,000-21,750-2,32,000).
(b)	HRA	:	40% of Basic Salary
(c)	Professional Development Allowance	:	10% of Basic Salary

Apart from the above, the appointees will be entitled to the Company's contribution to Provident Fund, Superannuation Fund and other benefits as per the rules of the Company. Gratuity is payable at the rate not exceeding half a month's salary for each completed year of service.

Other Terms and Conditions

- Use of Company's Car with Driver and Telephone at the residence. The perquisite value of these terms will be valued as per the Income Tax Act, if applicable.
- Leave at the rate allowable as per the rules of the Company and encashment at the end of the tenure.
- Reimbursement of expenses incurred in connection with the business of the Company including entertainment expenses.
- The appointees shall be in the exclusive employment of the Company and will not hold a place of profit in any other company.

The Directors recommend the adoption of the Special Resolutions as contained in Item No. 10 to 14 of the notice.

Except Mr. Dinesh Kumar Jain, who is related to Mr. Nikhlesh Kumar Jain, no other Director of the Company is concerned or interested in passing of Special Resolution as set out at Item No. 10 of the Notice convening the Annual General Meeting.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Amit Kumar Jain, Mr. Gagan Jain, Mr. Gautam Jain and Mr. Rahul Jain, no other Director of the Company is concerned or interested in passing of Special Resolutions as set out at Item No. 11 to 14 of the Notice convening the Annual General Meeting.

Inspection of documents

Copies of all relevant documents and papers referred to in the accompanying Notice and Explanatory Statement including Contract Register are kept open for inspection by Members between 11.30 A.M. to 2.30 P.M. on any working day upto the date of Meeting at the Registered Office of the Company.

By order of the Board
for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : August 08, 2012

Naveen Kakkar
Company Secretary

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED

Particulars	Mr. Rajesh Jain, NED	Mr. Bhagwan Das Narang, NEID	Mr. Lalit Kumar Jain, ED	Mr. Dinesh Kumar Jain, ED	Mr. Vijay Kumar Jain, ED
Date of Birth	28.06.1958	12.04.1945	19.10.1954	07.09.1948	27.06.1957
Date of Appointment	28.09.1990	31.01.2010	05.12.1974	27.12.1968	05.12.1974
Qualifications	B. E. Technical	Post Graduate M Sc. (Agro. Eco.)	Engineering Graduate	Commerce Graduate	Graduate
Expertise in specific functional areas	Mr. Rajesh Jain is having 32 years experience as an industrialist. He has a wide experience in the filed of marketing, finance, technology and HRD. He has attended various business programmes at IBS Hyderabad and 3 years Owners & President Management Programme (OPM) at Harvard Business School, U.S.A. He has pioneered the exports in LPS and contributed greatly in promotion of ancillary units. Mr. Rajesh Jain is looking after brand management of the Company.	Mr. Bhagwan Das Narang is having more than 37 years experience in banking. He had been the CMD of Oriental Bank of Commerce till April, 2005. He was also Executive Director and General Manager in the various banks.	Mr. Jain has 38 years of experience as an Industrialist. He has a wide experience of project management, finance, technology, marketing, HRD & better quality management. He has contributed greatly on matters relating to Corporate Governance, Business Development and holding of high level reviews of corporate strategy and planning. His comprehensive industrial exposure brings highly valued insights in strategy & brand building of the Company. Mr. Jain is engaged whole time in looking after and supervising the affairs of the Company & has indepth understanding.	Mr. Jain has the distinguished credit of carrying with him over 44 years rich Industrial experience. He is on the Board as Whole time Director since the date of inception of the Company. He has a wide experience in the field of finance, banking, sales/ marketing, HRD, excise and taxation, and administration. He has contributed greatly, in the company achieving its present position.	Mr. Jain has the distinguished credit of carrying with him over 38 years of rich Industrial experience. He has a wide experience in the field of finance, purchase, project implementation, general administration, environment protection and eco-friendliness. He has also contributed greatly, in the company achieving its present position.
Name of the other Companies in which holds Directorship	<ul style="list-style-type: none"> Lakshmi Precision Screws Ltd. Indian Fasteners Ltd. Sudhir Automotive Ind. Pvt. Ltd. LPS Fasteners & Wires Pvt. Ltd. Amit Screws Pvt. Ltd. J.C. Fasteners Ltd. LPS Bossard Pvt. Ltd. LPS Bossard Information Systems Pvt. Ltd. LVR Holding Ltd. 	<ul style="list-style-type: none"> Lakshmi Precision Screws Ltd. Dish T.V. India Ltd. Jubilee Hill Landmark Projects Ltd. Revathi Equipment Ltd. Shivam Autotech Ltd. Afcon Infrastructure Ltd. Va Tech Wabag Ltd. Amarujala Publications Ltd. Karvy Stock Broking Ltd. DSE Financial Services Ltd. Mayar Health Resorts Ltd. Potential Semac Consultants Pvt. Ltd. Arvind Techno Engineers Pvt. Ltd. Value Hydrocarbon PTE Ltd. (Singapore) Atos Mayar Health Care PTE Ltd. (Singapore) Atos wellness PTE Ltd. (Singapore) Body Contours PTE Ltd. (Singapore) Inner Hamony PTE Ltd. (Singapore) 	<ul style="list-style-type: none"> Lakshmi Precision Screws Ltd. Indian Fasteners Ltd. Amit Screws Pvt. Ltd. LPS Bossard Pvt. Ltd. LPS Bossard Information Systems Pvt. Ltd. LVR Holding Ltd. 	<ul style="list-style-type: none"> Lakshmi Precision Screws Ltd. Indian Fasteners Ltd. Advance Cable Technologies Pvt. Ltd. Sanchar Engineers Pvt. Ltd. 	<ul style="list-style-type: none"> Lakshmi Precision Screws Ltd. Indian Fasteners Ltd. Amit Screws Pvt. Ltd. LVR Holding Ltd.
Name of Committee of the other Companies in which holds Membership/ Chairmanship	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> - Share Transfer & Investors Grievance Committee (Chairman) - Audit Committee (Member) - Corporate Governance and Remuneration Committee (Member) - Committee of Directors (Member) 	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> - Audit Committee (Member) 	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> - Share Transfer and Investors Grievance Committee (Member) 	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> - Share Transfer and Investors Grievance Committee (Member) 	None
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	14,30,804	NIL	11,59,600	2,52,000	11,32,593
Relationship with Other Director(s)	Related to the Directors	Not related to any Director	Related to the Directors	Not related to any Director	Related to the Directors

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 43rd Annual Report together with Audited Accounts of the Company for the financial year ended on March 31, 2012.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2012 is summarized as below:

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
Net Sales	33866.26	30597.40
Gross Profit before interest, depreciation and tax	5613.52	5010.81
Less: Interest	2497.20	1834.66
Profit before depreciation and tax	3116.32	3176.15
Less: Depreciation	2216.79	1811.68
Profit before tax	899.53	1364.47
Less: Provision for tax	162.22	476.45
Net Profit for the year after tax	737.31	888.02
Add: Balance brought forward from previous year	4795.77	4143.50
Amount available for appropriation	5533.07	5031.52
Appropriations		
Transfer to General Reserve	38.00	45.00
Proposed Dividend	164.13	164.13
Corporate Dividend Tax	26.62	26.62
Balance carried over to Balance Sheet	5304.32	4795.77

OPERATIONS

During the financial year 2011-12 your Company has achieved turnover of Rs.33866 lacs (Previous year Rs.30597 lacs), recording a growth of approx.11%. During the year net profit of the Company has been remain under pressure to Rs.737.31 lacs against Rs.888.02 lacs in the previous year.

Supply of fasteners to replacement and original equipment segments, wherein your Company holds a key position, continue to be the area of focus of your Company. In order to meet the increased demand, your Company has sufficient installed capacity. Your Company continue to follow its philosophy to provide the high quality products at the lowest cost, coupled with excellent customer services. The market is witnessing fierce competition. All efforts were made under Total Quality Management, Total Productivity Management and Six Sigma Umbrella to continuously improve the cost, quality, delivery and competitiveness. Your Company's products are well accepted in the market. In brief, all customers of the Company are on growth path and Company is confident to meet their increased demand. The volume growth in domestic market is expected to be in the region of 15% for 2012-13.

DIVIDEND

Your Directors have maintained and recommend a dividend of Rs.1.50 per equity share (previous year Rs.1.50 per equity share) for the financial year ended on March 31, 2012 aggregating to Rs.190.75 lacs inclusive of corporate dividend tax. The dividend, if approved by the members shall be paid to the eligible members within the stipulated time period.

FIXED DEPOSITS

The Company has accepted/ renewed the deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. There is no unclaimed or unpaid deposit lying with the Company. As on March 31, 2012, there were no overdue deposits of the Company.

SUBSIDIARY COMPANY

The Accounts of the Subsidiary Company, Indian Fasteners Ltd. are attached pursuant to Section 212(1) of the Companies Act, 1956 and forms part of the Company's Annual Report. A statement pursuant to Section 212(1)(e) of the Companies Act, 1956 is also attached forming part of this annual report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards, AS 21, AS 23 and AS 27, issued by "The Institute of Chartered Accountants of India", the Company has also included as part of this Annual Report, the Audited Consolidated Financial Statements of its subsidiary Company Indian Fasteners Limited, its associate companies J.C. Fasteners Ltd., Hanumat Wire Udyog Pvt. Ltd., Lakshmi Extrusion Ltd. and its joint ventures LPS Bossard Private Limited & LPS Bossard Information Systems Private Limited for the financial year 2011-12.

DIRECTORS

Pursuant to Article 133 of the Articles of Association of the Company, Mr. Rajesh Jain and Mr. Bhagwan Das Narang, Directors are retiring by rotation and being eligible, offer themselves for re-appointment at the forthcoming 43rd Annual General Meeting. The Board recommends their reappointment as Director liable retiring by rotation.

Brief resume of the Directors proposed to be re-appointed/ appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Explanatory Statement attached to the notice of the forthcoming Annual General Meeting of the Company.

Mr. Bhupendranath Vidyanath Bhargava resigned from the Directorship of the Company. The Board of Directors place on record their deep appreciation for the valuable guidance and significant contribution made by Mr. Bhupendranath Vidyanath Bhargava during his tenure as Director of the Company.

AUDITORS AND AUDITORS' REPORT

M/s. V.R. Bansal & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Company has received from them an eligible certificate under Section 224(1B) of the Companies Act, 1956 and a copy of certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The Board of Directors commends their re-appointment.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, research & development, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 are given in the Annexure 'A' to this Report.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

You Company continue with its policy to maintain sound environmental, health and safety management and total applicable legal compliance are an integral part of the Company's business practices.

QUALITY MANAGEMENT SYSTEM

- a) Company has been continuing its efforts towards ongoing implementation and stabilization of TQM practices through total employee involvement.
- b) Company has retained the accreditation of its Quality Health and Safety Management Systems in line with ISO 9001:2008, TS 16949:2002, ISO 14001:2004 and OHSAS 18001:2007.
- c) Company has also retained the accreditation of its quality systems for Aviation Industries requirements in line with AS 9100C, NADCAP for Heat treatment facility and NABL certification for the Laboratory and Standard Room.

Benefits derived as a result from the above efforts are continuous improvement in productivity, quality, delivery and cost.

Customer focused approach

Company is open in receiving customer view points and welcomes them to visit the premises. A number of esteemed OEM customers visited the Company site to see our process and system. They appreciated Company's efforts in maintaining and continuously upgrading the process and systems.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees are given in the Annexure 'B' forming part of this Report.

LISTING AND CONFORMATION OF FEE

The securities of your Company are listed at The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). The Annual Listing fees for the year 2012-13 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2012-13 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the Company are compulsorily tradable in dematerialized form.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- a. followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
- b. selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit/ loss of your Company for that period;
- c. 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 your Company and for preventing and detecting fraud and other irregularities; and
- d. prepared the Annual Accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The report on Corporate Governance stipulated under Clause 49 for the Listing Agreement attached in Annexure 'C' and forming part of this Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached in this annual report and forming part of this Annual Report.

The Ministry of Corporate Affairs has released draft Corporate Governance Voluntary Guidelines, 2009 and Corporate Social Responsibility Guidelines, 2009. Your Company is in the process of implementation of the same.

HUMAN RESOURCE DEVELOPMENT

Your Company's Human Resource Management focus continues to be in making available a talent pool, for meeting challenges in the competitive market place, which is increasingly becoming tougher. Development plans have been drawn up for key managers to shoulder higher responsibilities as well as to increase their job effectiveness. Your Company always encourages young personnel with their ideas and views. Management is easily accessible to the employees and their problems are attended to promptly. The employer – employee relations remained cordial at all the plants of the Company and peaceful throughout the year.

APPRECIATION

Your Directors place on record their gratitude to the Company's esteemed Shareholders, valued Customers, Suppliers, Associates, Bankers, various Financial Institutions, the State and Central Government Bodies, Auditors and Legal Advisors for their valuable contribution and continued support and to all the persons who reposed faith and trust in Company.

Your Directors also place on record their deep sense of appreciation for the committed services rendered by all employees and our colleagues at all levels, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible. Your Directors also appreciate and value the contribution made by every member of the LPS family across the world.

Your support as shareholders is greatly valued.

Your Directors thank you and look forward the future with confidence.

for and on behalf of the Board of Directors

Place : **New Delhi**
Dated : **August 08, 2012**

Lalit Kumar Jain
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURES OF THE BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

(a) Energy conservation measures taken:

The Company has taken the following measures towards the conservation of energy:

1. New industrial shed for plating plant has been designed in this way that there is enough natural daylight inside. Energy saving wind driven turbo exhaust fans are provided on the roof.
2. 1000 KVA Transformer with Automatic On Load Tap Changer (OLTC) installed with Vacuum Circuit Breakers (VCB). It is more efficient than Transformer with off load tap changer.
3. A rational and systematic approach has been taken for energy conservation by connecting shutting down all the power consumption sources like air conditioners, pumps and lights etc. with individual switches and they are being shut down during the idle time.
4. Installation of energy savings CFL lamps in place of conventional filament lamps.
5. Replacement of ENDO-GAS generators with methanol system.
6. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
7. Machines and pipelines are being checked to arrest air, oil and water leakages.
8. Provided energy saver in street light feeder to save energy cost.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy.

The following proposals for reduction of consumption of energy are under implementation.

1. Installation of automatic 100 KVA voltage stabilizer at the lighting feeder.
2. Initiative being taken to install 300 KVAR APFC Panel to improve power factor from 0.95 to 0.99.
3. In tube lights 13 W defective chokes are being replaced with 2 W electronic chokes.
4. In new plant at Manesar:
 - (A) Work shed, roof and windows are designed in such a way that there is enough natural day light inside.
 - (B) Street lights are designed in 70 W, instead of conventional 150 or 250 W.
5. Proposal under consideration for hiring services of an agency to suggest further energy conservation.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

As a result of increasing scale of energy conservation measures taken in earlier years, there have been savings in the cost of production in the inflationary conditions. The Company continues to make all efforts to keep energy consumption at optimum level.

(d) Total energy consumption and energy consumption per unit of production as per Form A appended.

B. Technology absorption

(e) Efforts made in the technology absorption as per Form B appended.

C. Foreign exchange earnings and outgo:

(f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans:

Your Company is able to increase 19% export sales over the previous year. Though considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits formed part of the initiatives to increase the exports. The Company has also made efforts on various other fronts for promotion of Exports like manufacturing of products as per new international quality standards, improvement in the packaging etc. Besides export through distributors, the Company has geared up its efforts in approaching directly to OEMs. Further efforts in the same direction will continue to enable your Company to earn valuable foreign exchange for the country.

(g) Total Foreign exchange used and earned:

Total Foreign exchange earned	:	Rs.6115 Lacs
Total Foreign exchange used	:	Rs.5874 Lacs

for and on behalf of the Board of Directors

Place : New Delhi
Dated : August 08, 2012

Lalit Kumar Jain
Chairman & Managing Director

Form A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

Particulars	2011-2012	2010-2011
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
unit (Kwh in thousand)	15720.74	16147.05
Total amount (Rs. in lacs)	827.10	762.38
Rate/ unit (Rs.)	5.26	4.72
(b) Own generation		
Through diesel generator (unit in thousand)	5115.62	5161.19
Rate per litre of diesel oil	39.76	35.59
Cost/ unit (Rs.)	11.94	10.64
2. LPG		
Qty./ Tons	232.84	261.00
Total amount (Rs. in lacs)	160.70	138.70
Average Rate/ Kilogram (Rs.)	69.02	53.14
3. Furnace Oil		
Qty./ Litres (in thousand)	-	-
Total amount (Rs. in lacs)	-	-
Average Rate/ litre (Rs.)	-	-
B. Consumption per ton of production		
Product (with details) Unit		
Electricity (Units/ Ton)	1117.05	1112.82
LPG (kg./ Ton)	12.48	13.63
Furnace Oil (litre/ Ton)	-	-

Form B

Form for disclosure of particulars with respect to absorption:

A. RESEARCH AND DEVELOPMENT (R&D)

a) Specific areas in which R & D carried out by the Company & benefits derived there from:

The Company has its own R & D centre at Corporate Office, Rohtak and has carried out research and development of fasteners in various fields taking into consideration market competition and cost effectiveness. Full focus was given for customer satisfaction through zero defect manufacturing, process cost reduction and manufacturing and process excellence.

In the financial year 2011-12, in-house R&D centre has been recognized by Department of Science and Technology, Ministry of Science and Technology, New Delhi.

Company is also entered in joint collaboration with M.D. University, Rohtak in the financial year 2011-12 for exchange of scientific, research and training programs for five years.

R & D work carried-out during financial year 2011-12:

1. Development of hex trim die with new advanced material for cold forging fasteners manufactured through hard material. The Life of trim die made by new material has been increased around four times compared to normal trim die.
2. Process excellence of cadmium free plating plant to improve the quality and reduce the running cost per metric ton without sacrifices of quality of product.
3. Flat and serration extrusion of Cam front brake and cam rear brake of motor cycle.
4. NADCAP Certification approval for Heat Treatment process and FPI-NDT technique.
5. Generation of Calibration process of old and new Salt spray testing equipment as per the standard B-117 (Standard Practice for operating Salt Spray (Fog) apparatus and Volvo standard.
6. Process established for special grade material like Inconel-718 alloy, titanium alloy.
7. New process developed for electroless nickel plating for advanced material for Aerospace Sector.
8. Special threaded fastener developed PT Thread/ Altraces Thread/ High Low Thread/Self Tapping/ Gimlet Point Thread.
9. Introduction of quick scope and combination gauge in quality department provided to supply defect free product to customer on high value parts.

b) Future Plan of action:

1. Up gradation of tool design process technology, input raw material quality, process and preventive maintenance system and down time reduction to have high efficiency in productivity, aiming growth in the financial year.
2. Strengthening and upgradation of special process like Heat Treatment, Metal Finishing Section and Warm forging of hard material like A286, modification on spilt die machine.
3. Process optimization, validation of forging processes through Simufact software. and die stress analysis for value engineering purposes.
4. Rig development of distributor for design validation and pressure leakage endurance test.
5. Higher productivity from newly installed machines.
6. Aerospace System Implementation. Such as NADCAP approval for Material testing lab, MPI and Cadmium plating GRAMS, S-400, S-1000 etc. to meet the aerospace customer requirements.
7. Enhancing tool life and reducing tool cost without sacrificing quality of tools and products.

c) Expenditure on R & D:**(Rs. in lacs)**

(1) Capital	258.22
(2) Recurring	104.46
Total	<u>362.68</u>
(3) Total R&D expenditure as a percentage of turnover	1.07%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**I. Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result thereof:**

1. The Company has started extensive use of new software which has strengthened planning system, on line quality monitoring and design calculation.
2. Productivity has been improved through better tool life improvement new tool material concept.
3. Trivalent Passivation in multicolour successfully approved by strategic customers.
4. Trivalent Passivation has been widely accepted by domestic and global customers and its demand is on upward trend.
5. Extensive reduction in tool manufacturing cycle time through latest CNC machining process and new concept machining tools.
6. The Company always keep itself updated with all latest technological innovation by way of constant communication, visit to domestic/ foreign Companies.
7. New stress analysis software has been installed in Design & Development Department for ensuring speedy work and better understanding of new joiners.
8. New concept of Long Bolt Rolling Machine introduced for high productivity.
9. Company has started developing more and more components/ shafts through cold forging process.
10. Company has saved lacs of rupees through process innovation and process modification.
11. With the development of shafts/ components/ parts for auto industry, Company's image has been widely appreciated by customers.

II. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year)

NIL

Annexure 'B' to the Directors' Report

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the financial year ended March 31, 2012.

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Date of Joining	Age/ Exp. (in years)	Qualifications	% of Shares holding	Last employment held
01	Mr. Lalit Kumar Jain	Chairman & Managing Director	1,29,45,000	05.12.74	58 38	B. E. Mech.	10.60	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	1,30,27,200	27.12.68	64 44	B. Com.	2.30	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	1,30,27,200	05.12.74	55 37	B. A.	10.35	-
04	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	26,30,400	24.02.74	62 38	B.E. Mech.	0.94	-
05	Mr. Rajesh jain	Non-Executive Director	36,00,000	28.09.90	54 32	B.E. Tech.	13.08	-

Notes:

1. Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
2. Except Mr. Rajesh Jain all the above said appointments are approved by the Central Government for a period of 5 years. The remuneration of Mr. Rajesh Jain, Non-Executive Director is approved by the Central Government for a period of 3 years.
3. The nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
4. The Company did not have an employee either in the whole or part of the year under review who was in receipt of remuneration in the year which, in the aggregate or at the rate which, in the aggregate, was in excess of that drawn by the Managing Director and held by himself or along with his spouse and dependent children, more than 2% of the paid up Equity Shares Capital of the Company.
5. Mr. Vijay Kumar Jain and Mr. Rajesh Jain are the relative of Chairman & Managing Director of the Company.
6. Mr. Sudesh Kumar Jain is a relative of Vice Chairman & Managing Director of the Company.
7. There is no other employee employed during the financial year drawing remuneration of more than Rs.5 lacs p.m.

REPORT ON CORPORATE GOVERNANCE

(1) Company's philosophy

In the context of modern business environment where the stakeholders are scattered all over the country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and better corporate governance. The Company has recognized its importance long before the introduction of clause 49 of the listing agreement and has always believed in self-discipline and adherence to proper and efficient system. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as independent Directors and represented in the various Board Committees. Systematic attempt is made to eliminate informational asymmetry between executive and non-executive directors.

Key elements in the Corporate Governance are transparency, accountability and equity, in all facets of its operations, and all interactions with its stakeholders, including the shareholders, employees, the Government and the Bankers.

Your Company's Corporate Governance philosophy is based on the following principles:

- (1) Comply with the applicable laws of the country.
- (2) Have simple and transparent corporate structure driven by business needs.
- (3) Management is the trustee of the shareholders capital.
- (4) Be transparent and to maintain high degree of disclosure levels.

The Company's Board and Senior Level Management comprise of individuals with rich experience and expertise across a range of disciplines including fasteners industry.

Company's Values

All employees are committed to living the Company's values given below:

- Customer obsession
- Continuous improvement
- Respect for people
- Respect for work place ethics.

Disclosure of Information to Investors

Your Company ensures the timely disclosure of all material information in compliance with applicable laws.

(2) Board of Directors

Composition and category of Directors

During the year Board of the Company consists of ten Directors which comprises three Executive Directors, seven Non Executive Directors out of whom five are independent. The Company is chaired by an Executive Director. Mr. Lalit Kumar Jain, Chairman & Managing Director is son of Smt. Sushila Devi Jain, Director and brother of Mr. Vijay Kumar Jain, Joint Managing Director and Mr. Rajesh Jain, Director. All the remaining Directors are not related to other Directors. The functions of the Board include formulation of strategic and business plans, setting up of goals and evaluation of performance, approving corporate philosophy and mission; monitoring corporate performance against strategic business plans, overseeing operations, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

During the financial year 2011-12, Six Board Meetings were held on 30.05.2011, 08.08.2011, 03.09.2011, 24.09.2011, 04.11.2011 and 01.02.2012. The gap between any two consecutive Board Meetings did not exceed four months.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosures regarding Committee position in other public companies as at March 31, 2012 have been made by the Directors. Also, none of the Directors on the Board holds the office of Director in more than 15 companies.

The composition of Board of Directors, their attendance at the Board Meetings held during the year, at the last Annual General Meeting and also number of directorships and chairmanships/ memberships of committees of each director held in various companies are as follows:

Sr. No.	Name of Director	Category	Attendance Record		No. of other Directorship#	No. of Membership(s)/ Chairmanship(s) of Board Committee in other Companies*
			Board Meetings	Last AGM		
1.	Mr. Lalit Kumar Jain	ED (CMD)	6	Yes	5	1 (as Member)
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	6	Yes	3	1 (as Member)
3.	Mr. Vijay Kumar Jain	ED (JMD)	3	Yes	3	Nil
4.	Mr. Rajesh Jain	NED	4	Yes	8	2 (including 1 as Chairman)
5.	Mrs. Sushila Devi Jain	NED	3	No	Nil	Nil
6.	Mr. Jamshed Rustomji Desai	NEID	6	No	1	2 (as Member)
7.	Mr. Keshwa Nand Rattan	NEID	6	Yes	Nil	1 (as Chairman)
8.	Mr. Ajay Kumar Chakraborty	NEID	5	No	2	3 (including 1 as Chairman)
9.	Mr. Bhupendranath Vidyathath Bhargava	NEID	5	No	9	8 (including 5 as Chairman)
10.	Mr. Bhagwan Das Narang	NEID	6	No	17	1 (as Member)

* Board Committee for this purpose includes Audit Committee and Share Transfer and Investors Grievance Committee (including Board Committees of Lakshmi Precision Screws Ltd.).

including all public limited companies, whether listed or not, private and foreign companies.

CMD	-	Chairman and Managing Director
VCMD	-	Vice Chairman and Managing Director
JMD	-	Joint Managing Director
ED	-	Executive Director
NEID	-	Non Executive Independent Director

Terms of reference to the Board of Directors

Apart from placing the statutory information before the Board Members, it is the policy of the Company to regularly place the information/ matter involving major decisions like Annual Budget, Joint Ventures and Technology Collaboration, Investments, Quarterly Results, Minutes of Meeting of Audit Committee(s) and other Committee(s) of the Board and other material information. The Board also periodically reviews the compliance reports of all laws applicable to the Company. The required information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board for discussion and consideration.

Disclosures regarding Appointment/ Re-appointment of Directors.

The particulars of Directors being appointed and re-appointed are given in the Explanatory Statement attached to the notice of the forthcoming Annual General Meeting of the Company. Further, Mr. Rajesh Jain and Mr. Bhagwan Das Narang, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Code of Conduct and Compliance

The Code of Conduct applicable to all Board Members and Senior Management Personnel of the Company has been laid down by the Board and is hosted on the website of the Company www.lpsindia.com. All the Board Members and Senior Management Personnel of the Company have affirmed the compliance of Code of Conduct for the financial year ended March 31, 2012. A declaration to this effect, duly signed by the Chairman and Managing Director (CEO) is given in the Annual Report.

Insider Trading

Presently, the Company's shares are listed at the National Stock Exchange and Bombay Stock Exchange. With the intention of preventing insider dealing in the securities of the Company, the Company has formulated an "Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" in accordance with the terms of the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992 as amended.

Risk Management

In terms of the requirements of Clause 49 of Listing Agreement, the Company has laid down procedures to inform Board members about the Risk Assessment and Minimization Procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined frame work.

The Company is a large scale manufacturer of automotive and engineering components, faces internal and external risks.

Internal risks relate to security of data, pollution controls and internal control.

External risks relate to inflation, competition, price, currency and market volatility.

The Company is mitigating the price risk by additional sales volumes and wide range of products with global customer base. Increase in steel prices are controlled by diversifying its sources.

Inflation resulted in increase of employees' cost to Company and adverse impact on the economy.

The Company is reviewing the impact of above risks at the periodic intervals and taking remedial measures accordingly.

Subsidiary Companies

The revised clause 49 defines a 'material non-listed subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As such the Company does not have a 'material non-listed Indian subsidiary' under this definition.

Board Committees

The Board has constituted five committees viz. The Audit Committee, Corporate Governance and Remuneration Committee, Share Transfer and Investors Grievance Committee, Selection Committee and Committee of Directors. All the Board Committees are chaired by Non Executive Directors except Committee of Directors. The Board/ Committee meet regularly and are responsible for the proper management of the Company.

(3) Audit Committee and composition:

Terms of Reference and composition:

The Audit Committee comprises of five Non-Executive Independent Directors and one Non-Executive Director. Mr. Keshwa Nand Rattan is the Chairman of the Committee, the other members are Mr. Jamshed Rustomji Desai, Mr. Rajesh Jain, Mr. Ajay Kumar Chakraborty and Mr. Bhagwan Das Narang. The constitution of the Committee meets with the requirements of Section 292A of the Companies Act, 1956 as well as the Clause 49 of the Listing Agreement.

During the year 2011-12 Four Audit Committee meetings were held on 30.05.2011, 08.08.2011, 04.11.2011 and 01.02.2012. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Keshwa Nand Rattan	Chairman	4
Mr. Jamshed Rustomji Desai	Member	4
Mr. Rajesh Jain	Member	2
Mr. Ajay Kumar Chakraborty	Member	3
Mr. Bhagwan Das Narang	Member	4

The Statutory, Internal Auditors and other executives generally attended the meetings on invitation. Mr. Keshwa Nand Rattan is the Chairman of the Audit Committee and was present in the last Annual General Meeting of the Company.

Company Secretary acts as the Secretary of the Audit Committee.

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the audit committee shall include the following:

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, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for 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 rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the 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. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into 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. Discussion 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 into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

(4) Corporate Governance and Remuneration Committee

Terms of Reference and Composition:

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act.

The Company has a Corporate Governance and Remuneration Committee. The Committee consists of four (4) Non-executive Directors, out of which three (3) Directors are Independent Director. Mr. Jamshed Rustomji Desai, Non-executive Independent Director is the Chairman of the Committee,

Mr. Keshwa Nand Rattan, Mr. Rajesh Jain and Mr. Ajay Kumar Chakraborty, are the members of the Committee. The said Committee reviewed the remuneration package of Mr. Rajesh Jain, Non-executive Director during the year and subsequently Company obtained the approval of the Board, Members and Central Government for the same.

During the year 2011-12, one Corporate Governance and Remuneration Committee meeting was held on 08.08.2011. The attendance of Members during the meeting was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Jamshed Rustomji Desai	Chairman	1
Mr. Keshwa Nand Rattan	Member	1
Mr. Rajesh Jain	Member	1
Mr. Ajay Kumar Chakraborty	Member	1

Company Secretary acts as the Secretary of Corporate Governance and Remuneration Committee.

Remuneration policy

Except Mr. Rajesh Jain all the Non-Executive Directors are getting only sitting fees for attending the meetings of the Board and/ or Committees.

The payment of remuneration to Executive Directors is governed by the respective resolutions passed by the Meetings of Committees/ Board/ Members and approved by the Central Government. The remuneration structure comprises of Salary, Allowances, Perquisites and Contribution to Provident Fund. Remuneration of employees largely consists of base remuneration and perquisites.

The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and reward merit.

Details of remuneration paid in the financial year 2011-2012:

(a) Executive Directors:

Managing Directors / Joint Managing Director	Salary (Rs.)	Perquisites * (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	60,00,000	62,25,000	7,20,000
Mr. Dinesh Kumar Jain	60,00,000	63,07,200	7,20,000
Mr. Vijay Kumar Jain	60,00,000	63,07,200	7,20,000
Total	1,80,00,000	1,88,39,400	21,60,000

* Perquisites includes arrears

The above remuneration are approved by the members of the Company in its Annual General Meeting held on 29th September, 2011 and also by the Central Government vide its letter no.SRNo.B22892418/02/2011-CL.VII, SRNo. B22893614/02/2011-CL.VII dated 27.12.2012 and SRNo.B22893853/02/2011-CL.VII dated 15.12.2012.

(b) Non-executive Directors:

Except Mr. Rajesh Jain all the Non-executive Directors are paid only the sitting fee of Rs.10,000/- per Board/ Committee Meeting attended:

Name of the Directors	Rs.
Mr. Rajesh Jain *	3670000
Mrs. Sushila Devi Jain	30000
Mr. Jamshed Rustomji Desai	110000
Mr. Keshwa Nand Rattan	110000
Mr. Ajay Kumar Chakraborty	90000
Mr. Bhupendranath Vidyanath Bhargava	50000
Mr. Bhagwan Das Narang	100000
Total	4160000

* The payment of Mr. Rajesh Jain, Non-executive Director is comprising of Rs.36,00,000 as remuneration and Rs.70,000 as sitting fees. The said payment is approved by the members of the Company in its Annual General Meeting held on 29th September, 2010 and also by the Central Government vide its letter no.A96200837/2/2010-CL.VII dated 31.12.2010.

Details of No. of shares held by Non-executive Directors in the Company:

Name of the Directors	No. of Shares
Mr. Rajesh Jain	1430804
Mrs. Sushila Devi Jain	310415
Mr. Jamshed Rustomji Desai	2204
Mr. Keshwa Nand Rattan	500
Mr. Ajay Kumar Chakraborty	NIL
Mr. Bhupendranath Vidyathath Bhargava	5000
Mr. Bhagwan Das Narang	NIL

(5) Share Transfer and Investors Grievance Committee:

Terms of Reference and composition:

Share Transfer and Investors Grievance Committee comprises of four directors under the Chairmanship of Mr. Rajesh Jain, Non-executive Director and other members being Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Jamshed Rustomji Desai. The Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder or investor concern including the followings:

- Approval/ rejection of transfer/ transmission of shares and issue of duplicate share certificates.
- Review and Redressal of shareholders' and investors' grievances/ complaints like non receipt of dividend warrants, share certificates and annual reports etc.

The members of the Committee normally meet twice in a month for share transfer and other said purposes, if required. During the year 2011-12, eight Share Transfer and Investors Grievance Committee meetings were held.

Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

During the year, the Company has received two complaints of Members from SEBI and Stock Exchanges. The Company endeavors to reply and resolved all the complaints received from the SEBI/ Stock Exchanges/ Members within a period of 10 days. As on March 31, 2012, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The members may email to M/s MCS Ltd. admin@mcsdel.com and endorse a copy to Compliance Officer at the email id complianceofficer@lpsindia.com for early response of their queries.

All the members of the Company are being informed that M/s. MCS Ltd. (Registrar and Share Transfer Agent) have developed '**ON LINE SERVICES**' facilities for the members/ investors of the Company. Accordingly, members are requested to avail online services with regard to Investor Grievances by lodging in on the site of MCS Limited www.mcsdel.com and then by clicking on "Investors Services". This way members can register their queries/ grievances or obtain details as required by them. The registered queries/ grievances on the site will be responded by M/s. MCS Ltd. on priority basis.

(6) Annual General Meetings:

(a) Details of last three Annual General Meetings of the Company are given below:

Meetings	Date	Time	Venue	No. of Special Resolution (s) Passed
Annual General Meeting	29.09.2011	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	Four 1) Approved increase in the remuneration of Mr. Lalit Kumar Jain, Chairman and Managing Director of the Company. 2) Approved increase in the remuneration of Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director of the Company. 3) Approved increase in the remuneration of Mr. Vijay Kumar Jain, Joint Managing Director of the Company. 4) Approved amendment in the Articles of Association.
Annual General Meeting	29.09.2010	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	One Approved the remuneration of Mr. Rajesh Jain, Non Executive Director of the Company.
Annual General Meeting	30.09.2009	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	NIL

(b) No special resolution requiring postal balloting as recommended under Clause 49 of the Listing Agreement is placed for shareholders' approval at this meeting.

(c) No special resolution was passed through postal ballot at the last Annual General Meeting held on 29th September, 2011.

(7) DISCLOSURES

- The Company has disclosed the transactions with related parties in Note No.31 (xv)(a)(b) of the Annual Accounts, which have been entered with its Subsidiary, Associates, Key Managerial Personnel, their relatives and other related parties. During the year, there were no transactions of material nature with the Directors or the Management or its subsidiaries or relatives that had potential conflict with the interest of the Company. The Audit Committee of the Company reviews the related party transactions in its meetings.
- There were neither any non-compliance by the Company on any matters relating to capital markets during the last three years; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any Statutory Authority.
- The Company has Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company, at large.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

CEO/ CFO Certification

The Chairman and Managing Director (CEO) and the AVP (Finance) (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended March 31, 2012.

(8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express, Business Lines (English) and Jansatta (Hindi). The quarterly shareholding pattern, quarterly/ half-yearly/ yearly results and Corporate Governance Report are also placed on the Company's website <http://www.lpsindia.com> under the head of 'Financial Info' for the purpose of household of the Members. As the Company publishes the Audited Annual Results within a stipulated period of 60 days from the close of financial year i.e. March 31, 2012, as permitted under the listing Agreement of the Stock Exchanges, the Unaudited Results for the last quarter of the financial year are not published. The various other reports and returns are also filed with the Stock Exchanges and the Registrar of Companies.

During the year, the Company has not made any formal presentation to institutional investors or analysts. A Management Discussion & Analysis Report which also forms part of the annual report is given by means of a separate annexure and is attached to the Directors' Report.

(9) General Shareholders Information and financial calendar 2012-13:

(i) Annual General Meeting is proposed to be held on Saturday, 29th September, 2012 at 11.30 A. M. at the Regd. Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak.

(ii) Financial calendar (tentative and subject to change):

Financial Reporting for the quarter ending June 30, 2012	Mid of August, 2012
Mailing of Annual Reports to the Members	Starting of September, 2012
Annual General Meeting for the year 2011-12	End of September, 2012
Financial Reporting for the half-year ending Sept. 30, 2012	Mid of November, 2012
Financial Reporting for the quarter ending December 31, 2012	Mid of February, 2013
Financial Reporting for the year ending March 31, 2013	End of May, 2013

(iii) Dates of Book closure: Friday 21st September, 2012 to Saturday, 29th September, 2012. (both days inclusive)

(iv) Dividend payment date: Dividend @ 15% on equity shares capital was recommended on 23rd May, 2012 and subject to the approval of members at the ensuing Annual General Meeting and will be paid within 30 days from the date of AGM.

(v) Listing of equity shares on Stock Exchanges at:

The Bombay Stock Exchange Ltd. (BSE)	-	Stock Code	506079
The National Stock Exchange of India Ltd. (NSE)	-	Stock Code	LAKPRE

The Annual Listing fees for the year 2012-13 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2012-13 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

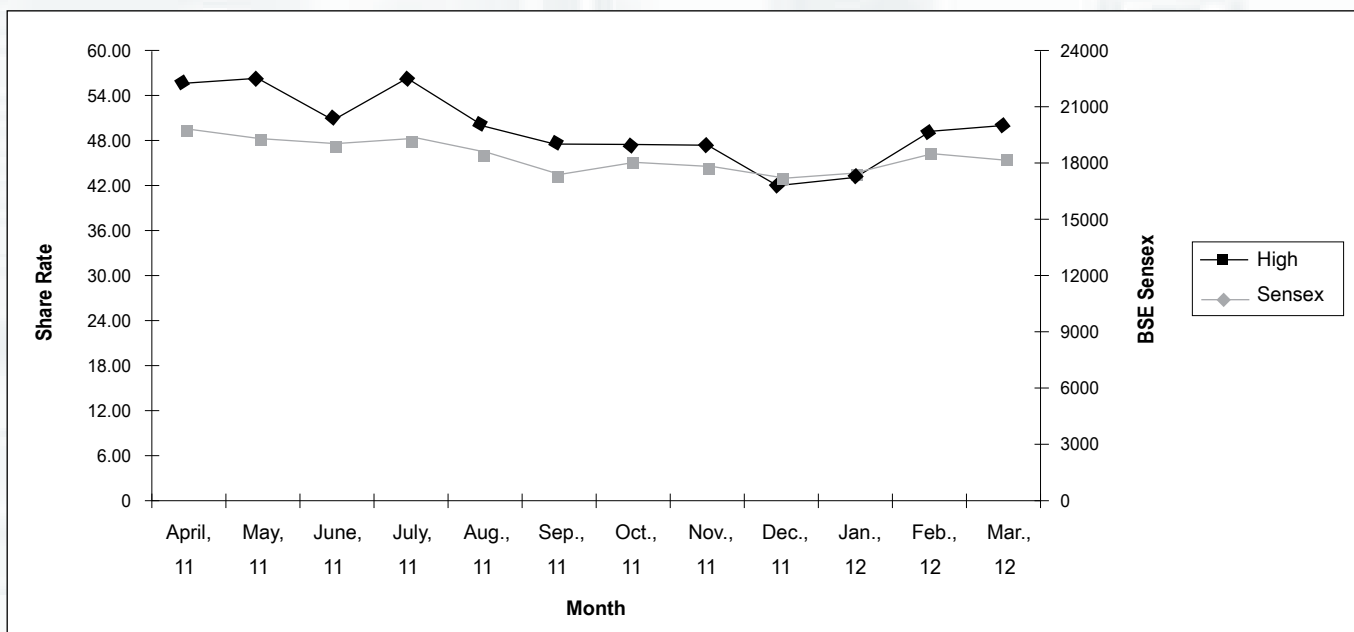
(vi) **Market Price Data:**

Market Price Data for the financial year 2011-12

Year	National Stock Exchange		Bombay Stock Exchange		
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	Sensex
2011-12 (Month)					
Apr. – 2011	55.90	45.20	55.90	47.55	19811
May – 2011	53.90	44.00	56.40	45.85	19254
Jun. – 2011	50.00	40.40	51.00	42.50	18873
Jul. – 2011	57.70	41.00	56.45	43.55	19132
Aug. – 2011	48.90	35.15	50.00	35.75	18440
Sep. – 2011	46.35	37.00	47.20	37.55	17212
Oct. – 2011	42.00	37.00	46.95	36.80	17908
Nov. – 2011	43.30	32.00	46.95	34.85	17702
Dec. – 2011	38.90	27.15	41.40	29.90	17004
Jan. – 2012	40.70	31.00	42.45	32.50	17259
Feb. – 2012	49.90	35.00	49.00	36.20	18524
Mar. – 2012	45.80	35.00	49.95	36.20	18041

(vii) **Performance of share price of the Company in comparison to the BSE Sensex:**

Index Comparison – LPS Share Price Vs BSE Sensex



(viii) **Particulars of Registrar and Share Transfer Agent:**

M/s. MCS Ltd.
F- 65, First Floor, Phase – I,
Okhla Industrial Area, New Delhi – 110 020.
Tel: +91-11-41406149
Fax: +91-11-41709881
E-mail: admin@mcsdel.com

M/s. MCS Ltd., New Delhi, has been appointed w.e.f. 31.03.2003 as the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

(ix) **Share Transfer System:**

The Shares of the Company are traded in the compulsory demat mode for all investors. The shares sent for transfer in physical form are registered within a (if in order and complete in all respects) and the shares certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. All the Share Transfers, received are being approved by Share Transfer and Investors Grievance Committee, which normally meets twice in a month.

In compliance with the Clause 47(c) of the Listing Agreement, every 6 months a practicing Company Secretary audits the system of transfer and a compliance certificate to that effect is issued which, in turn, is submitted to the Stock Exchanges. Also, in compliance with the SEBI (Depositories and Participants) Regulations, 1996, for timely dematerialization of the shares of the Company and for reconciliation of share capital of the Company, a quarterly Reconciliation of Share Capital Audit is being conducted by a practicing Company Secretary and the Reconciliation of Share

Capital Audit is issued which, in turn, is submitted to the Stock Exchanges. The above said compliance certificate and Reconciliation of Share Capital Audit are also placed before the Board from time to time for their noting.

International Securities Identification Number (Demat ISIN Code for NSDL & CDSL) : INE651C01018

(x) Distribution of shareholding as on 31st March, 2012:

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	6760	89.02	893522	8935220	8.17
5001 to 10000	404	5.32	322254	3222540	2.95
10001 to 20000	207	2.73	310900	3109000	2.84
20001 to 30000	62	0.82	155903	1559030	1.42
30001 to 40000	31	0.41	110053	1100530	1.01
40001 to 50000	29	0.37	133745	1337450	1.22
50001 to 100000	50	0.66	380077	3800770	3.47
100001 and above	51	0.67	8635213	86352130	78.92
Total	7594	100.00	10941667	109416670	100.00

(xi) Shareholding Pattern as on 31st March, 2012:

Particulars of Shareholders	No. of Shareholders	No. of Shares	% of Shareholding
Banks & Financial Institutions	6	1925	0.018
Foreign Institutional Investors	3	1250	0.011
NRIs/ OCBs	67	46133	0.422
Mutual Funds	3	900700	8.232
Private Corporate Bodies	181	420099	3.839
Promoter and Promoter Group	24	6880287	62.882
Persons acting in concert	2	30733	0.281
General Public	7308	2660540	24.315
Total	7594	10941667	100.000

(xii) Dematerialization of shares and liquidity:

As on 31st March, 2012, 96.52% of Company's total paid up capital representing 1,05,61,307 equity shares of Rs.10/- each were held in dematerialized form [i.e. 96,78,236 shares (88.45%) with NSDL and 8,83,071 shares (8.07%) with CDSL] and balance 3.48% representing 3,80,360 equity shares of Rs.10/- each shares were held in physical form.

The trading in Company's shares is permitted compulsorily in dematerialized form from 26.06.2001 as per notification issued by SEBI. It is advisable that the members who have shares in physical form, may get their shares dematerialized by sending their request to the Registrar through their Depository Participant.

(xiii) The Company has not issued any GDRs/ ADRs/ Warrant or any Convertible Instruments as such there will be no impact on the equity.

(xiv) Plant Locations:

Plant – I:

Lakshmi Precision Screws Ltd.
46/1, Mile Stone, Hissar Road, Rohtak – 124 001.

Plant – III:

Lakshmi Precision Screws Ltd.
153, Sector-3, IMT Manesar, Gurgaon

Plant – II:

Lakshmi Precision Screws Ltd.
Opp. Northern Bye Pass, Hissar Road, Rohtak – 124 001.

Plant – IV:

Lakshmi Precision Screws Ltd.
15th KM Mile Stone, NH-10,
Delhi Rohtak Road, VPO-Kharawar, Rohtak – 124 001.

(xv) Address for correspondence:

The Company Secretary
Lakshmi Precision Screws Ltd. P-II
Opp. Northern Bye Pass, Hissar Road, Rohtak – 124 001.
Tel : +91-1262-2499920 Fax: +91-1262-248297 E-mail: nkakkar@lpsindia.com

(xvi) Compliance:

The certificate dated 23.05.2012 issued by Auditors of the Company, regarding compliance of 'Corporate Governance', as stipulated under clause 49 of the Listing Agreement is annexed herewith.

(xvii) Non-mandatory requirements as prescribed in Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges:

1. A Committee under the name of Corporate Governance and Remuneration Committee comprising 4 Non-Executive Directors are functional for reviewing and deciding the Company's policy on specific remuneration packages for Executive Directors.
2. Shareholders rights: The quarterly/ half-yearly/ annual financial results are published in two newspapers of English and Hindi languages and hosted on the Company's website. The same is also communicated to the stock exchanges within the stipulated time period.
3. The Company has Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forms an integral part of Board of Directors' Report)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Keeping the growth trend of previous year, the automotive sector, the prime customer of the fastener industry, started year 2011-12 at a good note. However, after the first quarter the sector was adversely affected by the overall slowdown in the global as well as Indian economy. The year ended with a modest growth of 13.83% overall.

The growth of domestic market in automobile sector in its various segment is as under:

DOMESTIC SALE TRENDS :

	2010-11 No of Sales	2011-12 % growth
Passenger Vehides	2,519,000	29.00
	2,618,072	4.00
Two Wheelers	11,790,000	25.80
	13,435,769	14.16
Commercial Vehicles	676,000	27.00
	809,532	18.20
Three Wheelers	526,000	19.50
	513,251	-2.43
Overall industry	15,513,156	26.17
	17,376,624	12.24

Exports market witness a growth at 25.44 percent overall at 2,910,055 units in the period under review from 2,319,956 units shipped out during 2010-11.

OPPORTUNITIES AND THREATS

a) Opportunities

The year 2012-13 has started with a positive node for the automotive sector. Both domestic and overseas market seems promising for the coming year. Besides the Automotive sector. other sector like construction, heavy engineering, railways etc are also showing promising trends. Keeping in view of the same fasteners industry also is likely to grow around 10% to 15%.

b) Threats

The threat for our industry includes:

1. Higher Inflation rate
2. Slow growth of over all economy of India leading to slow industrial growth hence lowering the demand of product
3. Rising Raw Material cost resulting of thinning margin
4. Volatile forex rates can impact import and export transactions

FUTURE OUTLOOK

However, the outlook for the year 2012-13 is positive and industry is expected to grow decently. SIAM has given the following projections for the FY 2013

- SIAM has projected passenger car sales growth at 10-12 per cent in 2012-13.
- Sales of trucks and buses, a key indicator of economic activity, rose 18.2 percent in 2011-12 and are seen growing 9 to 11 per cent in this fiscal year.
- SIAM has pegged the motorcycle segment to grow 10-12 per cent in FY13 and scooters by 15-17 percent. Two wheeler segment is expected to have a growth of around 14-15%.
- Commercial Vehicles is projected to grow by 9 to 11 per cent in FY13.
- SIAM has also projected 5 to 7 per cent growth for Three Wheelers.

The performance of the fastener industry is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy The economic outlook is better than Previous year Country is looking a revival of growth of the economy which is expected around 6.5% to 7% during financial year 2012-13. In this positive scenario your company foresee a platform to gain the momentum of growth.

The company is in comfortable position to take advantage of upcoming opportunity as it has deep penetration in all major sectors. The company has been able to maintained and grow its market share. The company is expecting to maintain its growth trend in the coming years also.

RISK AND CONCERNS

The risk and concerns for our industry is pertaining to the following areas, but not limited to:

1. Rising Prices of Raw Material
2. Global Economy Slowdown
3. Increasing International Competition
4. Forex rates volatility etc.

However, your company is well equipped to face all kinds of risk and concerns, and have risk management strategy in place which is periodically reviewed by Audit Committee and Board of Directors.

INTERNAL CONTROL AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with the size and nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management, and documented policies, guidelines and procedures. The internal control is design to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

FINANCIAL REVIEW

In the scenario of growing economy, the performance of the Company during the year has been good. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and Other Financial Statements, etc. Highlights are provided below:

	(Rs. in lacs)	
	2012	2011
Net Sales & Other Income	34458	31472
Profit before Interest, Depreciation and Tax	5614	5011

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2011-12, separately.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes that the employee is the first customer an organization has to win, and to fulfill this purpose it is important to have a team whose members are well conversant with both technical and commercial knowledge.

Being a manufacturing Company, workers form an important link in the chain of growth. A congenial atmosphere has been created at the shop floor level and all facilities required for a secure and cordial environment are provided. Management at all level takes care of the interest of the workforce and frequent interactive sessions are conducted throughout the year.

Your Company continues to reward to its talented employees at all levels to recognize every effort made towards improvement in the workplace through Kaizen, Quality Circles, TPM, TQM, 5S activity and individual/ team contributions.

The employee-management relations have remained positive throughout the year. Initiatives are being taken to enhance the productivity of employees. Total employee strength of the Company is about 1140 people employed in manufacturing plants and branch offices across the Country. The team of employees consists of people who are experts in their respective and allied fields.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations, interest cost and other factors. All stakeholders should bear the above in mind.

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

To
The Board of Directors
Lakshmi Precision Screws Ltd.
Hissar Road, Rohtak.

I, Lalit Kumar Jain, Chairman & Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2011-12.

for **Lakshmi Precision Screws Ltd.**

Place : **New Delhi**
Dated : **May 23, 2012**

Lalit Kumar Jain
Chairman & Managing Director (CEO)

CERTIFICATION BY CEO & CFO

To
The Board of Directors,
Lakshmi Precision Screws Ltd.
Hissar Road, Rohtak.

Ref.: Certification by CEO/ CFO for the financial year 2011-12.

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Lakshmi Precision Screws Ltd., to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year 2011-12 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee, wherever applicable, the following:
- significant changes in internal controls over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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.

for **Lakshmi Precision Screws Ltd.**

Place : **New Delhi**
Dated : **May 23, 2012**

Lalit Kumar Jain
Chairman & Managing Director (CEO)

Kanai Lal Ghorui
AVP (Accounts) (CFO)

ANNEXURE TO THE DIRECTORS' REPORT

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Lakshmi Precision Screws Limited, Rohtak

We have examined the compliance of conditions of Corporate Governance by Lakshmi Precision Screws Ltd. having its Registered Office at 46/1, Mile Stone, Hissar Road, Rohtak for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

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 **V.R. Bansal & Associates**
Chartered Accountants

Place : **NOIDA**
Dated : **May 23, 2012**

V.P. Bansal
Partner

AUDITORS' REPORT

To,
The Members of
LAKSHMI PRECISION SCREWS LIMITED

We have audited the attached Balance Sheet of Lakshmi Precision Screws Limited as at 31st March, 2012 and also the statement of Profit and Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to above, we report that :-

- i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of audit have been received from the branches not visited by us;
- iii) the Balance Sheet and the statement of Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India;

v) on the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

vi) We further state that:

The Company has not obtained actuarial valuation in respect of provision for gratuity liability and leave encashment payable to its employees. The impact of liability on this account, is therefore not ascertainable and cannot be quantified. Further, the disclosures as required by AS-15 'Employee Benefits' are not furnished in their entirety.

As per the accounting policy of the Company, the Company is valuing its inventories at lower of cost and net realizable value. As explained to us, since exact cost is not ascertainable, the same is arrived at list price less 55% in case of finished goods and at list price less 65% in case of semi-finished goods and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price.

As explained to us the exact cost will be ascertained after implementation of cost records. Pending such determination of exact cost, the impact, if any, on the financial statements is not ascertainable and hence not provided for.

As per the information and explanations given to us, stocks of dies carried as inventories are amortized as a charge to the statement of profit and loss when they are scrapped from active use while the same should be written off on a systematic basis over their useful period of lives based on actual production. The impact, if any, on the financial statements is not ascertainable and hence cannot be quantified.

vii) Subject to our observations as stated in para vi) above with consequential effects on the financial statements, in our opinion, and to the best of our informations and according to the explanations given to us, the financial statements read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.

(b) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

for **V.R. Bansal & Associates**
Chartered Accountants
Registration No.-016534 N

Place : **NOIDA**
Dated : **May 23, 2012**

V.P. Bansal
Partner
M No. 8843

ANNEXURE TO THE AUDITORS' REPORT

(Referred to our report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1. a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However the same needs updation with regard to item-wise depreciation and accumulated depreciation in respect of each asset.
- b) The fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the Company and nature of its assets. We have been informed that no material discrepancies were noticed on such physical verification.
- c) Substantial part of fixed assets has not been disposed off during the year.
2. a) As explained to us, physical verification of inventory was conducted on test check basis by an independent firm of Chartered Accountants at the end of the year. In our opinion all the items of inventories should be physically verified by the management at least once in a year and not on a test check basis.
- b) In our opinion, the procedures of physical verification of inventory of finished goods, semi finished goods and raw materials followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, physical verification of inventories should be carried out throughout the year on perpetual basis and the procedure should be so designed that each material item is physically verified at least once in a year in view of the size and nature of the business.
- c) The Company is maintaining proper records of inventory. We have been informed that no major variances were noticed on physical verification of inventory conducted by an independent firm of Chartered Accountants as stated in clause 2(a) above.
3. a) In our opinion and according to the informations and explanations given to us, Company has not granted any unsecured loan to any Company, firm and other parties covered in the register maintained under section 301 of the Act. As explained to us, advances to parties covered under section 301 of the Act are in respect of material and services and given in ordinary course of business. Therefore the clauses 3(a), (b) (c) and (d) are not applicable to the Company
- e) The Company has taken loans and deposits from 11 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs.6,55,74,136/- as on the date of the balance sheet.
- f) In our opinion, the terms and conditions on which such loans have been taken are not prima facie prejudicial to the interests of the Company.
- g) In our opinion, the repayment of principal amount and interest payments are regular wherever stipulated.
4. In our opinion, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. a) As per our prima facie examination of the register maintained under section 301 of the Act, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has accepted deposits from the public. In our opinion, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed thereunder, or any other relevant provisions of the Act, where applicable, have been complied with. Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal has not passed any order in respect of public deposits accepted by the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Company is in the business of manufacturing high tensile fasteners, cost records in respect of which have been mandated u/s 209(1)(d) of the Companies Act, 1956 read together with Companies (Cost Accounting Records) Rules, 2011. In our opinion and according to the informations and explanations given to us, the necessary cost records have not been maintained. As per explanations and information given to us the Company has appointed a Cost Accountant for maintenance of proper cost records and compliance report as prescribed under rule 2 and rule 5 of Companies (Cost Accounting Records) Rules, 2011 shall be furnished within the due time.

9. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Excise Duty, Income tax, Sales tax, Wealth Tax, Custom Duty, cess and any other statutory dues with the appropriate authorities except with some minor delays. However in respect of dues of TDS and Sales-tax the Company is not regular in depositing undisputed statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2012 for a period of more than six months from the date they become payable. However, the Company has not made any provision towards cess payable u/s 441 A of the Companies Act, 1956, since the required notification has not been issued by the central government in this regard.
- b) According to the information and explanations given to us, there were no amounts of dues of sales tax/ income tax/ custom duty/ wealth tax/ excise duty/ cess which have not been deposited on account of any dispute other than the following:-

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Deduction/Claim in respect for export business u/s 80HHC and charging of interest u/s 234B whether on returned/assessed income	290376	A.Y. 1991-92	High Court, Chandigarh
Income Tax Act, 1961	Determination of book profit before or after depreciation	5426222	A.Y. 1990-91	High Court, Chandigarh
Income Tax Act, 1961	Expenses allowable under various heads viz Bonus and insurance	2000075	A.Y. 1990-91	High Court, Chandigarh
	TOTAL	7716673		
Industrial Dispute Act, 1947	Suit filed by the employee for recovery of arrears	239980	1999 to 2002	Labour Court, Rohtak
	TOTAL	239980		

10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank except, in case of term loans, repayments of Rs.47460443/- and of Rs.81152071/- have been made with delays of 1 to 2 days and 10 to 87 days respectively and in case of bills of exchange for a period from 1 to 60 days for bills aggregating to Rs.21745903/- . Further a sum of Rs.33751572/- remained unpaid on account of principal and interest as on the Balance Sheet date.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the clauses 13 (a), (b), (c) and (d) are not applicable.
14. In respect of dealing in investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares held by the Company are held in the name of the Company.
15. In our opinion and according to explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and on the basis of examination of cash flow statement, and as per the explanations given to us, we are of the opinion that, the term loans were applied for the purpose for which the loans were obtained.
17. In our opinion and on the basis of examination of cash flow statement and as per the explanations given to us, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to information and explanation given to us, no fraud on or by the Company has been noticed reported during the year under audit.

for **V.R. Bansal & Associates**
Chartered Accountants
 Registration No.-016534 N

Place : **NOIDA**
 Dated : **May 23, 2012**

V.P. Bansal
Partner
 M No. 8843

BALANCE SHEET

Description	Notes No.	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
A. EQUITY AND LIABILITIES			
a) Shareholder's Funds			
Share Capital	2	109416670	109416670
Reserves and Surplus	3	889184232	836307547
		998600902	945724217
b) Non Current Liabilities			
Long Term Borrowings	4	382632205	384535540
Deferred Tax Liabilities (Net)	5	24955009	33318380
Other Long Term Liabilities	6	11608990	6918423
Long Term Provisions	7	7887154	6027925
		427083358	430800268
c) Current Liabilities			
Short Term Borrowings	8	1220796825	913168643
Trade Payables	9	854156410	914474468
Other Current Liabilities	10	558076940	425637297
Short Term Provisions	11	26756394	47962767
		2659786569	2301243175
TOTAL		4085470829	3677767660
B. ASSETS			
a) Non Current Assets			
Fixed Assets:			
Tangible Assets	12	1006982451	902740850
Intangible Assets		3552443	4505475
Capital Work in Progress		3182480	11169891
		1013717374	918416216
Non Current Investments	13	42736580	42736580
Long Term Loans and advances	14	27359844	61782907
Other Non-current assets	15	2649850	2527128
		1086463648	1025462831
b) Current Assets			
Inventories	16	2038755128	1737238628
Trade Receivables	17	678653225	632878197
Cash and Bank Balances	18	98279512	90982535
Short Term Loans and Advances	19	128049024	142558762
Other Current Assets	20	55270292	48646707
		2999007181	2652304829
TOTAL		4085470829	3677767660
Significant Accounting Policies	1		
Contingent Liabilities and Commitments	30		
Other notes on Accounts	31		
The accompanying notes are an integral part of the financial statements.			

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

R.K. Gupta

VP (Finance)

K.L.Ghorui

AVP (Accounts)

Naveen Kakkur

Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

PROFIT AND LOSS ACCOUNT

Description	Notes No.	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
A. INCOME			
Revenue from operations	21	3434858655	3104226861
Other Income	22	10891720	32010165
Total Revenue		3445750375	3136237026
B. EXPENDITURE			
Cost of materials consumed	23	1407344485	1315210044
Purchases of Traded goods	24	9728811	9422346
Purchases of semi finished goods	25	151075682	136957023
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(221471631)	(173102931)
Employee benefits expense	27	550508921	476584468
Finance costs	28	249720413	183465670
Depreciation and amortisation expense	12	221678967	181168040
Other Expenses	29	987212175	881036213
		3355797823	3010740873
Profit before Tax and prior period item		89952552	125496153
Add: Prior period items		-	10950637
Profit before Tax		89952552	136446790
Tax Expense:			
Current Tax		27260000	38010000
Interest on Income Tax		4245983	-
Excess provision of Income Tax written back		(6920203)	(5457802)
Deferred Tax		(8363371)	15093079
C. PROFIT FOR THE YEAR CARRIED DOWN		73730143	88801513
D. EARNING PER SHARE (FACE VALUE OF RS. 10 PER SHARE)			
Basic and Diluted (refer note no. 31(xiii))		6.74	8.12
E. Significant Accounting Policies	1		
Contingent Liabilities and Commitments	30		
Other notes on Accounts	31		
The accompanying notes are an integral part of the financial statements.			

Auditors' Report:-

As per our report of even date
for **V.R.Bansal & Associates**
Chartered Accountants
(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
**Chairman and
Managing Director**

D.K.Jain
**Vice Chairman and
Managing Director**

R.K. Gupta
VP (Finance)

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **NOIDA**
Dated : **May 23, 2012**

NOTES-1

A) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The Accounts have been prepared on historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956 and applicable statutes and to comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b) Presentation and disclosure of financial statements

The presentation and disclosure of the financial statements have been made in accordance with the revised Schedule VI notified by the Central Government vide notification no. S.O. 447(E) dated 28th February 2011 (as amended by notification no. F no. 2/6/2008-CL-V, dated 30th March 2011) which has become effective for accounting periods commencing on or after 1st April 2011. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statement. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d) Fixed Assets

Tangible assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition up to the date of installation. Costs of Fixed Assets are further adjusted by the amount of Modvat/ Cenvat credit availed and VAT credit wherever applicable. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

Intangibles assets are stated at historical cost and represent computer software acquired for internal use. These are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably.

e) Depreciation and amortization

Depreciation on tangible fixed assets have been provided on rates as provided in Schedule XIV of the Companies Act, 1956 on written down value method except in case of Plant-II, Manesar Plants and Recoil Business Division where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%.

Intangible assets are amortised on a straight line basis over six years being estimated useful life of the assets.

f) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of returns and trade discount. The sales are accounted for net of sales tax and excise duty. Export sales are recognized at the time of clearance of goods and approval from Excise Authorities. Other income is accounted for on accrual basis. Dividend income is accounted for when the right to receive the payment is established.

g) Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange difference arising on the settlement of monetary item during the year is recognized as an income or expense. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. However in case of exchange variation arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and are depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Non monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rate at the date of transaction.

h) Government Grants/Subsidies

Government grants available to the Company are recognized in accounts:

- (i) Where there is reasonable assurance that the enterprise will comply with the conditions attached to them and
- (ii) Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made

Grants related to revenue are deducted in reporting the related expense.

i) Inventories

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 65% less on the price-list and finished goods have been valued at 55% less on the price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price, since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value.

j) Investments

Investments are long term and stated at cost. Provision for diminution in value of investments is made to recognize the decline in value of investments, if in the opinion of management; the decline is permanent in nature.

k) Retirement Benefits:

a) Gratuity and Provident Fund

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India. The Company makes contribution to statutory provident fund in accordance with Employee Provident Fund and Miscellaneous Provisions Act, 1952 which is defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

b) Leave encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value required to be paid or value of benefits expected to be availed by the employees as per Company rules.

l) Research and Development

Intangible Assets arising from development are not recognized since the asset is not identifiable and future economic benefits from the assets are not probable. Expenditure on research is recognized as an expense when it is incurred. Research and development cost include salaries and other related cost of personnel, cost of materials and services consumed and other overhead costs related to research and development.

m) Borrowing Costs

Borrowing Costs that are attributable to the acquisition for construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

n) Excise Duty

Excise duty has been accounted on the basis of both, payments made in respect of goods cleared as also the provision made for goods lying in the warehouses.

o) Miscellaneous Expenditure

Technical know-how is amortized on a systematic basis on straight line method over its useful life based upon the respective technical know-how agreements.

p) Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the period, using the applicable tax rates and tax laws in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

q) Prior Period Items/Exceptional items

Prior Period Expenses/Income is shown as prior items in statement of profit and loss as per provision of AS-5 "Net Profit or Loss for the period, prior period items and changes in accounting policies" issued by the Institute of Chartered Accountants of India.

r) Earnings Per Share

The earnings considered in ascertaining the Company's earning per Share (EPS) comprise the net profit after tax. Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

s) Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred and where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is generally measured using discounted estimated cash flows. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

t) Leases

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

u) Contingent Liabilities and Commitments

Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the profit and loss account. Contingent gains are not recognized. Provisions are recognized as liability only when they can be measured by using a substantial degree of estimation and where present obligation of the enterprise arise from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

v) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investment with an original maturity of three months or less.

NOTE - 2

Description	As at 31.03.2012 (Rs.)		As at 31.03.2011 (Rs.)	
	Number	Amount	Number	Amount
SHARE CAPITAL				
a. Authorised:				
Equity Shares of Rs. 10/- each	24970000	249700000	14970000	149700000
9.5% Cumulative Preference Shares of Rs. 10/- each	30000	300000	30000	300000
	25000000	250000000	15000000	150000000
Issued:				
Equity Shares of Rs. 10/- each	10941667	109416670	10941667	109416670
	10941667	109416670	10941667	109416670
Subscribed and paid up:				
Equity Shares of Rs. 10/- each	10941667	109416670	10941667	109416670
	10941667	109416670	10941667	109416670

b. Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Equity shares outstanding at the beginning of the year	10941667	109416670	10941667	109416670
Equity shares issued during the year	-	-	-	-
Equity shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of the year	10941667	109416670	10941667	109416670

c. Terms/right attached to equity shares:

The Company has issued equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders is Rs.1.50 (Previous Year Rs.1.50)

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

d. Details of shareholders holding more than 5% shares in the Company is set out below

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri Rajesh Jain	1430804	13	1430804	13
Shri Lalit Kumar Jain	1159600	11	1159600	11
Shri Vijay Kumar Jain	1132593	10	1132593	10
M/s Reliance Capital Trustee Co. Ltd.				
A/c Reliance Long Term Equity Fund	900000	8	900000	8

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet

Particulars	2011-12	2010-11
Equity Shares	Nil	Nil

NOTE - 3

Description	(Rs.)	As at 31.03.2012 (Rs.)	(Rs.)	As at 31.03.2011 (Rs.)
RESERVES AND SURPLUS				
a. Capital Reserve		13931192		13931192
b. Securities Premium Account		318336034		318336034
c. General Reserve:				
As per last Balance Sheet	26614385		22114385	
Add: Transfer from Surplus as per Statement of Profit and Loss	3800000	30414385	4500000	26614385
d. Foreign Currency Monetary Item Translation Difference Account:*				
As per last Balance Sheet	(2150608)		(3105618)	
Add: Foreign Currency Variation during the year	(4397803)		94767	
	(6548411)		(3010851)	
Less: Amortized during the year	2619364	(3929047)	860243	(2150608)
e. Surplus as per Statement of Profit and Loss				
Opening balance	479576544		414350050	
Net Profit for the current year	73730143		88801513	
	553306687		503151563	
Appropriation				
Proposed Dividend	16412501		16412501	
Corporate Dividend Tax	2662518		2662518	
Transfer to General Reserve	3800000	530431668	4500000	479576544
		889184232		836307547

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May, 2011 issued by the Ministry of Corporate Affairs, the Company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange loss of Rs.13112115/- arising on aforesaid long term foreign currency monetary items, a sum of Rs.8714312/- has been deducted from the cost of fixed assets and a sum of Rs.4397803/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.2619364/- has been amortized in the Statement of Profit and loss in accordance with the remaining period of the long term liability.

NOTE - 4

Description	As at 31.03.2012 (Rs.)		As at 31.03.2011 (Rs.)	
	Non Current	Current	Non Current	Current
LONG TERM BORROWINGS				
Secured:				
a. Term Loans				
From Banks	242972702	177291339	318245049	146222723
From Other Parties	5460000	-	-	-
	248432702	177291339	318245049	146222723
b. Deferred Payment Liabilities				
From Haryana State Industrial and Infrastructure Development Corporation Limited	45986250	26101920	-	2685044
	45986250	26101920	-	2685044
c. Long Term Maturities of Finance Lease Obligations				
Vehicle Loans	23191655	13096247	27516355	12777642
	23191655	13096247	27516355	12777642
Unsecured:				
d. Term Loans				
From Other Parties	28247462	27499285	-	-
	28247462	27499285	-	-
e. Loans and Advances from Related Parties				
From Directors *	15072050	-	15072050	-
From Others *	21702086	-	23702086	-
	36774136	-	38774136	-
	382632205	243988791	384535540	161685409

*Deposits under stipulations of lending financial institutions and banks.

a. Term Loans from Bank (secured)

(i) Term loans are from Canara Bank, Indian Overseas Bank, IDBI Bank Limited, State Bank of India and ICICI Bank Limited.

(ii) Details of term loans from Canara Bank and security furnished are as under:

Date of sanction	Amount Sanctioned (Rs.)	Amount Outstanding (Rs.)	Security
26.09.2009	40000000	10964861	Prime security 1. IInd pari passu charge on entire chargeable current assets (present and future) and entire fixed assets of the Company. Collateral 2. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt. Sushila Devi Jain, situated at NH 10, Hisar Road, Rohtak. 3. Ist pari passu charge on land measuring 4.6125 acre and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana. 4. IInd pari passu charge on entire fixed assets acquired out of term loan of USD 6.66 million sanctioned by ICICI Bank Limited. 5. Ist charge on dies and tools to be purchased and other securities given for working capital term loan.
22.09.2010	105000000	79383809	Prime security 6. Ist pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral 7. Same as against Sl. no. 1, 2 and 3 above
08.09.2011	50000000	40100441	Prime security 8. Ist pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired. Collateral 9. Same as against Sl. no. 2 and 3 above

08.12.2006	6600000	1108372	10. 1st charge on generator purchased out of the proceeds.
(iii) Details of term loans from Indian Overseas Bank and security furnished are as under:			
08.12.2009	10200000	2748643	Prime security 11. 1st charge on fixed assets acquired out of term loan. Collateral 12. 2nd charge of fixed assets and 1st charge with other term lenders on land and building as mentioned against Sl.no. 2 and 3.
(iv) Details of term loans from IDBI Bank Limited and security furnished are as under:			
29.12.2008	100000000	50000000	Prime security 13. 1st pari passu charge on fixed assets of the Company.
27.01.2010	100000000	91859092	Prime security 14. 1st pari passu charge on fixed assets of the Company.
(v) Details of term loans from State Bank of India and security furnished are as under:			
03.11.2011	45000000	45000000	Prime security 15. 1st pari passu charge along with other consortium bankers on tools and dies capitalised. Collateral 16. 2nd pari passu charge on entire fixed assets of the Company and other properties mentioned against Sl. No. 2 and 3.
(vi) Details of term loans from ICICI Bank Limited and security furnished are as under:			
27.12.2006	USD 6.66 millions	99098823	17. 1st pari passu charge on entire fixed assets of the Company both present and future and is further secured by second pari-passu charge by way of hypothecation of the entire stocks of raw materials, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future.

(vii) Terms of repayments:

Name of Banks	Nature of facility	Terms of repayment
Canara Bank	Short Term Loan	11 quarterly instalments of Rs. 3400000/- 1 quarterly instalments of Rs. 2600000/-
Canara Bank	Working Capital Term Loan	20 quarterly instalments of Rs. 5250000/-
Canara Bank	Term Loan	20 quarterly instalments of Rs. 2500000/-
Canara Bank	Term Loan	30 monthly instalments of Rs. 234000/- including interest
Indian Overseas Bank	Term Loan	60 monthly instalments of Rs. 230780/- including interest
IDBI Bank Limited	Term Loan	16 quarterly instalments of Rs. 6250000/-
IDBI Bank Limited	Term Loan	2 quarterly instalments of Rs. 2500000/- 4 quarterly instalments of Rs. 3750000/- 2 quarterly instalments of Rs. 5000000/- 7 quarterly instalments of Rs. 10000000/-
State Bank of India	Corporate Term Loan	4 quarterly instalments of Rs. 3750000/- 4 quarterly instalments of Rs. 4650000/- 1 quarterly instalments of Rs. 5550000/- 1 quarterly instalments of Rs. 5850000/-
ICICI Bank Limited	External Commercial Borrowing	20 quarterly instalments of \$ 333000/-

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(viii)	Aggregate amount of Term Loans and foreign currency term loan (ECB) from Banks secured by way of personal guarantees of some of directors of the Company and their relatives are:	242972702	177291339	318245049	146222723

(ix) Period and amount overdue and unpaid as on the Balance Sheet date:

- Out of instalment of \$333000 due on 21.03.2012 in respect of foreign currency term loan(ECB) from ICICI Bank Ltd, a sum of \$ 176250 remains unpaid as on 31.03.2012
- Interest accrued and due Rs.1784687/- remain unpaid as on the date of Balance Sheet.

a. **Term Loans from other parties (secured)**

a) Term Loan from Intec Capital Limited is secured to the extent of cash collateral security of Rs. 5460000/- and has been shown under the secured term loan from other parties and balance under unsecured term loan from other parties in note no. 4(d).

b) Terms of repayments

	Repayment Period		
	With in 1 year (Rs.)	1 - 2 years (Rs.)	2 - 3 years (Rs.)
Term loans from other parties	-	1329258	4130742

b. **Deferred Payment Liabilities:**

(i) Deferred payment credits from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) are secured against the properties as under:

1. Plot no. 153, Sector 3 at IMT Manesar, Gurgaon
2. Plot no. 257, Sector 6 at IMT Manesar, Gurgaon
3. Working Housing unit at IMT Manesar, Gurgaon
4. Dormitory House at IMT Manesar, Gurgaon
5. Plot no. 4, Sector 30B at IMT Rohtak

- a) The above properties shall continue to belong to HSIIDC until and unless the full price of the properties with interest and other amount, if any, due to HSIIDC is paid by the Company.
- b) On the payment of total price of the properties, the HSIIDC would execute a deed of conveyance in favour of the Company.

(ii) Term of repayments

Name of Lendor	Nature of facility	Terms of repayment
Haryana State Industrial and Infrastructure Development Corporation Limited	Deferred Payment Liabilities Plot no. 153, Sector 3 at IMT Manesar, Gurgaon Plot no. 257, Sector 6 at IMT Manesar, Gurgaon Working Housing unit at IMT Manesar, Gurgaon Dormitory House at IMT Manesar, Gurgaon Plot no. 4, Sector 30B at IMT Rohtak	5 half yearly instalments of Rs. 551646/- 5 half yearly instalments of Rs. 201353/- 8 half yearly instalments of Rs. 71250/- 8 half yearly instalments of Rs. 140625/- 8 half yearly instalments of Rs.11390625/-

(iii) Period and amount overdue and unpaid as on the Balance Sheet date:

a)	Nature of facility	Amount of default (Rs.)	Due date	Status	
	Deferred Payment Liabilities	Working Housing unit at IMT Manesar, Gurgaon	140625/-	05.03.2012	Unpaid
		Dormitory House at IMT Manesar, Gurgaon	71250/-	02.03.2012	Unpaid

b) Interest accrued and due Rs.832470/- remain unpaid as on the date of Balance Sheet.

c) Long term maturities of finance lease obligations

(i) Long term maturities of finance lease obligations are secured by way of hypothecation of assets acquired under finance lease.

(ii) Term of repayments

Name of Lendor	Nature of facility	Terms of repayment (including interest)
State Bank of India	Finance Lease	35 monthly instalments of Rs. 26447/-
	Finance Lease	36 monthly instalments of Rs. 93881/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 327396/-
	Finance Lease	36 monthly instalments of Rs. 153704/-
Kotak Mahindra Prime Limited	Finance Lease	8 monthly instalments of Rs. 778500/-
	Finance Lease	4 monthly instalments of Rs. 724500/-
BMW India Financial Services Limited	Finance Lease	24 monthly instalments of Rs. 474950/-
	Finance Lease	36 monthly instalments of Rs. 101106/-
BMW India Financial Services Limited	Finance Lease	36 monthly instalments of Rs. 87121/-

ICICI Bank Limited	Finance Lease	35 monthly instalments of Rs. 40915/-
	Finance Lease	60 monthly instalments of Rs. 143113/-
Maruti Udyog Limited	Finance Lease	84 monthly instalments of Rs. 10772/-

d) Term loans (unsecured) from other parties

(i) Terms of repayments

	Repayment Period		
	With in 1 year (Rs.)	1 - 2 years (Rs.)	2 - 3 years (Rs.)
Term loans from other parties	27499285	26530912	1716550

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(ii)	Aggregate amount of Term Loans from other parties secured by way of personal guarantees of some of directors of the Company are:	9505668	4447425	-	-

NOTE - 5

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
DEFERRED TAX LIABILITY		
Deferred Tax Liabilities (net)		
On account of difference in treatment of certain payments under Income Tax Act, 1961	52292602	36335836
	52292602	36335836
Deferred Tax Assets		
On account of difference in rates and method of depreciation	27337593	3017456
	27337593	3017456
Deferred Tax Liabilities/(Assets)		
At the end of year (net)	24955009	33318380
For the year	(8363371)	15093079
Deferred tax resulting from timing differences between book profit and taxable income is accounted for using the current tax rate.		

NOTE - 6

OTHER LONG TERM LIABILITIES		
a. Others		
Security Deposits from customers/employees	11608990	6918423
	11608990	6918423

NOTE - 7

LONG TERM PROVISIONS		
a. Provisions for employee benefits		
Leave Encashment	7887154	6027925
	7887154	6027925

(i) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date.

(ii) The shortfall in liability, if any, on ascertainment of liability by an independent actuary, will be provided for on the basis of actuarial valuation certificate when obtained.

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
NOTE - 8		
SHORT TERM BORROWINGS		
Secured:		
a. Loans repayable on demand		
Working capital limits from Banks	1181996825	874368643
	1181996825	874368643
Unsecured:		
b. Deposits		
Fixed Deposits from Directors and others	28800000	28800000
Other loans and advances- from a Company	10000000	10000000
	38800000	38800000
	1220796825	913168643

a. Working capital limits from banks (secured)

- 1) Working capital limits are in consortium with Canara Bank and State Bank of India in the ratio of 70:30 and are secured by way of pari passu first charge against hypothecation of entire chargeable current assets i.e stock and book debts (present and future) of the Company and pari passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by some of Directors of the Company and their relatives.

Working capital limits from consortium banks are further secured by way of equitable mortgage of:

- # Second pari passu charge on 10640 square yards of Land and Building standing in the name of Smt. Sushila Devi Jain, Director of the Company, situated at NH - 10, Hissar Road, Rohtak.
- # Second pari passu charge on Land and Building 4.6125 acres situated at Mauza Kharawar, Tehsil - Sampla, District - Rohtak, Haryana in the name of Shri Nikhlesh Jain and Shri Saurabh Jain
- # Second pari passu charge with working capital consortium members on Dies and Tools capitalised during financial year 2010-2011

2) Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.) 1181996825 874368643

3) Period and amount of overdue and unpaid as on the Balance Sheet date:

Nature of facility	Amount overdue and unpaid (Rs.)	Period of overdue and unpaid (Days)
Foreign bills discounted with Canara Bank	1262631/-	7 to 18 Days
Domestic bills discounted with Canara Bank	21054112/-	1 to 60 Days

b. Other loans and advances from a Company (unsecured)

- (i) Other loans and advances received from a Company are repayable on demand.
- (ii) Interest accrued and due Rs.738221/- remained unpaid as on the Balance sheet date.

NOTE - 9

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
TRADE PAYABLES		
Trade payables	854156410	914474468
	854156410	914474468

- (i) Trade payables include acceptances Rs.118689908/- (Previous Year Rs.91782556/-)
- (ii) Trade payables include payable to a subsidiary company Rs. 4913910/- (Previous Year Rs.3731492/-)

(iii) Information required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006/MSMED Act for the year ended 31st March, 2012. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr. No	Particulars	Year ended 31st March 2012	Year ended 31st March 2011
1.	Principal amount and interest due thereon remaining unpaid to any supplier	2228326	250829
2.	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro, Small and Medium enterprises Development Act, 2006	NIL	NIL
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	806	NIL
5.	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

NOTE - 10

Description	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note no. 4a and 4d)	204790624	146222723
Current maturities of Deferred Payment Liabilities (Refer note no. 4b)	26101920	2685044
Current maturities of finance lease obligations (Refer note no. 4c)	13096247	12777642
Interest accrued but not due on Borrowings	4861620	1932805
Interest accrued and due on Borrowings	3295378	188492
Unpaid dividend	2429984	2117871
Advances and progress payments from customers	134400168	106103709
Creditors for capital goods	50718207	46209847
Excise duty payable	47615531	32334578
Employees benefit expense	37014669	27992874
Statutory dues	15335821	27216334
Other payables	18416771	19855378
	558076940	425637297
(i) Current maturities of long term debt includes:		
a) Current maturities of long term (secured) (Refer note no. 4a)	177291339	146222723
b) Current maturities of long term (unsecured) (Refer note no. 4d)	27499285	-
	204790624	146222723

(ii) The Company has made a provision of Excise duty amounting Rs.47615531/- (previous year Rs.32334578/-) payable on stocks of Finished and Scrap material. Excise duty is considered as an element of cost at the time of manufacture of goods.

(iii) Employees benefit expense includes Rs.16831400/- (Previous year Rs.902200/-) payable to Directors of the Company.

(iv) Other payables include Rs.175186/- (previous year Rs.175186/-) payable to a Director of the Company.

(v) Statutory dues are in respect of PF, ESI, Sales Tax and TDS.

(vi) Other payables include expenses payable and other liabilities.

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Leave encashment	2618965	2510845
Gratuity (refer note no. 31(xviii))	3609424	6267704
	6228389	8778549
Others:		
Income Tax (net of advance Tax and TDS Rs. 26082164/-)	1177836	19849199
Wealth Tax	275150	260000
Proposed Dividend	16412501	16412501
Corporate Dividend Tax	2662518	2662518
	20528005	39184218
	26756394	47962767

- (i) Provisions are recognized for expenses such as gratuity, income tax, wealth tax, and leave encashment. The provisions are recognized on the basis of past events and the probable settlement of the present obligation as a result of the past events during the financial year 2011-12

The movements in provisions are as under:		
1 Carrying amount as on 01.04.2011		
Income Tax	38010000	46500000
Wealth Tax	260000	171571
Leave encashment	8570486	7575607
Gratuity	5541719	5000000
Total	52382205	59247178

- 2 Additional provisions made during the financial year 2011-12.(including increase to existing provisions.)

Income Tax	27260000	38010000
Wealth Tax	275150	260000
Leave encashment	4815206	3839467
Gratuity	5541720	5541719
Total	37892076	47651186

- 3 Amounts used (incurred and charged against the provisions) during the financial year 2011-12

Income Tax	31089797	41042198
Wealth Tax	260000	171571
Leave encashment	2879573	2844588
Gratuity	7474015	3326107
Total	41703385	47384464

- 4 Unused amounts reversed during the financial year 2011-12

Income Tax	6920203	5457802
Wealth Tax	-	-
Leave encashment	-	-
Gratuity	-	1673893
Total	6920203	7131695

- 5 Carrying amounts of provisions as on 31.03.2012

Income Tax	27260000	38010000
Wealth Tax	275150	260000
Leave encashment (Long term Rs. 7887154/-)	10506119	8570486
Gratuity	3609424	5541719
Total	41650693	52382205

- (ii) The Company has proposed dividend for the year @15% on its equity capital and a provision for corporate dividend tax including surcharge and education cess thereon has been made in accordance with Finance Act, 2012. No dividend has been declared by the group companies.

NOTE -12

FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2011 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2012 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
	Tangible										
1	Industrial Land:										
	Freehold	29175287	145575282	0	174750569	0	0	0	0	174750569	29175287
	Leasehold	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	198837205	19088729	0	217925934	61412691	7764691	0	69177382	148748552	137424514
3	Office Premises:										
	Freehold	813362	0	0	813362	466030	17367	0	483397	329965	347332
	Leasehold	553040	0	0	553040	344144	10445	0	354589	198451	208896
4	Plant and Machinery	1493230522	138379700	0	1631610222	870415967	195164878	0	1065580845	566029377	622814555
5	Furnitures and Fixtures	41398216	3155812	0	44554028	28566834	2175240	0	30742074	13811954	12831382
6	Electric fans and Installations	39990264	3542436	0	43532700	25267994	2184978	0	27452972	16079728	14722270
7	Office Equipments	25541377	1945739	0	27487116	12249339	1219196	0	13468535	14018581	13292038
8	Computer	69783577	3683390	0	73466967	69453010	3147693	0	72600703	866264	330567
9	Vehicles	96476505	11575257	(4471749)	103580013	43673684	8909402	(2404226)	50178860	53401153	52802821
10	Weighing Scales	1509045	65113	0	1574158	1211617	65297	0	1276914	297244	297428
11	Fire Extinguishers	860218	23603	0	883821	764869	66748	0	831617	52204	95349
	Total	2016567030	327035061	(4471749)	2339130341	1113826180	220725935	(2404226)	1332147890	1006982451	902740850
	Intangible										
12	Computer software	5879283	0	0	5879283	1373808	953032	0	2326840	3552443	4505475
	Total	2022446313	327035061	(4471749)	2345009624	1115199988	221678967	(2404226)	1334474730	1010534894	907246325
	Add: Capital Work -In Progress	11169890	1986631	9974041	3182480	0	0	0	0	3182480	11169891
	Total : Current Year	2033616203	329021692	5502292	2348192104	1115199988	221678967	(2404226)	1334474730	1013717374	918416216
	Previous Year	1530449535	508097105	4930437	2033616203	935481354	181168040	1449405	1115199989	918416214	594968182

Notes:

- Depreciation has been provided on rates as per Schedule XIV of the Companies Act,1956 on WDV basis except in case of Plant-II, Manesar Plants and Recoil Division where depreciation has been provided on straight line method.
- Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- Addition in fixed assets include Rs.34320709/- (last year Rs.15912144/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by Institute of Chartered Accountants of India.
- Leasehold Offices Premises are in respect of office flats at Bangalore.
- Freehold Offices Premises are in respect of office flats at Mumbai and Delhi.
- A sum of Rs.8714321/- on account of exchange loss incurred during the year has been adjusted in Plant and Machinery in accordance with notification no. G.S.R. 225(E) dated 31.03.2009 as amended vide notification dated 11.05.2011, issued by Ministry of Corporate Affairs.
- Plant and Machinery include capital expenditure of Rs.25822374/- incurred during the year and Rs.20195483/- incurred during the previous year on research and development.
- Title Deeds in respect of lands acquired from HSIIDC, have not been yet executed. As per the terms of letters of allotment, the same will be executed after the full payment to HSIIDC.

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
NOTE-13		
NON CURRENT INVESTMENTS		
(Long term,trade,unquoted, at cost)		
Investment in Equity Instruments Subsidiary Company		
Indian Fasteners Limited, Rohtak		
441550 Equity Shares of Rs. 10/- each	4415500	4415500
40000 Equity Shares of Rs. 4.01 per share	160400	160400
Associate Companies		
Hanumat Wires Udyog Private Limited, Rohtak		
279300 Equity Shares of Rs. 10/- each	2793000	2793000
J.C. Fasteners Limited, Rohtak		
700000 Equity Shares of Rs. 10/- each	7000000	7000000
Lakshmi Extrusion Limited, Rohtak		
30000 Equity Shares of Rs. 100/- each	3000000	3000000
Joint Ventures*		
LPS Bossard Private Limited		
2352019 Equity Shares of Rs.10/- each	23520190	23520190
LPS Bossard Information Systems Private Limited		
184749 Equity Shares of Rs.10/- each	1847490	1847490
Aggregate amount of unquoted investments	42736580	42736580

*In terms of joint venture agreement entered into with Bossard AG, Switzerland on 26.06.1997, the Company has invested a sum of Rs.23520190/- in LPS Bossard Private Limited towards allotment of 2352019 Equity Shares of Rs.10/- each and a sum of Rs.1847490/- in LPS Bossard Information Systems Private Limited towards allotment of 184749 Equity Shares of Rs. 10/- each, towards 49% holding in the aforesaid Companies.

NOTE-14		
LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	11107996	50765186
Security Deposits		
With Electricity Departments	9009254	9267190
With Sales Tax/VAT Departments	1500	1500
With Other Government Departments	638849	460059
With Others	1142245	1288972
Other deposits with Intec Capital Limited as cash collateral against borrowing	5460000	-
	27359844	61782907
NOTE - 15		
OTHER NON CURRENT ASSETS		
Unsecured, considered good:		
Interest on deferred payments*	-	73470
Technical knowhow fee**	2649850	2453658
	2649850	2527128
Interest on deferred payments*		
As per last Balance Sheet	173811	202510
Add: Addition during the year	-	204320
	173811	406830
Less: Written off	100341	233019
	73470	173811
Non Current assets	-	73470
Current Portion assets (Refer note no. 20)	73470	100341
Technical knowhow fee**		
As per last Balance Sheet	3514800	1526704
Add: Addition during the year	1670220	3091699
	5185020	4618403
Less: Written off	1395186	1103603
	3789834	3514800
Non Current assets	2649850	2453658
Current Portion assets (Refer note no. 20)	1139984	1061142

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
NOTE - 16		
INVENTORIES		
Raw Materials (includes in transit Rs. 7342281/- (previous year Rs. 47926633/-)	235913157	337147297
Work in Progress	568929626	437868336
Finished goods (includes in transit Rs. 2270939/- (previous year Rs. 3252077/-)	456749098	372527689
Stock in Trade (Traded goods)	4061994	4382764
Consumables stores and Spares	316182179	240496507
Dies and tools	406183918	303034449
Packing materials	35720668	33272341
Stationary in hand	384336	390848
Postage and foreign stamps	5123	3070
Scrap materials (at realisable value)	14625029	8115327
	2038755128	1737238628

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 65% less price-list and finished goods have been valued at 55% less price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price; since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value.

NOTE - 17		
TRADE RECEIVABLES		
(Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	17789489	31443795
Considered doubtful	3629797	607221
	21419286	32051016
Less: Allowance for doubtful debts	3629797	607221
	17789489	31443795
Other Trade receivables	660863736	601434402
	678653225	632878197

Trade receivables include a sum of Rs.2677619/- (previous year Rs. 12838653/-) due from LPS Bossard Private Limited, a Joint Venture Company.

NOTE - 18		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks in current accounts	16732902	23889215
Cash on hand	524936	2280549
Unpaid Dividend Accounts*	2429984	2117871
E E F C Account (Previous year US\$ 769.83)	39382	34373
	19727204	28322008
Other Bank Balances		
Fixed Deposits:**		
Pledged as margin money against bank guarantees	1495000	725000
Pledged as margin money against letter of credits	70487000	55679260
Lien against public deposits	6170308	5856267
No lien account	400000	400000
	78552308	62660527
	98279512	90982535

* Unpaid dividends can be utilised only for payment of unpaid dividend liability.

**Fixed deposits with banks include deposits of Rs. 59025000/- (Previous Year of Rs. 45125000/-) with maturity of more than 12 months.

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and Advances to Related Parties	20616467	10636327
Others:		
Advance against Materials and Services	39663001	52164035
Prepaid Expenses	6391240	5470363
Balance with Central Excise Department	21491611	26583329
Cenvat on capital goods	10539012	10899476
Advance to staff	5350356	5725303
Employee advance under litigation (refer note no. 31(v))	16059342	16059342
Other advances	7937995	15020587
	128049024	142558762

(i) Details of Loans and advances to related parties are as under:

Name of party	Relationship	Nature	(Rs.)	(Rs.)
Lakshmi Extrusion Limited	An associate Company	Material and Services	10196685	10196685
Indian Fasteners Limited	A subsidiary Company.	Material and Services	5350000	-
Shiv Industries	A partnership firm in which directors are partners	Material and Services	7983	-
Universal Enterprises	A partnership firm in which directors are partners	Material and Services	7424	-
Hanumat Wire Udyog Private Limited	An associate Company	Trade deposit	5054375	-
J.C. Fasteners Limited	An associate Company	Material and Services	-	408545
Swadesh Engineering Industries	A partnership firm in which directors are partners	Material and Services	-	31097
			20616467	10636327

(ii) That the balance with central excise department includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.

(iii) Other advances include Service Tax to be availed, vat refund due and staff imprest accounts.

NOTE - 20		
OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on deposits	3021802	540745
Freight Subsidy receivable	1000000	1000000
Export incentives receivable	45799313	44494935
DEPB Licences in hand	4235722	1449544
Interest on deferred payments (Refer note no. 15)	73470	100341
Technical knowhow fee (Refer note no. 15)	1139984	1061142
	55270292	48646707
NOTE - 21		
REVENUE FROM OPERATIONS (GROSS)		
Sale of Machine Screws	3589144839	3227077055
Sale of Machine Screws (Traded)	22269417	18356282
Sale of Scrap Materials	70318779	77915375
Job work receipts	1730281	11815445
Export Incentives	46502234	32671545
	3729965550	3367835702
Less: Excise Duty	295106895	263608841
Revenue from operations (net)	3434858655	3104226861
NOTE - 22		
OTHER INCOME		
Rent	50400	50400
Interest on fixed deposits with banks, loans, securities and from customers (TDS Rs.782164/- previous year Rs.485672/-)	8384401	4471185
Dividend from long term trade investments	-	4704038
Profit on sale of assets	-	25088

Description	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
Excess provisions no longer required written back	-	2666278
Exchange rate fluctuation loss (net)	-	18644400
Miscellaneous receipts	2456919	1448776
	10891720	32010165

(i) Interest received includes a sum of Rs.5972498/- (previous year Rs.4464504/-) on bank deposits , Rs. 2719/- (previous year Rs. 6681/-) from trade customers, Rs. 452391/- (previous year Rs. nil) on loans , and Rs. 1956793/- (previous year Rs. nil) on securities.

NOTE - 23		
COST OF MATERIALS CONSUMED		
Wire/Wire Rods Alloys	1398271649	1295423140
Stainless Steel/Bars	9072836	19786904
	1407344485	1315210044
NOTE - 24		
PURCHASES OF TRADED GOODS		
Machine Screws	9728811	9422346
	9728811	9422346
NOTE - 25		
PURCHASES OF SEMI FINISHED GOODS		
Washer,Cap and Springs	151075682	136957023
	151075682	136957023
NOTE - 26		
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stocks: Machine Screws		
Finished goods	369275612	419095398
Finished goods (Traded)	4382764	3197152
Finished goods in transit	3252077	4532757
Semi finished goods	376343190	207930537
Semi finished goods (Washer, Cap and Springs)	61525146	8500110
Scrap materials	8115327	6535231
	822894116	649791185
Closing Stocks: Machine Screws		
Finished goods	454478159	369275612
Finished goods (Traded)	4061994	4382764
Finished goods in transit	2270939	3252077
Semi finished goods	496518246	376343190
Semi finished goods (Washer, Cap and Springs)	72411380	61525146
Scrap materials	14625029	8115327
	1044365747	822894116
	(221471631)	(173102931)
(Increase)/Decrease in inventories is as under:		
Finished goods	(85202547)	49819786
Finished goods (Traded)	320770	(1185612)
Finished goods in transit	981138	1280680
Semi finished goods	(120175056)	(168412653)
Semi finished goods (Washer, Cap and Springs)	(10886234)	(53025036)
Scrap materials	(6509702)	(1580096)
	(221471631)	(173102931)
NOTE - 27		
EMPLOYEE BENEFITS EXPENSES		
Salaries,Wages,Bonus and other amenities	508413819	434939584
Co's contribution towards LIC Gratuity Trust	8041720	11004535
Co's contribution towards P.F.,E.S.I and L.W.F.	20656763	20635861
Staff welfare	13396619	10004488
	550508921	476584468

(i) Employee benefits expenses include managerial remuneration Rs. 42599400/- (previous year Rs. 27602400/-).

(ii) The managerial remuneration has been paid in terms of sanction from Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letters dated 15th March 2012 and 27th March 2012.

Description	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
NOTE - 28		
FINANCE COSTS		
Interest expense	191349711	129507050
Financial charges	8798856	3668614
Bank charges and Front end fee	49571846	50290006
	249720413	183465670
NOTE - 29		
OTHER EXPENSES		
Consumable stores and spare parts	44207131	45722664
Electricity,water and fuel	182610918	168942731
Rent	5825256	5508024
Repairs to building	12920697	7081602
Repairs to machinery	6401645	4533108
Insurance	3717526	3779752
Rates and taxes	1779972	1079189
Job work charges	257484629	239665961
Packing expenses	44185223	42851330
Dies and tools consumed	24103550	26465420
Research and development expenses	10446081	9260606
Travelling and conveyance	98224276	86584366
Royalty, Technical know-how fee	4148479	2383041
Legal and consultancy	16497084	19057402
Payment to auditor		
As Auditor:		
Audit fee	1700000	1100000
Tax Audit Fee	150000	100000
Limited Review	300000	300000
Reimbursement of expenses	79542	110088
Freight, insurance and cartage	79628823	75828119
Turnover and cash discount	52553463	42656118
Advertisement,publicity and sales promotion	19108050	22604101
Bad Debts,liquidated damages and short recoveries	5333007	12840862
Provision for bad and doubtful debts	3376360	607221
Excise duty and sales tax	8126773	8898427
Exchange rate fluctuation loss (net)	21817183	-
Other Expenses	82486506	53076081
	987212175	881036213
NOTE - 30		
CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities and commitments		
(a) Contingent liabilities		
1 Letter of credits and guarantees obtained from bank (Net of margin money)	135637867	109688189
2 Liabilities against legal undertakings/bonds executed in favour of DGFT on account of export obligation undertaken by the Company against Advance/ import licenses under EPCG Scheme.	66917098	66917098
3 Income Tax liabilities on account of appeals pending with various authorities	7716673	7716673
4 Liabilities on account of suits filed against the Company in the Labour Courts/ESI Corporation/ Civil Courts	239980	460517
(b) Commitments		
1 Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	21766520	39587317

NOTE - 31**OTHER NOTES ON ACCOUNTS**

- (i) The Company has one following subsidiary as on 31.03.2012.
- | | |
|---------------------------|--------------------------|
| Name of Subsidiary: | Indian Fasteners Limited |
| Country of Incorporation: | India |
| Date of control: | 24.12.1990 |
| Nature: | Subsidiary Company |
| Extent of control: | 67.30% |
- (ii) Foreign currency loan from ICICI Bank Limited as at the end of the year has been translated at the prevailing rate of exchange as on the date of balance sheet. Consequent to realignment of the value of foreign currency loan, the rupee liability of the Company has increased by Rs.9263033/- . Out of the said exchange loss, a sum of Rs.6156212/- has been adjusted to the carrying cost of fixed assets and the balance sum of Rs. 3106821/- has been credited to the Foreign Currency Monetary Item Translation Difference Account in accordance with Accounting Standard 11 (AS-11) as amended vide notification no.G.S.R 225 (E) dated 31.03.2009 and further amended by notification dated 11.05.11 issued by the Ministry of Corporate Affairs.
- (iii) The Company has been sanctioned a term loan of Rs.50000000/- by Canara Bank Limited, to be utilized for working capital requirements, out of which the bank has disbursed a sum of Rs.40100441/- The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.
- (iv) The Company has been sanctioned a term loan of Rs. 45000000/- by State Bank of India, to be utilized for working capital requirements, out of which the bank has disbursed a sum of Rs. 45000000/- . The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.
- (v) That there was a misappropriation of funds amounting to Rs.16059342/- by an employee of the Company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. The hearing was conducted on 02.05.2011 in the Court of Chief Judicial Magistrate, Rohtak for the purpose of checking of challan and framing of charges against the employee. The next hearing is due on 05.07.2012 for argument on charge, in the court of Chief Judicial Magistrate. The Company had also filed a civil suit for recovery before the Delhi High Court on 13.09.2006. The aforesaid amount has been debited to concerned employee and shown under Short term loans and advances. No provision for the same has been made since the Company expects to recover the entire amount.
- (vi) Interest and other borrowing costs amounting to Rs.34320709/- (previous year Rs.15912144/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use.
- (vii) The Company has capitalized dies and tools amounting to Rs.45865408/- (previous year Rs.30039429/-) relating to dies and tools purchased/ manufactured during the year.
- (viii) Research and development expenses debited to the statement of profit and loss include the following:

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
a. Employee benefits expense	7891209	7019328
b. Cost of material consumed	1318219	1663111
c. Other expenses	1236653	578167
	10446081	9260606

- (ix) Foreign currency exposures not hedged by the Company are as follows:-

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
Payables		
Payable on Imports	309757725	210217390
External Commercial Borrowing from ICICI Bank, Singapore	71100575	105653681
Receivables		
Sundry Debtors	218626688	183821677
Advance to Suppliers	10722510	22299392

- (x) Confirmations from debtors and creditors and parties to whom loans and advance have been made are being obtained on a periodical basis. In respect of accounts under reconciliation, necessary entries will be passed on reconciliation of these accounts.

(xi) The Company has taken various residential/commercial premises under cancellable operating lease for a period not exceeding one year. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.

Lease payments recognised in the statement of profit and loss as an expense for the year is Rs. 5825256/- (Previous year Rs.5508024/-).

(xii) In the opinion of the Board, any of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

(xiii) **Earning per share- Basic and Diluted**

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
Numerator for earning per shares		
Profit before taxation and prior period items	89952552	125496153
Less: Tax Expenses	16222409	47645277
Adjustment to net earning :	-	10950637
Add: Prior period adjustment	73730143	88801513
Profit after taxation and prior period items		
Denominator for earning per share		
Weighted number of equity shares	10941667	10941667
Outstanding during the period		
Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each)	6.74	8.12

(xiv) **Segment Reporting**

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17), "Accounting for Segment Reporting" issued by the Institute of Chartered Accountants of India.

Primary-Business Segment

The Company is in the business of manufacture of high tensile fasteners. Since the Company is operating in a single line of product, there are no reportable primary segments.

Secondary-Geographical Segment

The analysis of geographical segment is based on geographical location of the customers. The following is the distribution of Company's consolidated revenue by geographical market, regardless of where the goods were produced.

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
Revenue (Net of Excise):		
Domestic Market	2831255026	2596757844
Overseas Market	603603629	507469017
	3434858655	3104226861
Fixed assets located (including Capital work-in-progress)		
Within India	1013717374	918416216
Outside India	-	-
	1013717374	918416216
Capital Expenditure		
Within India	329021692	508097105
Outside India	-	-
	329021692	508097105
Trade receivables		
Within India	460026537	449056520
Outside India	218626688	183821677
	678653225	632878197

(xv) **Related Party Transactions:**

As per Accounting Standard No.18 issued by the Institute of Chartered Accountants of India, related parties in terms of the said standard are disclosed below: -

(a) Names of Related parties and description of relationship:

1	Subsidiary	i	Indian Fasteners Limited
2	Associates	i	Amit Screws Pvt. Ltd.
		ii	Hanumat Wire Udyog Pvt. Ltd.
		iii	J C Fasteners Ltd.
		iv	LPS Bossard Pvt. Ltd. (Joint Venture)
		v	LPS Bossard Information System Pvt. Ltd. (Joint Venture)
		vi	Lakshmi Extrusion Ltd.
		vii	LPS Fasteners & Wires Pvt. Ltd.
		viii	Nav Bharat Industries
		ix	Nav Bharat Agencies
		x	Shiv Industries
		xi	Swadesh Engineering Industries
		xii	Sudhir Automotive Industries Pvt. Ltd.
		xiii	United Engineers
		xiv	Universal Enterprises
3	Key Management Personnel	i	Shri Lalit Kumar Jain
		ii	Shri Dinesh Kumar Jain
		iii	Shri Vijay Kumar Jain
		iv	Shri Rajesh Jain
		v	Smt. Sushila Devi Jain
4	Relative of Key Management Personnel	i	Shri Sudesh Kumar Jain (Brother of Shri Dinesh Kumar Jain)
		ii	Shri Nikhlesh Jain (Son of Shri Dinesh Kumar Jain)
		iii	Shri Amit Jain (Son of Shri Vijay Kumar Jain)
		iv	Shri Gagan Jain (Son of Shri Lalit Kumar Jain)
		v	Shri Gautam Jain (Son of Shri Lalit Kumar Jain)
		vi	Shri Rahul Jain (Son of Shri Rajesh Jain)
		vii	Smt. Charul Jain (Wife of Shri Amit Jain)
		viii	Smt. Rita Jain (Wife of Shri Lalit Kumar Jain)
		ix	Smt. Deepa Jain (Wife of Shri Vijay Kumar Jain)

(b) Transactions:

S. NO.	Particulars	Subsidiary		Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Sale of Goods								
	LPS Bossard Pvt Ltd.	-	-	55164453	108256025	-	-	-	-
2.	Purchase of Goods								
	Nav Bharat Agencies	-	-	1284515	414926	-	-	-	-
3.	Interest received								
	Hanumant Wire Udyog Pvt Ltd.	-	-	452391	-	-	-	-	-
4.	Rent received								
	LPS Fasteners & Wires Pvt Ltd.	-	-	50400	50400	-	-	-	-
5.	Rent paid								
	Nav Bharat Industries	-	-	840000	840000	-	-	-	-
	Sushila Devi Jain	-	-	-	-	2117700	2117700	-	-
	Total	-	-	840000	840000	2117700	2117700	-	-
6.	Jobwork paid								
	Amit Screws Pvt Ltd.	-	-	461141	-	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	-	-	62613948	48649641	-	-	-	-
	Indian Fasteners Ltd.	2703076	1598429	-	-	-	-	-	-
	J.C. Fasteneres Ltd.	-	-	24014654	8991458	-	-	-	-
	Lakshmi Extrusion Ltd.	-	-	-	357589	-	-	-	-
	LPS Fasteners & Wires Pvt Ltd.	-	-	9199304	9999976	-	-	-	-
	Nav Bharat Industries	-	-	4967386	3897148	-	-	-	-
	Shiv Industries	-	-	1380443	-	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	-	-	25222046	18518836	-	-	-	-
	United Engineers	-	-	2963300	102191	-	-	-	-
	Universal Enterprises	-	-	7124431	8836424	-	-	-	-
	Total	2703076	1598429	137946653	99353263	-	-	-	-
7.	Unsecured Loan								
	Loans Accepted								
	Lalit Kumar Jain	-	-	-	-	-	3600000	-	-
	Rajesh Kumar Jain	-	-	-	-	-	1539000	-	-
	Dinesh Kumar Jain	-	-	-	-	-	3973250	-	-
	Nikhlesh Jain	-	-	-	-	-	-	-	3773250
	Gautam Jain	-	-	-	-	-	-	-	9250000
	Total	-	-	-	-	-	9112250	-	13023250
8.	Unsecured Loan								
	Loans Repaid								
	Lalit Kumar Jain	-	-	-	-	-	3600000	-	-
	Nikhlesh Jain	-	-	-	-	-	-	-	3773250
	Gautam Jain	-	-	-	-	-	-	2000000	7250000
	Total	-	-	-	-	-	3600000	2000000	11023250
9.	Remuneration paid								
	Lalit Kumar Jain	-	-	-	-	12945000	8220000	-	-
	Dinesh Kumar Jain	-	-	-	-	13027200	7891200	-	-
	Vijay Kumar Jain	-	-	-	-	13027200	7891200	-	-
	Rajesh Kumar Jain	-	-	-	-	3600000	3600000	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	2630400	2630400
	Gagan Jain	-	-	-	-	-	-	2203500	1935000
	Gautam Jain	-	-	-	-	-	-	2203500	1935000
	Nikhlesh Jain	-	-	-	-	-	-	2082300	1960800
	Amit Jain	-	-	-	-	-	-	2203500	1935000
	Saurabh Jain	-	-	-	-	-	-	2039500	1938000
	Rahul Jain	-	-	-	-	-	-	1933500	1665000
	Total	-	-	-	-	42599400	27602400	15296200	13999200

10.	Interest to Directors/Others								
	Lalit Kumar Jain	-	-	-	-	239906	239250	-	-
	Rajesh Kumar Jain	-	-	-	-	794170	792000	-	-
	Vijay Kumar Jain	-	-	-	-	328146	327250	-	-
	Gagan Jain	-	-	-	-	-	-	272996	272250
	Gautam Jain	-	-	-	-	-	-	281268	280499
	Gaurav Jain	-	-	-	-	-	-	460508	459250
	Amit Jain	-	-	-	-	-	-	466022	464749
	Saurabh Jain	-	-	-	-	-	-	336662	332750
	Total	-	-	-	-	1362222	1358500	1817456	1809498
11.	Balance receivable								
	Indian Fasteners Ltd.	5350000	-	-	-	-	-	-	-
	LPS Bossard Pvt Ltd.	-	-	2677619	12838653	-	-	-	-
	Lakshmi Extrusion Ltd.	-	-	10196685	6996685	-	-	-	-
	J.C. Fasteneres Ltd.	-	-	-	377488	-	-	-	-
	Shiv Industries	-	-	7983	-	-	-	-	-
	Universal Enterprises	-	-	7424	-	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	-	-	5054375	-	-	-	-	-
	Total	5350000	-	17944086	20212826	-	-	-	-
12.	Balance payable								
	Indian Fasteners Ltd.	4913910	3731492	-	-	-	-	-	-
	Nav Bharat Industries	-	-	8292861	3523915	-	-	-	-
	United Engineers	-	-	6136849	3454466	-	-	-	-
	J.C. Fasteneres Ltd.	-	-	8522388	5571165	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	-	-	20666060	16572436	-	-	-	-
	Amit Screws Pvt Ltd.	-	-	436165	591263	-	-	-	-
	Shiv Industries	-	-	1863939	978438	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	-	-	15345036	14174779	-	-	-	-
	Universal Enterprises	-	-	6329862	2437064	-	-	-	-
	LPS Fasteners & Wires Pvt Ltd.	-	-	-	845360	-	-	-	-
	LPS Bossard Pvt Ltd.	-	-	35642	-	-	-	-	-
	Lalit Kumar Jain	-	-	-	-	9334800	4265000	-	-
	Dinesh Kumar Jain	-	-	-	-	9578596	3992796	-	-
	Vijay Kumar Jain	-	-	-	-	10541040	5067440	-	-
	Rajesh Kumar Jain	-	-	-	-	14794314	14794314	-	-
	Sushila Devi Jain	-	-	-	-	179886	184586	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	197200	98600
	Nikhlesh Jain	-	-	-	-	-	-	5859604	5731904
	Saurabh Jain	-	-	-	-	-	-	3340672	3134900
	Gagan Jain	-	-	-	-	-	-	8466445	8238946
	Gautam Jain	-	-	-	-	-	-	4883237	4655738
	Rahul Jain	-	-	-	-	-	-	12863047	14635548
	Gaurav Jain	-	-	-	-	-	-	28978	50850
	Charul Jain	-	-	-	-	-	-	66700	66700
	Amit Jain	-	-	-	-	-	-	4255149	4175000
	Total	4913910	3731492	67628802	48148886	44428636	28304136	39961032	40788186

(xvi) In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1st day of April, 2004, the Company has assessed the potential generation of economic benefits from its business units as on the balance sheet date and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.

(xvii) Disclosure in respect of Company's joint ventures in India pursuant to Accounting Standard 27, "Financial Reporting of Interest in Joint Ventures":

(i) a)	Name of the Venture	LPS Bossard Pvt. Ltd.
b)	Country of Incorporation	India
c)	Proportion of ownership interest as at March 31, 2012	49%
d)	The aggregate of Company's share in the above ventures in:	

	31.03.2012 Rs.	31.03.2011 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	36043740	32143776
Intangible Assets	239803	529683
Deferred Tax Assets (Net)	7345062	5121683
Long Term Loans and advances	4829316	4696202
Current Assets		
Inventories	94556334	75892629
Trade Receivables	159156712	139411269
Cash and Bank Balances	3531197	7032112
Short Term Loans and Advances	4570604	7839059
LIABILITIES		
Non Current Liabilities	-	-
Current Liabilities		
Short Term Borrowings	48664393	23927759
Trade Payables	45261365	42175590
Other Current Liabilities	11532649	14396636
Short Term Provisions	4088255	8199993
INCOME		
Revenue from operations	477980442	454990066
Other Income	697014	147506
EXPENDITURE		
Purchases of Stock in Trade	310703601	309427221
Changes in inventories of finished goods, work in progress and Stock in Trade	(5914631)	(15565075)
Employee benefits expense	40968335	38754372
Finance costs	5638315	3830688
Depreciation and amortisation expense	5672896	5649476
Other Expense	86866288	64996345
Current Tax	15842424	16988255
Deferred Tax	(2395561)	(3296208)
CONTINGENT LIABILITIES	2456447	2897428

- (ii) a) Name of the Venture
 b) Country of Incorporation
 c) Proportion of ownership interest as at March 31, 2012
 d) The aggregate of Company's share in the above ventures in:

LPS Bossard Information Systems Pvt. Ltd.
 India
 49%

	31.03.2012 Rs.	31.03.2011 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	1543	1695
Deferred Tax Assets (Net)	12779	8132
Long Term Loans and advances	1960	1960
Current Assets		
Cash and Bank Balances	2066320	1864505
Short Term Loans and Advances	2886	2988
Other Current Assets	167050	39785
LIABILITIES		
Non Current Liabilities	-	-
Current Liabilities		
Other Current Liabilities	48100	126288
Short Term Provisions	(168659)	(305203)
INCOME		
Other Income	762456	695686
EXPENDITURE		
Employee benefits expense	268426	251971
Depreciation and amortisation expense	152	2314
Other Expense	98776	79118
Current Tax	53211	58807
CONTINGENT LIABILITIES	-	-

(xviii) As per Accounting Standard 15 "Employee Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as an expense for the year are as under:

Employer's Contribution to Provident Fund	4481459	4321007
Employer's Contribution to Family Pension Scheme	9494176	9154251
Employer's Contribution to Employee State Insurance	6681128	7160603

Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The Company could not obtain actuarial valuation in respect of provision for gratuity liability and leave encashment payable to its employees. The impact of liability on this account, is therefore not ascertainable and not provided for. In absence of actuarial valuation, The disclosures as required by AS-15 'Employee Benefits' are not furnished in their entirety.

(xix) Inventories are valued at lower of cost and net realizable value. However, since exact cost is not ascertainable, semi-finished goods have been valued at 65% less on the price- list and finished goods have been valued at 55% less on the price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price. The company is under the process of implementing the maintenance of cost records and the exact cost will be ascertained on maintenance of the said cost records.

(xx) Dies carried as inventories are amortized as a charge to the statement of profit and loss when they are scrapped from active use. The Company is reviewing the policy to charge off consumption of dies on a systematic basis over their useful period of lives. Pending such change in policy, the impact, if any, on the financial statements is not ascertainable and hence cannot be provided for.

(xxi) **C.I.F. value of imports**

Finished Goods/Semi Finished	45056232	51526432
Raw Material (Wire/ Wire rods)	383367991	328115632
Tooling Steel, Stores and Spares	72429390	45817652
Capital Goods	55627258	124148632

(xxii) **Earning in foreign currency**

F.O.B. value of exports	611531946	511859067
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(xxiii) **Expenditure in foreign currency**

Foreign Travelling	17341232	9409236
Royalty	2753293	1411468
Books, Membership and other payments	72546	69485
Advances against Raw Materials and Capital contract	10722510	21099463

(xxiv) **Dividend paid in foreign currency**

NIL

NIL

(xxv) **Value of imported/indigenous raw materials and components/stores and spares consumed and percentage thereof**

	Amount (Rs.)	%	Amount (Rs.)	%
Raw material consumed				
Imported	455469023	32	360065957	27
Indigenous	951875462	68	955144087	73
	1407344485		1315210044	
Stores and Spares consumed				
Imported	18203369	41	17969007	39
Indigenous	26003762	59	27753657	61
	44207131		45722664	

(xxvi) Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

(xxvii) Figures have been rounded off to the nearest rupee.

(xxviii) Note No.1 to 31 form an integral part of the balance sheet and statement of profit and loss.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
**Chairman and
Managing Director**

D.K.Jain
**Vice Chairman and
Managing Director**

R.K. Gupta
VP (Finance)

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

CASH FLOW STATEMENT

Description	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	73730143	88801511
Adjustments for:		
Tax	16222409	47645277
Wealth Tax	275150	260000
Net profit before tax and extraordinary items	90227702	136706788
Adjustments for:		
Depreciation	221678967	181168041
Deferred payment interest and Technical know how fee written off	1495527	1336622
Rent and Interest received (Gross)	(8434801)	(4521585)
Unrealised exchange gain	-	(10381819)
Dividend Income	-	(4704038)
Interest and Financial charges	249720413	183465670
Provisions for Bad and Doubtful Debts	3376360	607221
Profit/Loss on sale of assets (Net)	735547	274246
Reduction in Reserve due to change in accounting policy*	(1778439)	955010
Operating profit before working capital changes	557021276	484906156
Adjustments for:		
Trade Payables	(6494272)	327793422
Trade and other receivables	(32090199)	(182841151)
Inventories	(301516500)	(189390403)
Cash generated from operations	216920305	440468024
Direct Taxes	(17434979)	(10592728)
Net cash from operating activities	199485326	429875296
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(319047651)	(506110834)
Proceeds from Sale of fixed assets	1331976	1032731
Bank deposits (having original maturity of more than 3 months) held as margin money	(15891781)	(2570625)
Rent and Interest received (net of TDS)	7652637	3630684
Dividend Income	-	4704038
Know how fee provided during the year	(1670220)	(3296019)
Net cash used in investing activities	(327625039)	(502610025)

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May,2011 in respect of foreign exchange variation on long term foreign currency items.

CASH FLOW STATEMENT (CONTD.)

Description	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	314911047	236456916
Proceeds from short term borrowings	426260036	127034441
Repayment of long term borrowings	(232511001)	(91359807)
Repayment of short term borrowings	(118631854)	(29892544)
Proceeds from Directors and others	-	17511596
Repayment to Directors and others	(2000000)	-
Dividend paid	(18762906)	(12306417)
Interest and financial charges	(249720413)	(183465670)
	119544909	63978515
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(8594804)	(8756214)
Cash and Cash equivalents (Opening Balance)	28322008	37078222
Cash and Cash equivalents (Closing Balance)	19727204	28322008

Note:-

- The cash flow statement has been prepared under the indirect method set out in "Accounting Standard (AS) 3 Cash Flow Statements" as specified in the Companies (Accounting Standards) Rule, 2006.
- Additions to Fixed Assets include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped / reclassified wherever necessary.
- Components of cash and bank balances:

Cash and Cash Equivalents

Balances with Banks in current accounts	16732902	23889215
Cash on hand	524936	2280549
Unpaid Dividend Accounts*	2429984	2117871
E E F C Account (Previous year US\$ 769.83)	39382	34373
	19727204	28322008

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	1495000	725000
Pledged as margin money against letter of credits	70487000	55679260
Lien against public deposits	6170308	5856267
No lien account	400000	400000
	78552308	62660527
	98279512	90982535

* Unpaid dividend can be utilised only for payment of unpaid dividend liability.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

R.K. Gupta

VP (Finance)

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

AUDITORS' REPORT

To
The Board of Directors of
Lakshmi Precision Screws Limited on the consolidated financial statements of Lakshmi Precision Screws Limited and its subsidiary, associates and Joint venture companies.

We have examined the attached consolidated balance sheet of Lakshmi Precision Screws Limited, Hissar Road, Rohtak, (Haryana) and its subsidiary 'Indian Fasteners Limited', Company's interest in the joint ventures 'LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited and its associates namely J C Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited as at 31st March, 2012 and the consolidated profit and loss account for the year ended on that date annexed thereto and the consolidated cash flow statements for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not carry out the audit the financial statements of the subsidiary company, Indian Fasteners Limited, whose financial statement reflect total assets (net) of Rs.20565959/- as at March 31, 2012, total revenues of Rs.2703076/- and net cash outflows amounting to Rs.155683/- for the year ended on the date. These financial statements and other financial information has been audited by other auditors whose report have been furnished to us, and our opinion is based solely on the report of other auditors.

We did not carry out the audit of the financial statements of the Joint ventures 'LPS Bossard Private Limited, and LPS Bossard Information Systems Private Limited and the associates namely J C Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited. The figures of the joint ventures companies and associate companies have been incorporated, based on their provisional financial statements whose un-audited financial statements as approved by the respective Board of Directors, have been furnished to us, and our reports so far as it relates to the amounts included in respect of such joint ventures and associates is based solely on such approved un-audited financial statements. The details of assets and revenues in respect of the proportionate share in the joint ventures are given below:
(Amount in rupees)

Name of the Company	Total Assets	Total Revenue
LPS Bossard Private Limited	26,18,14,848	47,86,77,456
LPS Bossard Information Systems Private Limited	22,36,256	7,62,456

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS-21) Consolidated Financial Statements, Accounting standard (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS-27) Financial Reporting of interests in Joint Ventures, issued by the Institute of Chartered Accountants of India, and on the basis of the separate financial statements of the subsidiary, associates and the joint ventures included in the Consolidated Financial Statements.

We further state that:

The Company has not obtained actuarial valuation in respect of provision for gratuity liability and leave encashment payable to its employees. The impact of liability on this account, is therefore not ascertainable and cannot be quantified. Further, the disclosures as required by AS-15 'Employee Benefits' are not furnished in their entirety.

As per the accounting policy of the Company, the Company is valuing its inventories at lower of cost and net realizable value. As explained to us, since exact cost is not ascertainable, the same is arrived at list price less 55% in case of finished goods and at list price less 65% in case of semi-finished goods and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price. As explained to us the exact cost will be ascertained after implementation of cost records. Pending such determination of exact cost, the impact, if any, on the financial statements is not ascertainable and hence not provided for.

As per the information and explanations given to us, stocks of dies carried as inventories are amortized as a charge to the statement of profit and loss when they are scrapped from active use while the same should be written off on a systematic basis over their useful period of lives based on actual production. The impact, if any, on the financial statements is not ascertainable and hence cannot be quantified.

Subject to our observations as stated above with consequential effects on the financial statements, in our opinion, and to the best of our informations and according to the explanations given to us, and on the consideration of report of auditors on separate financial statements of the subsidiary company, and provisional financial statements of the joint ventures and associates, the consolidated financial statements read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- the consolidated balance sheet, of the consolidated state of affairs of the Company, its subsidiary, associates and joint ventures as at 31st March, 2012 and
- the consolidated statement of profit and loss, of the consolidated results of the operations of the Company, its subsidiary, associates and joint ventures for the year ended on that date;
- in the case of consolidated cash flow statements, of the consolidated cash flows of the Company, its subsidiary, associates and the joint ventures for the period ended on that date.

for **V.R. Bansal & Associates**
Chartered Accountants
Registration No. 016534 N

Place : **NOIDA**
Dated : **May 23, 2012**

V.P. Bansal
Partner
M. No. 8843

CONSOLIDATED BALANCE SHEET

Description	Note No.	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
A. EQUITY AND LIABILITIES						
a) Shareholder's Funds						
Share Capital	2	109416670	23520190	1847490	134784350	134784350
Less:- Investment in joint venture companies		-	-	-	(25367680)	(25367680)
		109416670	23520190	1847490	109416670	109416670
Reserves and Surplus	3	897348900	177205916	525606	1075080422	1004184465
		1006765570	200726106	2373096	1184497092	1113601135
b) Non Current Liabilities						
Long Term Borrowings	4	382632205	-	-	382632205	384535540
Deferred Tax Liabilities (Net)	5	25920476	(7345062)	(12779)	18562635	29157288
Other Long Term Liabilities	6	11608990	-	-	11608990	6918423
Long Term Provisions	7	7887154	-	-	7887154	6027925
		428048825	(7345062)	(12779)	420690984	426639176
c) Current Liabilities						
Short Term Borrowings	8	1220796825	48664393	-	1269461218	937096402
Trade Payables	9	849242504	45261365	-	894503869	946627626
Other Current Liabilities	10	558117228	11532649	48100	569697977	440953970
Short Term Provisions	11	26618150	4088255	(168659)	30537746	55855616
Minority Interest		4642119	-	-	4642119	4633668
		2659416826	109546662	(120559)	2768842929	2385167282
TOTAL		4094231221	302927706	2239758	4374031005	3925407593
B. ASSETS						
a) Non Current Assets						
Fixed Assets:						
Tangible Assets:	12					
Tangible Assets		1015610435	36043741	1543	1051655719	945449846
Intangible Assets		7756287	239802	-	7996089	4505475
Capital Work in Progress		3182480	-	-	3182480	11169891
		1026549202	36283543	1543	1062834288	961125212
Non Current Investments	13	41349431	-	-	41349431	40382338
Less:- Investment in joint venture companies		-	-	-	25367680	25367680
		41349431	-	-	15981751	15014658
Long Term Loans and advances	14	27488669	4829316	1960	32319945	66609894
Other Non-current assets	15	2649850	-	-	2649850	2527128
		1098037152	41112859	3503	1113785834	1045276892
b) Current Assets						
Inventories	16	2038755128	94556334	-	2133311462	1813131257
Trade Receivables	17	680190360	159156712	-	839347072	767738562
Cash and Bank balances	18	98377509	3531197	2066320	103975027	100132832
Short Term Loans and Advances	19	123600777	4570604	2886	128174268	150441561
Other Current Assets	20	55270292	-	167050	55437341	48686492
		2996194066	261814848	2236256	3260245170	2880130704
TOTAL		4094231221	302927706	2239758	4374031005	3925407593
C. Significant Accounting Policies						
Contingent Liabilities and Commitments	30					
Other notes on Accounts	31					

The accompanying notes are an integral part of the financial statements.

Auditors' Report:-

As per our report of even date

for **V.R.Bansal & Associates**

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
**Chairman and
Managing Director**

D.K.Jain
**Vice Chairman and
Managing Director**

R.K. Gupta
VP (Finance)

K.L.Ghorui
AVP (Accounts)

Naveen Kakkur
Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Note No.	For the Year Ended 31.03.2012 (Rs.) (Consolidated)	For the Year Ended 31.03.2012 (Rs.) (LPSBPL)	For the Year Ended 31.03.2012 (Rs.) (LPSBISPL)	For the Year Ended 31.03.2012 (Rs.) (Consolidated)	For the Year Ended 31.03.2011 (Rs.) (Consolidated)
A. INCOME						
Revenue from operations	21	3434858655	477980442	-	3912839097	3560037747
Other Income	22	10891720	697014	762456	12351189	32853357
Share in Associates		967093	-	-	967093	(802664)
Total Revenue		3446717468	478677456	762456	3926157379	3592088440
B. EXPENDITURE						
Cost of materials consumed	23	1407344485	-	-	1407344485	1315210044
Purchases of Stock in Trade	24	9728811	310703601	-	320432412	318849567
Purchases of semi finished goods	25	151075682	-	-	151075682	136957023
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(221471631)	(5914631)	-	(227386262)	(188668012)
Employee benefits expense	27	550699090	40968335	268426	591935851	515406065
Finance costs	28	249769928	5638315	-	255408244	186772408
Depreciation and amortisation expense	12	223262381	5672896	152	228935430	188225688
Other Expense	29	985350227	86866288	98776	1072315291	946185569
		3355758973	443934804	367355	3800061132	3418938352
Profit before Tax and prior period item		90958495	34742652	395101	126096248	173150088
Add: Prior period items		-	-	-	-	10950637
Profit before Tax		90958495	34742652	395101	126096248	184100725
Tax Expense:						
- Current Tax		27276266	15842424	53211	43171900	55255062
- Interest on Income Tax		4245983	-	-	4245983	-
- Excess provision of Income Tax written back		(6920203)	-	-	(6920203)	(5457802)
- Deferred Tax		(8366627)	(2395561)	-	(10762188)	11611038
C. PROFIT FOR THE YEAR CARRIED DOWN		74723076	21295790	341890	96360756	122692427
D. EARNING PER SHARE						
(Face value of Rs. 10 per share)					8.81	11.21
- Basic and Diluted (refer note no. 31(xv))						
E. Significant Accounting Policies	1					
Contingent Liabilities and Commitments	30					
Other notes on Accounts	31					

The accompanying notes are an integral part of the financial statements.

Auditors' Report:-

As per our report of even date

for **V.R.Bansal & Associates**

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
**Chairman and
Managing Director**

D.K.Jain
**Vice Chairman and
Managing Director**

R.K. Gupta
VP (Finance)

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

NOTES-1

A) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The Accounts have been prepared on historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956 and applicable statutes and to comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b) Presentation and disclosure of financial statements

The presentation and disclosure of the financial statements have been made in accordance with the revised Schedule VI notified by the Central Government vide notification no. S.O. 447(E) dated 28th February 2011 (as amended by notification no. F no. 2/6/2008-CL-V, dated 30th March 2011) which has become effective for accounting periods commencing on or after 1st April 2011. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statement. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d) Fixed Assets

Tangible assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition up to the date of installation. Costs of Fixed Assets are further adjusted by the amount of Modvat/ Cenvat credit availed and VAT credit wherever applicable. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

Intangibles assets are stated at historical cost and represent computer software acquired for internal use. These are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably.

e) Depreciation and amortization

Depreciation on tangible fixed assets have been provided on rates as provided in Schedule XIV of the Companies Act, 1956 on written down value method except in case of Plant-II, Manesar Plants and Recoil Business Division, subsidiary and joint venture companies where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%.

Intangible assets are amortised on a straight line basis over six years being estimated useful life of the assets.

f) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of returns and trade discount. The sales are accounted for net of sales tax and excise duty. Export sales are recognized at the time of clearance of goods and approval from Excise Authorities. Income from services (LPSBISPL) is recognized on rendering of the services to the constomer using completed service contract method. Other income is accounted for on accrual basis. Dividend income is accounted for when the right to receive the payment is established.

g) Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange difference arising on the settlement of monetary item during the year is recognized as an income or expense. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. However in case of exchange variation arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and are depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Non monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rate at the date of transaction.

h) Government Grants/Subsidies

Government grants available to the Company are recognized in accounts:

- (i) Where there is reasonable assurance that the enterprise will comply with the conditions attached to them and
 - (ii) Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made
- Grants related to revenue are deducted in reporting the related expense.

i) Inventories

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 65% less on the price-list and finished goods have been valued at 55% less on the price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price, since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value. In cash of subsidiary company and joint venture

companies are value at lower of cost and net realisable value. Cost includes freight and other related incidental expenses and is arrived and at on weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on the ageing of inventory.

j) Investments

Investments are long term and stated at cost. Provision for diminution in value of investments is made to recognize the decline in value of investments, if in the opinion of management; the decline is permanent in nature.

k) Retirement Benefits:

a) Gratuity and Provident Fund

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India. The Company makes contribution to statutory provident fund in accordance with Employee Provident Fund and Miscellaneous Provisions Act, 1952 which is defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

b) Leave encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value required to be paid or value of benefits expected to be availed by the employees as per Company rules.

l) Research and Development

Intangible Assets arising from development are not recognized since the asset is not identifiable and future economic benefits from the assets are not probable. Expenditure on research is recognized as an expense when it is incurred. Research and development cost include salaries and other related cost of personnel, cost of materials and services consumed and other overhead costs related to research and development.

m) Borrowing Costs

Borrowing Costs that are attributable to the acquisition for construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

n) Excise Duty

Excise duty has been accounted on the basis of both, payments made in respect of goods cleared as also the provision made for goods lying in the warehouses.

o) Miscellaneous Expenditure

Technical know-how is amortized on a systematic basis on straight line method over its useful life based upon the respective technical know-how agreements.

p) Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the period, using the applicable tax rates and tax laws in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

q) Prior Period Items/Exceptional items

Prior Period Expenses/Income is shown as prior items in statement of profit and loss as per provision of AS-5 "Net Profit or Loss for the period, prior period items and changes in accounting policies" issued by the Institute of Chartered Accountants of India.

r) Earnings Per Share

The earnings considered in ascertaining the Company's earning per Share (EPS) comprise the net profit after tax. Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

s) Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred and where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is generally measured using discounted estimated cash flows. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

t) Leases

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

u) Contingent Liabilities and Commitments

Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the profit and loss account. Contingent gains are not recognized. Provisions are recognized as liability only when they can be measured by using a substantial degree of estimation and where present obligation of the enterprise arise from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

v) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investment with an original maturity of three months or less.

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 2					
SHARE CAPITAL					
a. Authorised:					
24970000 (Previous year 14970000) Equity Shares of Rs. 10/- each	249700000	29400000	3675000	282775000	182775000
Less : Authorised capital of joint venture companies	-	(29400000)	(3675000)	(33075000)	(33075000)
9.5% Cumulative Preference Shares of Rs. 10/- each	300000	-	-	300000	300000
	250000000	-	-	250000000	150000000
Issued:					
10941667 Equity Shares of Rs. 10/- each	109416670	23520190	1847490	134784350	134784350
Less :Investment in joint venture companies	-	(23520190)	(1847490)	(25367680)	(25367680)
	109416670	-	-	109416670	109416670
Subscribed and paid up:					
10941667 Equity Shares of Rs. 10/- each	109416670	23520190	1847490	134784350	134784350
Less :Investment in joint venture companies	-	(23520190)	(1847490)	(25367680)	(25367680)
	109416670	-	-	109416670	109416670
b. Reconciliation of the number of shares outstanding at the beginning and at the end of the year					
10941667 Equity shares of Rs. 10/- each outstanding at the beginning of the year	109416670	-	-	109416670	109416670
Nil Equity shares of Rs. 10/- each issued during the year	-	-	-	-	-
Nil Equity shares of Rs. 10/- each bought back during the year	-	-	-	-	-
10941667 Equity shares of Rs. 10/- each outstanding at the end of the year	109416670	-	-	109416670	109416670

c. Terms/right attached to equity shares:

The Company has issued equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders is Rs.1.50 (Previous Year Rs.1.50)

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

d. Details of shareholders holding more than 5% shares in the Company is set out below

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri Rajesh Jain	1430804	13	1430804	13
Shri Lalit Kumar Jain	1159600	11	1159600	11
Shri Vijay Kumar Jain	1132593	10	1132593	10
M/s Reliance Capital Trustee Co. Ltd.				
A/c Reliance Long Term Equity Fund	900000	8	900000	8

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet

Particulars	2011-12	2010-11
Equity Shares	Nil	Nil

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 3					
RESERVES AND SURPLUS					
a. Capital Reserve					
As per the last Balance Sheet	13931192	-	-	13931192	13931192
Add : Reserve of subsidiary company till 24.12.1990	239600	-	-	239600	239600
Add : Reserve of associates till 31.03.2007	(1055969)	-	-	(1055969)	(1055969)
	13114823	-	-	13114823	13114823
b. Securities Premium Account	318336034	-	-	318336034	318336034
c. General Reserve:					
As per the last Balance Sheet	26614385	4735552	-	31349937	26849937
Add : Transfer from surplus as per statement of profit and loss	3800000	-	-	3800000	4500000
	30414385	4735552	-	35149937	31349937
d. Reserve of subsidiary company after 24.12.1990					
As per the last Balance Sheet	4718930	-	-	4718930	4693623
Add : Transfer from surplus as per statement of profit and loss	25840	-	-	25840	37606
Less : Transfer to Minority Interest (Refer note no. 31(iv)(b)(iii))	(8451)	-	-	(8451)	(12299)
	4736319	-	-	4736319	4718930
e. Foreign Currency Monetary Item Translation Difference Account:*					
Add : Transfer from surplus as per statement of profit and loss	(2150608)	-	-	(2150608)	(3105618)
Add: Foreign Currency Variation during the year	(4397803)	-	-	(4397803)	94767
	(6548411)	-	-	(6548411)	(3010851)
Less: Amortized during the year	2619364	-	-	2619364	860243
	(3929047)	-	-	(3929047)	(2150608)
f Surplus as per Statement of Profit and Loss					
Opening balance	482854169	155710693	250487	638815349	543728325
Less: Adjustment on account of audited figures**	-	(4536119)	(66771)	(4602890)	(4030384)
	482854169	151174574	183716	634212459	539697941
Net Profit for the current year	74723076	21295790	341890	96360756	122730033
	557577245	172470364	525606	730573215	662427974
Appropriation					
Proposed Dividend	16412501	-	-	16412501	16412501
Corporate Dividend Tax	2662518	-	-	2662518	2662518
Transfer to General Reserve	3800000	-	-	3800000	4500000
Transfer to Reserve of Subsidiary company after 25.12.1990	25840	-	-	25840	37606
	534676386	172470364	525606	707672356	638815349
	897348900	177205916	525606	1075080422	1004184465

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May, 2011 issued by the Ministry of Corporate Affairs, the Company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account:, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange loss of Rs.13112115/- arising on aforesaid long term foreign currency monetary items, a sum of Rs.8714312/- lacs has been deducted from the cost of fixed assets and a sum of Rs.4397803/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.2619364/- has been amortized in the Statement of Profit and loss in accordance with the remaining period of the long term liability.

**Adjustment on account of audited figures (Refer note no. 31(iv)(c))

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 4					
LONG TERM BORROWINGS					
Secured:					
a. Term Loans					
From Banks	420264041	-	-	420264041	464467772
Less: Current maturities of long term debt (Refer note no 10)	177291339	-	-	177291339	146222723
	242972702	-	-	242972702	318245049
From Other Parties	5460000	-	-	5460000	-
Less: Current maturities of long term debt (Refer note no 10)	-	-	-	-	-
	5460000	-	-	5460000	-
	248432702	-	-	248432702	318245049
b. Deferred Payment Liabilities					
From Haryana State Industrial and Infrastructure Development Corporation Limited	72088170	-	-	72088170	2685044
Less: Current maturities of Deferred Payment Liabilities (Refer note no 10)	26101920	-	-	26101920	2685044
	45986250	-	-	45986250	-
c. Long Term Maturities of Finance Lease Obligations					
Vehicle Loans	36287902	-	-	36287902	41056968
Less: Current maturities of finance lease obligations (Refer note no 10)	13096247	-	-	13096247	13540613
	23191655	-	-	23191655	27516355
Unsecured:					
d. Term Loans					
From Other Parties	55746747	-	-	55746747	-
Less: Current maturities of long term debt (Refer note no 10)	27499285	-	-	27499285	-
	28247462	-	-	28247462	-
e. Loans and Advances from Related Parties					
From Directors *	15072050	-	-	15072050	15072050
From Others *	21702086	-	-	21702086	23702086
	36774136	-	-	36774136	38774136
	382632205	-	-	382632205	384535540

*Promoters deposit under stipulations of lending financial institutions and banks.

a. Term Loans from Bank (secured)

- (i) Term loans are from Canara Bank, Indian Overseas Bank, IDBI Bank Limited, State Bank of India and ICICI Bank Limited.
(ii) Details of term loans from Canara Bank and security furnished are as under:

Date of sanction	Amount Sanctioned (Rs.)	Amount Outstanding (Rs.)	Security
26.09.2009	40000000	10964861	Prime security 1. IInd pari passu charge on entire chargeable current assets (present and future) and entire fixed assets of the Company. Collateral 2. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, situated at NH 10, Hisar Road Rohtak. 3. Ist pari passu charge on land measuring 4.6125 acre and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana. 4. IInd pari passu charge on entire fixed assets acquired out of term loan of USD 6.66 million sanctioned by ICICI Bank Limited. 5. Ist charge on dies and tools to be purchased and other securities given for working capital term loan.
22.09.2010	105000000	79383809	Prime security 6. Ist pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral 7. Same as against Sl. no. 1, 2 and 3 above

08.09.2011	50000000	40100441	Prime security 8. 1st pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired. Collateral 9. Same as against Sl. no. 2 and 3 above
08.12.2006	6600000	1108372	10. 1st charge on generator purchased out of the proceeds.
(iii) Details of term loans from Indian Overseas Bank and security furnished are as under:			
08.12.2009	10200000	2748643	Prime security 11. 1st charge on fixed assets acquired out of term loan. Collateral 12. 11nd charge of fixed assets and 1st charge with other term lenders on land and building as mentioned against Sl.no. 2 and 3.
(iv) Details of term loans from IDBI Bank Limited and security furnished are as under:			
29.12.2008	100000000	50000000	Prime security 13. 1st pari passu charge on fixed assets of the Company.
27.01.2010	100000000	91859092	Prime security 14. 1st pari passu charge on fixed assets of the Company.
(v) Details of term loans from State Bank of India and security furnished are as under:			
03.11.2011	45000000	45000000	Prime security 15. 1st pari passu charge along with other consortium bankers on tools and dies capitalised. Collateral 16. 11nd pari passu charge on entire fixed assets of the Company and other properties mentioned against Sl. No. 2 and 3.
(vi) Details of term loans from ICICI Bank Limited and security furnished are as under:			
27.12.2006	USD 6.66 millions	99098823	17. 1st pari passu charge on entire fixed assets of the Company both present and future and is further secured by second pari-passu charge by way of hypothecation of the entire stocks of raw materials, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future.

(vii) Terms of repayments:

Name of Banks	Nature of facility	Terms of repayment
Canara Bank	Short Term Loan	11 quarterly instalments of Rs. 3400000/- 1 quarterly instalments of Rs. 2600000/-
Canara Bank	Working Capital Term Loan	20 quarterly instalments of Rs. 5250000/-
Canara Bank	Term Loan	20 quarterly instalments of Rs. 2500000/-
Canara Bank	Term Loan	30 monthly instalments of Rs. 234000/- including interest
Indian Overseas Bank	Term Loan	60 monthly instalments of Rs. 230780/- including interest
IDBI Bank Limited	Term Loan	16 quarterly instalments of Rs. 6250000/-
IDBI Bank Limited	Term Loan	2 quarterly instalments of Rs. 2500000/- 4 quarterly instalments of Rs. 3750000/- 2 quarterly instalments of Rs. 5000000/- 7 quarterly instalments of Rs. 10000000/-
State Bank of India	Corporate Term Loan	4 quarterly instalments of Rs. 3750000/- 4 quarterly instalments of Rs. 4650000/- 1 quarterly instalments of Rs. 5550000/- 1 quarterly instalments of Rs. 5850000/-
ICICI Bank Limited	External Commercial Borrowing	20 quarterly instalments of \$ 333000/-

		(Consolidated) (Rs.)	(LPSBPL) (Rs.)	(LPSBISPL) (Rs.)	(Consolidated) (Rs.)	(Consolidated) (Rs.)
(viii)	Aggregate amount of Term Loans and foreign currency term loan (ECB) from Banks secured by way of personal guarantees of some of directors of the Company and their relatives are:	242972702	-	-	242972702	318245049

(ix) Period and amount overdue and unpaid as on the Balance Sheet date:

- a) Out of instalment of \$333000 due on 21.03.2012 in respect of foreign currency term loan (ECB) from ICICI Bank Ltd, a sum of \$ 176250 remains unpaid as on 31.03.2012
- b) Interest accrued and due Rs.1784687/- remain unpaid as on the date of Balance Sheet.

a. Term Loans from other parties (secured)

- a) Term Loan from Intec Capital Limited is secured to the extent of cash collateral security of Rs. 5460000/- and has been shown under the secured term loan from other parties and balance under unsecured term loan from other parties in note no. 4(d).

b) Terms of repayments

	Repayment Period		
	With in 1 year (Rs.)	1 - 2 years (Rs.)	2 - 3 years (Rs.)
Term loans from other parties	-	1329258	4130742

b. Deferred Payment Liabilities:

- (i) Deferred payment credits from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) are secured against the properties as under:

1. Plot no. 153, Sector 3 at IMT Manesar, Gurgaon
2. Plot no. 257, Sector 6 at IMT Manesar, Gurgaon
3. Working Housing unit at IMT Manesar, Gurgaon
4. Dormitory House at IMT Manesar, Gurgaon
5. Plot no. 4, Sector 30B at IMT Rohtak

- a) The above properties shall continue to belong to HSIIDC until and unless the full price of the properties with interest and other amount, if any, due to HSIIDC is paid by the Company.
- b) On the payment of total price of the properties, the HSIIDC would execute a deed of conveyance in favour of the Company.

(ii) **Term of repayments**

Name of Lendor	Nature of facility	Terms of repayment
Haryana State Industrial and Infrastructure Development Corporation Limited	Deferred Payment Liabilities	
	Plot no. 153, Sector 3 at IMT Manesar, Gurgaon	5 half yearly instalments of Rs. 551646/-
	Plot no. 257, Sector 6 at IMT Manesar, Gurgaon	5 half yearly instalments of Rs. 201353/-
	Working Housing unit at IMT Manesar, Gurgaon	8 half yearly instalments of Rs. 71250/-
	Dormitory House at IMT Manesar, Gurgaon	8 half yearly instalments of Rs. 140625/-
	Plot no. 4, Sector 30B at IMT Rohtak	8 half yearly instalments of Rs. 11390625/-

(iii) Period and amount overdue and unpaid as on the Balance Sheet date:

a)	Nature of facility	Amount of default (Rs.)	Due date	Status
Deferred Payment Liabilities	Working Housing unit at IMT Manesar, Gurgaon	140625/-	05.03.2012	Unpaid
	Dormitory House at IMT Manesar, Gurgaon	71250/-	02.03.2012	Unpaid

- b) Interest accrued and due Rs.832470/- remain unpaid as on the date of Balance Sheet.

c. Long term maturities of finance lease obligations

- (i) Long term maturities of finance lease obligations are secured by way of hypothecation of assets acquired under finance lease.
(ii) Term of repayments

Name of Lendor	Nature of facility	Terms of repayment (including interest)
State Bank of India	Finance Lease	35 monthly instalments of Rs. 26447/-
	Finance Lease	36 monthly instalments of Rs. 93881/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 327396/-
	Finance Lease	36 monthly instalments of Rs. 153704/-
Kotak Mahindra Prime Limited	Finance Lease	8 monthly instalments of Rs. 778500/-
	Finance Lease	4 monthly instalments of Rs. 724500/-
BMW India Financial Services Limited	Finance Lease	24 monthly instalments of Rs. 474950/-
	Finance Lease	36 monthly instalments of Rs. 101106/-
BMW India Financial Services Limited	Finance Lease	36 monthly instalments of Rs. 87121/-
ICICI Bank Limited	Finance Lease	35 monthly instalments of Rs. 40915/-
	Finance Lease	60 monthly instalments of Rs. 143113/-
Maruti Udyog Limited	Finance Lease	84 monthly instalments of Rs. 10772/-

d. Term loans (unsecured) from other parties

- (i) Terms of repayments

	Repayment Period		
	With in 1 year (Rs.)	1 - 2 years (Rs.)	2 - 3 years (Rs.)
Term loans from other parties	27499285	26530912	1716550

	(Consolidated) (Rs.)	(LPSBPL) (Rs.)	(LPSBISPL) (Rs.)	(Consolidated) (Rs.)	(Consolidated) (Rs.)
(ii) Aggregate amount of Term Loans from other parties secured by way of personal guarantees of some of directors of the Company are:	9505668	-	-	9505668	-

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 5					
DEFERRED TAX LIABILITY					
On account of difference treatment of certain payments under Income Tax Act, 1961	52292602	1130690	-	53423292	39140966
Deferred Tax Assets	52292602	1130690	-	53423292	39140966
On account of difference in rates and method of depreciation	26372126	8475751	12779	34860657	9983678
Deferred Tax Liability/(Assets)	26372126	8475751	12779	34860657	9983678
At the end of year (net)	25920476	(7345062)	(12779)	18562635	29157288
For the year	(8366627)	(2395561)	-	(10762188)	11611038

Deferred tax resulting from timing differences between book profit and taxable income is accounted for using the current tax rate.

Difference in opening balance of Rs. 167535/- because of provisional and audited figures in joint ventures companies (Refer note no (31)(iv)(c))

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 6 OTHER LONG TERM LIABILITIES					
a. Others:					
Security Deposits from customers/employees	11608990	-	-	11608990	6918423
	11608990	-	-	11608990	6918423
NOTE - 7 LONG TERM PROVISIONS					
a. Provisions for employee benefits					
Leave Encashment	7887154	-	-	7887154	6027925
	7887154	-	-	7887154	6027925

(i) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date.

(ii) The shortfall in liability, if any, on ascertainment of liability by an independent actuary, will be provided for on the basis of actuarial valuation certificate when obtained.

NOTE - 8 SHORT TERM BORROWINGS					
Secured:					
a. Loans repayable on demand					
Working capital limits from Banks	1181996825	48664393	-	1230661218	898296402
	1181996825	48664393	-	1230661218	898296402
Unsecured:					
b. Deposits					
Fixed Deposits from Directors and others	28800000	-	-	28800000	28800000
Other loans and advances- from a Company	10000000	-	-	10000000	10000000
	38800000	-	-	38800000	38800000
	1220796825	48664393	-	1269461218	937096402

a. Working capital limits from banks (secured)

- Working capital limits are in consortium with Canara Bank and State Bank of India in the ratio of 70:30 and are secured by way of pari passu first charge against hypothecation of entire chargeable current assets i.e stock and book debts (present and future) of the Company and pari passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by some of Directors of the Company and their relatives.

Working capital limits from consortium banks are further secured by way of equitable mortgage of:

- # Second pari passu charge on 10640 square yards of Land and Building standing in the name of Smt. Sushila Devi Jain, Director of the Company, situated at NH - 10, Hissar Road, Rohtak.
- # Second pari passu charge on Land and Building 4.6125 acres situated at Mauza Kharawar, Tehsil - Sampla, District - Rohtak, Haryana in the name of Shri Nikhlesh Jain and Shri Saurabh Jain
- # Second pari passu charge with working capital consortium members on Dies and Tools capitalised during financial year 2010-2011

In case of Joint Venture Company, LPSBPL cash credit account and bills discounted with banks are secured by way of first charge on current assets, stock and book debts (present and future) of the company and further secured by way of first charge on fixed assets (excluding computer software and vehicles), machinery, office equipments, computer hardware and furniture and fixtures.

- Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.)

1181996825	48664393	-	1230661218	898296402
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- Period and amount of overdue and unpaid as on the Balance Sheet date:

Nature of facility	Amount overdue and unpaid (Rs.)	Period of overdue and unpaid (Days)
Foreign bills discounted with Canara Bank	1262631/-	7 to 18 Days
Domestic bills discounted with Canara Bank	21054112/-	1 to 60 Days

b. Other loans and advances from a Company (unsecured)

- Other loans and advances received from a Company are repayable on demand.
- Interest accrued and due Rs.738221/- remained unpaid as on the Balance sheet date.

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 9					
TRADE PAYABLES	854156410	49732844	-	903889254	956650058
Less: Intra group transactions	(4913906)	(4471479)	-	(9385385)	(10022432)
	849242504	45261365	-	894503869	946627626

- (i) Trade payables include Acceptances of Rs.118689908/- (Previous Year Rs.95511748/-)
- (ii) Information required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006/MSMED Act for the year ended 31st March, 2012. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sl. no.	Particulars	(Consolidated)	LPSBPL	LPSBISPL	(Consolidated)	(Consolidated)
1	Principal amount and interest due thereon remaining unpaid to any supplier	2228326	Nil	Nil	2228326	250829
2	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	806	Nil	Nil	806	Nil
5	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil	Nil	Nil

NOTE - 10

OTHER CURRENT LIABILITIES						
	Current maturities of long term debt (Refer note no. 4a and 4d)	204790624	-	-	204790624	146222723
	Current maturities of Deferred Payment Liabilities (Refer note no. 4b)	26101920	-	-	26101920	2685044
	Current maturities of finance lease obligations (Refer note no. 4c)	13096247	-	-	13096247	13540613
	Interest accrued but not due on Borrowings	4861620	-	-	4861620	1932805
	Interest accrued and due on Borrowings	3295378	-	-	3295378	188492
	Unpaid dividend	2429984	-	-	2429984	2117871
	Advances and progress payments from customers	134414798	-	-	134414798	106103709
	Creditors for capital goods	50718207	-	-	50718207	46209847
	Excise duty payable	47615531	-	-	47615531	32334578
	Employees benefit expense	37030198	2178501	22628	39231327	29981148
	Statutory dues	15335950	3099075	-	18435025	30313407
	Other payables	18426771	6255073	25472	24707316	29323733
		558117228	11532649	48100	569697977	440953970
(i)	Current maturities of long term debt includes:					
	a) Current maturities of long term (secured) (Refer note no. 4a)	177291339	-	-	177291339	146222723
	b) Current maturities of long term (unsecured) (Refer note no. 4d)	27499285	-	-	27499285	-
		204790624	-	-	204790624	146222723

- (ii) The Company has made a provision of Excise duty amounting Rs.47615531/- (previous year Rs. 32334578/-) payable on stocks of Finished and Scrap material. Excise duty is considered as an element of cost at the time of manufacture of goods.
- (iii) Employees benefit expense includes Rs.17011691/- (Previous year Rs. 1135788/-) payable to Directors of the Company
- (iv) Other payable include Rs.175186/- (previous year Rs. 175186/-) payable to a Director of the Company
- (v) Statutory dues are in respect of PF, ESI, Sales Tax and TDS
- (vi) Other payables include expenses payable and other liabilities

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 11					
SHORT TERM PROVISIONS					
Provision for Employee Benefits:					
Leave encashment	2618965	-	12485	2631450	2510845
Gratuity (refer note no. 31(xviii))	3609424	-	18658	3628082	6267704
	6228389	-	31143	6259532	8778549
Others:					
Income Tax (net of advance Tax and TDS of Rs.38243856 /-)	1039592	4088255	(199802)	4928045	27737233
Wealth Tax	275150	-	-	275150	264815
Proposed Dividend	16412501	-	-	16412501	16412501
Corporate Dividend Tax	2662518	-	-	2662518	2662518
	20389761	4088255	(199802)	24278214	47077067
	26618150	4088255	(168659)	30537746	55855616

- (i) Provisions are recognized for expenses such as gratuity, income tax, wealth tax, and leave encashment. The provisions are recognized on the basis of past events and the probable settlement of the present obligation as a result of the past events during the financial year 2011-12

The movements in provisions are as under:

1. Carrying amount as on 01.04.2011

Income Tax	38208000	8200000	132650	46540650	51800000
Wealth Tax	260000	-	-	260000	172000
Leave encashment	8570486	-	-	8570486	7576000
Gratuity	5541719	-	-	5541719	5000000
Total	52580205	8200000	132650	60912855	64548000

2. Additional provisions made during the financial year 2011-12.(including increase to existing provisions.)

Income Tax	27276266	15842424	53211	43171901	46300000
Wealth Tax	275150	-	-	275150	260000
Leave encashment	4815206	-	12485	4827691	3839000
Gratuity	5541720	-	18658	5560378	5542000
Total	37908342	15842424	84354	53835120	55941000

3. Amounts used (incurred and charged against the provisions) during the financial year 2011-12

Income Tax	31287797	8200000	132650	39620447	46342000
Wealth Tax	260000	-	-	260000	172000
Leave encashment	2879573	-	-	2879573	2845000
Gratuity	7474015	-	-	7474015	3326000
Total	41901385	8200000	132650	50234035	52685000

4. Unused amounts reversed during the financial year 2011-12

Income Tax	6920203	-	-	6920203	5458000
Wealth Tax	-	-	-	-	-
Leave encashment	-	-	-	-	-
Gratuity	-	-	-	-	1674000
Total	6920203	-	-	6920203	7132000

5. Carrying amounts of provisions as on 31.03.2012

Income Tax	27276266	15842424	53211	43171901	46300000
Wealth Tax	275150	-	-	275150	260000
Leave encashment (Long term Rs. 7887154/-)	10506119	-	12485	10518604	8570000
Gratuity	3609424	-	18658	3628082	5542000
Total	41666959	15842424	84354	57593737	60672000

- (ii) The Company has proposed dividend for the year @15% on its equity capital and a provision for corporate dividend tax including surcharge and education cess thereon has been made in accordance with Finance Act, 2012. No dividend has been declared by the group companies.

NOTE - 12
FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2011 Rs.	Additions Rs.	Adjustment /Sales Rs.	As at 31.03.2012 Rs.	As at 01.04.2011 Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
	Tangible										
1	Industrial Land										
	Freehold	31112279	145575282	0	176687561	0	0	0	0	176687561	31112279
	Leasehold	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	206175178	19088729	0	225263907	64274455	8009780	0	72284235	152979672	141900723
3	Office Premises										
	Freehold	813362	0	0	813362	466030	17367	0	483397	329965	347332
	Leasehold										
	Consolidated	553040	0	0	553040	344144	10445	0	354589	198451	208896
	Share in LPSBPL	10542977	215042	0	10758019	6193536	1381093	0	7574629	3183390	4349441
4	Plant and Machinery	1498056602	138379700	0	1636436302	874394347	195394117	0	1069788464	566647838	623662255
5	Furniture and Fixtures										
	Consolidated	41778541	3155812	0	44934353	28764345	2199315	0	30963660	13970693	13014196
	Share in LPSBPL	23996969	6920426	843785	30073610	7009957	1743338	596958	8156337	21917274	16987012
6	Electric Fans and Installations	40155967	3542436	0	43698403	25387258	2196691	0	27583949	16114454	14768709
7	Office Equipments										
	Consolidated	25541377	1945739	0	27487116	12249339	1219196	0	13468535	14018581	13292038
	Share in LPSBPL	5537372	1063836	406239	6194969	1155220	312271	176795	1290696	4904273	4382152
	Share in LPSBISPL	5331	0	0	5331	3636	152	0	3788	1543	1695
8	Computer										
	Consolidated	69783577	3683390	0	73466967	69453010	3147693	0	72600703	866264	4836042
	Share in LPSBPL	9309047	1011490	3455228	6865309	5890139	1475455	3455228	3910366	2954944	3418909
	Share in LPSBISPL	298556	0	0	298556	298556	0	0	298556	0	0
9	Vehicles										
	Consolidated	103490911	11575257	4471749	110594419	48144402	9805142	2404226	55545318	55049101	50841034
	Share in LPSBPL	4321128	534103	0	4855231	1314867	456504	0	1771371	3083860	3006261
10	Weighing Scales	1509045	65113	0	1574158	1211617	65297	0	1276914	297244	297428
11	Fire Extinguishers	860218	23603	0	883821	764869	66748	0	831617	52204	95349
	Total	2092239894	336779958	9177001	2419842845	1147319725	227500607	6633207	1368187127	1051655718	944920166
	Intangible										
12	Computer software										
	Consolidated	5879283	4381400	0	10260683	1373808	1130588	0	2504396	7756287	4505475
	Share in LPSBPL	3947619	14355	1818230	2143743	3417936	304235	1818230	1903941	239803	529683
	Share in LPSBISPL	72990	0	0	72990	72990	0	0	72990	0	0
	Total	2102139786	341175712	10995232	2432320262	1152184459	228935430	8451437	1372668454	1059651808	949955321
	Capital Work-In-Progress	11169890	1986631	9974041	3182480	0	0	0	0	3182480	11169890
	Total-Current Year	2113309676	343162343	20969273	2435502742	1152184459	228935430	8451437	1372668454	1062834288	961125211
	Total-Previous Year	1617212824	512832442	16735590	2113309673	975991983	188225688	12033211	1152184461	961125211	641213532

NOTES:

- Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in the case of Plant-II, Manesar Plants, Indian Fasteners Limited, subsidiary company and Joint Ventures where depreciation has been provided on straight-line method.
- Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- The additions in Fixed Assets include Rs.34320709/-(last year Rs.15912144/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountants of India.
- Leashold Office Premises are in respect of office flats at Bangalore,.
- Freehold Office Premises are in respect of office flats at Mumbai and Delhi.
- A sum of Rs. 8714321/- on account of exchange gain realised during the year has been adjusted in Plant & Machinery in accordance with the Notification no G.S.R.225(E) dated 31st March 2009 as amended vide notification dated 11.05.2011, issued by Ministry of Corporate Affairs.
- Plant and Machinery include capital expenditure of Rs.25822374/- incurred during the year and Rs.20195483/- incurred during the previous year on research and development.
- Title Deeds in respect of lands acquired from HSIIDC, have not been yet executed. As per the terms of letters of allotment, the same will be executed after the full payment to HSIIDC.

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 13					
NON CURRENT INVESTMENTS					
(Long term, trade, unquoted, at cost)					
Investment in Equity Instruments					
Associate Companies					
Hanumat Wires Udyog Private Limited, Rohtak					
279300 Equity Shares of Rs. 10/- each	2793000				
Add:- Accumulated Income upto 31.03.2011	3087847				
(including Goodwill Rs. Nil on acquisition)	5880847				
Add:- Share in profit for the year ended 31.03.12	823808	6704655	-	6704655	5880847
J.C. Fasteners Limited, Rohtak					
700000 Equity Shares of Rs. 10/- each	7000000				
Add:- Accumulated Income upto 31.03.2011	1634440				
(including Goodwill Rs. Nil on acquisition)	8634440				
Add:- Share in profit for the year ended 31.03.12	238697	8873137	-	8873137	8634440
Lakshmi Extrusion Limited, Rohtak					
30000 Equity Shares of Rs. 100/- each	3000000				
Add:- Accumulated Income upto 31.03.2011	(2500629)				
(including Goodwill Rs. Nil on acquisition)	499371				
Add:- Share in profit for the year ended 31.03.12	(95412)	403959	-	403959	499371
Joint Ventures					
LPS Bossard Private Limited					
2352019 Equity Shares of Rs.10/- each	23520190	-	-	23520190	23520190
LPS Bossard Information Systems Private Limited					
184749 Equity Shares of Rs.10/- each	1847490	-	-	1847490	1847490
	41349431	-	-	41349431	40382338
Less: Investment in Joint Venture companies	-	-	-	25367680	25367680
Aggregate amount of unquoted investments	41349431	-	-	15981751	15014658
NOTE - 14					
LONG TERM LOANS AND ADVANCES					
Unsecured, considered good:					
Capital Advances	11107996	-	-	11107996	50765186
Security Deposits					
With Electricity Departments	9138079	90650	-	9228729	9486665
With Sales Tax/VAT Departments	1500	83300	-	84800	84800
With Other Government Departments	638849	-	-	638849	460059
With Others	1142245	4655366	1960	5799571	5813184
Other deposits with Intec Capital Limited as cash collateral against borrowing	5460000	-	-	5460000	0
	27488669	4829316	1960	32319945	66609894
NOTE - 15					
OTHER NON CURRENT ASSETS					
Unsecured, considered good:					
Interest on deferred payments*	-	-	-	-	73470
Technical knowhow fee**	2649850	-	-	2649850	2453658
	2649850	-	-	2649850	2527128
Interest on deferred payments*					
As per last Balance Sheet	173811	-	-	173811	202510
Add: Addition during the year	-	-	-	-	204320
	173811	-	-	173811	406830
Less: Written off	100341	-	-	100341	233019
	73470	-	-	73470	173811
Non Current Portion	-	-	-	-	73470
Current Portion Assets (Refer note no 20)	73470	-	-	73470	100341
Technical knowhow fee**					
As per last Balance Sheet	3514800	-	-	3514800	1526704
Add: Addition during the year	1670220	-	-	1670220	3091699
	5185020	-	-	5185020	4618403
Less: Written off	1395186	-	-	1395186	1103603
	3789834	-	-	3789834	3514800
Non Current Portion	2649850	-	-	3789834	-
Current Portion Assets (Refer note no 20)	1139984	-	-	1139984	3514800

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 16					
INVENTORIES					
Raw Materials (including in transit Rs. 7342281/- (previous year Rs. 47926633/-))	235913157	-	-	235913157	337147297
Work in Progress	568929626	-	-	568929626	437868336
Finished goods (including in transit Rs. 2270939/- (previous year Rs. 3252077/-))	456749098	110546505	-	567295603	372527689
Less: Unrealised profit on intra group transaction	-	(447148)	-	(447148)	(629094)
Stock in Trade (Traded goods)	4061994	-	-	4061994	91587839
Consumables stores and Spares	316182179	-	-	316182179	240496507
Dies and tools	406183918	-	-	406183918	303034449
Packing materials	35720668	-	-	35720668	33272341
Stationary in hand	384336	-	-	384336	390848
Postage and foreign stamps	5123	-	-	5123	3070
Scrap materials (at realisable value)	14625029	-	-	14625029	8115327
	2038755128	110099357	-	2148854485	1823814609
Less: Provision for slow moving inventory	-	(15543023)	-	(15543023)	(10683352)
	2038755128	94556334	-	2133311462	1813131257

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 65% less on the price-list and finished goods have been valued at 55% less on the price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price; since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value. In case of subsidiary company and joint venture companies inventories are valued at lower of cost and net realisable value. Cost includes freight and other related incidental expenses and is arrived and at on weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on the ageing of inventory.

NOTE - 17					
TRADE RECEIVABLES					
(Unsecured)					
Trade receivables outstanding for a period exceeding six months					
Considered good	17789489	15074507	-	192744265	171292133
Considered doubtful	3629797	5955800	-	9585597	10394863
	21419286	21030307	-	202329861	181686996
Less: Allowance for doubtful debts	3629797	17282384	-	20912181	10394863
	17789489	3747923	-	181417681	171292133
Other Trade receivables	662400871	159880269	-	662400871	602737369
	680190360	163628192	-	843818552	774029502
Less: Intra group transaction	-	(4471480)	-	(4471480)	(6290940)
	680190360	159156712	-	839347072	767738562
NOTE - 18					
CASH AND BANK BALANCES					
Cash and Cash Equivalents					
Balances with Banks	16735914	1455445	458124	18649482	27553201
Cash on hand	526888	14193	99	541180	2217866
Cheques in hand	93033	-	-	93033	326126
Unpaid Dividend Accounts*	2429984	-	-	2429984	2117871
E E F C Account (US\$ 769.83 Previous year US\$ 769.83)	39382	-	-	39382	34373
	19825201	1469637	458223	21753062	32249437
Other Bank Balances					
Fixed Deposits:**					
Pledged as margin money against bank guarantees	1495000	-	-	1495000	725000
Pledged as margin money against letter of credits	70487000	2061560	-	72548560	55679260
Lien against public deposits	6170308	-	-	6170308	7021038
No lien account	400000	-	1608097	2008097	4458097
	78552308	2061560	1608097	82221965	67883395
	98377509	3531197	2066320	103975027	100132832

* Unpaid dividend accounts can be utilised only for payment of pending dividend liabilities

**Fixed deposits with banks include deposits of Rs. 62694657/- (Previous Year of Rs. 50347868/-) with maturity of more than 12 months.

Description	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) LPSBPL	As at 31.03.2012 (Rs.) LPSBISPL	As at 31.03.2012 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) (Consolidated)
NOTE - 19					
SHORT TERM LOANS AND ADVANCES					
(Unsecured, considered good)					
Loans and Advances to Related Parties	15266467	-	-	15266467	10636327
Others:					
Advance against Material and Services	39663001	3466997	-	43129998	58104974
Prepaid Expenses	7129764	1103607	2886	8236258	7412223
Balance with Central Excise Department	21491611	-	-	21491611	26583329
Cenvat on capital goods	10539012	-	-	10539012	10899476
Advance to staff	5350356	-	-	5350356	5725303
Employee advance under litigation (refer note no. 31(v))	16059342	-	-	16059342	16059342
Other advances	8101224	-	-	8101224	15020587
	123600777	4570604	2886	128174268	150441561

(i) Details of Loans and advances to related parties are as under:

Name of party	Relationship	Nature	(Rs.)	(Rs.)
Lakshmi Extrusion Ltd	An associate Company	Material and Services	10196685	10196685
Shiv Industries	A partnership firm in which directors are partner	Material and Services	7983	-
Universal Enterprises	A partnership firm in which directors are partner	Material and Services	7424	-
Hanumat Wire Udyog Pvt. Ltd.	An associate Company	Trade deposit	5054375	-
J.C. Fasteners Ltd.	An associate Company	Material and Services	-	408545
Swadesh Engineering Industries	A partnership firm in which directors are partners	Material and Services	-	31097
			15266467	10636327

(ii) That the balance of with central excise department includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.

(iii) Other advances include Service Tax to be availed, vat refund due and staff imprest accounts.

Description	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) LPSBPL	Year Ending 31.03.2012 (Rs.) LPSBISPL	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) (Consolidated)
NOTE - 20					
OTHER CURRENT ASSETS					
(Unsecured, considered good)					
Interest accrued on deposits	3021802	-	167050	3188852	580530
Freight Subsidy receivable	1000000	-	-	1000000	1000000
Export incentive receivable	45799313	-	-	45799313	44494935
DEPB Licence in hand	4235722	-	-	4235722	1449544
Interest on deferred payments (Refer note no. 15)	73470	-	-	73470	100341
Technical knowhow fee (Refer note no. 15)	1139984	-	-	1139984	1061142
	55270292	-	167050	55437341	48686492
NOTE - 21					
REVENUE FROM OPERATIONS (GROSS)					
Sale of Machine Screws	3589144839	-	-	3589144839	3227077055
Sale of Machine Screws (Traded)	22269417	477980442	-	500249859	473346348
Sale of Scrap Materials	70318779	-	-	70318779	77915375
Job work receipts	1730281	-	-	1730281	12636265
Export Incentives	46502234	-	-	46502234	32671545
	3729965550	477980442	-	4207945992	3823646588
Less: Excise Duty	295106895	-	-	295106895	263608841
Revenue from operations (net)	3434858655	477980442	-	3912839097	3560037747
NOTE - 22					
OTHER INCOME					
Rent	50400	-	-	50400	50400
Interest on fixed deposits with banks, loans, securities and from customers (TDS Rs.1294414/- previous year Rs.485672/-)	8384401	194681	167719	8746801	4578871
Exchange rate variation (net)	-	-	-	-	18644400
Dividend from long term trade investments	-	-	-	-	4704038
Profit on sale of assets	-	-	-	-	25088
Excess provisions no longer required written back	-	-	6737	6737	2666278
Miscellaneous receipts	2456919	502333	588000	3547251	2184282
	10891720	697014	762456	12351189	32853357

(i) Interest received includes a sum of Rs.6334898/- (previous year Rs.4572190/-) on bank deposits, Rs.2719/- (previous year Rs.6681/-) received from trade customers, Rs.452391/- (previous year Rs. nil) on loans, and Rs.1956793/- (previous year Rs. nil) on securities.

Description	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) LPSBPL	Year Ending 31.03.2012 (Rs.) LPSBISPL	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) (Consolidated)
NOTE - 23					
COST OF MATERIALS CONSUMED					
Wire/Wire Rods Alloys	1398271649	-	-	1398271649	1295423140
Stainless Steel/Bars	9072836	-	-	9072836	19786904
	1407344485	-	-	1407344485	1315210044
NOTE - 24					
PURCHASES OF STOCK IN TRADE					
Machine Screws (Traded)	9728811	310703601	-	320432412	318849567
	9728811	310703601	-	320432412	318849567
NOTE - 25					
PURCHASES OF SEMI FINISHED GOODS					
Washer,Cap and Springs	151075682	-	-	151075682	136957023
	151075682	-	-	151075682	136957023
NOTE - 26					
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE					
Opening Stocks:					
Machine Screws					
Finished goods	369275612	-	-	369275612	419095398
Finished goods (traded)	4382764	79800642	-	84183406	56797930
Finished goods in transit	3252077	-	-	3252077	4532757
Semi finished goods	376343190	-	-	376343190	207930537
Semi finished goods (Washer, Cap and Springs)	61525146	-	-	61525146	8500110
Scrap materials	8115327	-	-	8115327	6535231
	822894116	79800642	-	902694758	703391963
Closing Stocks:					
Machine Screws					
Finished goods	454478159	-	-	454478159	369275612
Finished goods (traded)	4061994	94556334	-	98618328	80275393
Finished goods in transit	2270939	-	-	2270939	3252077
Semi finished goods	496518246	-	-	496518246	376343190
Semi finished goods (Washer, Cap and Springs)	72411380	-	-	72411380	61525146
Scrap materials	14625029	-	-	14625029	8115327
	1044365747	94556334	-	1138922081	898786745
Less: Provision for slow moving inventory	-	(8841061)	-	(8841061)	(6726770)
	(221471631)	(5914631)	-	(227386262)	(202121552)
(Increase) / Decrease in inventory is as under:					
Finished goods	(85202547)	-	-	(85202547)	49819786
Finished goods (traded)	320770	(5914631)	-	(5593861)	(16750693)
Finished goods in transit	981138	-	-	981138	1280680
Semi finished goods	(120175056)	-	-	(120175056)	(168412653)
Semi finished goods (Washer, Cap and Springs)	(10886234)	-	-	(10886234)	(53025036)
Scrap materials	(6509702)	-	-	(6509702)	(1580096)
	(221471631)	(5914631)	-	(227386262)	(188668012)
NOTE - 27					
EMPLOYEE BENEFITS EXPENSE					
Salaries,Wages,Bonus and other amenities	508603988	34838951	268426	543711366	468445451
Co's contribution towards LIC Gratuity Trust	8041720	4086579	-	12128299	13364637
Co's contribution towards P.F.,E.S.I and L.W.F.	20656763	1213168	-	21869931	22798191
Staff welfare	13396619	829637	-	14226255	10797786
	550699090	40968335	268426	591935851	515406065

- (i) Employee benefits expenses include managerial remuneration Rs.47144640/- (previous year Rs.30440970/-).
- (ii) The managerial remuneration has been paid by the Company in terms of sanction from Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letters dated 15th March 2012 and 27th March 2012.

NOTE - 28					
FINANCE COSTS					
Interest expenses	191349711	4797792	-	196147503	132303408
Financial charges	8847784	-	-	8847784	3668614
Bank charges and Front end fee	49572433	840523	-	50412956	50800386
	249769928	5638315	-	255408244	186772408

Description	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) LPSBPL	Year Ending 31.03.2012 (Rs.) LPSBISPL	Year Ending 31.03.2012 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) (Consolidated)
NOTE - 29					
OTHER EXPENSES					
Consumable stores and spare parts	44207131	-	-	44207131	45722664
Electricity,water and fuel	182907034	1170474	-	184077508	169761521
Rent	5825256	14751270	11760	20588286	18586428
Repairs to building	12920697	4099499	-	17020196	7254788
Repairs to machinery	6401645	-	-	6401645	4533108
Insurance	3809454	331913	-	4141367	4133158
Rates and taxes	1786313	-	-	1786313	1082044
Job work charges	254781553	-	-	254781553	238334198
Packing expenses	44185223	8089212	-	52274435	48487512
Dies and tools consumed	24103550	-	-	24103550	26465420
Research and development expenses	10446081	-	-	10446081	9260606
Travelling and conveyance	98224276	18482898	8772	116715946	103352776
Royalty, Technical know-how fee	4148479	-	-	4148479	2383041
Legal and consultancy	16521284	8756147	20835	25298266	20083495
Auditors' Remuneration:					
As auditor:					
Audit fee	1710000	409840	24500	2144340	1463250
Tax Audit Fee	150000	19600	-	169600	100000
Limited Review	300000	-	29400	329400	300000
Reimbursement of expenses	79542	521	2450	82513	110088
Freight, insurance and cartage	79628823	411339	-	80040161	79085415
Turnover, cash discount and commission	52553463	3914893	-	56468356	42656118
Advertisement,publicity and sales promotion	19108050	4938670	-	24046720	28831347
Bad Debts,liquidated damages and short recoveries	5333007	307830	-	5640837	12840862
Provision for bad and doubtful debts	3376360	7494742	-	10871102	4530308
Excise duty and sales tax	8126773	-	-	8126773	8898427
Exchange rate fluctuation gain/ (loss) (net)	21817183	2620990	-	24438173	661717
Other Expenses	82899049	11066450	1059	93966559	67267278
	985350227	86866288	98776	1072315291	946185569
NOTE - 30					
CONTINGENT LIABILITIES AND COMMITEMENTS					
Contingent liabilities and commitments					
(a) Contingent liabilities					
1. Letter of credits and guarantees obtained from bank (Net of margin money)	135637867	2456447	-	138094314	112585617
2. Liabilities against legal undertakings/bonds executed in favour of DGFT on account of export obligation undertaken by the Company against Advance/ import licenses under EPCG Scheme.	66917098	-	-	66917098	53209439
3. Income Tax liabilities on account of appeals pending with various authorities	7716673	-	-	7716673	7716673
4. Liabilities on account of suits filed against the Company in the Labour Courts/ESI Corporation.	239980	-	-	239980	460517
(b) Commitments					
1. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	21766520	-	-	21766520	39587317

NOTE - 31**OTHER NOTES ON ACCOUNTS**

- (i) In accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India the Consolidated Financial Statements of Lakshmi Precision Screws Limited include the financial statements of its subsidiary company. The particulars of subsidiary company are as under:-

Name	Indian Fasteners Limited
Country of Incorporation	India
Extent of Control	67.295%

- (ii) The associate companies consolidated in the consolidated financial statements in accordance with Accounting Standard (AS-23) "Accounting for investment in associates in consolidated Financial Statements" are as under:-

Name of the associate Companies	Country of Incorporation	Proportion of ownership interest
J.C. Fasteners Limited	India	42.81%
Hanumat Wire Udyog Private Limited	India	23.25%
Lakshmi Extrusion Limited	India	45.00%

- (iii) The Company had entered into Joint venture agreement with Bossard AG, Switzerland on 26.06.1997 and invested a sum of Rs.23520190/- in LPS Bossard Pvt. Ltd. towards allotment of 2352019 equity shares of Rs.10/- each and a sum of Rs.1847490/- in LPS Bossard Information Systems Private Limited towards allotment of 184749 equity shares of Rs.10/- each, towards 49% holding in the aforesaid Companies. The particulars of the Joint Venture are as under: -

Name of the Joint Venture	Country of Incorporation	Proportion of ownership interest as on 31st March,2012
LPS Bossard Private Limited	India	49.00%
LPS Bossard Information Systems Private Limited	India	49.00%

LPSBPL and LPSBISPL stand for LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited respectively in the financial statements presented above. The financial statements of LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited which are jointly controlled entities with Bossard AG, Switzerland, have been accounted for as per the proportionate consolidation method as prescribed by AS-27 on 'Financial Reporting of Interest in Joint Ventures' issued by the Institute of Chartered Accountants of India. For this purpose the proportionate share of the joint venture are added line by line to the assets, liabilities, income and expenditure on the basis of their provisional figures.

- (iv) Principles of Consolidation

The consolidated financial statements relate to Lakshmi Precision Screws Limited (The Company) and its subsidiary and Joint Venture collectively referred to as "The Group". The financial statements of subsidiary Company are audited up to 31st March, 2012. The financial statements of joint ventures have been incorporated based upon their provisional figures as approved by their respective Boards upto 31st March, 2012. The Consolidated financial statements have been prepared on following basis :-

- (a) The consolidated financial statements have been prepared based on line-by-line consolidation of the profit and loss account and the balance sheet of the company and its Company and its subsidiary after eliminating intra group balances and unrealized profits / losses if any on intra group transactions.

- (b) Reporting of joint ventures has been prepared using uniform accounting policies except following:

- (i) In case of charge of depreciation on fixed assets in case of joint ventures where depreciation is charged on SLM basis at the following rates:

Sr.no	Particulars	Depreciation as per SLM basis in LPS Bossard Private Limited	Depreciation as per SLM basis in LPS Bossard Information Systems Private Limited
1	Computer Hardware	20%	20%
2	Computer Software	33%	33%
3	Office Equipments	5%	5%
4	Warehousing Racks	5%	-
5	Furniture and Fixtures	10%	-
6	Vehicles	9.50%	-
7	Vehicles (Commercial)	11.31%	-
8	Leasehold Improvements	(over the period of lease or estimated useful life, if shorter)	-

The proportionate share of depreciation charged and net block of fixed assets are incorporated on the basis of depreciation rates as enumerated above.

- (c) As stated in para 4 above, the financial statements of joint venture companies and associate have been incorporated based upon their provisional figures. Therefore the effect of audited figures in respect of joint ventures and associates for the previous year have been incorporated during the current year as under (Refer note no. 3(f)).

Particulars	Amount of Increase (Rs.)	Amount of Decrease (Rs.)
Trade Payables	1128964	
Trade and other receivables		6109759
Inventories		3908014
Direct Taxes	13324163	
Proceeds from short term borrowings		799390
Cash and Cash equivalents (Opening Balance)	799390	
Deferred Tax Liability	167535	
Adjustment on account of audited figures		4602889
	<u>15420052</u>	<u>15420052</u>

- (d) Minority interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Minority interest for the year has been calculated as under:-

Particulars	31.03.2012	31.03.2011
Share of Equity in Subsidiary company	2340300	2340300
Add: Share in Reserves upto 31.03.2011	2293368	2281069
Add: Profit for the year	8451	12299
	<u>4642119</u>	<u>4633668</u>

- (e) In case of associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India. The same has been done on the basis of provisional financial statements of the associate companies.

- (f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates profit and loss account and through its reserves for the balance, based on available information.

- (g) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

- (h) The consolidated financial statement have been prepared after elimination of unrealized profit and intra group transaction are as follows:-

	2012	2011
Intra group transaction deducted from debtors and corresponding creditors	4471480	6290940
Unrealized profit deducted from inventory pertaining to intra group transactions.	447148	629094

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- (v) Foreign currency loan from ICICI Bank Limited as at the end of the year has been translated at the prevailing rate of exchange as on the date of balance sheet. Consequent to realignment of the value of foreign currency loan, the rupee liability of the Company has increased by Rs.9263033/-. Out of the said exchange loss, a sum of Rs.6156212/- has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.3106821/- has been credited to the Foreign Currency Monetary Item Translation Difference Account in accordance with Accounting Standard 11 (AS-11) as amended vide notification no.G.S.R 225 (E) dated 31.03.2009 and further amended by notification dated 11.05.2011 issued by the Ministry of Corporate Affairs.
- (vi) The Company has been sanctioned a term loan of Rs.50000000/- by Canara Bank Limited, to be utilized for working capital requirements, out of which the bank has disbursed a sum of Rs.40100441/-. The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.
- (vii) The Company has been sanctioned a term loan of Rs.45000000/- by State Bank of India, to be utilized for working capital requirements, out of which the bank has disbursed a sum of Rs.45000000/-. The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.

(viii) Interest and other borrowing costs amounting to Rs.34320709/- (previous year Rs.15912144/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use.

(ix) The Company has capitalized dies and tools amounting to Rs.45865408/- (previous year Rs.30039429/-) relating to dies and tools purchased/ manufactured during the year.

(x) Research and development expenses debited to the statement of profit and loss include the following:

Particulars	31.03.2012 (Rs.) (Consolidated)	31.03.2012 (Rs.) LPSBPL	31.03.2012 (Rs.) LPSBISPL	31.03.2012 (Rs.) (Consolidated)	31.03.2011 (Rs.) (Consolidated)
a) Employee benefits expense	7891209	-	-	7891209	7019328
b) Cost of material consumed	1318219	-	-	1318219	1663111
c) Other expenses	1236653	-	-	1236653	578167
	10446081	-	-	10446081	9260606

(xi) Foreign currency exposures not hedged by the Company are as follows:-

Particulars	31.03.2012 (Rs.) (Consolidated)	31.03.2012 (Rs.) LPSBPL	31.03.2012 (Rs.) LPSBISPL	31.03.2012 (Rs.) (Consolidated)	31.03.2011 (Rs.) (Consolidated)
Payables					
Payable on Imports	309757725	24136017	-	333893742	210217390
External Commercial Borrowing from ICICI Bank, Singapore	71100575	-	-	71100575	105653681
Receivables					
Sundry Debtors	218626688	-	-	218626688	183821677
Advance to Suppliers	10722510	3816653	-	14539163	22299392

(xii) Confirmations from debtors and creditors and parties to whom loans and advance have been made are being obtained on a periodical basis. In respect of accounts under reconciliation, necessary entries will be passed on reconciliation of these accounts.

(xiii) The Company has taken various residential/commercial premises under cancellable operating lease for a period not exceeding one year. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.

- Lease payments recognised in the statement of profit and loss as an expense for the year is Rs.5825256/- (Previous year Rs.5508024/-)
- LPSBPL, Joint Venture Company is a lessee under various operating leases for premises taken on lease. These leasing agreements, which are cancelable, range between 11 months to 72 months generally, or longer, and are usually renewable on mutually agreeable terms. Aggregate rental expenses under operating leases amounted to Rs.14751270/- (Previous year Rs.13066644/-) for the year, which has been charged to the statement of profit and loss. There are no restrictions imposed by the lease agreements except agreement in Bangalore where lock in period is two years. There is no sub-lease.
- LPSBISPL, Joint Venture Company is a lessee under operating lease for premises taken on lease. The lease agreement is for 11 months and is cancelable. Aggregate rental expenses under operating lease amounted to Rs. 11760/- (Previous year Rs. 11760/-) for the year, which has been charged to profit and loss account. There are no restrictions imposed by the lease agreement.

(xiv) In the opinion of the Board, any of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

(xv) Earning per share- Basic and Diluted

Particulars	2011-12 Amount (Rs.)	2010-11 Amount (Rs.)
Numerator for earning per shares		
Profit before taxation and prior period items	126096248	173150088
Less: Tax Expenses	29735492	61408298
Adjustment to net earning :		
Add: Prior period adjustment	-	10950637
Profit after taxation and prior period items	96360756	122692427
Denominator for earning per share		
Weighted number of equity shares Outstanding during the period	10941667	10941667
Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each)	8.81	11.21

(xvi) **Segment Reporting**

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17), "Accounting for Segment Reporting" issued by the Institute of Chartered Accountants of India.

Primary-Business Segment

The Company is in the business of manufacture of high tensile fasteners. Since the Company is operating in a single line of product, there are no reportable primary segments.

Secondary-Geographical Segment

The analysis of geographical segment is based on geographical location of the customers. The following is the distribution of Company's consolidated revenue by geographical market, regardless of where the goods were produced.

Particulars	31.03.2012 (Rs.) (Consolidated)	31.03.2012 (Rs.) LPSBPL	31.03.2012 (Rs.) LPSBISPL	31.03.2012 (Rs.) (Consolidated)	31.03.2011 (Rs.) (Consolidated)
Revenue (Net of Excise):					
Domestic Market	2831255026	477980442	-	3309235468	3052568730
Overseas Market	603603629	-	-	603603629	507469017
	3434858655	477980442	-	3912839097	3560037747
Fixed assets located (including Capital work-in-progress)					
Within India	1026549202	36283543	1543	1062834288	961125212
Outside India	-	-	-	-	-
	1026549202	36283543	1543	1062834288	961125212
Capital Expenditure					
Within India	333403092	9759251	-	343162343	51382442
Outside India	-	-	-	-	-
	333403092	9759251	-	343162343	51382442
Trade receivables					
Within India	461563672	159156712	-	620720384	583916885
Outside India	218626688	-	-	218626688	183821677
	680190360	159156712	-	839347072	767738562

(xvii) Related Party Transactions:

As per Accounting Standard No.18 issued by the Institute of Chartered Accountants of India, related parties in terms of the said standard are disclosed below: -

(a) Names of Related parties and description of relationship:

1	Associates	i	Amit Screws Pvt. Ltd.
		ii	Hanumat Wire Udyog Pvt. Ltd.
		iii	J C Fasteners Ltd.
		iv	LPS Bossard Pvt. Ltd. (Joint Venture)
		v	LPS Bossard Information Systems Pvt. Ltd. (Joint Venture)
		vi	Lakshmi Extrusion Ltd.
		vii	LPS Fasteners & Wires Pvt. Ltd.
		viii	Nav Bharat Industries
		ix	Nav Bharat Agencies
		x	Shiv Industries
		xi	Swadesh Engineering Industries
		xii	Sudhir Automotive Industries Pvt. Ltd.
		xiii	United Engineers
		xiv	Universal Enterprises
		xv	Bossard Ltd. Fasteners, Switzerland
		xvi	Bossard France S.A.
		xvii	Bossard Pte Ltd., Singapore
		xviii	Bossard north America
		xix	Bossard Denmark s.A.s
		xx	Bossard industrial Fastener Int'l Trading co. Ltd.
		xxi	Lakshmi Precision Screws Ltd.
		xxii	Precision Fasteners Corporation
		xxiii	Universal Precision Screws
		xxiv	LPS Industrial Supplies Pvt. Ltd.
2	Key Management Personnel	i	Shri Lalit Kumar Jain
		ii	Shri Dinesh Kumar Jain
		iii	Shri Vijay Kumar Jain
		iv	Shri Rajesh Jain
		v	Smt. Sushila Devi Jain
3	Relative of Key Management Personnel	i	Shri Sudesh KumarJain (Brother of Shri Dinesh Kumar Jain)
		ii	Shri Nikhlesh Jain(Son of Shri Dinesh Kumar Jain)
		iii	Shri Amit Jain (Son of Shri Vijay Kumar Jain)
		iv	Shri Gagan Jain (Son of Shri Lalit Kumar Jain)
		v	Shri Gautam Jain (Son of Shri Lalit Kumar Jain)
		vi	Shri Rahul Jain (Son of Shri Rajesh Jain)
		vii	Smt. Charul Jain(Wife of Shri Amit Jain)
		viii	Smt. Rita Jain (Wife of Shri Lalit Kumar Jain)
		ix	Smt. Deepa Ja in(Wife of Shri Vijay Kumar Jain)
		x	Smt. Sandhya Jain(Wife of Shri Rajesh Jain)

b) Transactions:

S. NO.	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1	Sale of Goods						
	LPS Bossard Pvt Ltd.	55164453	108256025	-	-	-	-
	Lakshmi Precision Screws Ltd.	228416	205993	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	566758	596586	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	271520	74446	-	-	-	-
	Universal Enterprises	1371983	312091	-	-	-	-
	Total	57603130	109445142	-	-	-	-
2	Purchase of Goods						
	Nav Bharat Agencies	1284515	414926	-	-	-	-
	Bossard Ltd. Fasteners, Switzerland	17913444	22728116	-	-	-	-
	Bossard France S.A.	192262	118181	-	-	-	-
	Bossard Pte Ltd., Singapore	301345	33408	-	-	-	-
	Bossard north America	2351452	553	-	-	-	-
	Bossard Denmark s.A.s	250595	27458	-	-	-	-
	Bossard industrial Fastener Int'l Trading co. Ltd.	11209	1312	-	-	-	-
	Lakshmi Precision Screws Ltd.	28993408	52552483	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	17083050	19817461	-	-	-	-
	Precision Fasteners Corporation	5033911	4892319	-	-	-	-
	Universal Precision Screws	3180059	-	-	-	-	-
	Lakshmi Extrusion Ltd.	-	27835	-	-	-	-
	Universal Enterprises	61013813	58818187	-	-	-	-
	J C Fasteners Ltd.	879557	430651	-	-	-	-
	Total	138488620	159862891	-	-	-	-
3	Rent received						
	LPS Fasteners & Wires Pvt. Ltd.	50400	50400	-	-	-	-
4	Rent paid						
	Nav Bharat Industries	840000	840000	-	-	-	-
	Sushila Devi Jain	-	-	2117700	2117700	-	-
	Universal Precision Screws	11933578	11025588	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	-	1348094	-	-	-	-
	Sandhya Jain	-	-	-	-	470400	485100
	Total	12773578	13213682	2117700	2117700	470400	485100
5	Jobwork paid						
	Amit Screws Pvt Ltd.	461141	-	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	62613948	48649641	-	-	-	-
	J.C. Fasteners Ltd.	24014654	8991458	-	-	-	-
	Lakshmi Extrusion Ltd.	-	357589	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	9199304	9999976	-	-	-	-
	Nav Bharat Industries	4967386	3897148	-	-	-	-
	Shiv Industries	1380443	-	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	25222046	18518836	-	-	-	-
	United Engineers	2963300	102191	-	-	-	-
	Universal Enterprises	7124431	8836424	-	-	-	-
	Total	137946653	99353263	-	-	-	-
6	Unsecured Loan						
	Loans Accepted						
	Lalit Kumar Jain	-	-	-	3600000	-	-
	Rajesh Kumar Jain	-	-	-	1539000	-	-
	Dinesh Kumar Jain	-	-	-	3973250	-	-
	Nikhlesh Jain	-	-	-	-	-	3773250
	Gautam Jain	-	-	-	-	-	9250000
	Total	-	-	-	9112250	-	13023250
7	Unsecured Loan						
	Loans Repaid						
	Lalit Kumar Jain	-	-	-	3600000	-	-
	Nikhlesh Jain	-	-	-	-	-	3773250
	Gautam Jain	-	-	-	-	2000000	7250000
	Total	-	-	-	3600000	2000000	11023250
8	Remuneration paid						
	Lalit Kumar Jain	-	-	12945000	8220000	-	-
	Dinesh Kumar Jain	-	-	13027200	7891200	-	-
	Vijay Kumar Jain	-	-	13027200	7891200	-	-

	Rajesh Kumar Jain	-	-	8139360	6432690	-	-
	Sudesh Kumar Jain	-	-	-	-	2630400	2630400
	Gagan Jain	-	-	-	-	2203500	1935000
	Gautam Jain	-	-	-	-	2203500	1935000
	Nikhlesh Jain	-	-	-	-	2082300	1960800
	Amit Jain	-	-	-	-	2203500	1935000
	Saurabh Jain	-	-	-	-	2039500	1938000
	Rahul Jain	-	-	-	-	1933500	1665000
	Total	-	-	47138760	30435090	15296200	13999200
9	Interest to Directors/Others						
	Lalit Kumar Jain	-	-	239906	239250	-	-
	Rajesh Kumar Jain	-	-	794170	792000	-	-
	Vijay Kumar Jain	-	-	328146	327250	-	-
	Dinesh Kumar Jain	-	-	-	-	-	-
	Gagan Jain	-	-	-	-	272996	272250
	Gautam Jain	-	-	-	-	281268	280499
	Gaurav Jain	-	-	-	-	460508	459250
	Amit Jain	-	-	-	-	466022	464749
	Saurabh Jain	-	-	-	-	336662	332750
	Total	-	-	1362222	1358500	1817456	1809498
10	Professional Charges						
	LPS Bossard Information Systems P Ltd	648564	648564	-	-	-	-
	Grand Total	347510944	382573941	50618682	46623540	19584056	40340298
11	Balance receivable						
	LPS Bossard Pvt Ltd.	2677619	12838653	-	-	-	-
	Lakshmi Extrusion Ltd.	10196685	6996685	-	-	-	-
	J.C. Fasteners Ltd.	-	377488	-	-	-	-
	Shiv Industries	7983	-	-	-	-	-
	Universal Enterprises	7424	-	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	5054375	-	-	-	-	-
	Total	17944086	20212826	-	-	-	-
12	Balance payable						
	Nav Bharat Industries	8292861	3523915	-	-	-	-
	United Engineers	6136849	3454466	-	-	-	-
	J.C. Fasteners Ltd.	8522388	5571165	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	20666060	16572436	-	-	-	-
	Amit Screws Pvt Ltd.	436165	591263	-	-	-	-
	Shiv Industries	1863939	978438	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	18776482	16676576	-	-	-	-
	Universal Enterprises	6329862	2437064	-	-	-	-
	LPS Fasteners & Wires Pvt Ltd.	-	845360	-	-	-	-
	LPS Bossard Pvt Ltd.	35642	-	-	-	-	-
	Bossard Ltd. Fasteners,Switzerland	17390179	13126159	-	-	-	-
	Bossard France S.A.	151382	-	-	-	-	-
	Bossard Pte Ltd., Singapore	18715	-	-	-	-	-
	Bossard north America	580253	569	-	-	-	-
	Bossard Denmark s.A.s	42297	-	-	-	-	-
	Bossard industrial Fastener Int'l Trading	-	1265	-	-	-	-
	Lakshmi Precision Screws Ltd.	1312179	213311	-	-	-	-
	Precision Fasteners Corporation	993039	-	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	454	-	-	-	-	-
	Universal Enterprises	6531205	6375374	-	-	-	-
	J.C. Fasteners Ltd.	1961107	44626	-	-	-	-
	Lalit Kumar Jain	-	-	9334800	4265000	-	-
	Dinesh Kumar Jain	-	-	9578596	3992796	-	-
	Vijay Kumar Jain	-	-	10541040	5067440	-	-
	Rajesh Kumar Jain	-	-	14968724	15022022	-	-
	Sushila Devi Jain	-	-	179886	184586	-	-
	Sudesh Kumar Jain	-	-	-	-	197200	98600
	Nikhlesh Jain	-	-	-	-	5859604	5731904
	Saurabh Jain	-	-	-	-	3340672	3134900
	Gagan Jain	-	-	-	-	8466445	8238946
	Gautam Jain	-	-	-	-	4883237	4655738
	Rahul Jain	-	-	-	-	12863047	14635548
	Gaurav Jain	-	-	-	-	28978	50850
	Amit Jain	-	-	-	-	4255149	4175000
	Charul Jain	-	-	-	-	66700	66700
	Total	100041058	70411987	44603046	28531844	39961032	40788186

(xviii) In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1st day of April, 2004, the Company has assessed the potential generation of economic benefits from its business units as on the balance sheet date and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.

(xix) **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as an expense for the year are as under:

Particulars	Consolidated	LPSBPL	LPSBISPL	2012 TOTAL	2011 TOTAL
Employer's Contribution to Provident Fund	4481459	792521	-	5273980	6033912
Employer's Contribution to Family Pension Scheme	9494176	351621	-	9845797	9466995
Employer's Contribution to Employee State Insurance	6681128	69026	-	6750154	7297284

Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The Company could not obtain actuarial valuation in respect of provision for gratuity liability and leave encashment payable to its employees. The impact of liability on this account, is therefore not ascertainable and not provided for. In absence of actuarial valuation, the disclosures as required by AS-15 'Employee Benefits' are not furnished in their entirety.

(xx) Inventories are valued at lower of cost and net realizable value. However, since exact cost is not ascertainable, semi-finished goods have been valued at 65% less on the price-list and finished goods have been valued at 55% less on the price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in the case of finished goods of the selling price. The company is under the process of implementing the maintenance of cost records and the exact cost will be ascertained on maintenance of the said cost records.

(xxi) Dies carried as inventories are amortized as a charge to the statement of profit and loss when they are scrapped from active use. The Company is reviewing the policy to charge off consumption of dies on a systematic basis over their useful period of lives. Pending such change in policy, the impact, if any, on the financial statements is not ascertainable and hence cannot be provided for.

(xxii) Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

(xxiii) Figures have been rounded off to the nearest rupee.

(xxiv) Note no. 1 to 31 form integral part of Balance Sheet and Statement of Profit and Loss.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

R.K. Gupta

VP (Finance)

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	96360756	122692427
Adjustments for:		
Tax	30010642	61668298
Net profit before tax and extraordinary items	126371398	184360725
Adjustments for:		
Depreciation	228935430	188225689
Deferred payment interest and Technical know how fee written off	1495527	1336622
Rent and Interest received (Gross)	(8797201)	(4776777)
Unrealised exchange gain	-	(10381819)
Dividend Income	-	(4704038)
Interest and Financial charges	255408244	186772408
Provisions for Bad and Doubtful Debts	10871102	607221
Profit/Loss on sale of assets (Net)	1182420	1437299
Reduction in Reserve due to change in accounting policy*	(1778439)	955010
Operating profit before working capital changes	613688480	543832340
Adjustments for:		
Trade Payables	(2330459)	323739609
Trade and other receivables	(63460930)	(218625004)
Inventories	(316272191)	(208371810)
Cash generated from operations	231624899	440575135
Direct Taxes	(39164241)	(11230524)
Net cash from operating activities	192460657	429344611
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(333188302)	(510846164)
Proceeds from Sale of fixed assets	1361375	1091025
Bank deposits (having original maturity of more than 3 months) held as margin money	(14338570)	(341739)
Rent and Interest received (net of TDS)	8015037	3885876
Dividend Income	-	4704038
Purchase of Investment	(967093)	802664
Deferred payment interest and Technical know Know how fee provided during the year	(1670220)	(597636)
Net cash used in investing activities	(340787773)	(501301936)

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May, 2011 in respect of foreign exchange variation on long term foreign currency items.

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Description	Year Ended March 31, 2012 (Rs.)	Year Ended March 31, 2011 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	314911048	236456916
Proceeds from short term borrowings	451796060	132805597
Repayment of long term borrowings	(233273972)	(91359807)
Repayment of short term borrowings	(118631854)	(30602417)
Proceeds from Directors and others	-	17511596
Repayment to Directors and others	(2000000)	-
Dividend paid	(18762906)	(12306417)
Interest and financial charges	(255408244)	(186772408)
	138630130	65733060
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(9696986)	(6224265)
Cash and Cash equivalents (Opening Balance) *	31450047	38473702
Cash and Cash equivalents (Closing Balance)	21753062	32249437

* Difference in opening balance of Rs. 799390/- because of provisional and audited figures in joint ventures and associates (Refer note no (31)(iv)(c))

NOTE :-

- The cash flow statement has been prepared under the indirect method set out in "Accounting Standard (AS) 3 Cash Flow Statements" as specified in the Companies (Accounting Standards) Rule, 2006.
- Additions to Fixed Assets include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped / reclassified wherever necessary.
- Components of cash and bank balances:

Cash and Cash Equivalents

Balances with Banks in current accounts	18649482	27553201
Cash on hand	634213	2543992
Unpaid Dividend Accounts*	2429984	2117871
E E F C Account (Previous year US\$ 769.83)	39382	34373
	21753062	32249437

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	1495000	725000
Pledged as margin money against letter of credits	72548560	55679260
Lien against public deposits	6170308	7021038
No lien account	2008097	4458097
	82221965	67883395
	103975027	100132832

* Unpaid dividend can be utilised only for payment of unpaid dividend liability.

Auditors' Report:-

As per our report of even date
for **V.R.Bansal & Associates**
Chartered Accountants
(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
**Chairman and
Managing Director**

D.K.Jain
**Vice Chairman and
Managing Director**

R.K. Gupta
VP (Finance)

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **NOIDA**

Dated : **May 23, 2012**

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY.

1.	Name of Subsidiary Company.	INDIAN FASTENERS LTD.
2.	Financial year of the Subsidiary Company ended on	31st March, 2012
3.	Date from which it became Subsidiary	24th December, 1990
4.	Holding Company's interest	Deemed Subsidiary by virtue of section 4(i) of the Companies Act, 1956
	(i) No(s). of shares in the Subsidiary Company held by Lakshmi Precision Screws Ltd. along with its nominee at the above date.	4,81,550
	(ii) Extent of holding.	67.30%
5.	The net aggregate amount of profit/ (losses) of the Subsidiary Company so far as it concerns to the members of Lakshmi Precision Screws Ltd.	
	(i) Not dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2012	Rs.0.17 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.47.19 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2012	NIL
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	NIL

for and on behalf of the Board of Directors

Place : **New Delhi**
Dated : **May 23, 2012**

Lalit Kumar Jain
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 26th Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2012

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	27,06,332	26,05,382
Profit before Interest, Depreciation & Taxation	16,74,448	17,79,230
Less: Interest	48,928	1,37,766
Profit before Depreciation and Taxation	16,25,520	16,41,464
Less: Depreciation	15,83,414	14,05,858
Profit before Taxation	42,106	2,35,606
Less: Income Tax	16,266	1,98,000
Net Profit for the year	25,840	37,606

DIVIDEND

Your Directors regret their inability to recommend any dividend payment to the members.

DIRECTORS

Shri Dinesh Kumar Jain and Shri Lalit Kumar Jain, Directors of the Company retire by rotation but being eligible offer themselves for re-appointment.

AUDITORS

The existing auditors M/s. Suresh Ajay & Co., Chartered Accountants retires at the conclusion of this Annual General Meeting and are eligible for re-appointment.

FIXED DEPOSITS

The Company has not accepted any deposits U/s 58 A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules, 1975.

PARTICULARS U/s 217(2A)

No such employee has been employed by the Company particulars of which are required to be disclosed U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirement under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility statement, it is hereby confirmed:

- (i) that the preparation of the annual accounts for the financial year ended March, 31 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had 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;
- (iv) that the Directors have prepared the accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

PARTICULARS U/s 217(1)(e)

Information as per Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Bankers of the Company.

for and on behalf of the Board of Directors

Place : **Rohtak**
Dated : **May 08, 2012**

Lalit Kumar Jain
Chairman

Form A

Information as per section 217(1)(e) read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2012.

Disclosure of particulars with respect to conservation of energy. (To the extent applicable)

Particulars	Current Year	Previous Year
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Unit	51143	46108
Total amount (Rs.)	296116	266966
Rate/Unit (Rs.)	5.79	5.79
b) Own Generation		
i) Through Diesel Generator Unit	-	-
Unit per Ltr. of Diesel Oil		
Cost/Unit.		
ii) Through Steam Turbines	-	-
Generator Units.		
2. Coal Oil (Specify quality and where used)		
Quantity (Ton)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. CONSUMPTION PER TON OF PRODUCTION PRODUCT		
Electricity/Unit	261	239
Furnace Oil	-	-
Coal Oil	-	-
Others	-	-

Form B

DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company	NIL
2. Benefits derived as a result of the above R & D	NIL
3. Future plan of action	NIL
4. Expenditure on R & D	NIL
a) Capital	NIL
b) Recurring	NIL
c) Total	NIL
d) Total R & D Expenses as a percentage of Total Turnover	NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaption and innovation.	NIL
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development and import substitution etc.	NIL
3. In case of imported technology (Imported during the last five years reckoned from the beginning of the financial year), following information may be furnished.	
a) Technology Imported	NIL
b) Year of Import	NIL
c) Has technology been fully absorbed?	NIL
d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action	NIL

FOREIGN EXCHANGE EARNED AND OUTGO

a) Activities relating to export initiatives	NIL
b) Foreign Exchange earned and used	
Foreign Exchange Earned	NIL
Foreign Exchange Used	NIL

for and on behalf of Board of Directors

Place : **Rohtak**
Dated : **May 08, 2012**

Lalit Kumar Jain
Chairman



AUDITOR'S REPORT

TO
THE SHARE HOLDERS OF
INDIAN FASTENERS LIMITED

We have audited attached Balance Sheet of M/s. INDIAN FASTENERS LTD. as at 31st March, 2012 and also the Profit & Loss account of the Company for the year ended on that date annexed thereto and report that:-

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we give in the annexure a statement on the matters specified in the said order.
3. Further to our comments in the annexure referred to in paragraph 1 above, we report that:-
 - a) We have obtained all the information and explanations which is 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 the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of accounts.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the accounting standard referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the information received from the directors and taken on record by the Board of Directors none of the directors is disqualified as on 31.03.2012 from being appointed as directors of the Company U/s 274(l)(g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanation given to us, the 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 Balance Sheet of the State of Affairs of the Company at 31st March, 2012.
 - ii) In the case of Profit and Loss Account of the Profit for the year ended on that date.

for **Suresh Ajay & Co.**
Chartered Accountant

Place : **Rohtak**
Dated : **May 08, 2012**

Suresh Chand
Proprietor

ANNEXURE TO THE AUDITOR'S REPORT

[REFERRED TO IN THE PARAGRAPH I OF THE REPORT EVEN DATE]

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the period, and no discrepancies have been noticed on such verification.
2. The Company is having a procedure of verifying fixed assets at reasonable intervals and based on such verification it has been reported that Company has not noticed any discrepancies.
3. The Company has not disposed off any fixed assets during the year.
4. The stock of Raw Material, Finished Goods, Spare parts, and Consumable Goods have been physically verified at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of Stock followed by the Management are reasonable and adequate in relation to size of the Company and the nature of its business.
6. The Company has maintained proper records of inventory and no material discrepancies were noticed on such verification between the physical records and book records.
7. The Company has not taken/granted any loans secured or unsecured from Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. According to the information and explanations given to us, there are no Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
8. Clause iii(b), (c) and (d) of the order are not applicable to the Company.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
10. Clause v(a) and (b) of the order are not applicable to the Company.
11. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public to which the provision of section 58A and 58AA of the Companies Act, 1956 are applicable.
12. In our opinion according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
14. According to the records of the Company examined by us, there were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as at 31.03.2012 for a period of more than six months from the date there become payable.
15. To the best of our knowledge and according to the information and explanations given to us, there are no disputed amount of taxes and duties and other statutory dues outstanding as on 31.03.2012.
16. There is no accumulated losses of the Company and the Company is making profit in the financial year under audit and immediately preceding financial year.
17. The Company is regular in payment of dues to financial institutions or banks and there is no default of the Company as on the 31.03.2012.
18. The Company not granted any loans against pledging of shares or debentures or other securities.
19. The provisions of any special stature applicable to a Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
20. The Company is not dealing in shares and securities.
21. The Company has not given any guarantees for loans taken by other banks/financial institutions.
22. The Company has taken term loan against car during the year and is regular in repayment of principal and interest.
23. The short term funds taken by the Company have not been used for long term investments and vice-versa.
24. The Company has not made any preferential allotment of shares covered under section 301 of the Companies Act, 1956.
25. The Company has not issued any debentures.
26. There is no public issue by the Company during the financial year.
27. As reported by the management, no fraud has been noticed or reported.
28. The Company is not a sick industrial Company within the meaning of clauses(o) of sub section (1) of Section-3 of the Sick Industries Companies (Special Provisions) Act, 1985.
29. During the course of our examination of the Books of Accounts carried out in accordance with generally accepted audited practices, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.

for **Suresh Ajay & Co.**
Chartered Accountant

Suresh Chand
Proprietor

Place : **Rohtak**
Dated : **May 08, 2012**



BALANCE SHEET

Description	Schedule No.	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
(I) SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	1	7155800	7155800
b) Reserve & Surplus		7038138	7012298
Share Application Money	2	0	0
NON CURRENT LIABILITIES	3		
(a) Long Term Borrowings		0	762971
(b) Deferred Tax Liabilities (Net)		965467	968723
(c) Long Term Provision		0	0
CURRENT LIABILITIES	4		
(a) Short-Terms Borrowings		0	0
(b) Trade Payables		5364630	0
(c) Others Current Liabilities		25658	30778
(d) Short-Term Provisions		16266	198000
Total		20565959	16128570
(II) ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets	5		
(i) Tangible Asstes		12831829	10033842
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments		128825	128825
(c) Deferred Tax Assets (Net)		0	0
(d) Long-Term loans and Advances		0	0
(e) Other non-current assets		0	0
CURRENT ASSETS	6		
(a) Current Investments		0	0
(b) Inventories		0	0
(c) Trade receivables		6451045	5471530
(d) Cash and Cash Equivalents		97997	253680
(e) Short-Term Loans and Advances		1056263	240693
(f) Other Current assets		0	0
Total		20565959	16128570

Auditor's Report

In term of our separate report of even date attached.

for **Suresh Ajay & Co.**
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : **Rohtak**
Dated : **May 08, 2012**

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
1 Revenus from Operations	7	2703076	2419549
2 Cost of Sales	8	486285	445281
3 Gross Profit		2216791	1974268
OPERATING EXPENSES	9		
1) Selling & Marketing Expenses		0	0
2) Administrative Expenses		545599	380871
3) Depreciation & Amortization of Assets		1583414	1405858
4) Foreign Currency Exchange Gains/(Losses), Net		0	0
		2129013	1786729
Results from Operating activities		87778	187539
Gain on sales of long-term in investments		0	0
Other Income	10	0	0
Other Expenses			
(1) Finance Costs	11	48928	137766
(2) Others			0
Income before income tax		38850	49773
Tax Expense:			
(1) Current Income Tax		16266	198000
(2) Deferred Income Tax		-3256	-185833
(3) Others		0	0
Profit for the period		25840	37606
Earnings per equity shares			
(a) Basic		0.04	0.05
(b) Diluted		0.04	0.05

Auditor's Report

In term of our separate report of even date attached.

for **Suresh Ajay & Co.**
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : **Rohtak**
Dated : **May 08, 2012**



SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital		
1500000 Equity Shares of Rs.10/- each	15000000	15000000
Issued, Subscribed and Paid Up		
715580 Equity Shares of Rs.10/- each (out of the above 481550 equity shares of Rs.10/- each held by holding Company Lakshmi Precision Screws Limited, Rohtak)	7155800	7155800
	7155800	7155800
RESERVE & SURPLUS		
Share Premium Account	0	0
PROFIT & LOSS ACCOUNT		
General Reserve	10762	10762
Balance as per Last Balance Sheet	7001536	6963930
Add:- Profit for the Year	25840	37606
	7038138	7012298
SCHEDULE-2		
Share Application Money	0	0
SCHEDULE-3		
NON CURRENT LIABILITIES		
(a) Long Term Borrowings		
Unsecured Loan	0	0
H.D.F.C. Bank Limited (Car Loan)	0	762971
(b) Deferred Tax Liabilities (Net)	965467	968723
(c) Long Term Provision	0	0
	965467	1731694
SCHEDULE-4		
CURRENT LIABILITIES		
(a) Short-Terms Borrowings		
U.B.I. Bank Cash Credit	0	0
(b) Trade Payables		
Advance from Customers	5364630	0
(c) Others Current Liabilities		
Due to other than S.S.I. Undertaking	0	30628
Other Liabilities	25658	150
(d) Short-Term Provisions		
Provision for Income Tax	16266	198000
	5406554	228778
SCHEDULE-5		
NON CURRENT ASSETS		
(A) Fixed Assets		
i) Tangible Assets	12831829	10033842
ii) Intangible Assets		
Preliminary Expenses	0	0
Less :- Written-off	0	0
iii) Capital Work-in Progress	0	0
iv) Intangible Assets under development		
(B) Non-Current Investments		
Security Deposit		
H.S.E.B. Security	128825	128825

Description	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
(C) Deferred Tax Assets (Net)	0	0
(D) Long-Term Loans and Advances	0	0
(E) Other Non Current Assets	0	0
SCHEDULE-6		
(A) CURRENT ASSETS		
Current Investments	0	0
(B) INVENTORIES		
(At cost as per inventories prepared, valued and certified by directors)	0	0
	0	0
(C) SUNDRY DEBTORS		
(Unsecured Considered Goods)		
Debts outstanding for a period exceeding six Month	4864341	4168563
Other Debts	1586704	1302967
	6451045	5471530
(D) CASH & CASH EQUIVALENTS		
Cash in Hand	1952	118263
Cheques/Drafts in hand	93033	128841
In current accounts (with scheduled bank)	3012	6576
	97997	253680
(E) SHORT -TERM LOANS AND ADVANCES		
(Recoverable in cash or in kind or for the value to be received)		
Loan & Advances Assets	901753	40752
Advance Income Tax (T.D.S.)	154510	199941
	1056263	240693
SCHEDULE-7		
COST OF SALES		
A) Raw Material Consumption		
Opening Balance	0	0
Raw Material Purchase	0	0
Less:- Closing Stock	0	0
B) Manufacturing Expenses		
Job Work Paid	0	266966
Fork Lifter Expenses	0	0
Electricity Expenses	296116	0
	296116	266966
C) PERSONAL EXPENSES		
Wages (Contractors)	190169	178315
Company Contribution to P.F.	0	0
Overtime and incentive	0	0
Welfare Fund	0	0
Company Contribution to E.S.I.	0	0
	190169	178315
COST OF SALES (A+B+C)	486285	445281
SCHEDULE-8		
REVENUS FROM OPERATIONS		
Job Work Received	2703076	2419549
	2703076	2419549
OPERATING EXPENSES		
SCHEDULE-9		
(I) SELLING & MARKETING EXPENSES		
Freight & Cartage	0	0
	0	0

Description	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
(II) ADMINISTRATIVE EXPENSES		
Rate and Taxes	6341	2855
Legal & Professional Charges	24200	11250
General Charges	0	65
Motor Car Maint. Expenses	181044	256452
Insurance	91928	102249
Audit Fee	10000	8000
Bank Charges	587	0
Technical Service Charges	230527	0
Telephone Expenses	972	0
	545599	380871
(III) DEPRECIATION & AMORTIZATION OF ASSETS	1583414	1405858
	1583414	1405858
(IV) FOREIGN CURRENCY EXCHANGE GAINS/(LOSSES), NET	0	0
	0	0
SCHEDULE-10 OTHERS INCOME		
Deffered Tax Written back	0	0
Lifter Hire Receipts	0	0
	0	0
SCHEDULE -11 OTHER EXPENSES		
i) Finance Cost		
Interest on Term Loan	48928	137766
	48928	137766
ii) Other		
Preliminary Expenses	0	0
	0	0
SCHEDULE-12 CONTINGENT LIABILITIES		
1 Estimated Amount of contracts remaining to be executed on capital account and not provided for (Less advance against contract)	0	0
2 Any demand that may be raised in respect of income tax and sale tax on the completion of pending assessment.	0	0

SCHEDULE - 13

SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

- The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis in accordance with requirements of Companies Act, 1956 and Accounting Standards referred to in the Section 211(3C) of the Companies Act, 1956.
- Fixed Assets**
Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. Cost of fixed assets are further adjusted by the amount of cenvat credit availed.
- Depreciation**
Depreciation on fixed assets have been provided on rates as per schedule XIV of the Companies Act, 1956 on straight line method basis. Depreciation on assets of a value exceeding Rs.5,000/- has been provided @ 100%.
- Inventories**
Inventories are valued at lower of cost and net realisable value.
- Deferred tax is recognised, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

B) CONTINGENT LIABILITIES

NIL

C) NOTES

1. In the opinion of Directors Current Assets, Loan and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated and provision for all liabilities have been made.
2. Sundry Debtors includes represents the amount due from Firm/Companies in which some of the Directors are interested as Partner/Directors.

Name of the Company	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Lakshmi Precision Screws Ltd.,	5001882	3731492

3. Personnel expenses related to payment made to Security Agency on account of Labour supplied to the Company. There is no staff on the pay roll of the Company.
4. The Break up of deferred tax liability is as under:-

	31.03.2012	31.03.2011
Liabilities (on a/c difference in depreciation)	965467	968723
Assets	0	0

5. Schedule 1 to 13 form Integral part of Balance Sheet and Profit and Loss Account.
6. Additional Information pursuant to the provision of paragraph 3, 4c and 4d of part II of Schedule VI of the Companies Act, 1956 (as certified by the Director)

	Unit	2011-12		2010-11	
		Qty.	Value Lacs/Rs.	Qty.	Value Lacs/Rs.
1. Quantative details and sale value in respect of goods dealt with by the Company. MACHINE SCREWS/BOLTS Job Work	M.T.	195.968	27.03	0	24.20
2. Details of opening stock purchases and closing stock of goods produced/purchased. Opening Stock Purchase Closing Stock	M.T. M.T. M.T.	0 0 0	0 0 0	0 0 0	0 0 0
3. Raw Material Consumed	M.T.	0	0	0	0
	Unit		2012 Qty.		2011 Qty.
4. Licenced capacity installed capacity and production Licence Capacity Installed Capacity Utilised Capacity Capacity Utilisation	M.T. M.T. M.T. %age		400 195.968 48.99		400 0 0
5. Spare parts and components consumed			NIL		NIL
6. Earning in Foreign Exchange			NIL		NIL
7. Expenditure in Foreign Currency			NIL		NIL
8. Dividend to non resident share holders			NIL		NIL

	Unit		2012 Qty.		2011 Qty.
9.	Value of imported and indigeneous raw material, spare parts and components consumed and percentage thereof.		NIL		NIL
	RAW MATERIAL				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL
	TOOLS & DIES AND SPARES				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL

7. Previous year's figures have been regrouped wherever considered necessary to make them comparable with that of current year and part of the Balance Sheet and Profit & Loss Account.

Auditor's Report

In term of our separate report of even date attached

for **Suresh Ajay & Co.**
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : **Rohtak**

Dated : **May 08, 2012**

SCHEDULE - 5 FIXED ASSETS

(Amount in Rs.)

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at on 01.04.2011	Addition	Sale	Total 31.03.2012	Up to 31.03.2011	For the year	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
1	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2	Building (A)	3504153	0	0	3504153	1470652	117039	1587691	1916462	2033501
3	Building (B)	3833820	0	0	3833820	1391112	128050	1519162	2314658	2442708
4	Plant & Machinery	4110903	0	0	4110903	3332931	195268	3528199	582704	777972
5	Fork Lifter	715177	0	0	715177	645449	33971	679420	35757	69728
6	Electric Fittings	165703	0	0	165703	119264	11715	130979	34724	46439
7	Furniture Fixture	380325	0	0	380325	197511	24075	221586	158740	182814
8	Motor Car	7014406	0	0	7014406	4470718	895740	5366458	1647948	2543688
9	Computer & Software	0	4381400	0	4381400	0	177556	177556	4203844	2543688
	Total	21661479	4381400	0	26042879	11627637	1583414	13211051	12831829	10033842
	Previous Year	21661479	0	0	21661479	10221779	1405858	11627637	10033842	

NOTE: Depreciation has been charged on the basis of S.L.M. as per Schedule XIV of the Companies Act.

CASH FLOW STATEMENT

Description	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
I. CASH INFLOWS		
(1) From Operating Activities		
(a) Profit from operating activities Adjustments:	87778	187539
Depreciation and amortization	1583414	1405858
Amortization of stock compensation	0	0
(Gain)/Loss on sale of fixed assets	0	0
Assets written off	0	0
Provision/ (Reversal) for doubtful debts and advances	0	0
(b) Working capital changes:		
Decrease in inventories	0	0
Decrease in trade receivables	5364630	0
Decrease in short-term loans and advances	0	0
Decrease in other current assets	0	0
Increase in trade payables	0	0
Increase in other current liabilities	0	0
Decrease in provisions	0	31000
Total of (1)	7035822	1624397
(2) From Investing activities		
a) Proceeds from sale of fixed assets	0	0
b) Proceeds from sale of investments	0	0
c) Realisation of long-term loans and advances from subsidiaries/associates/ business ventures	0	0
d) Decrease in other long-term loans and advances	0	0
e) Decrease in other non-current assets	0	0
f) Dividend received	0	0
g) Interest received	0	0
h) Other income	0	0
Total of (2)	0	0
(3) From Financing Activities		
a) Proceeds from issue of share capital	0	0
b) Share application money pending allotment	0	0
c) Proceeds from long-term borrowings	0	0
d) Proceeds from short-term borrowings	0	0
Total of (3)	0	0
Total cash inflows(1+2+3)	7035822	1624397
II. CASH OUTFLOWS		
(1) From Operating activities		
a) Loss from operating activities Adjustments:	0	0
Depreciation and amortization	0	0
Amortization of stock compensation	0	0
(Loss)/Gain on sale of fixed assets	0	0
Assets written off	0	0
(Provision)/Reversal for doubtful debts and advances	16266	198000
(b) Working capital changes:		
Increase in inventories	0	0
Increase in trade receivables	979515	815782
Increase in short-term loans and advances	815571	34727
Increase in other current assets	0	0
Decrease in trade payables	0	0

CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2012 (Rs.)	Year Ending 31.03.2011 (Rs.)
Decrease in other current liabilities	5120	4447
Decrease in provisions	181734	0
c) Direct taxes paid (Net of refunds)	0	0
Total of (1)	1998206	1052956
(2) From Investing activities	0	0
a) Purchase of tangible assets/capital work-in-progress	4381400	0
b) Purchase of intangible assets/assets under development	0	0
c) Purchase of investments	0	0
d) Investment in subsidiaries/associates/business ventures	0	0
e) Payment of long-term loans and advances to subsidiaries/associates/business ventures	0	0
f) Increase in other long-term loans and advances	0	0
g) Increase in other non-current assets	0	0
Total of (2)	4381400	0
(3) From Financing activities	762971	709873
a) Repayment of long-term borrowings	0	0
b) Repayment of short-term borrowings	0	0
c) Dividends paid (including distribution tax)	48928	137766
d) Interest and other finance costs	0	0
e) Share issue expenses	0	0
Total of (3)	811899	847639
Total cash outflows (1+2+3)	7191505	1900595
III. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (I-II)	-155683	-276198
Add: Cash and cash equivalents at the beginning of the period	253680	529878
IV. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	97997	253680

Auditor's Report

In term of our separate report of even date attached

for **Suresh Ajay & Co.**
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : **Rohtak**

Dated : **May 08, 2012**



LAKSHMI PRECISION SCREWS LIMITED

ATTENDANCE SLIP

I hereby record presence at the 43rd Annual General Meeting of the Lakshmi Precision Screws Limited at Regd. Office : 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 at 11.30 a.m. on Saturday, the 29th September, 2012.

Full Name of the shareholder _____
(in block letters)

REG. FOLIO NO/ CLIENT ID* NO: No. of Shares held

Full Name of the Proxy _____

Signature of Shareholder/ Proxy _____

Shareholders attending the Meeting in person or by Proxy are requested to bring the Attendance Slip duly filled in and hand it over at the entrance of the meeting hall.

* Applicable for investors holding Shares in electronic form.



LAKSHMI PRECISION SCREWS LIMITED
Regd. Office : 46/1, Mile Stone, Hissar Road, Rohtak – 124 001.

FORM OF PROXY

I/We _____
of _____ in the
District of _____ being a member/members of the above
named Company hereby appoint Mr./Ms. _____
of _____ in the District
of _____ of failing him
Mr./ Ms. _____ of _____

As my/ our proxy to vote for me/ us and on my/ our behalf at the 43rd Annual General Meeting of the Company to be held on Saturday, 29th September, 2012 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012

Signed by the said _____

Affix
Re 1/-
Revenue
Stamp
here

REG. FOLIO NO/ CLIENT ID* NO: No. of Shares held

Signature of the Proxyholder(s)
(1) _____
(2) _____

NOTE: The proxy form duly completed, stamped & signed must be deposited at the Registered Office of the Company not less 48 hours before the time of holding the meeting.

* Applicable for investors holding Shares in electronic form.



LAKSHMI PRECISION SCREWS LTD.

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