

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 Keshwa Nand Rattan
Director

Shri Ajay Kumar Chakraborty
Director

Shri Bhagwan Das Narang
Director

Shri Yudhisthir Lal Madan
Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Naveen Kakkar

STATUTORY AUDITORS

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

COST AUDITORS

M/s. HMVN & Associates
Cost Accountants, Delhi.

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 1287 million INR supported by 1095 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are a 3211 million INR Company with approx. 15% 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'.





Dear Shareholders,

It is my privilege to present you the 44th Annual Report of the Company.

The year 2012 - 13 was a testing year of overall economy. The Global economy turned weaker in 2012 and according to IMF forecast the global growth for 2013 is expected to be at 3.3%. Indian economy witnessed a decade low growth in its GDP of 5% over its previous year. Besides slow growth rate, Indian economy also witness challenges in form of high inflation, volatile currency, increasing current account deficit on account of subdued export and high imports of oil and gold.

The Indian Automobile Industry, the main customer of your Company registered a meagre growth of 1.20 %. The Industry has faced a low demand due to high interest rates and increase in raw material cost.

I strongly believe the Indian Automobile Industry has a good future despite these short term challenges, and your Company is well equipped to counter these short term economic challenges.

Your Company is also affected by the overall slowdown in the economy. The main financial highlights for the year 2012-13 are as under:

- The Company has managed a Revenue from Operations (Gross) for the year ended March 31, 2013 of Rs.32036 Lacs.
- EBIT was Rs.5784 Lacs.
- Financial Charges were Rs.3143 Lacs.
- Net profit was Rs.421 Lacs.
- An Earnings Per share (EPS) was Rs.3.84.
- The Board of Directors has recommended a dividend of 8% subject to the approval of members at the ensuing Annual General Meeting. The total outflow will be to the tune of Rs.102.41 Lacs inclusive of Corporate Dividend Tax.

In the coming year we are focused to bounce back and overcome the challenges in the growth path of the Company. We are committed to maximise the net worth of our stake holders and customer values.

I wish to thank all of our loyal shareholders for standing by us in these trying times. I would also like to thank our precious customers, business partners, suppliers, professional advisers, and bankers for their continuous support and confidence in the Company. I would also like to highlight the dedication, patience and hard work put in by all of our staff members and management over the years.

In closing, I would like to express my sincere appreciation to my fellow Board members and shareholders of Company for their faith and patience.

Lalit Kumar Jain
Chairman & Managing Director



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.

Dorken

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.

BOSSARD

EJOT

DÖRKEN

acument
GLOBAL TECHNOLOGIES

GFA
GLOBAL FASTENER ALLIANCE

ALCOA



NOTICE

Notice is hereby given that the **44th Annual General Meeting** of the Members of **Lakshmi Precision Screws Ltd.** will be held on **Saturday, the September 28, 2013 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, 2013, 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, 2013.
3. To appoint a Director in place of Smt. Sushila Devi Jain, who retires by rotation and being eligible, offers herself for re- appointment.
4. To appoint a Director in place of Mr. Jamshed Rustomji Desai, 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 44th Annual General Meeting until the conclusion of the 45th 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 Ordinary Resolution:

“RESOLVED THAT Mr. Yudhisthir Lal Madan, who was appointed as an additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing along with requisite fee proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT in accordance with the provisions of Section 198, 309(4), 310 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and the Articles of Association of the Company and other applicable statutory approval(s), if any and subject to the approval of Central Government, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Rajesh Jain, Non-executive Director of the Company not exceeding Rs.3 Lacs (Rupees Three Lacs only) per month, for a period of 3 years w.e.f. 01.10.2013 to 30.09.2016, in addition to Directors' sitting fee as per Company rules for attending the meeting of Board of Directors or Committees thereof.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 297(1) of the Companies Act, 1956, the post-facto approval of the members of the Company be and is hereby accorded for entering into the contract for sale of industrial fasteners items to M/s. LPS Industrial Supplies Pvt. Ltd. as sanctioned by the Central Government upon the terms and conditions as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 297(1) of the Companies Act, 1956, the post-facto approval of the members of the Company be and is hereby accorded for entering into the contract for purchase of industrial fasteners items from M/s. LPS Industrial Supplies Pvt. Ltd. as sanctioned by the Central Government upon the terms and conditions as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 297(1) of the Companies Act, 1956, the post-facto approval of the members of the Company be and is hereby accorded for entering into the contract for Job work of industrial fasteners items with M/s. LPS Fasteners and Wires Pvt. Ltd. as sanctioned by the Central Government upon the terms and conditions as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 297(1) of the Companies Act, 1956, the post-facto approval of the members of the Company be and is hereby accorded for entering into the contract for purchase of fancy gift items from M/s. Nav Bharat Agencies as sanctioned by the Central Government upon the terms and conditions as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

By order of the Board
for Lakshmi Precision Screws Ltd.

Place : **New Delhi**
Dated : **August 14, 2013**

Naveen Kakkar
Company Secretary

NOTES

- 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.**
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business at item No. 6 to 11 to be transacted at the meeting is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 20, 2013 to Saturday, September 28, 2013 (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.
- 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 19, 2013. 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.
- 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.
- 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 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 2005-06 shall become transferable to the fund on 28.09.2013, 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 2005-06 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
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	29.09.2011	28.09.2018
2011-12	29.09.2012	28.09.2019

Those Members who have not so far claimed their dividend for the above financial years from 2005-06 to 2011-12 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. The Company is offering the payment of dividend through Electronic Clearing System (ECS). Members holding shares in dematerialized form should approach the Depository Participant with whom they are maintaining account for change in address, bank mandate and nomination, if any. Other members who holding shares in physical form are requested to forward the following details immediately to the Registrar, under the signature of the named shareholder:

Folio No. _____	No. of Shares _____
Bank Account No. _____	Nature of Bank Account _____
Bank name and address (along with pin code)	Nine digit code no. of the Bank, Branch and name as appeared in the cheque book (also attached a blank cancelled cheque)
15. 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 14, 2013.

Item No. 06

Mr. Yudhisthir Lal Madan was appointed as an Additional Director by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956, Mr. Madan shall hold office only upto the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite fee from a member of the Company under Section 257 of the Act, proposing the candidature of Mr. Madan for the office of Director. In view of the background and valuable experience of Mr. Madan, it will be in the interest of the Company that Mr. Madan continues as a Director of the Company.

The Directors commends the proposed Ordinary Resolution for the approval of the members.

Item No. 07

Mr. Rajesh Jain, a Non- executive director is drawing monthly remuneration of Rs.3 lacs as approved by the members by a Special Resolution at the Annual General Meeting held on 29th September, 2010 in terms of Section 309 (4) of the Companies Act, 1956. The approval of the members was for a period of 3 years from 01.10.2010 to 30.09.2013 subject to the approval of the Central Government. The Government approved the above payment vide its letter no. A96200837/2/2010-CL.VII dated 31.12.2010 for a period of 3 years from 01.10.2010 to 30.09.2013 in addition to the Directors' Sitting Fee for attending the Board/ Committee meetings.

The Company derives substantial benefits through expert advice of Mr. Rajesh Jain and having regard to his contribution/ involvement in policy issues concerning the Company's operations, it is proposed to continue with the payment of monthly remuneration of Rs.3 Lacs for a period of 3 years commencing from 01.10.2013 to 30.09.2016.

The Directors commends the proposed Special Resolution for the approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Special Resolution.

Item No. 08

The Company has passed resolution in their Board Meeting held on 08.08.2012 for entering into the contract for sale of industrial fasteners items to M/s. LPS Industrial Supplies Pvt. Ltd. subject to the approval of Central Government. Consequent to the application made to the Central Government, the Regional Director approved the contract vide its letter No.4/365/T-1/2012/D/6774 dated 21.11.2012 subject to the post-facto approval of the members in the ensuing General Meeting. The particulars of the contract are as under:

Period of contract	Value (Rs. in Crores)
01.09.2012 to 31.03.2013	5.40
01.04.2013 to 31.03.2014	5.40
01.04.2014 to 31.03.2015	5.40

Further the proposed contract is competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the Company has not made any default u/s. 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheet and Annual Returns with the Registrar of Companies. The contract is falling within the provisions of Section 297 of the Act and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the proposed contract. The Company and its Directors have complied with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

The Directors commends the proposed Ordinary Resolution for the post-facto approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Ordinary Resolution.

Item No. 09.

The Company has passed resolution in their Board Meeting held on 08.08.2012 for entering into the contract for purchase of industrial fasteners items from M/s. LPS Industrial Supplies Pvt. Ltd. subject to the approval of Central Government. Consequent to the application made to the Central Government, the

Regional Director approved the contract vide its letter No.4/364/T-1/2012/D/6775 dated 21.11.2012 subject to the post-facto approval of the members in the ensuing General Meeting. The particulars of the contract are as under:

Period of contract	Value (Rs. in Crores)
01.09.2012 to 31.03.2013	2.85
01.04.2013 to 31.03.2014	2.85
01.04.2014 to 31.03.2015	2.85

Further the proposed contract is competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the Company has not made any default u/s. 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheet and Annual Returns with the Registrar of Companies. The contract is falling within the provisions of Section 297 of the Act and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the proposed contract. The Company and its Directors have complied with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

The Directors commends the proposed Ordinary Resolution for the post-facto approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Ordinary Resolution.

Item No. 10

The Company has passed resolution in their Board Meeting held on 13.02.2013 for entering into the contract for Job work of industrial fasteners items from M/s. LPS Fasteners and Wires Pvt. Ltd. subject to the approval of Central Government. Consequent to the application made to the Central Government, the Regional Director approved the contract vide its letter No.4/165/T-1/2013/D/357 dated 08.04.2013 subject to the post-facto approval of the members in the ensuing General Meeting. The particulars of the contract are as under:

Period of contract	Value (Rs. in Lacs)
01.04.2013 to 31.03.2014	100
01.04.2014 to 31.03.2015	100
01.04.2015 to 31.03.2016	100

Further the proposed contract is competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the Company has not made any default u/s. 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheet and Annual Returns with the Registrar of Companies. The contract is falling within the provisions of Section 297 of the Act and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the proposed contract. The Company and its Directors have complied with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

The Directors commends the proposed Ordinary Resolution for the post-facto approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Ordinary Resolution.

Item No. 11

The Company has passed resolution in their Board Meeting held on 13.02.2013 for entering into the contract for purchase of fancy gift items from M/s. Nav Bharat Agencies subject to the approval of Central Government. Consequent to the application made to the Central Government, the Regional Director approved the contract vide its letter No.4/166/T-1/2013/D/356 dated 08.04.2013 subject to the post-facto approval of the members in the ensuing General Meeting. The particulars of the contract are as under:

Period of contract	Value (Rs. in Lacs)
01.04.2013 to 31.03.2014	15
01.04.2014 to 31.03.2015	15
01.04.2015 to 31.03.2016	15

Further the proposed contract is competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the Company has not made any default u/s. 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheet and Annual Returns with the Registrar of Companies. The contract is falling within the provisions of Section 297 of the Act and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the proposed contract. The Company and its Directors have complied with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

The Directors commends the proposed Ordinary Resolution for the post-facto approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Ordinary Resolution.

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 14, 2013**

Naveen Kakkar
Company Secretary

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

Particulars	Smt. Sushila Devi Jain, NEID	Mr. Jamshed Rustomji Desai, NEID	Mr. Yudhisthir Lal Madan, NEID
Date of Birth	May 07, 1933	March 21, 1933	August 24, 1950
Date of Appointment	September 30, 1987	July 23, 1982	November 10, 2012
Qualifications	Matriculate	Graduation in Mechanical Engineering.	Post Graduate M Sc.(Physics), MBA (Finance), FMS and CAIIB.
Expertise in specific functional areas	Smt. Jain has 44 years experience as an industrialist. She has a wide experience of general management and business vision.	Mr. Desai has 53 years of varied experience in Industrial engineering and overall management.	Mr. Madan is having more than 37 years experience in banking. He had been the Executive Director of Indian Overseas Bank till August, 2010. He was also General Manager in Canara Bank.
Name of the other Companies in which holds Directorship	NIL	• Tropicana Enterprises Pvt. Ltd.	• Intec Capital Ltd. • Ramkrishna Forgings Ltd.
Name of Committee of the other Companies in which holds Membership/ Chairmanship	NIL	NIL	NIL
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	3,10,415	2,204	NIL
Relationship with Other Director(s)	Related to Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Vijay Kumar Jain, Joint Managing Director and Mr. Rajesh Jain, Director.	Not related to any Director	Not related to any Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 44th Annual Report together with Audited Accounts of the Company for the financial year ended on March 31, 2013.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2013 is summarized as below:

(Rs. in Lacs)

Particulars	2012-2013	2011-2012
Revenue from operations	32036.26	34348.59
Gross Profit before interest, depreciation and tax	5783.50	5613.52
Less: Interest	3143.26	2539.66
Profit before depreciation and tax	2640.24	3073.86
Less: Depreciation	2115.28	2216.79
Profit before tax	524.96	857.07
Less: Provision for tax	104.39	119.76
Net Profit for the year after tax	420.57	737.31
Add: Balance brought forward from previous year	5304.32	4795.77
Amount available for appropriation	5724.88	5533.07
Appropriations		
Transfer to General Reserve	0.00	38.00
Proposed Dividend	87.53	164.13
Corporate Dividend Tax	14.88	26.62
Balance carried over to Balance Sheet	5622.47	5304.32

OPERATIONS

During the financial year 2012-13 your Company has earned revenue from operations of Rs.32036 lacs (Previous year Rs.34349 lacs). During the year net profit of the Company has been remain to Rs.420.57 lacs.

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 and will see the growth in the financial year 2013 -14.

DIVIDEND

Your Directors have recommend a dividend of Re.0.80 per equity share for the financial year ended on March 31, 2013 aggregating to Rs.102.41 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, 2013, 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 2012-13.

DIRECTORS

Pursuant to Article 133 of the Articles of Association of the Company, Smt. Sushila Devi Jain and Mr. Jamshed Rustomji Desai, Directors are retiring by rotation and being eligible, offer themselves for re-appointment at the forthcoming 44th Annual General Meeting. The Board recommends their reappointment as Director liable retiring by rotation. During the year under review the Board has been reconstituted with the induction of Mr. Yudhisthir Lal Madan as Additional Director of the Company w.e.f. 10th November, 2012. The Board extend a warm welcome to the new Director and hope for a fruitful association in future. Board also recommends their appointment 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.

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)

Your 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

- Company has been continuing its efforts towards ongoing implementation and stabilization of TQM practices through total employee involvement.
- 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.
- 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 2013-14 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2013-14 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:

- 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, 2013 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 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 14, 2013**

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. 1600 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. 16 years old obsolete model 500 KVA DG replaced, with Cummins 625 KVA DG for higher fuel efficiency and reliability.
4. 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.
5. Installation of energy savings CFL lamps in place of conventional filament lamps.
6. Replacement of ENDO-GAS generators with methanol system.
7. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
8. Machines and pipelines are being checked to arrest air, oil and water leakages.
9. 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. New 300 KVAR APFC Panel installed 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 minor increase 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:

The considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits formed part of the initiatives for 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.4943 Lacs
Total Foreign exchange used	:	Rs.4275 Lacs

for and on behalf of the Board of Directors

Place : New Delhi
Dated : August 14, 2013

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2012-2013	2011-2012
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
unit (Kwh in thousand)	15706.48	15720.74
Total amount (Rs. in lacs)	1019.53	827.10
Rate/ unit (Rs.)	6.49	5.26
(b) Own generation		
Through diesel generator (unit in thousand)	3432.54	5115.62
Rate per litre of diesel oil	41.41	39.76
Cost/ unit (Rs.)	12.50	11.94
2. LPG		
Qty./ Tons	154.10	232.84
Total amount (Rs. in lacs)	108.48	160.70
Average Rate/ Kilogram (Rs.)	70.39	69.02
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)	1133.09	1117.05
LPG (kg./ Ton)	9.12	12.48
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 In-house Research & Development centre at Corporate Office, situated at Rohtak. Research and development activities have been carried out in different processing, lab testing and tool design applicable in manufacturing of Fasteners with taking into consideration of market competition and cost effectiveness. Full focus was given for customer satisfaction through zero defect manufacturing, process cost reduction through improvement in manufacturing cycle time.

R&D Project completed during financial year 2012-13.

- Design, manufacturing and heat treatment of trim die made from high speed special steel and effect of face angle & coating type on die life with A-286 alloy product.
- Evaluation of tensile strength and metallographic properties of fasteners subjected due to high temperature application.
- To evaluate thread forming torque, clamping torque and strip/ failure torque required for Delta PT screws through theoretical and experimental studies on different engineering materials by REC machine.
- Evaluation of thread forming and Stripping torque of sun visor screws and screw assist grip on CRC sheet of different thicknesses.
- To identify and reduce competency gaps towards new products development for automobile and aerospace materials.
- Evaluation of Depression - Separation and Peel strength of weld bolt parts such as clutch pedal bolt, weld bolt, shift lever bolt and RR seat hinge bolt.
- To conduct the Charpy pendulum V notch impact test for determining the energy absorbed in an impact test of metallic raw materials.
- Evaluation of Hydrogen de-embrittlement for aerospace components.
- Process analysis of zinc alkaline plating plant through monitoring of chemical analysis to improve the quality and reduce cost without sacrifices of the product quality.
- Failure analysis of reported and complain received from customer end.

b) Future Plan of action:

- 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.
- Strengthening and up gradation of special process like Heat Treatment, Metal Finishing, HD process and forging of hard material.
- Process optimization, validation of forging processes through Simufact software and die stress analysis for value engineering purposes.

4. Explore new polymers and soft materials applications for self-tapping and PT screws and develop the correlation factor between them.
5. To get higher productivity from newly installed machines.
6. Design and development of products subjected due to high temperature application.
7. Enhancing tool life and reducing tool & manufacturing cost without sacrificing quality.
8. Development of special application screws to meet the new sectors requirement in electronic segments, white goods, elevators and medical devices.
9. Failure analysis of components through advanced analytical instruments to identify and solve customer complain problems.
10. NADCAP certification of test lab, cadmium plating and MPI (NDT) to fulfill Aerospace customer's requirements.
11. Development of new sophisticated state of art R&D Centre at IMT Rohtak and equipped with latest sun rise equipments to meet day to day R&D requirements.

c) Expenditure on R & D:

(Rs. in lacs)

(1) Capital	126.01
(2) Recurring	116.97
Total	<u>242.98</u>
(3) Total R&D expenditure as a percentage of turnover	0.77%

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, 2013.

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	1,20,00,000	05.12.74	59 39	B. E. Mech.	10.60	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	1,20,00,000	27.12.68	65 45	B. Com.	2.30	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	1,20,00,000	05.12.74	56 38	B. A.	10.35	-
04	Mr. Rajesh Jain	Non-Executive Director	36,00,000	28.09.90	55 33	B.E. Tech.	13.08	-
05	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	29,38,440	24.02.74	63 39	B.E. Mech.	0.94	-

Notes:

1. Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
2. The remuneration of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain are yet to be approve by the Central Government for a period of 5 years w.e.f. 01.01.2013. The remuneration of Mr. Rajesh Jain and Mr. Sudesh Kumar Jain are 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.

Annexure 'C' to the Directors' Report

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 2012-13, Five Board Meetings were held on 23.05.2012, 08.08.2012, 10.11.2012, 11.12.2012 and 13.02.2013. 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, 2013 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)	5	Yes	5	1 (as Member)
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	5	Yes	3	1 (as Member)
3.	Mr. Vijay Kumar Jain	ED (JMD)	3	Yes	3	Nil
4.	Mr. Rajesh Jain	NED	4	Yes	9	2 (including 1 as Chairman)
5.	Mrs. Sushila Devi Jain	NED	3	No	Nil	Nil
6.	Mr. Jamshed Rustomji Desai	NEID	5	No	1	2 (as Member)
7.	Mr. Keshwa Nand Rattan	NEID	5	Yes	Nil	1 (as Chairman)
8.	Mr. Ajay Kumar Chakraborty	NEID	5	No	3	3 (including 1 as Chairman)
9.	Mr. Bhupendranath Vidyanath Bhargava @	NEID	1	No	-	-
10.	Mr. Bhagwan Das Narang	NEID	4	No	12	1 (as Member)
11.	Mr. Yudhisthir Lal Madan \$	NEID	2	No	2	Nil

* 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.

@ Ceased to be Director w.e.f. 24.05.2012.

\$ Appointed by the Board as additional Director w.e.f. 10.11.2012.

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, Smt. Sushila Devi Jain and Mr. Jamshed Rustomji Desai, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer herself/themselves for re-appointment. Mr. Yudhisthir Lal Madan is also to be appointed as Director of the Company.

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, 2013. 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 2012-13 Four Audit Committee meetings were held on 23.05.2012, 08.08.2012, 10.11.2012 and 13.02.2013. 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	4
Mr. Ajay Kumar Chakraborty	Member	4
Mr. Bhagwan Das Narang	Member	3

The Statutory, Cost, 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. Lalit Kumar Jain, Chairman & Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director of the Company during the year and subsequently Company obtained the approval of the Board and Members. Consequent to the application made to the Central Government the approval of the same are yet to be received.

During the year 2012-13, one Corporate Governance and Remuneration Committee meeting was held on 08.08.2012. 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 2012-2013:

(a) Executive Directors:

Managing Directors / Joint Managing Director	Salary (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	60,00,000	52,80,000	7,20,000
Mr. Dinesh Kumar Jain	60,00,000	52,80,000	7,20,000
Mr. Vijay Kumar Jain	60,00,000	52,80,000	7,20,000
Total	1,80,00,000	1,58,40,000	21,60,000

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 27.03.2012 and SRNo.B22893853/02/2011-CL.VII dated 15.03.2012.

(b) Non-executive Directors:

All the Non-executive Directors are getting the sitting fee of Rs.20,000/- per Board/ Committee Meeting attended but Mr. Rajesh Jain is also getting remuneration:

Name of the Directors	Rs.
Mr. Rajesh Jain *	3720000
Mrs. Sushila Devi Jain	50000
Mr. Jamshed Rustomji Desai	150000
Mr. Keshwa Nand Rattan	150000
Mr. Ajay Kumar Chakraborty	150000
Mr. Bhupendranath Vidyanath Bhargava	10000
Mr. Bhagwan Das Narang	100000
Mr. Yudhisthir Lal Madan	40000
Total	4370000

* The payment of Mr. Rajesh Jain, Non-executive Director is comprising of Rs.36,00,000 as remuneration and Rs.1,20,000 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.

The sitting fees for attending Board/ Committee Meeting has been increased from Rs.10,000/- to Rs.20,000/- per meeting w.e.f. 10.11.2012.

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. Bhagwan Das Narang	NIL
Mr. Yudhisthir Lal Madan	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 meet with in a 10 days time, as when required for share transfer and other said purposes. During the year 2012-13, 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 five 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, 2013, 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	29.09.2012	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	Nine 1) Approved appointment and increased remuneration of Mr. Lalit Kumar Jain, Chairman and Managing Director. 2) Approved appointment and increased remuneration of Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director. 3) Approved appointment and increased remuneration of Mr. Vijay Kumar Jain, Joint Managing Director. 4) Approved appointment and increased remuneration of Mr. Sudesh Kumar Jain, Executive Vice President (Marketing). 5) Approved appointment and increased remuneration of Mr. Nikhlesh Kumar Jain, Vice President (Marketing). 6) Approved appointment and increased remuneration of Mr. Amit Jain, Vice President (Export). 7) Approved appointment and increased remuneration of Mr. Gagan Jain, Vice President (Operations). 8) Approved appointment and increased remuneration of Mr. Gautam Jain, Vice President (Business Development). 9) Approved appointment and increased remuneration of Mr. Rahul Jain, Vice President (Supply Chain).

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.

(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, 2012.

(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, 2013.

(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 'Overview' 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, 2013 as permitted under the listing Agreement of the Stock Exchanges. 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 2013-14:

- Annual General Meeting is proposed to be held on Saturday, 28th September, 2013 at 11.30 A. M. at the Regd. Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak.
- Financial calendar (tentative and subject to change):

Financial Reporting for the quarter ending June 30, 2013	Mid of August, 2013
Mailing of Annual Reports to the Members	Starting of September, 2013
Annual General Meeting for the year 2012-13	End of September, 2013
Financial Reporting for the half-year ending Sept. 30, 2013	Mid of November, 2013
Financial Reporting for the quarter ending December 31, 2013	Mid of February, 2014
Financial Reporting for the year ending March 31, 2014	End of May, 2014

- (iii) Dates of Book closure: Friday 20th September, 2013 to Saturday, 28th September, 2013. (both days inclusive)
- (iv) Dividend payment date: Dividend @ 8% on paid up equity shares capital was recommended on 29th May, 2013 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 2013-14 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2013-14 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

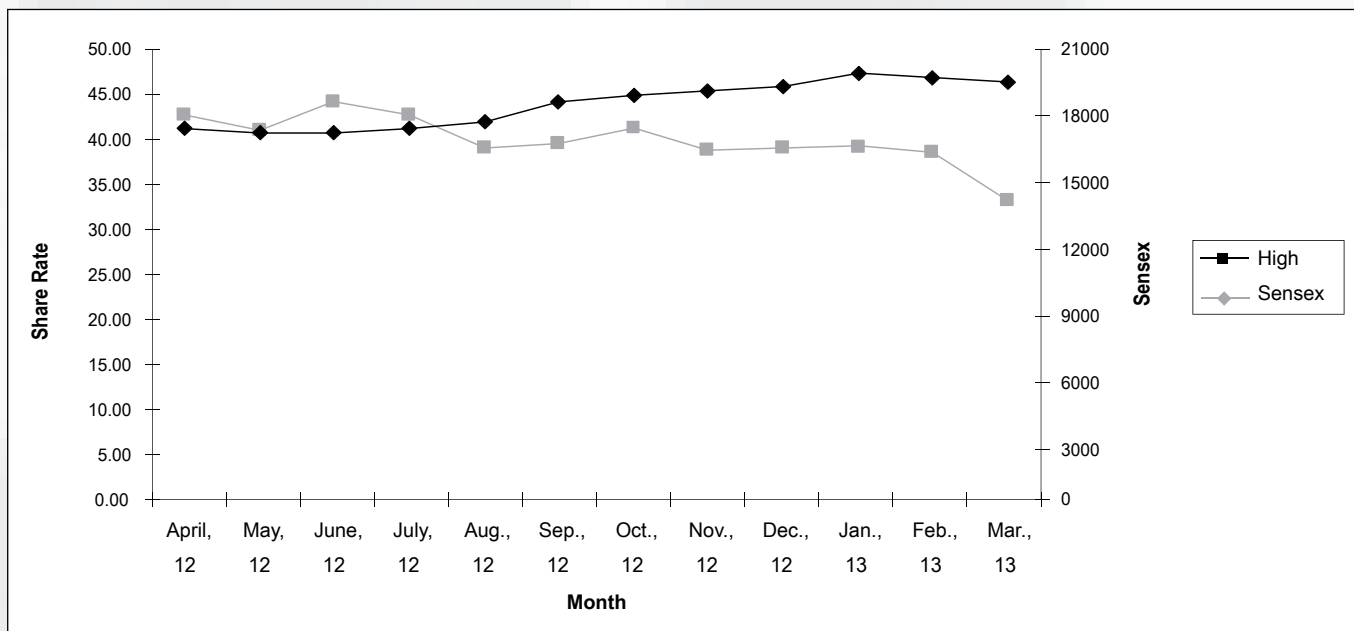
(vi) Market Price Data:

Market Price Data for the financial year 2012-13

Year	National Stock Exchange		Bombay Stock Exchange		
2012-13 (Month)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	Sensex
Apr. – 2012	43.45	35.00	44.00	38.10	17664
May – 2012	41.80	34.00	47.50	37.10	17432
Jun. – 2012	45.00	35.00	44.00	36.15	17448
Jul. – 2012	43.45	36.55	43.90	37.00	17631
Aug. – 2012	39.85	35.95	41.95	36.25	17973
Sep. – 2012	40.35	35.55	43.00	35.55	18870
Oct. – 2012	42.00	37.00	40.85	36.50	19137
Nov. – 2012	39.60	36.20	41.45	36.50	19373
Dec. – 2012	39.95	36.15	39.75	36.15	19612
Jan. – 2013	40.00	35.55	39.90	35.65	20204
Feb. – 2013	39.30	32.20	39.00	32.70	19967
Mar. – 2013	34.00	23.80	34.35	34.90	19755

(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 prescribed period (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, 2013:

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	6585	88.77	868377	8683770	7.94
5001 to 10000	399	5.38	318470	3184700	2.91
10001 to 20000	209	2.82	314181	3141810	2.87
20001 to 30000	68	0.92	167926	1679260	1.53
30001 to 40000	27	0.36	95583	955830	0.87
40001 to 50000	27	0.36	123314	1233140	1.13
50001 to 100000	51	0.69	378939	3789390	3.46
100001 and above	52	0.70	8674877	86748770	79.29
Total	7418	100.00	10941667	109416670	100.00

(xi) Shareholding Pattern as on 31st March, 2013:

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	65	42796	0.390
Mutual Funds	3	601355	5.496
Private Corporate Bodies	183	377773	3.453
Promoter and Promoter Group	24	6880287	62.882
Persons acting in concert	2	30733	0.281
General Public	7132	3005548	27.469
Total	7418	10941667	100.000

(xii) Dematerialization of shares and liquidity:

As on 31st March, 2013, 96.64% of Company's total paid up capital representing 1,05,75,388 equity shares of Rs.10/- each were held in dematerialized form [i.e. 94,77,206 shares (86.62%) with NSDL and 10,97,182 shares (10.02%) with CDSL] and balance 3.36% representing 3,62,279 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 : +91-1262-249920 Fax: +91-1262-248297 E-mail: nkakkar@lpsindia.com

(xvi) Compliance:

The certificate dated 29.05.2013 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

The last financial year was a depressed year for the Indian Economy. The GDP growth was confined to 4.8 % upto March 2013. India's index of Industrial Production (IIP) grew by 2.5 per cent in March 2013. The automobile sector, prime customer of the Company has also a tough time in the previous year. The overall growth in domestic sales during the financial year 2012-13 was 2.61 percent over the same period of last year. During the financial year 2012-13, overall automobile exports registered de-growth of (-) 1.34 percent compared to the same period of last year.

However for the FY2013-14, the estimates with respect to growth in GDP are positive. Inflation being in decline mode, the expected rate cut by RBI and other factors like normal monsoon, decrease in international prices of crude oil etc. hopefully will help to sustain a 6% to 6.5% growth in the GDP in the current fiscal year.

OPPORTUNITIES AND THREATS

a) Opportunities

The Indian automobile industry has an opportunity to play a vital role in the global auto industry. The Indian automobile industry is well equipped with the modern technology, trained personnel and low cost designing. Being one of the fastest growing industry in the stressed global economic environment the industry provide a good platform to excel. Your Company being the best in cost effectiveness and high standards of quality enjoys a good reputation and acceptability of its product in the overseas market and hopeful of adding major business in export segment, besides a good growth in the domestic front.

b) Threats

Presently the Indian economy is passing through fickle period. The volatile currency value, inflation, political changes are factors to be taken care in the current scenario. The following are major threats before our industry:

1. Slow growth of overall economy of India leading to slow industrial growth hence lowering the demand of product.
2. Volatile forex rates can impact import and export transactions.
3. Growing competition from organized and unorganized sector.
4. Pressure of Price reduction to compete the low cost industry in China and other developing countries.

FUTURE OUTLOOK

The last year was not quite enthusiastic year for the industry. However, the experts are predicting a recovery in the current year. The economist is predicting a growth of 6% to 6.5% in the GDP of Indian. The automobile sector, major customer of fasteners industry, is also aggressive despite the dismal growth in the previous year and have their expansion plans for the Indian market. The forecast given by SIAM is also positive which is as under;

Segment	F14 Growth (Apr'13 Est.)
Passenger Vehicles	5-7%
Commercial Vehicles	7-9%
2Wheelers	6-8%
3Wheelers	3-5%
Auto industry as Total	6-8%

The experts are predicting the positives steps from the Government end to stimulate the industry by, liberalizing the foreign investment, reduction in rates and export incentives.

Your company has is well equipped and has prepare itself to exploit the opportunities coming ahead. The Company has sufficient capacity, trained manpower and modern technology to maintain and grow its market share by opening up new customer relationships and exploring new markets

RISK AND CONCERNS

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

1. Global Economy Slowdown
2. Increasing International Competition
3. 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

The Company performance was affected by the overall slowdown in the Industry. Though there is a minor fall in the net revenue but the Company is able to maintain the EBIT. However the higher interest cost has led to a decline in the Net Profit. 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)	
	2013	2012
Net Sales & Other Income	32110	34458
Profit before Interest, Depreciation and Tax	5784	5614
Net Profit	421	737

The financial performance of the Company has been explained in the Directors' Report of the Company for the financial year 2012-13, 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 1095 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 2012-13.

for **Lakshmi Precision Screws Ltd.**

Place : **New Delhi**
Dated : **May 29, 2013**

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 2012-13.

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 2012-13 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 29, 2013**

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, 2013 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 : **Delhi**
Dated : **May 29, 2013**

Rajan Bansal
Partner

INDEPENDENT AUDITORS' REPORT

To,
The Members
Lakshmi Precision Screws Limited.
46/1, Mile Stone, Hissar Road.
Rohtak 124001

Report on the Financial Statements

We have audited the accompanying financial statements of Lakshmi Precision Screws Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

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 detailed 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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Profit and Loss statement, of the profit for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For V. R. Bansal and Associates
Chartered Accountants
Firm registration no: 016534N

Place: **Delhi**
Dated: **May 29, 2013**

Rajan Bansal
Partner
Membership No: 93591

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements' section of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However the same need updation with regard to item-wise depreciation and accumulated depreciation in respect of each asset.
b) The Company has a phased periodical programme of physical verification of all fixed assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies have been noticed on such 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 not 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. However, in absence of a complete physical verification of Inventories covering all items, we are unable to comment whether discrepancies between book records and physical verification are material.*
3. a) In our opinion and according to the information 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.
b) The Company has taken deposits from 12 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs. 71074136/- as on the date of the balance sheet.
c) 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.
d) In our opinion, the repayment of principal amount and interest payments are regular wherever stipulated.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. a) In our opinion and according to our examination and explanations given to us, transactions made in pursuance of contracts or agreements that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and examinations given to us, transactions made in pursuance of contracts or agreements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year exceeding Rs. 5,00,000/- have been made 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. *The Company has an internal audit system, the scope and coverage of which, in our opinion, requires to be further enhanced to be commensurate with the size and the 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 information and explanations given to us, the necessary cost records have not been maintained by the Company.*
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, Wealth tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities except some 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 2013 for a period of more than six months from the date

they become payable. The Company has not made any provision towards cess payable u/s 441A 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 are no dues of Value Added Tax/ sales tax/service tax/income tax/custom duty wealth tax/excise duty/cess payable which have not been deposited on account of any dispute except 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		

- 10 The Company does not have any accumulated losses at the end of accounting period nor has incurred any cash losses in the accounting period covered under audit and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks except, in case of term loans, repayments of Rs.1,26,08,468/-, Rs. 11,26,06,925/- and of Rs. 1,03,46,340/- have been made with delays of 6 to 40 days, 41 to 100 days and 101 to 175 days respectively and in case of bills of exchange overdue as on Balance Sheet date for a period from 1 to 40 days for bills aggregating to Rs. 3,62,58,154/-. Further a sum of Rs. 4,10,29,716/- remained unpaid on account of principal and interest in respect of term loans from banks and other parties as on the Balance Sheet date.
- 12 In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion the Company is not a chit fund, nidhi/ mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- 14 In respect of dealing in investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. In our opinion and according to the information and explanation given to us Shares held by the Company are held in the name of the Company.
- 15 Based on our examination of records and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from bank or financial institutions, which are prejudicial to the interest of the company.
- 16 In our opinion and according to the information and explanations given to us, on and overall basis, the term loans have been applied for the purposes for which they were raised except term loans of Rs.5680000/- taken from Canara Bank lying idle with the Company as on the Balance Sheet date. As explained to us the same shall be utilised for the purpose for which it was sanctioned in the current financial year.
- 17 According to the information and explanations given to us and an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short term basis have not been utilized for long term investment.
- 18 According to the information and explanation given to us the company has not made any preferential allotment accordingly the provisions of clause 4(xviii) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- 19 According to the information and explanations given to us the company has not issued any debenture, accordingly the provisions of clause 4(xix) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- 20 According to the information and explanations given to us the company has not raised money by public issue during the year, accordingly the provisions of clause 4(xx) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period that causes the financial statement to be materially misstated.

For V.R. BANSAL & ASSOCIATES
Chartered Accountants
Firm Registration No: 016534N

Place: Delhi
Dated: May 29, 2013

Rajan Bansal
Partner
Membership No: 93591

BALANCE SHEET

Description	Notes No.	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
A. EQUITY AND LIABILITIES			
a) Shareholder's Funds			
Share Capital	2	109416670	109416670
Reserves and Surplus	3	923016342	889184232
		1032433012	998600902
b) Non Current Liabilities			
Long Term Borrowings	4	318587765	382632205
Deferred Tax Liabilities (Net)	5	0	24955009
Other Long Term Liabilities	6	10856322	11608990
Long Term Provisions	7	10374456	7887154
		339818543	427083358
c) Current Liabilities			
Short Term Borrowings	8	1751872554	1339486636
Trade Payables	9	504979509	735466599
Other Current Liabilities	10	618836460	558076939
Short Term Provisions	11	43720861	26756394
		2919409384	2659786568
TOTAL		4291660939	4085470828
B. ASSETS			
a) Non Current Assets			
Fixed Assets:	12		
Tangible Assets		876508796	1006982451
Intangible Assets		4183592	3552443
Capital Work in Progress		5405728	3182480
Non Current Investments	13	42736580	42736580
Deferred Tax Assets (Net)	5	1175826	0
Long Term Loans and advances	14	39673464	27359844
Other Non-current assets	15	1614949	2649850
		971298935	1086463648
b) Current Assets			
Inventories	16	2349211625	2038755128
Trade Receivables	17	659073809	678653225
Cash and Bank Balances	18	112520528	98279512
Short Term Loans and Advances	19	145368245	128049024
Other Current Assets	20	54187797	55270291
		3320362004	2999007180
TOTAL		4291660939	4085470828
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 Rajan Bansal

Partner

Membership No.93591

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkur

Company Secretary

Place : **Delhi**

Dated : **May 29, 2013**

STATEMENT OF PROFIT AND LOSS

Description	Notes No.	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
A. INCOME			
Revenue from operations	21	3195927096	3434858655
Other Income	22	15079705	10891720
Total Revenue		3211006801	3445750375
B. EXPENDITURE			
Cost of materials consumed	23	1278771001	1407344485
Purchases of Traded goods	24	6595095	9728811
Purchases of semi finished goods	25	127123909	151075682
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(224913877)	(221471631)
Employee benefits expense	27	597888252	550508921
Finance costs	28	314325514	253966396
Depreciation and amortisation expense	12	211527879	221678967
Other Expenses	29	854892350	987212172
		3166210123	3360043803
Profit before Tax and prior period item		44796679	85706572
Add: Prior period items [Refer Note No. 31(viii)]		7699178	-
Profit before Tax		52495856	85706572
Tax Expense:			
Current Tax		38400000	27260000
Excess provision of Income Tax written back		(1829926)	(6920203)
Deferred Tax		(26130835)	(8363371)
C. PROFIT FOR THE YEAR CARRIED DOWN		42056617	73730146
D. EARNING PER SHARE (FACE VALUE OF RS. 10 PER SHARE)			
Basic and Diluted (refer note no. 31(xiii))		3.84	6.74
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 Rajan Bansal
Partner
Membership No.93591

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

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

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **Delhi**
Dated : **May 29, 2013**

CASH FLOW STATEMENT

Description	Year Ended March 31, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	42056617	73730143
Adjustments for:		
Tax -Current Tax	10439238	16222409
Wealth Tax	164849	275150
Net profit before tax and extraordinary items	52660704	90227702
Adjustments for:		
Depreciation	211527879	221678967
Deferred payment interest and Technical know how fee written off	1213454	1495527
Rent and Interest received (Gross)	(9560369)	(8434801)
Interest and Financial charges	314325514	249720413
Provisions for Bad and Doubtful Debts	1177213	3376360
Loss on sale of assets	14862	735547
Profit on sale of assets	(838821)	0
Reduction in Reserve due to change in accounting policy*	2016456	(1778439)
Operating profit before working capital changes	572536892	557021276
Adjustments for:		
Trade Payables	(230487089)	(60318058)
Other Liabilities & Provisions	55575210	53511673
Trade Receivables	18402203	(49151388)
Loan and Advances	(29632840)	48932801
Other Current Assets	903942	(31871612)
Inventories	(310456497)	(301516500)
Cash generated from operations	76841821	216608192
Direct Taxes paid	(13502012)	(17434979)
Net cash from operating activities	63339809	199173213
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(83947281)	(319047651)
Proceeds from Sale of fixed assets	862624	1331976
Bank deposits (having original maturity of more than 3 months) held as margin money	5678509	(15891781)
Rent and Interest received (net of TDS)	9560369	7652637
Know how fee provided during the year	0	(1670220)
Net cash used in investing activities	(67845779)	(327625039)

*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, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	105995929	314911047
Proceeds from short term borrowings	634458127	426260036
Repayment of long term borrowings	(160555822)	(232511001)
Repayment of short term borrowings	(262572206)	(118631854)
Proceeds from Directors and others	40900000	0
Repayment to Directors and others	(400000)	(2000000)
Dividend paid	(19346364)	(18762906)
Interest and financial charges	(314325516)	(249720413)
	24154148	119544909
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	19648178	(8906917)
Cash and Cash equivalents (Opening Balance)	17297220	26204137
Cash and Cash equivalents (Closing Balance)	36945398	17297220

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	28740328	16732902
Cash on hand	205070	524936
Cash Margin	8000000	0
E E F C Account (Previous year US\$ 769.83)	0	39382
	36945398	17297220

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	2079993	1495000
Pledged as margin money against letter of credits	60937587	70487000
Pledged as Loan Against FDR	2665621	0
Lien against public deposits	6738102	6170308
No lien account	452496	400000
Unpaid Dividend Accounts*	2701331	2429984
	75575130	80982292
	112520528	98279512

* 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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per Rajan Bansal

Partner

Membership No.93591

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2013**

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The financial statements of the Company have been prepared on historical cost convention as a going concern on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) to the extent applicable. Accounting policies have been consistently applied and where a newly issued accounting standard is initially adopted or where an existing accounting policy requires a change due to more appropriate presentation of financial statements, such changes are suitably incorporated. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

1.02 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.

1.03 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.04 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 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.

1.05 Tangible fixed assets

- a) Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable and subsidy directly attributable to the cost of fixed asset. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised if capitalisation criteria are met.
- b) Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- c) Capital work-in- progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses and interest on borrowings there against.
- d) Preoperative expenditure and trial run expenditure accumulated as capital work in progress is allocated on the basis of prime cost of fixed assets in the year of commencement of commercial production.
- e) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed off.

1.06 Intangible assets

- a) Acquired intangible assets
Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- b) Research and development cost
Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
- c) Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed off.

1.07 Depreciation and amortization

- a) Depreciation on tangible fixed assets is provided on written down value method using the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956, which approximates the useful lives of the assets estimated by the management, except in case of Plant-II, Manesar Plants and Recoil Business Division where depreciation has been provided on straight-line method.
- b) Assets costing not more than 5,000/- each individually are depreciated at 100%.
- c) Intangible assets are amortised on a straight line basis over six years being estimated useful life of the assets.

1.08 Prior Period Items/ Extraordinary Items

Prior Period expenses/incomes, are shown as prior period items in the profit and loss account as per the provision of Accounting Standard-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Items of income or expenses that arise from events or transactions that are distinct from ordinary activities of the enterprise and are not expected to recur frequently or regularly are treated as extraordinary items.

1.09 Revenue Recognition

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

i) Sale of Goods

Revenue from sale of Goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, and are recorded net of returns and trade discount. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economics benefits flowing to the company and therefore are excluded from revenue. Excise Duty is deducted from revenue(Gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers. Export sales are recognised at the time of clearance of goods and approval from Excise Authorities.

ii) Rental Income

Rental income is recognised on a time proportionate basis.

iii) Dividend income

Dividend income is accounted for when the right to receive the payment is established.

1.10 Foreign currency transactions

Foreign currency transactions and balances

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii) Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to fixed assets acquisition are recognised as income or expense in the year in which they arise. In case of exchange variation arising on reporting of long term foreign currency monetary item 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 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.

iv) Bank Guarantee and Letter of Credit

Bank Guarantee and Letter of Credits are recognized at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation, However, Outstanding at the period end are recognized at the rate prevailing as on that date and total sum is considered as contingent liability.

1.11 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.

1.12 Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.13 Retirement Benefits

i) Gratuity and Provident Fund

In respect of payment of gratuity to employees, the contribution 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 recognised as an expense in the period in which services are rendered by the employee.

ii) Leave Encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised 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.

1.14 Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.15 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.

1.16 Earning per share

Basic earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

1.17 Taxes on Income

Tax expense for the year comprises of direct taxes and indirect taxes.

DIRECT TAXES

- i) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

iii) Wealth tax is ascertained in accordance with the provisions of the Wealth Tax Act, 1957.

INDIRECT TAXES

- i) Excise duty (including education cess) has been accounted for in respect of the goods cleared. The company is providing excise duty liability in respect of finished products.
- ii) Service Tax has been accounted for in respect of services rendered.
- iii) Final sales tax / Value added tax liability is ascertained on the finalization of assessments in accordance to provisions of sales tax / value added tax laws of respective states where the company is having offices/works.

1.18 Research and Development

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

1.19 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.

1.20 Impairment of 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.

1.21 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

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

1.22 Cash and cash equivalents

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

NOTE - 2

Description	As at 31.03.2013 (Rs.)		As at 31.03.2012 (Rs.)	
	Number	Amount	Number	Amount
SHARE CAPITAL				
a. Authorised:				
Equity Shares of Rs. 10/- each	24970000	249700000	24970000	249700000
9.5% Cumulative Preference Shares of Rs. 10/- each	30000	300000	30000	300000
	25000000	250000000	25000000	250000000
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 2013, the amount of per share dividend recognized as distributions to equity shareholders is Re.0.80 (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 31.03.2013		As at 31.03.2012	
	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	600655	5	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	2012-13	2011-12
Equity Shares	Nil	Nil

NOTE - 3

Description	(Rs.)	As at 31.03.2013 (Rs.)	(Rs.)	As at 31.03.2012 (Rs.)
RESERVES AND SURPLUS				
a. Capital Reserve				
As per last Balance Sheet		13931192		13931192
b. Securities Premium Account				
As per last Balance Sheet		318336034		318336034
c. General Reserve:				
As per last Balance Sheet	30414385		26614385	
Add: Transfer from Surplus as per Statement of Profit and Loss	0	30414385	3800000	30414385
d. Foreign Currency Monetary Item Translation Difference Account:*				
As per last Balance Sheet	(3929047)		(2150608)	
Add: Foreign Currency Variation during the year	(1808723)		(4397803)	
	(5737770)		(6548411)	
Less: Amortized during the year	3825179	(1912591)	2619364	(3929047)
e. Surplus as per Statement of Profit and Loss				
Opening balance	530431668		479576544	
Net Profit for the current year	42056617		73730143	
	572488285		553306687	
Appropriation				
Proposed Dividend	8753334		16412501	
Corporate Dividend Tax	1487629		2662518	
Transfer to General Reserve	0	562247322	3800000	530431668
		923016342		889184232

*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, and further amended by 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 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.5392733/- arising on aforesaid long term foreign currency monetary items, a sum of Rs.3584010/- has been deducted from the cost of fixed assets and a sum of Rs.1808723/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.3825179/- 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 31.03.2013 (Rs.)		As at 31.03.2012 (Rs.)	
	Non Current	Current	Non Current	Current
LONG TERM BORROWINGS				
Secured:				
a. Term Loans				
From Banks	115650000	187031375	242972702	177291339
From Other Parties	139526085	10150639	5460000	-
	255176085	197182014	248432702	177291339
b. Deferred Payment Liabilities				
From Haryana State Industrial and Infrastructure Development Corporation Limited	-	2800431	45986250	26101920
	-	2800431	45986250	26101920
c. Long Term Maturities of Finance Lease Obligations				
Vehicle Loans	12014901	18926671	23191655	13096247
	12014901	18926671	23191655	13096247
Unsecured:				
d. Term Loans				
From Other Parties	9122643	34564222	28247462	27499285
	9122643	34564222	28247462	27499285
e. Loans and Advances from Related Parties				
From Directors *	18072050	-	15072050	-
From Others *	24202086	-	21702086	-
	42274136	-	36774136	-
	318587765	253473338	382632205	243988791

*Deposits under stipulations of lending financial institutions and banks.

a. Term Loans from Bank (secured)

- (i) Term loans are from Canara 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
03.04.2013	50000000	5680000 (Date of disbursement 30.03.2013)	Prime security Exclusive charge on assets i.e. accessories of machines ,dies and tools to be purchased out of term loan valued at Rs. 7.00 crores. Collateral 1. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak. 2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla, District - Rohtak, Haryana.
06.03.2013	3042685	3042685	Against pledge of fixed deposits of the Company having a maturity value of Rs. 3380761/-
08.09.2011	50000000	42587363	Prime security Ist pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired. Collateral 1. Ist pari passu charge with other consortium members on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak. 2. Ist pari passu charge with other consortium members on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana.

22.09.2010	105000000	63000000	<p>Prime security</p> <p>Ist pari passu charge on existing tools and dies valued at Rs. 25 crores.</p> <p>Collateral</p> <p>1. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak.</p> <p>2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil Sampla, District - Rohtak, Haryana.</p>
26.09.2009	40000000	NIL	<p>Prime security</p> <p>1. IInd pari passu charge on entire chargeable current assets (present and future) and entire fixed assets of the Company.</p> <p>Collateral</p> <p>1. 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.</p> <p>2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Suarbh Jain, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana.</p> <p>3. IInd pari passu charge on entire fixed assets acquired out of term loan of USD 6.66 million sanctioned by ICICI Bank Limited.</p> <p>4. Ist charge on dies and tools to be purchased and other securities given for working capital term loan.</p> <p>The above loan has been fully paid during the year.However discharge of security created is under process.</p>
08.12.2006	6600000	NIL	<p>1. Ist charge on generator purchased out of the proceeds.</p> <p>2. The above loan has been fully paid during the year.However discharge of security created is under process.</p>
(iii) Details of term loans from IDBI Bank Limited and security furnished are as under:			
29.12.2008	100000000	25000000	<p>Prime security</p> <p>Ist pari passu charge on fixed assets of the Company.</p>
27.01.2010	100000000	78012464	<p>Prime security</p> <p>Ist pari passu charge on fixed assets of the Company.</p>

(iv) Details of term loans from State Bank of India and security furnished are as under:

03.11.2011	45000000	37499946	<p>Prime security 1st pari passu charge along with other consortium bankers on tools and dies capitalised.</p> <p>Collateral Securities are furnished against CC/BD/LC/other facilities sanctioned by the bank.</p> <p>11nd pari passu charge on entire fixed assets of the Company comprising of land and building, plant and machinery, other fixed assets including capital work in progress along with equitable mortgage of the following properties.</p> <p>Plant-I:-46/1, Mile Stone, Northern Bye Pass, Hissar Road, Rohtak-124001 Haryana (India)</p> <p>Plant-II:-Northern Bye Pass, Hissar Road, Rohtak-124001</p> <p>Plant-III:-Plot no 153, Sector- 3 IMT Manesar, Gurgaon-122050, Haryana (India) Measuring 4050 Sq. Mtrs.</p> <p>Packaging Unit:-Plot no 257, Sector - 6 IMT Manesar, Gurgaon-122050, Haryana (India) Measuring 1800 Sq. Mtrs.</p> <p>Plant-IV:-N H 10, Delhi Road, Kharawar By Pass, Rohtak-124001 Haryana Measuring 45496 Sq. Yards.</p> <p>EMT of property situated at NH 10 Hissar Road Rohtak measuring 10640 sq. yards of land standing in the name of Smt. Sushila Devi Jain, Director of the Company on pari-passu basis under consortium.</p> <p>EMT of Land and Building measuring situated at Mauza Kharawar, Tehsil and Distt. Rohtak, Haryana measuring 4.6125 acres the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company on pari-passu basis under consortium.</p>
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(v) Details of term loans from ICICI Bank Limited and security furnished are as under:

27.12.2006	264903436 USD 6.66 millions	47858917	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.
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(vi) Terms of repayments:

Name of Banks	Nature of facility	Date of Sanction	Terms of repayment
Canara Bank	Term Loan	03.04.2013	3 quarterly instalments of Rs.2000000/- 12 quarterly instalments of Rs.2500000/- 2 quarterly instalments of Rs.4667000/- 1 quarterly instalments of Rs.4666000/-
Canara Bank	Term Loan	08.09.2011	20 quarterly instalments of Rs. 2500000/-
Canara Bank	Term Loan	22.09.2010	20 quarterly instalments of Rs. 5250000/-
IDBI Bank Limited	Term Loan	27.01.2010	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	03.11.2011	4 quarterly instalments of Rs. 3750000/- 4 quarterly instalments of Rs. 4650000/- 1 quarterly instalments of Rs. 5550000/- 1 quarterly instalments of Rs. 5850000/-
IDBI Bank Limited	Term Loan	29.12.2008	16 quarterly instalments of Rs. 6250000/-
ICICI Bank Limited	External Commercial Borrowing	27.12.2006	20 quarterly instalments of USD 333000/-

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(vii)	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:	115650000	187031375	242972702	177291339

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

- Installment of Rs. 5250000/- due on 21.01.2013 in respect of Term Loan from Canara Bank remained unpaid as on 31.03.2013.
- A sum of Rs. 7499946/- due on 30.12.2012 and 30.03.2013 in respect of Corporate Term Loan from State Bank of India remained unpaid as on 31.03.2013.
- Instalment of Rs. 18111637/- (USD 333000) due on 21.03.2013 in respect of foreign currency term loan (ECB) from ICICI Bank Limited, remained unpaid as on 31.03.2013.
- Interest accrued and due Rs. 4758747/- (previous year Rs. 1784687/-) remain unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(ix) Term loans from other parties are from Intec Capital Limited and Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)

	2013		2012	
	Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
Intec Capital Limited	44975085	10150639	5460000	0
Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)	94551000	0	0	0
	139520685	10150639	5460000	

(x) Details of term loans from Intec Capital Limited and security furnished are as under:-

Date of Sanction	Amount sanctioned (Rs.)	Amount outstanding (Rs.)	Cash collateral security (Rs.)	Other security (Rs.)
30.11.2011	15600000	9505668	5460000	Nil
29.11.2012	21400000	20165724	6420000	1st and exclusive charge on the entire assets and equal to the loan amount.
22.02.2013	29500000	29500000	8850000	1st and exclusive charge on the entire assets and equal to the loan amount and further secured by way of 1st charge on fixed assets of the Company including land and building and plant and machinery with ICICI Bank Limited and IDBI Bank Limited on pari passu basis.

(xi) Loan of Rs. 9505668/- as on the date of balance sheet (out of sanctioned amount of Rs. 15600000/-) has been shown as secured to the extent of cash collateral security of Rs. 5460000/- and the balance of Rs. 4045668/- has been shown as unsecured. (Refer note no.4d)

(xii) Cash collateral security of Rs. 20730000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.

(xiii) Term loan from HSIIDC is secured by way of:-

First charge on all the present and future fixed assets of the proposed expansion project at IMT Rohtak

First mortgage over the Company's immovable and moveable properties including its movable machinery, spares, tools and accessories, present and future : and

First charge on all the remaining assets of the Company, present and future (save and except book debts in case of hypothecation) subject to prior charges created and /or to be created in favour of Bankers on the Company's stock of raw materials, semi finished and finished goods, consumable stores and books debts and such other movables as may be agreed to the lenders for securing borrowings for working capital requirements in the ordinary course of business.

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(e)	Aggregate amount of term loan from other parties are further secured by way of personal guarantee of Sh. Lalit Kumar Jain, Chairman and Managing Director of the Company are:	139526085	10150639	5460000	0

(f) Terms of repayments of term loan from other parties:

Nature of facility	Sanctioned amount (Rs.)	Terms of repayments
Term loans from Intec Capital Limited	15600000	36 monthly installment of Rs. 550333/- (including interest)
Term loans from Intec Capital Limited	21400000	60 monthly installment of Rs. 505843/- (including interest)
Term loans from Intec Capital Limited	29500000	60 monthly installment of Rs. 697268/- (including interest)
Term Loan from HSIIDC	250000000	26 quarterly installment of Rs. 9615385/- (commencing from 15.05.2014)

b. Deferred Payment Liabilities:

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

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

- 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 repayments
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	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/-

(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	285000	02.03.2013	Unpaid
	Dormitory House at IMT Manesar, Gurgaon	562500	05.03.2013	Unpaid
	IMT Manesar, Gurgaon	1952931	01.08.2011	Unpaid
		2800431		

b) Interest accrued and due Rs.515300/-(previous year Rs. 832470/-) remained 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. 57201/-
	Finance Lease	36 monthly instalments of Rs. 180746/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 327396/-
	Finance Lease	36 monthly instalments of Rs. 94200/-
		35 monthly instalments of Rs. 21764/-
Kotak Mahindra Prime Limited	Finance Lease	24 monthly instalments of Rs. 365280/-
		36 monthly instalments of Rs. 611456/-
BMW India Financial Services Limited	Finance Lease	36 monthly instalments of Rs. 87121/-
ICICI Bank Limited	Finance Lease	35 monthly instalments of Rs. 25660/-
	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

Name of Lendor	Nature of facility	Terms of repayment (including interest)
TVS Motor Company Limited	Unsecured Loan	30 monthly instalments of Rs.1268750/-
Religare Finvest Limited	Unsecured Loan	36 monthly instalments of Rs. 351570/-
	Unsecured Loan	24 monthly instalments of Rs. 249621/-
Magma Fincorp Limited	Unsecured Loan	36 monthly instalments of Rs. 351570/-
		30 monthly instalments of Rs. 413937/-
Tata Capital Limited	Unsecured Loan	8 monthly instalments of Rs. 317340/-
	Unsecured Loan	8 monthly instalments of Rs. 221300/-
	Unsecured Loan	8 monthly instalments of Rs. 199200/-
Bajaj Finance Limited	Unsecured Loan	8 monthly instalments of Rs. 243376/-
	Unsecured Loan	8 monthly instalments of Rs. 198856/-
	Unsecured Loan	8 monthly instalments of Rs. 151368/-
Intec Capital Limited	Unsecured Loan	36 monthly instalments of Rs. 550333/-
		Refer note no. 4(a)(xi)

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(ii)	Aggregate amount of Term Loans from other parties secured by way of personal guarantee of Sh. L.K.Jain, Director of the Company are:	7122643	22564222	13997462	14211785

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

- Installment of Rs. 1000000/- due on 05.03.2013 in respect of term loan from TVS Motor Company Limited remained unpaid as on 31.03.2013.
- Interest accrued and due Rs.535000/- remained unpaid as on the date of Balance Sheet in respect of term loan from TVS Motor Company Limited.

NOTE - 5

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
DEFERRED TAX (LIABILITY)/ ASSETS		
Deferred Tax Liabilities (net)		
On account of difference in treatment of certain payments under Income Tax Act, 1961	56969506	27337593
	56969506	27337593
Deferred Tax Assets		
On account of difference in rates and method of depreciation	58145332	52292602
	58145332	52292602
Deferred Tax (Liabilities)/Assets*		
At the end of year (net)	1175826	(24955009)
For the year	(26130836)	8363371
* 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		
Others		
Security Deposits from customers/employees	10856322	11608990
	10856322	11608990

NOTE - 7

LONG TERM PROVISIONS		
a. Provisions for employee benefits		
Leave Encashment	10374456	7887154
	10374456	7887154

- (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	1656572554	1300686633
	1656572554	1300686633
Unsecured:		
b. Deposits		
Fixed Deposits from Directors and others	63800000	28800000
Other loans and advances- from Companies	31500000	10000000
	95300000	38800000
	1751872554	1339486633

a. Working capital limits from banks (secured)

- 1) Working capital limits from consortium banks are from 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 Mrs.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.

First pari passu charge with working capital consortium members on Dies and Tools capitalised during financial year 2010-2011 and 2011-12.

Exclusive charge on Dies and Tools capitalised during financial year 2012-13.

- 2) Working capital limits from ICICI bank limited are secured as under:-

First charge by way of hypothecation of the Company's entire stocks of raw materials, semi-finished and finished goods, consumable store and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.

Second charge on all the Company's immovable properties and fixed assets, both present and future, ranking pari passu with other participating banks.

Unconditional and irrevocable personal guarantees of Sh. L.K.Jain and Sh. D.K.Jain, Directors of the company.

- 3) Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.) 1656572554 1300686633

- 4) 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	15332097/-	7 to 17 Days
Domestic bills discounted with Canara Bank	20926057/-	1 to 40 Days
Working capital limits with Canara Bank	76874872	1 to 5 Days
Working capital limits with State Bank of India	4069429	1 to 5 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.556156/- (previous year Rs.738221/-)remained unpaid as on the Balance sheet date.

NOTE - 9

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
TRADE PAYABLES		
Trade payables	504979509	735466599
	504979509	735466599

- (i) Trade payables include payable to a subsidiary company Rs. 8194506/- (Previous Year Rs.4913910/-)

- (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, 2013. This information has been determined to the extent such parties have been identified on

Sr. No	Particulars	Year ended 31st March 2013	Year ended 31st March 2012
1.	Principal amount and interest due thereon remaining unpaid to any supplier	2462816	2228326

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.	NIL	806
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 sec.	NIL	NIL

NOTE - 10

Description	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note no. 4a and 4e)	231746236	204790624
Current maturities of Deferred Payment Liabilities (Refer note no. 4b)	2800431	26101920
Current maturities of finance lease obligations (Refer note no. 4c)	18926671	13096247
Interest accrued but not due on Borrowings	3784978	4861620
Interest accrued and due on Borrowings	6367702	3295378
Unpaid dividend	2701331	2429984
Advances and progress payments from customers	190288304	134400167
Creditors for capital goods	4951316	50718207
Excise duty payable	51120373	47615531
Employees benefit expense	37898849	37014669
Statutory dues	33353408	15335821
Other payable s	34896861	18416771
	618836460	558076939
(i) Current maturities of long term debt includes:		
a) Current maturities of long term (secured) (Refer note no. 4a)	197182014	177291339
b) Current maturities of long term (unsecured) (Refer note no. 4d)	34564222	27499285
	231746236	204790624

- (ii) The Company has made a provision of Excise duty amounting Rs 51120373/- (previous year Rs. 47615531/-) 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.6534800/- (Previous year Rs. 16831400/-) payable to Directors of the Company.
- (iv) Other payables include Rs.Nil (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 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Leave encashment	2875341	2618965
Gratuity (refer note no. 31(xviii))	5541720	3609424
	8417061	6228389
Others:		
Income Tax (net of advance Tax and TDS Rs. 1352012/-)	24897988	1177836
Wealth Tax	164849	275150
Proposed Dividend	8753334	16412501
Corporate Dividend Tax	1487629	2662518
	35303800	20528005
	43720861	26756394

- (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 2012-13

The movements in provisions are as under:		
1 Carrying amount as on 01.04.2012		
Income Tax	27260000	38010000
Wealth Tax	275150	260000
Leave encashment (Long term Rs.7887154 /-)	10506119	8570486
Gratuity	3609424	5541719
Total	41650693	52382205

- 2 Additional provisions made during the financial year 2012-13.(including increase to existing provisions.)

Income Tax	38400000	27260000
Wealth Tax	164849	275150
Leave encashment (Long term Rs.2487302 /-)	5362643	4815206
Gratuity	4932296	5541720
Total	48859788	37892076

- 3 Amounts used (incurred and charged against the provisions) during the financial year 2012-13

Income Tax	25430074	31089797
Wealth Tax	275150	260000
Leave encashment	2618965	2879573
Gratuity	3000000	7474015
Total	31324189	41703385

- 4 Unused amounts reversed during the financial year 2012-13

Income Tax	(1829926)	(6920203)
Wealth Tax	-	-
Leave encashment	-	-
Gratuity	-	-
Total	(1829926)	(6920203)

- 5 Carrying amounts of provisions as on 31.03.2013

Income Tax	38400000	27260000
Wealth Tax	164849	275150
Leave encashment (Long term Rs.10374456 /-)	13249797	10506119
Gratuity	5541720	3609424
Total	57356366	41650693

- (ii) The Company has proposed dividend for the year @8% 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.

NOTE -12

FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2013 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
1	Tangible										
	Industrial Land:										
	Freehold Land	174750569	14484005	0	189234574	0	0	0	0	189234574	174750569
	Leasehold Land	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	217925934	3116406	0	221042340	69177382	7983936	0	77161318	143881022	148748552
3	Office Premises:										
	Freehold Offices	813362	0	0	813362	483397	16498	0	499895	313467	329965
	Leasehold Offices	553040	0	0	553040	354589	9923	0	364512	188528	198451
4	Plant and Machinery	1631610219	51686333	(6899986)	1676396566	1065580845	186058045	(6898807)	1244740083	431656483	566029374
5	Furnitures and Fixtures	44554028	869690	(169788)	553040	30742074	2179711	(153387)	32768398	12485532	13811954
6	Electric fans and Installations	43532700	453719	(19831)	45253930	27452972	2220027	(19817)	29653182	14313406	16079728
7	Office Equipments	27487116	1780145	(78501)	29188760	13468535	1290396	(69060)	14689871	14498889	14018581
8	Computer	73466967	1897683	(126886)	75237764	72600703	967835	(119874)	73448664	1789099	866264
9	Vehicles	103580013	5513467	(260746)	108832734	50178860	9483377	(256128)	59406109	49426625	53401153
10	Weighing Scales	1574158	7770	0	1581928	1276914	37286	0	1314200	267728	297244
11	Fire Extinguishers	883821	13800	0	897621	831617	10977	0	842594	55027	52204
	Total	2339130341	79823017	(7555738)	2411397622	1332147888	210258011	(7517073)	1534888826	876508796	1006982455
12	Intangible										
	Computer software	5879283	1901018	0	7780301	2326840	1269868	0	3596708	4183592	3552442
	Total	2345009626	81724035	(7555738)	2419177923	1334474728	211527879	(7517073)	1538485534	880692388	1010534894
	Add: Capital Work -In Progress	3182479	4258265	(2035017)	5405727	0	0	0	0	5405728	3182480
	Total : Current Year	2348192105	85982300	(9590755)	2424583649	1334474728	211527879	(7517073)	1538485534	886098116	1013717377
	Previous Year	2033616203	329021692	(14445791)	2348192104	1115199988	221678967	(2404226)	1334474730	1013717374	918416214

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%.
- Additions in fixed assets include Rs. 6314538/- (last year Rs 34320709/-) 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. 3584010/- 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..
- Addition in freehold land includes stamp duty charges, development charges and interest capitalised.
- Plant and Machinery include capital expenditure of Rs. 12601059/- incurred during the year and Rs.25822374/- incurred during the previous year on research and development.

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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. [Refer note no 31(xvii)].

NOTE-14		
LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	2900304	11107996
Security Deposits		
With Electricity Departments	11311824	9009254
With Sales Tax/VAT Departments	20000	1500
With Other Government Departments	448862	638849
With Others	4262474	1142245
Other deposits with Intec Capital Ltd as cash collateral security against term loans	20730000	5460000
	39673464	27359844
NOTE - 15		
OTHER NON CURRENT ASSETS		
Unsecured, considered good:		
Technical knowhow fee*	1614949	2649850
	1614949	2649850
*Technical knowhow fee		
As per last Balance Sheet	3789834	3514800
Add: Addition during the year	0	1670220
	3789834	5185020
Less: Written off	1139984	1395186
	2649850	3789834
Non Current assets	1614949	2649850
	1034901	1139984
Current Portion assets (Refer note no. 20)	2649850	3789834

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE - 16		
INVENTORIES		
Raw Materials (includes in transit Rs. nil (previous year Rs. 7342281/-)	151363869	235913157
Work in Progress	754801136	568929626
Finished goods (includes in transit Rs. 2378884/- (previous year Rs. 2270939/-)	503066418	456749098
Stock in Trade (Traded goods)	3620376	4061994
Consumables stores and Spares	400046234	316182179
Dies and tools	482333316	406183918
Packing materials	45834435	35720668
Stationary in hand	352683	384336
Postage and foreign stamps	1464	5123
Scrap materials (at realisable value)	7791694	14625029
	2349211625	2038755128

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 price-list and finished goods have been valued at 55% less on 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	41819770	17789489
Considered doubtful	1177213	3629797
	42996983	21419286
Less: Allowance for doubtful debts	1177213	3629797
	41819770	17789489
Other Trade receivables	617254039	660863736
	659073809	678653225

Trade receivables includes

- Rs 1963627/- (previous year Rs. 2677619/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs 7880/- (previous year Rs. nil) due from J C Fasteners Limited, an Associate Company.
- Rs 448058/- (previous year Rs. nil) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs 7745249/- (previous year Rs. nil) due from Universal Precision Screws, a firm in which directors are partners.

NOTE - 18		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks in current accounts	28740328	16732902
Cash in hand	205070	524936
E E F C Account	0	39382
Cash Margin Account	8000000	0
	36945398	17297220
Other Bank Balances		
Fixed Deposits:*		
Pledged as margin money against bank guarantees	2079993	1495000
Pledged as margin money against letter of credits	60937587	70487000
Pledged against loans	2665621	0
Lien against public deposits	6738102	6170308
No lien account	452496	400000
Unpaid Dividend Accounts**	2701331	2429984
	75575130	80982292
	112520528	98279512

*Fixed deposits with banks include deposits of Rs. 39831935/- (Previous Year of Rs. 59025000/-) with maturity of more than 12 months.

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

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and Advances to Related Parties	21723464	20616467
Others:		
Advance against Materials and Services	60231221	39663001
Prepaid Expenses	10061306	6391240
Balance with Central Excise Department	17728925	21491611
Cenvat on capital goods	4643141	10539012
Advance to staff	4940494	5350356
Employee advance under litigation [refer note no. 31(iv)]	16059342	16059342
Other advances	9980352	7937995
	145368245	128049024

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

Name of party	Relationship	Nature	Amount (Rs.)	Amount (Rs.)
Lakshmi Extrusion Limited	An associate Company	Material and Services	10196685	10196685
Indian Fasteners Limited	A subsidiary Company.	Material and Services	3190000	5350000
Shiva Industries	A partnership firm in which directors are partners	Material and Services	0	7983
Universal Enterprises	A partnership firm in which directors are partners	Material and Services	0	7424
Hanumat Wire Udyog Private Limited	An associate Company	Trade deposit	5054375	5054375
J.C. Fasteners Limited	An associate Company	Material and Services	3121979	0
Nav Bharat Agencies	A partnership firm in which directors are partners	Material and Services	160425	0
			21723464	20616467

(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	5299497	3021802
Claim receivable	1934923	0
Freight Subsidy receivable	1000000	1000000
Export incentives receivable	40612777	45799313
DEPB Licences in hand	4305699	4235722
Interest on deferred payments*	0	73470
Technical knowhow fee (Refer note no. 15)	1034901	1139984
	54187797	55270291
*Interest on deferred payments		
As per last Balance Sheet	73470	173811
Less: Written off	73470	100341
	0	73470
Non Current assets	0	0
Current Portion assets	0	73470
NOTE - 21		
REVENUE FROM OPERATIONS (GROSS)		
Sale of Machine Screws	3403961731	3589144839
Sale of Machine Screws (Traded)	15210055	22269417
Sale of Scrap Materials	85595256	70318779
Job work receipts	704777	1730281
Export Incentives	24971060	46502234
	3530442879	3729965550
Less: Excise Duty	334515783	295106895
Revenue from operations (net)	3195927096	3434858655

Description	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
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/-)	9509969	8384401
Profit on sale of assets	838821	0
Income Tax Refund	1184560	0
Miscellaneous receipts	3495955	2456919
	15079705	10891720
(i) Interest received includes a sum of Rs.7674988/- (previous year Rs.5972498/-) on bank deposits , Rs. 1820/- (previous year Rs. 2719/-) from trade customers, Rs. 790214/- (previous year Rs. 452391/-) on loans , and Rs. 1042947/- (previous year Rs. 1956793/-) on securities.		
(ii) Miscellaneous receipts includes excise claim, unclaimed balances written off and other miscellaneous incomes.		
NOTE - 23		
COST OF MATERIALS CONSUMED		
Wire/Wire Rods Alloys	1276430520	1398271649
Stainless Steel/Bars	2340481	9072836
	1278771001	1407344485
NOTE - 24		
PURCHASES OF TRADED GOODS		
Machine Screws	6595095	9728811
	6595095	9728811
NOTE - 25		
PURCHASES OF SEMI FINISHED GOODS		
Washer,Cap and Springs	127123909	151075682
	127123909	151075682
NOTE - 26		
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		
Opening 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
Closing Stocks: Machine Screws		
Finished goods	500687534	454478159
Finished goods (Traded)	3620376	4061994
Finished goods in transit	2378884	2270939
Semi finished goods	754801136	496518246
Semi finished goods (Washer, Cap and Springs)	0	72411380
Scrap materials	7791694	14625029
	1269279624	1044365747
	(224913877)	(221471631)
(Increase)/Decrease in inventories is as under:		
Finished goods	(46209375)	(85202547)
Finished goods (Traded)	441618	320770
Finished goods in transit	(107945)	981138
Semi finished goods	(258282890)	(120175056)
Semi finished goods (Washer, Cap and Springs)	72411380	(10886234)
Scrap materials	6833335	(6509702)
	(224913877)	(221471631)
NOTE - 27		
EMPLOYEE BENEFITS EXPENSES		
Salaries,Wages,Bonus and other amenities	558657249	508413819
Co's contribution towards LIC Gratuity Trust	6241720	8041720
Co's contribution towards P.F.,E.S.I and L.W.F.	19209850	20656763
Staff welfare	13779433	13396619
	597888252	550508921

- (i) Employee benefits expenses include managerial remuneration Rs. 40565000/- (previous year Rs. 425999400/-).
- (ii) The managerial remuneration has been paid by the Company in terms of sanction from Central Government u/s 269,198(4)/303(3) and 637AA of the Companies Act, 1956, vide letters dated 15th March 2012 and 27th March, 2012.

Description	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
NOTE - 28		
FINANCE COSTS		
Interest expense	244622881	195595694
Financial charges	10509819	8798856
Bank charges and Front end fee	59192814	49571846
	314325514	253966396
NOTE - 29		
OTHER EXPENSES		
Consumable stores and spare parts	44388961	44207131
Electricity,water and fuel	176398801	182610917
Rent	5819947	5825256
Repairs to building	8726792	12920697
Repairs to machinery	3734434	6401645
Insurance	4728244	3717526
Rates and taxes	1244672	1779972
Job work charges	218013203	257484629
Packing expenses	41115464	44185223
Dies and tools consumed	24547585	24103550
Research and development expenses	11697154	10446081
Travelling and conveyance	73408367	98224276
Royalty, Technical know-how fee	3552907	4148479
Legal and consultancy	17883627	16497084
Payment to auditor		
As Auditor:		
Audit fee	2000000	1700000
Tax Audit Fee	200000	150000
Limited Review	300000	300000
Reimbursement of expenses	77877	79542
Freight, insurance and cartage	66451976	79628823
Turnover and cash discount	38337705	52553463
Advertisement,publicity and sales promotion	14324189	19108049
Bad Debts,liquidated damages and short recoveries	4025888	5333007
Provision for bad and doubtful debts	1177213	3376360
Excise duty and sales tax	5551279	8126773
Exchange rate fluctuation loss (net)	13100835	21817183
Other Expenses	74085230	82486506
	854892350	987212172
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)	79722194	135637867
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.	66917398	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	0	239980
(b) Commitments		
1 Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	6829118	21766520

NOTE - 31**OTHER NOTES ON ACCOUNTS**

- (i) The Company has one following subsidiary as on 31.03.2013.

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. 2259727/- Out of the said exchange loss, a sum of Rs. 1501815/- has been adjusted to the carrying cost of fixed assets and the balance sum of Rs 757913/- 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 purchase of accessories of machines and dies and tools, out of which the bank has disbursed a sum of Rs. 5680000/- till the date of Balance Sheet. The same is lying unutilised as at the end of the year and shall be utilized for the purpose for which it was sanctioned in the current year.
- (iv) 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 6th July, 2013 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.
- (v) Interest and other borrowing costs amounting to Rs.6314538/- (previous year Rs. 34320709/-) 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.
- (vi) The Company has capitalized dies and tools amounting to Rs.29009177/- (previous year Rs. 45865408/-) relating to dies and tools purchased/ manufactured during the year.
- (vii) Research and development expenses debited to the statement of profit and loss include the following:

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
a. Employee benefits expense	9131257	7891209
b. Cost of material consumed	1335635	1318219
c. Other expenses	1230262	1236653
	11697154	10446081

- (viii) **Prior Period Items:** The Company has recognised an income in respect of export incentives relating to Status Holders Incentive Scheme (SHIS) for the financial Year 2009-10, 2010-11 & 2011-12 amounting to Rs.14871472/- and written off a sum of Rs.7172294/- in respect of excess provision of export incentives relating to Focus Product Scheme (FPS) in earlier years. The same has been treated as prior period items in accordance with AS-5 'Net Profit or Loss for the period, prior period items and change in accounting Policies' and treated accordingly in the statement of profit and loss.
- (ix) Foreign currency exposures not hedged by the Company are as follows:-

Currency	Nature of Transaction	As at March 31, 2013		As at March 31, 2012	
		Foreign Currency	Indian Rupees (Rs.)	Foreign Currency	Indian Rupees (Rs.)
USD	Export Trade Receivables	211948	11306135	442330	22628034
	Import Trade Payables	3821750	206127494	5902109	302389049
	Foreign Currency Term Loan from ICICI, Singapore.	699000	35859673	1474250	71100575
	Advance to Suppliers	511766	28276778	137513	6995300
EURO	Export Trade Receivables	2567508	177921164	2852842	194964101
	Import Trade Payables	182078	12662365	95660	6595549
	Advance to Suppliers	42705	2521188	28323	1922626

Currency	Nature of Transaction	As at March 31, 2013		As at March 31, 2012	
		Foreign Currency	Indian Rupees (Rs.)	Foreign Currency	Indian Rupees (Rs.)
JPY	Advance to Suppliers	5423176	3132051	875695	537548
	Import Trade Payables	0	0	8857	5314
GBP	Advance to Suppliers	27380	2285726	1597	130098
	Export Trade Receivables	0	0	12622	1032492
	Import Trade Payables	0	0	9388	767813
AUD	Advance to Suppliers	20468	941538	4983	262343
CHF	Advance to Suppliers	0	0	12991	732510
SEK	Advance to Suppliers	0	0	18474	142085
SGD	Export Trade Receivables	0	0	50	2062

- (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.5819947/- (Previous year Rs.5825256/-).
- (xii) In the opinion of the Board, 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 and provision for all known liabilities have been made.
- (xiii) **Earning per share- Basic and Diluted**

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
Numerator for earning per shares		
Profit before taxation and prior period items	44796679	85706570
Less: Tax Expenses		
Current Tax	38400000	27260000
Excess provision of Income Tax	(1829926)	(6920203)
Deferred Tax	(26130835)	(8363371)
	34357440	73730144
Adjustment to net earning :		
Add: Prior period adjustment [refer to note no. 31(viii)]	7699178	0
Profit after taxation and prior period items	42056618	73730143
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)	3.84	6.74

(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	31.03.2013 Rs.	31.03.2012 Rs.
Revenue (Net of Excise):		
Domestic Market	2702945854	2831255026
Overseas Market	492981242	603603629
	3195927096	3434858655
Fixed assets located (including Capital work-in-progress)		
Within India	886098116	1013717374
Outside India	0	0
	886098116	1013717374
Capital Expenditure		
Within India	85982300	329021692
Outside India	0	0
	85982300	329021692
Trade receivables		
Within India	466572118	460026537
Outside India	192501692	218626688
	659073810	678653225

(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	Enterprises where Directors exercises significant influence:	i	Amit Screws Private Limited
		ii	Hanumat Wire Udyog Private Limited
		iii	J C Fasteners Limited
		iv	LPS Bossard Private Limited (Joint Venture)
		v	LPS Bossard Information System Private Limited (Joint Venture)
		vi	Lakshmi Extrusion Limited
		vii	LPS Fasteners & Wires Private Limited
		viii	Nav Bharat Industries
		ix	Nav Bharat Agencies
		x	Shiv Industries
		xi	Swadesh Engineering Industries
		xii	Sudhir Automotive Industries Private Limited
		xiii	United Engineers
		xiv	Universal Enterprises
		xv	Universal Precision Screws (UPS)
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
		ii	Shri Nikhlesh Jain
		iii	Shri Amit Jain
		iv	Shri Gagan Jain
		v	Shri Gautam Jain
		vi	Shri Rahul Jain
		vii	Smt. Charul Jain
		viii	Smt. Rita Jain
		ix	Smt. Deepa Jain

(b) Transactions:

S. NO.	Particulars	Subsidiary		Enterprises where Directors exercise Significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1.	Sale of Goods								
	LPS Bossard Private Limited	-	-	28632655	55164453	-	-	-	-
	Indian Fasteners Limited	133552	-	-	-	-	-	-	-
	Universal Precision Screws	-	-	13113363	-	-	-	-	-
	Total	133552	-	41746018	55164453	-	-	-	-
2.	Purchase of Goods								
	Nav Bharat Agencies	-	-	921900	1284515	-	-	-	-
	Total	-	-	921900	1284515	-	-	-	-
3.	Interest received								
	Hanumat Wire Udyog Private Limited	-	-	790215	452391	-	-	-	-
	Total	-	-	790215	452391	-	-	-	-
4.	Rent received								
	LPS Fasteners & Wires Private Limited	-	-	50400	50400	-	-	-	-
	Total	-	-	50400	50400	-	-	-	-
5.	Rent paid								
	Indian Fasteners Limited	2400000	-	-	-	-	-	-	-
	Nav Bharat Industries	-	-	840000	840000	-	-	-	-
	Sushila Devi Jain	-	-	-	-	2379456	2117700	-	-
	Total	2400000	-	840000	840000	2379456	2117700	-	-
6.	Jobwork paid								
	Amit Screws Private Limited	-	-	844192	461141	-	-	-	-
	Hanumant Wire Udyog Private Limited	-	-	68867849	62613948	-	-	-	-
	Indian Fasteners Limited	3570955	2703076	-	-	-	-	-	-
	J.C. Fasteneres Limited	-	-	9347384	24014654	-	-	-	-
	LPS Fasteners & Wires Private Limited	-	-	14225516	9199304	-	-	-	-
	Nav Bharat Industries	-	-	7389962	4967386	-	-	-	-
	Shiv Industries	-	-	973780	1380443	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	-	-	10451200	25222046	-	-	-	-
	United Engineers	-	-	2544829	2963300	-	-	-	-
	Universal Enterprises	-	-	-	7124431	-	-	-	-
	Total	3570955	2703076	114644712	137946653	-	-	-	-
7.	Unsecured Loan								
	Loans Accepted								
	Vijay Kumar Jain	-	-	-	-	1700000	-	-	-
	Rajesh Kumar Jain	-	-	-	-	1700000	-	-	-
	Dinesh Kumar Jain	-	-	-	-	-	-	-	-
	Nikhlesh Jain	-	-	-	-	-	-	1700000	-
	Gagan Jain	-	-	-	-	-	-	800000	-
	Total	-	-	-	-	3400000	-	2500000	-
8.	Unsecured Loan								
	Loans Repaid								
	Lalit Kumar Jain	-	-	-	-	400000	-	-	-
	Gautam Jain	-	-	-	-	-	-	-	2000000
	Total	-	-	-	-	400000	-	-	2000000
9.	Remuneration paid								
	Lalit Kumar Jain	-	-	-	-	11734500	12945000	-	-
	Dinesh Kumar Jain	-	-	-	-	11964000	13027200	-	-
	Vijay Kumar Jain	-	-	-	-	10765500	13027200	-	-
	Rajesh Kumar Jain	-	-	-	-	3600000	3600000	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	2549421	2630400
	Gagan Jain	-	-	-	-	-	-	2479677	2203500

	Gautam Jain	-	-	-	-	-	-	2479677	2203500
	Nikhlesh Jain	-	-	-	-	-	-	2430000	2082300
	Amit Jain	-	-	-	-	-	-	2479677	2203500
	Saurabh Jain	-	-	-	-	-	-	2430000	2039500
	Rahul Jain	-	-	-	-	-	-	2338677	1933500
	Total	-	-	-	-	38064000	42599400	17187129	15296200
10.	Interest to Directors/Others								
	Lalit Kumar Jain	-	-	-	-	239906	239906	-	-
	Rajesh Kumar Jain	-	-	-	-	794170	794170	-	-
	Vijay Kumar Jain	-	-	-	-	328146	328146	-	-
	Gagan Jain	-	-	-	-	-	-	272996	272996
	Gautam Jain	-	-	-	-	-	-	281268	281268
	Gaurav Jain	-	-	-	-	-	-	460508	460508
	Amit Jain	-	-	-	-	-	-	466022	466022
	Saurabh Jain	-	-	-	-	-	-	336662	336662
	Total	-	-	-	-	1362222	1362222	1817456	1817456
11.	Balance receivable								
	Indian Fasteners Limited	3190000	5350000	-	-	-	-	-	-
	LPS Bossard Private Limited	-	-	1963627	2677619	-	-	-	-
	Lakshmi Extrusion Limited	-	-	10644743	10196685	-	-	-	-
	J.C. Fasteneres Limited	-	-	3129859	-	-	-	-	-
	Shiv Industries	-	-	-	7983	-	-	-	-
	Universal Precision Screws	-	-	7745249	-	-	-	-	-
	Universal Enterprises	-	-	-	7424	-	-	-	-
	Nav Bharat Agencies	-	-	160425	-	-	-	-	-
	Hanumant Wire Udyog Pvt Limited	-	-	5054375	5054375	-	-	-	-
	Total	3190000	5350000	28698278	17944086	-	-	-	-
12.	Balance payable								
	Indian Fasteners Limited	8194506	4913910	-	-	-	-	-	-
	Nav Bharat Industries	-	-	8500603	8292861	-	-	-	-
	United Engineers	-	-	8630782	6136849	-	-	-	-
	J.C. Fasteneres Limited	-	-	6815840	8522388	-	-	-	-
	Hanumant Wire Udyog Pvt Ltd.	-	-	19188170	20666060	-	-	-	-
	Amit Screws Pvt Ltd.	-	-	677436	436165	-	-	-	-
	Shiv Industries	-	-	2571917	1863939	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	-	-	12222879	15345036	-	-	-	-
	Universal Enterprises	-	-	3647740	6329862	-	-	-	-
	LPS Fasteners & Wires Pvt Ltd.	-	-	3695186	-	-	-	-	-
	LPS Bossard Pvt Ltd.	-	-	-	35642	-	-	-	-
	Universal Precision Screws	-	-	2154885	-	-	-	-	-
	Lalit Kumar Jain	-	-	-	-	4140000	9334800	-	-
	Dinesh Kumar Jain	-	-	-	-	9192996	9578596	-	-
	Vijay Kumar Jain	-	-	-	-	6905040	10541040	-	-
	Rajesh Kumar Jain	-	-	-	-	16714114	14794314	-	-
	Sushila Devi Jain	-	-	-	-	4700	179886	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	146037	197200
	Nikhlesh Jain	-	-	-	-	-	-	7429704	5859604
	Saurabh Jain	-	-	-	-	-	-	3219482	3340672
	Gagan Jain	-	-	-	-	-	-	6237518	8466445
	Gautam Jain	-	-	-	-	-	-	13417328	4883237
	Rahul Jain	-	-	-	-	-	-	167561	12863047
	Gaurav Jain	-	-	-	-	-	-	4361178	28978
	Charul Jain	-	-	-	-	-	-	66700	66700
	Amit Jain	-	-	-	-	-	-	9020726	4255149
	Total	8194506	4913910	68105438	67628802	36956850	44428636	44066234	39961032

- (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, 2013	49%
	d) The aggregate of Company's share in the above ventures in:	

	31.03.2013 Rs.	31.03.2012 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	39770871	36043740
Intangible Assets	360869	239803
Deferred Tax Assets (Net)	14604645	7345062
Long Term Loans and advances	4824669	4829316
Current Assets		
Inventories	71648969	94556334
Trade Receivables	171227205	159156712
Cash and Bank Balances	8896162	3531197
Short Term Loans and Advances	3397815	4570604
Other Current Assets	1405123	0
LIABILITIES		
Non Current Liabilities		
Long Term Provisions	314358	0
Current Liabilities		
Short Term Borrowings	62138907	48664393
Trade Payables	33883741	45261365
Other Current Liabilities	9335990	11532649
Short Term Provisions	1355635	4088255
INCOME		
Revenue from operations	473689476	477980442
Other Income	2686898	697014
EXPENDITURE		
Purchases of Stock in Trade	278471606	310703601
Changes in inventories of finished goods, work in progress and Stock in Trade	40040327	(5914631)
Employee benefits expense	40309007	40968335
Finance costs	6144109	5638315
Depreciation and amortisation expense	4894301	5672896
Other Expense	93595339	86866288
Current Tax	10143245	15842424
Deferred Tax	(4752183)	(2395561)
CONTINGENT LIABILITIES	204915	2456447

- (ii) a) Name of the Venture
b) Country of Incorporation
c) Proportion of ownership interest as at March 31, 2013
d) The aggregate of Company's share in the above ventures in:

LPS Bossard Information Systems Pvt. Ltd.
India
49%

	31.03.2013 Rs.	31.03.2012 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	1390	1543
Deferred Tax Assets (Net)	0	12779
Long Term Loans and advances	1960	1960
Current Assets		
Cash and Bank Balances	2126094	2066320
Short Term Loans and Advances	130078	2886
Other Current Assets	305347	167050
LIABILITIES		
Non Current Liabilities		
Deferred Tax Liabilities (net)	171	0
Current Liabilities		
Other Current Liabilities	60327	48100
Short Term Provisions	0	(168659)
INCOME		
Other Income	659441	762456
EXPENDITURE		
Employee benefits expense	250926	268426
Depreciation and amortisation expense	152	152
Other Expense	73339	98776
Current Tax	104151	53211
Deferred Tax	9622	0
CONTINGENT LIABILITIES	0	0

(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	6824545	4481459
Employer's Contribution to Family Pension Scheme	8962378	9494176
Employer's Contribution to Employee State Insurance	3422927	6681128
	19209850	20656763

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 stocks will be valued on actual cost basis on implementation of detailed cost records. The impact, if any, on financial statements on valuation of stocks on actual cost basis shall be provided for as and when ascertained.

(xx) The cost of dies and tools are charged to statement of profit and loss as and when scrapped. The Company is reviewing the policy to charge the cost of dies and tools in a systematic manner depending upon their useful lives. The impact of such change on the financial statements is not ascertainable and hence not provided for.

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

Finished Goods/Semi Finished	18383857	45056232
Raw Material (Wire/ Wire rods)	311248748	383367991
Tooling Steel, Stores and Spares	45934393	72429390
Capital Goods	12850041	55627258

(xxii) **Earning in foreign currency**

F.O.B. value of exports	494317541	611531946
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(xxiii) **Expenditure in foreign currency**

Foreign Travelling	4903486	17341232
Royalty	2412923	2753293
Books, Membership and other payments	0	72546
Advances against Raw Materials and Capital contract	31739504	10722510

(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	351378295	27	455469023	32
Indigenous	927392706	73	951875462	68
	1278771001		1407344485	
Stores and Spares consumed				
Imported	14125815	32	18203369	41
Indigenous	30263146	68	26003762	59
	44388961		44207131	

(xxvi) As per the transfer pricing norms prescribed under section 92 of the Income Tax Act, 1961, the Company is required to use certain specified methods in computing arm's length price of international transactions and specified domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate methods to be adopted will depend on the nature of transaction/ class of transaction, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

(xxvii) The figures for the previous year has been regrouped/rearranged wherever necessary to make them comparable with those of the current year.

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

(xxix) 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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per Rajan Bansal

Partner

Membership No.93591

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2013**

INDEPENDENT AUDITORS' REPORT

TO
THE BOARD OF DIRECTORS OF
Lakshmi Precision Screws Limited
46/1, Mile Stone, Hisar Road.
Rohtak 124001

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Lakshmi Precision Screws Limited ("The Company") and its Subsidiary Company, associates and joint ventures ("The Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion. In respect of the financial statements and other financial information of Subsidiary company, two joint ventures and three associates, we did not carry out the Audit. The financial statements and other financial information of the subsidiary have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors. The details of assets, revenue and net cash outflow in respect of the audited subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:

Amount (Rs.)

Particulars	Total Assets	Total Revenue	Net cash outflow
Indian Fasteners Limited	21276329/-	3570955/-	38029/-

We further report that in respect of two joint ventures and three associates, for the year ended 31, March 2013, the un-audited financial statements have been certified by the management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the Associates and Joint ventures are based solely on these certified financial statements. Since the financial statements for the financial year ended on 31st March 2013 which were compiled by the management of the Joint ventures and associates, were not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. The details of the net carrying cost of investment and current year share of profit in respect of three associates and proportionate share of total assets and total revenue in respect of two joint ventures, to the extent to which they are reflected in the consolidated financial statements are given below:

Certified by the Management:

Amount (Rs.)

Associates	Extent of Investment (%)	Share in Profit/(Loss)
J C Fasteners Limited	42.81	267919/-
Hanumat Wire Udyog Private Limited	23.25	1233935/-
Lakshmi Extrusion Limited	45.00	(34/-)

Amount (Rs.)

Joint Ventures	Total assets	Total revenue
LPS Bossard Private Limited	316136328/-	476376374/-
LPS Bossard Information Systems Private Limited	2564869/-	659441/-

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard 21, "Consolidated Financial Statements" and Accounting Standard 23, "Accounting for investments in Associates in consolidated financial statements" and Accounting Standard 27, "Financial Reporting of Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited/ certified financial statements of the subsidiary, associates and the joint ventures included in the Consolidated Financial Statements.

Basis for Qualified Opinion

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 detailed 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.

The figures of the joint ventures Companies and associate Companies have been incorporated, in the Consolidated Financial Statements based on their provisional financial statements whose un-audited financial statements as approved by the respective Board of Directors, have been furnished to us. Since the audited figures in the financial statements of aforesaid Companies are not available, the impact of thereof on the Consolidated Financial Statements is not ascertainable and hence cannot be quantified.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs and based 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 give the information required by the Act 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the Consolidated Profit and Loss statement, of the profit of the Group for the year ended on that date; and
- c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Place : **Delhi**
Dated : **May 29, 2013**

Rajan Bansal
Partner
M. No. 93591

CONSOLIDATED BALANCE SHEET

Description	Note No.	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
A. EQUITY AND LIABILITIES						
a) Shareholder's Funds						
Share Capital	2	109416670	23520190	1847490	134784350	134784350
Less:- Investment in joint venture		0	0	0	25367680	25367680
		109416670	23520190	1847490	109416670	109416670
Reserves and Surplus	3	933801668	185587506	656880	1120046054	1075080422
		1043218338	209107696	2504370	1229462724	1184497092
b) Minority Interest		5185866	0	0	5185866	4642119
c) Non Current Liabilities						
Long Term Borrowings	4	318587765	0	0	318587765	382632205
Deferred Tax Liabilities (Net)	5A	1137615	0	171	1137786	18562635
Other Long Term Liabilities	6	10856322	0	0	10856322	11608990
Long Term Provisions	7	10374456	314358	0	10688814	7887154
		340956158	314358	171	341270687	420690984
d) Current Liabilities						
Short Term Borrowings	8	1751872554	62138907	0	1814011461	1388151026
Trade Payables	9	496785003	33883742	0	530668745	775814061
Other Current Liabilities	10	619360815	9335990	60328	628757133	569697977
Short Term Provisions	11	43977280	1355635	0	45332915	30537746
		2911995652	106714274	60328	3018770254	2764200810
TOTAL		4301356014	316136328	2564869	4594689531	4374031005
B. ASSETS						
a) Non Current Assets						
Fixed Assets:						
Tangible Assets	12	887453912	39770871	1390	927226173	1051655719
Intangible Assets		4183592	360869	0	4544461	7996089
Capital Work in Progress		5405728	0	0	5405728	3182480
		897043232	40131740	1390	937176362	1062834288
Non Current Investments	13	42851251	0	0	42851251	41349431
Less:- Investment in joint venture companies		0	0	0	25367680	25367680
		42851251	0	0	17483571	15981751
Deferred Tax Assets (Net)	5B	1175826	14604645	0	15780471	0
Long Term Loans and advances	14	39802289	4824669	1960	44628918	32319945
Other Non-current assets	15	1614949	0	0	1614949	2649850
		982487547	59561054	3350	1016684271	1113785834
b) Current Assets						
Inventories	16	2349211625	71648969	0	2420860594	2133311462
Trade Receivables	17	660365563	171227205	0	831592768	839347072
Cash and Bank balances	18	112580496	8896162	2126094	123602752	103975027
Short Term Loans and Advances	19	142522986	3397814	130078	146050879	128174268
Other Current Assets	20	54187797	1405123	305347	55898267	55437341
		3318868467	256575274	2561519	3578005260	3260245170
TOTAL		4301356014	316136328	2564869	4594689531	4374031005
C. Significant Accounting Policies	1					
Contingent Liabilities and Commitments	30					
Other notes on Accounts	31					

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 Rajan Bansal

Partner

Membership No.93591

L.K.Jain

Chairman and
Managing Director

D.K.Jain

Vice Chairman and
Managing Director

K.L.Ghorui

AVP (Accounts)

Naveen Kakkur

Company Secretary

Place : Delhi

Dated : May 29, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Description	Note No.	Year Ended 31.03.2013 (Rs.) (Consolidated)	Year Ended 31.03.2013 (Rs.) (LPSBPL)	Year Ended 31.03.2013 (Rs.) (LPSBISPL)	Year Ended 31.03.2013 (Rs.) (Consolidated)	Year Ended 31.03.2012 (Rs.) (Consolidated)
A. INCOME						
Revenue from operations	21	3195927096	473689476	0	3669616572	3912839097
Other Income	22	15079705	2686898	659441	18426044	12351189
Share in Associates		1501820	0	0	1501820	967093
Total Revenue		3212508621	476376374	659441	3689544436	3926157379
B. EXPENDITURE						
Cost of materials consumed	23	1278771001	0	0	1278771001	1407344485
Purchases of Stock in Trade	24	6595095	278471606	0	285066700	320432412
Purchases of semi finished goods	25	127123909	0	0	127123909	151075682
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(224913877)	40040327	0	(184873550)	(227386262)
Employee benefits expense	27	598072806	40309007	250926	638632739	591935851
Finance costs	28	311925837	6144109	0	318069946	259654224
Depreciation and amortisation expense	12	213414591	4894301	153	218309045	228935430
Other Expense	29	852825985	93595339	73339	946494663	1072315291
		3163815347	463454689	324419	3627594454	3804307112
Profit before Tax and prior period item		48693274	12921686	335022	61949983	121850268
Add: Prior period items [refer note no. 31 (xi)]		7699178	0	0	7699178	0
Profit before Tax		56392452	12921686	335022	69649161	121850268
Tax Expense:						
- Current Tax		38967838	10143245	104151	49215234	43171900
- Excess provision of Income Tax written back		(1837720)	0	0	(1837720)	(6920203)
- Deferred Tax		(25958688)	(4752183)	9622	(30701249)	(10762188)
C. PROFIT FOR THE YEAR CARRIED DOWN		45221022	7530624	221249	52972896	96360756
D. EARNING PER SHARE						
(Face value of Rs. 10 per share)						
- Basic and Diluted [refer note no. 31(xvi)]					4.84	8.81
E. Significant Accounting Policies	1					
Contingent Liabilities and Commitments	30					
Other notes on Accounts	31					

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 Rajan Bansal
Partner
Membership No.93591

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

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

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **Delhi**
Dated : **May 29, 2013**

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ended March 31, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	52972896	96360756
Adjustments for:		
Tax -Current Tax	16676265	29735492
Wealth Tax	164849	275150
Net profit before tax and extraordinary items	69814010	126371398
Adjustments for:		
Depreciation	218309045	228935430
Deferred payment interest and Technical know how fee written off	1213454	1495527
Rent and Interest received (Gross)	(11573346)	(8797201)
Interest and Financial charges	318069946	255408244
Provisions for Bad and Doubtful Debts	7725952	10871102
Profit/Loss on sale of assets (Net)	(101260)	1182420
Share of Profit in Associates	(1501820)	(967093)
Reduction in Reserve due to change in accounting policy*	2016457	(1778439)
Operating profit before working capital changes	603972439	612721388
Adjustments for:		
Trade Payables	(249874187)	(52123761)
Other Liabilities & Provisions	55575207	49793297
Trade Receivables	(9522704)	(82479612)
Loan and Advances	(29632840)	56557243
Other Current Assets	903942	(37538561)
Inventories	(285468376)	(316272191)
Cash generated from operations	85953482	230657803
Direct Taxes	(19504824)	(39164241)
Net cash from operating activities	66448658	191493562
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(93486166)	(333188302)
Proceeds from Sale of fixed assets	936310	1361375
Bank deposits (having original maturity of more than 3 months) held as margin money	3663586	(14338570)
Rent and Interest received (net of TDS)	11573346	8015037
Know how fee provided during the year	0	(1670220)
Net cash used in investing activities	(77312925)	(339820680)

*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, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	105995929	314911048
Proceeds from short term borrowings	634458127	451796060
Repayment of long term borrowings	(160555822)	(233273972)
Repayment of short term borrowings	(249097692)	(118631854)
Proceeds from Directors and others	40900000	0
Repayment to Directors and others	(400000)	(2000000)
Dividend paid	(19346364)	(18762906)
Interest and financial charges	(318069946)	(255408244)
	33884232	138630132
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	23019965	(9696986)
Cash and Cash equivalents (Opening Balance)*	19323077	29020063
Cash and Cash equivalents (Closing Balance)	42343042	19323077

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	34080950	18649482
Cash in hand	262092	541180
Cheque in hand	0	93033
E E F C Account (Previous year US\$ 769.83)	0	39382
Margin Money	8000000	0
	42343042	19323077

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	2079993	1495000
Pledged as margin money against letter of credits	64622070	72548560
Pledged as Loan Against FDR	2665621	0
Lien against public deposits	6738102	6170308
No lien account	2452593	2008097
Unpaid Dividend Accounts*	2701331	2429984
	81259710	84651949
	123602752	103975026

*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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per Rajan Bansal

Partner

Membership No.93591

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : Delhi

Dated : May 29, 2013

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The financial statements have been prepared on historical cost convention as a going concern on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) to the extent applicable. Accounting policies have been consistently applied and where a newly issued accounting standard is initially adopted or where an existing accounting policy requires a change due to more appropriate presentation of financial statements, such changes are suitably incorporated. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

1.02 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.

1.03 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.04 Principles of Consolidation

The consolidated financial statements relate to Lakshmi Precision Screws Limited ('the Company'), its subsidiary Company Indian Fasteners Limited and Joint Ventures LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited, collectively referred to as "the Group". The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the parent and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions has also been eliminated except to the extent that recoverable value of related assets is lower than their cost to group.
- b) In accordance with Accounting Standard 27 "Financial reporting of interest in joint venture" issued under Companies(Accounting Standards) Rules, 2006 the financial statements of the joint venture are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, incomes and expenses of jointly controlled entity after eliminating intra-group balances / transactions and unrealized profits to the extent of the group's proportionate share.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements
- d) Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the Company.
- e) Minority interest's share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

1.05 Inventories

- a) 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 selling price, since exact cost is not ascertainable.
- b) 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
- c) Inventories are consumed on FIFO (First in First out) basis.
- d) Scrap material has been valued at net realisable value.
- e) In case of subsidiary Company and joint venture Companies inventories are valued at lower of cost and net realizable value. Cost includes freight and other related incidental expenses and is arrived at weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on ageing of inventory.

1.06 Fixed Assets and Capital work-in-progress

- a) Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable and subsidy directly attributable to the cost of fixed asset. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised if capitalisation criteria are met.

- b) Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- c) Capital work-in- progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses and interest on borrowings their against.
- d) Preoperative expenditure and trial run expenditure accumulated as capital work in progress is allocated on the basis of prime cost of fixed assets in the year of commencement of commercial production.
- e) Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
 - i) **Computer Software**
Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
 - ii) **Research and development costs**
Research costs are expensed as incurred. Research and development cost include salaries and other related cost of personnel, cost of material and services consumed and other overhead costs related to research and development. Development expenditure incurred on an individual project is recognised as intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
- f) Gains or losses arising from disposal of an asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed off.

1.07 Depreciation and amortization

- a) Depreciation on tangible fixed assets is provided on written down value method using the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956, which approximates the useful lives of the assets estimated by the management, except in case of Plant-II, Manesar Plants and Recoil Business Division where depreciation has been provided on straight-line method.
- b) Assets costing not more than 5,000/- each individually are depreciated at 100%.
- c) Intangible assets are amortised on a straight line basis over six years being estimated useful life of the assets.

1.08 Prior Period Items/ Extraordinary Items

Prior Period expenses/incomes, are shown as prior period items in the profit and loss account as per the provision of Accounting Standard-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Items of income or expenses that arise from events or transactions that are distinct from ordinary activities of the enterprise and are not expected to recur frequently or regularly are treated as extraordinary items.

1.09 Revenue Recognition

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

- a) **Sale of Goods**
Revenue from sale of Goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, and are recorded net of returns and trade discount. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economics benefits flowing to the company and therefore are excluded from revenue. Excise Duty is deducted from revenue(Gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers. Export sales are recognised at the time of clearance of goods and approval from Excise Authorities.
- b) **Rental Income**
Rental income is recognised on a time proportionate basis.
- c) **Dividend income**
Dividend income is accounted for when the right to receive the payment is established.
- d) **Interest Income**
Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- e) **Other Income**
Income from services (LPSBISPL) is recognized on rendering of the services to the customer using completed service contract method.

1.10 Foreign currency transactions

- a) **Initial recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to fixed assets acquisition are recognised as income or expense in the year in which they arise. In case of exchange variation arising on reporting of long term foreign currency monetary item 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 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.

d) Bank Guarantee And Letter of Credit

Bank Guarantee And Letter of Credits are recognized at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation, However, outstanding at the period end are recognized at the rate prevailing as on that date and total sum is considered as contingent liability.

1.11 Government Grants/ Subsidies

Government grants available to the Company are recognized in accounts:

- a) Where there is reasonable assurance that the enterprise will comply with the conditions attached to them and;
- b) 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.

1.12 Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.13 Retirement Benefits

i) Gratuity and Provident Fund

In respect of payment of gratuity to employees, the contribution 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 recognised as an expense in the period in which services are rendered by the employee.

ii) Leave Encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised 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.

In LPS Bossard Private Limited, a joint venture Company, the liability for gratuity and compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

1.14 Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.15 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.

1.16 Earning per share

Basic earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit/(loss) after tax (including

the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

1.17 Taxes on Income

Tax expense for the year comprises of direct taxes and indirect taxes.

DIRECT TAXES

a) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

b) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

c) Wealth tax is ascertained in accordance with the provisions of the Wealth Tax Act 1957.

INDIRECT TAXES

a) Excise duty (including education cess) has been accounted for in respect of the goods cleared. The company is providing excise duty liability in respect of finished products.

b) Service Tax has been accounted for in respect of services rendered.

c) Final sales tax / Value added tax liability is ascertained on the finalization of assessments in accordance to provisions of sales tax / value added tax laws of respective states where the company is having offices/works.

1.18 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.

1.19 Impairment of 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.

1.20 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

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

1.21 Cash and cash equivalents

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

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 2					
SHARE CAPITAL					
a. Authorised:					
24970000 Equity Shares of Rs. 10/- each	249700000	29400000	3675000	282775000	282775000
Less : Authorised capital of joint venture	0	0	0	33075000	33075000
9.5% Cumulative Preference Shares of Rs. 10/- each	300000	0	0	300000	300000
	250000000	29400000	3675000	250000000	250000000
Issued:					
10941667 Equity Shares of Rs. 10/- each	109416670	23520190	1847490	134784350	134784350
Less :Investment in joint venture companies	0	23520190	1847490	25367680	25367680
	109416670	0	0	109416670	109416670
Subscribed and paid up:					
10941667 Equity Shares of Rs. 10/- each	109416670	23520190	1847490	134784350	134784350
Less :Investment in joint venture companies	0	23520190	1847490	25367680	25367680
	109416670	0	0	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	0	0	109416670	109416670
10941667 Equity shares of Rs. 10/- each issued during the year	0	0	0	0	0
10941667 Equity shares of Rs. 10/- each bought back during the year	0	0	0	0	0
10941667 Equity shares of Rs. 10/- each outstanding at the end of the year	109416670	0	0	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 2013, the amount of per share dividend recognized as distributions to equity shareholders is Re.0.80 (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 31.03.2013		As at 31.03.2012	
	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	600655	5	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	2012-13	2011-12
Equity Shares	Nil	Nil

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 3					
RESERVES AND SURPLUS					
a. Capital Reserve					
As per the last Balance Sheet	13931192	0	0	13931192	13931192
Add : Reserve of subsidiary company till 24.12.1990	239600	0	0	239600	239600
Add : Reserve of associates till 31.03.2007	(1055969)	0	0	(1055969)	(1055969)
	13114823	0	0	13114823	13114823
b. Securities Premium Account	318336034	0	0	318336034	318336034
c. General Reserve:					
As per the last Balance Sheet	30414385	4735552	0	35149937	31349937
Add : Transfer from surplus as per statement of profit and loss	0	0	0	0	3800000
	30414385	4735552	0	35149937	35149937
d. Reserve of subsidiary company after 24.12.1990					
As per the last Balance Sheet	4736319	0	0	4736319	4718930
Add : Transfer from surplus as per statement of profit and loss	1662584	0	0	1662584	25840
Less : Transfer to Minority Interest [Refer note no. 31(iv)(d)]	(543747)	0	0	(543747)	(8451)
	5855156	0	0	5855156	4736319
e. Foreign Currency Monetary Item Translation Difference Account:*					
As per the last Balance Sheet	(3929047)	0	0	(3929047)	(2150608)
Add: Foreign Currency Variation during the year	(1808723)	0	0	(1808723)	(4397803)
	(5737770)	0	0	(5737770)	(6548411)
Less: Amortized during the year	3825180	0	0	3825180	2619364
	(1912590)	0	0	(1912590)	(3929047)
f Surplus as per Statement of Profit and Loss					
Opening balance	534676386	172470365	525606	707672357	638815349
Add/(Less): Adjustment on account of Audited figures**	0	850965	(89975)	760990	(4602890)
	534676386	173321330	435631	708433347	634212459
Net Profit for the current year	45221022	7530624	221249	52972895	96360756
	579897408	180851954	656880	761406242	730573215
Appropriation					
Proposed Dividend	8753334	0	0	8753334	16412501
Corporate Dividend Tax	1487629	0	0	1487629	2662518
Transfer to General Reserve	0	0	0	0	3800000
Transfer to Reserve of Subsidiary company after 25.12.1990	1662584	0	0	1662584	25840
	567993861	180851954	656880	749502695	707672356
	933801668	185587506	656880	1120046054	1075080422

*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 5392537/- arising on aforesaid long term foreign currency monetary items, a sum of Rs 3584010/- has been deducted from the cost of fixed assets and a sum Rs 1808723/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs. 3825179/- 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 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 4					
LONG TERM BORROWINGS					
Secured:					
a. Term Loans					
From Banks	302681375	-	-	302681375	420264041
Less: Current maturities of long term debts (Refer note no 10)	(187031375)	-	-	(187031375)	(177291339)
	115650000	-	-	115650000	242972702
From Other Parties	149676724	-	-	149676724	5460000
Less: Current maturities of long term debts (Refer note no 10)	(10150639)	-	-	(10150639)	0
	139526085	-	-	139526085	5460000
	255176085	-	-	255176085	248432702
b. Deferred Payment Liabilities					
From Haryana State Industrial and Infrastructure Development Corporation Limited	2800431	-	-	2800431	72088170
Less: Current maturities of Deferred Payment Liabilities (Refer note no 10)	(2800431)	-	-	(2800431)	(26101920)
	0	-	-	0	45986250
c. Long Term Maturities of Finance Lease Obligations					
Vehicle Loans	30941572	-	-	30941572	36287902
Less: Current maturities of finance lease obligation (Refer note no 10)	(18926671)	-	-	(18926671)	(13096247)
	12014901	-	-	12014901	23191655
Unsecured:					
d. Term Loans					
From Other Parties	43686865	-	-	43686865	55746747
Less: Current maturities of long term debts (Refer note no 10)	(34564222)	-	-	(34564222)	(27499285)
	9122643	-	-	9122643	28247462
e. Loans and Advances from Related Parties					
From Directors *	18072050	-	-	18072050	15072050
From Others *	24202086	-	-	24202086	21702086
	42274136	-	-	42274136	36774136
	318587765	-	-	318587765	382632205

*Deposits under stipulations of lending financial institutions and banks.

a. Term Loans from Banks (secured)

- (i) Term loans are from Canara 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
03.04.2013	50000000	5680000 (Date of disbursement 30.03.2013)	Prime security Exclusive charge on assets i.e. accessories of machines ,dies and tools to be purchased out of term loan valued at Rs. 7.00 crores. Collateral 1. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak. 2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla, District - Rohtak, Haryana.
06.03.2013	3042685	3042685	Against pledge of fixed deposits of the Company having a maturity value of Rs. 3380761/-
08.09.2011	50000000	42587363	Prime security Ist pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired. Collateral 1. Ist pari passu charge with other consortium members on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak. 2. Ist pari passu charge with other consortium members on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana.

22.09.2010	105000000	63000000	<p>Prime security</p> <p>Ist pari passu charge on existing tools and dies valued at Rs. 25 crores.</p> <p>Collateral</p> <p>1. Ist pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hisar Road, Rohtak.</p> <p>2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil Sampla, District - Rohtak, Haryana.</p>
26.09.2009	40000000	NIL	<p>Prime security</p> <p>1. IInd pari passu charge on entire chargeable current assets (present and future) and entire fixed assets of the Company.</p> <p>Collateral</p> <p>1. 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.</p> <p>2. Ist pari passu charge on land measuring 4.6125 acres and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana.</p> <p>3. IInd pari passu charge on entire fixed assets acquired out of term loan of USD 6.66 million sanctioned by ICICI Bank Limited.</p> <p>4. Ist charge on dies and tools to be purchased and other securities given for working capital term loan.</p> <p>The above loan has been fully paid during the year.However discharge of security created is under process.</p>
08.12.2006	6600000	NIL	<p>1. Ist charge on generator purchased out of the proceeds.</p> <p>2. The above loan has been fully paid during the year.However discharge of security created is under process.</p>
(iii) Details of term loans from IDBI Bank Limited and security furnished are as under:			
29.12.2008	100000000	25000000	<p>Prime security</p> <p>Ist pari passu charge on fixed assets of the Company.</p>
27.01.2010	100000000	78012464	<p>Prime security</p> <p>Ist pari passu charge on fixed assets of the Company.</p>

(iv) Details of term loans from State Bank of India and security furnished are as under:

03.11.2011	45000000	37499946	<p>Prime security Ist pari passu charge along with other consortium bankers on tools and dies capitalised.</p> <p>Collateral Securities are furnished against CC/BD/LC/other facilities sanctioned by the bank.</p> <p>IIInd pari passu charge on entire fixed assets of the Company comprising of land and building, plant and machinery, other fixed assets including capital work in progress along with equitable mortgage of the following properties.</p> <p>Plant-I:-46/1, Mile Stone, Northern Bye Pass, Hissar Road, Rohtak-124001 Haryana (India)</p> <p>Plant-II:-Northern Bye Pass, Hissar Road, Rohtak-124001</p> <p>Plant-III:-Plot no 153, Sector- 3 IMT Manesar, Gurgaon-122050, Haryana (India) Measuring 4050 Sq. Mtrs.</p> <p>Packaging Unit:-Plot no 257, Sector - 6 IMT Manesar, Gurgaon-122050, Haryana (India) Measuring 1800 Sq. Mtrs.</p> <p>Plant-IV:-N H 10, Delhi Road, Kharawar By Pass, Rohtak-124001 Haryana Measuring 45496 Sq. Yards.</p> <p>EMT of property situated at NH 10 Hissar Road Rohtak measuring 10640 sq. yards of land standing in the name of Smt. Sushila Devi Jain, Director of the Company on pari-passu basis under consortium.</p> <p>EMT of Land and Building measuring situated at Mauza Kharawar, Tehsil and Distt. Rohtak, Haryana measuring 4.6125 acres the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company on pari-passu basis under consortium.</p>
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(v) Details of term loans from ICICI Bank Limited and security furnished are as under:

27.12.2006	264903436 (USD 6.66 millions)	47858917	Ist 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.
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(vi) Terms of repayments:

Name of Banks	Nature of facility	Date of Sanction	Terms of repayment
Canara Bank	Term Loan	03.04.2013	3 quarterly instalments of Rs.2000000/- 12 quarterly instalments of Rs.2500000/- 2 quarterly instalments of Rs.4667000/- 1 quarterly instalments of Rs.4666000/-
Canara Bank	Term Loan	08.09.2011	20 quarterly instalments of Rs. 2500000/-
Canara Bank	Term Loan	22.09.2010	20 quarterly instalments of Rs. 5250000/-
IDBI Bank Limited	Term Loan	27.01.2010	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	03.11.2011	4 quarterly instalments of Rs. 3750000/- 4 quarterly instalments of Rs. 4650000/- 1 quarterly instalments of Rs. 5550000/- 1 quarterly instalments of Rs. 5850000/-
IDBI Bank Limited	Term Loan	29.12.2008	16 quarterly instalments of Rs. 6250000/-
ICICI Bank Limited	External Commercial Borrowing	27.12.2006	20 quarterly instalments of USD 333000/-

		Consolidated (Rs.)	LPS BPL (Rs.)	LPSI SPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(vii)	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:	115650000	0	0	115650000	242972702

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

- Installment of Rs. 5250000/- due on 21.01.2013 in respect of Term Loan from Canara Bank remained unpaid as on 31.03.2013.
- A sum of Rs. 7499946/- due on 30.12.2012 and 30.03.2013 in respect of Corporate Term Loan from State Bank of India remained unpaid as on 31.03.2013.
- Instalment of Rs.18111637/- (USD 333000) due on 21.03.2013 in respect of foreign currency term loan(ECB) from ICICI Bank Limited, remained unpaid as on 31.03.2013.
- Interest accrued and due Rs.4758747/- (previous year Rs.1784687/-) remain unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(ix) Term loans from other parties are from Intec Capital Limited and Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)

	2013		2012	
	Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
Intec Capital Limited	44975085	10150639	5460000	0
Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)	94551000	0	0	0
	139520685	10150639	5460000	0

(x) Details of term loans from Intec Capital Limited and security furnished are as under:-

Date of Sanction	Amount sanctioned (Rs.)	Amount outstanding (Rs.)	Cash collateral security (Rs.)	Other security (Rs.)
30.11.2011	15600000	9505668	5460000	Nil
29.11.2012	21400000	20165724	6420000	1st and exclusive charge on the entire assets and equal to the loan amount.
22.02.2013	29500000	29500000	8850000	1st and exclusive charge on the entire assets and equal to the loan amount and further secured by way of 1st charge on fixed assets of the Company including land and building and plant and machinery with ICICI Bank Limited and IDBI Bank Limited on pari passu basis.

(xi) Loan of Rs. 9505668/- as on the date of balance sheet (out of sanctioned amount of Rs. 15600000/-) has been shown as secured to the extent of cash collateral security of Rs. 5460000/- and the balance of Rs. 4045668/- has been shown as unsecured. (Refer note no.4d)

(xii) Cash collateral security of Rs. 20730000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.

(xiii) Term loan from HSIIDC is secured by way of:-

First charge on all the present and future fixed assets of the proposed expansion project at IMT Rohtak

First mortgage over the Company's immovable and moveable properties including its movable machinery, spares, tools and accessories, present and future : and

First charge on all the remaining assets of the Company, present and future (save and except book debts in case of hypothecation) subject to prior charges created and /or to be created in favour of Bankers on the Company's stock of raw materials, semi finished and finished goods, consumable stores and books debts and such other movables as may be agreed to the lenders for securing borrowings for working capital requirements in the ordinary course of business.

		Consolidated (Rs.)	LPS BPL (Rs.)	LPSI SPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(e)	Aggregate amount of term loan from other parties are further secured by way of personal guarantee of Sh. Lalit Kumar Jain, Chairman and Managing Director of the Company are:	139526085	0	0	139526085	5460000

(f) Terms of repayments of term loan from other parties:

Nature of facility	Sanctioned amount (Rs.)	Terms of repayments
Term loans from Intec Capital Limited	15600000	36 monthly installment of Rs. 550333/- (including interest)
Term loans from Intec Capital Limited	21400000	60 monthly installment of Rs. 505843/- (including interest)
Term loans from Intec Capital Limited	29500000	60 monthly installment of Rs. 697268/- (including interest)
Term Loan from HSIIDC	250000000	26 quarterly installment of Rs. 9615385/- (commencing from 15.05.2014)

b. Deferred Payment Liabilities:

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

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

- 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 repayments
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	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/-

(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	285000	02.03.2013	Unpaid
		Dormitory House at IMT Manesar, Gurgaon	562500	05.03.2013	Unpaid
		IMT Manesar, Gurgaon	1952931	01.08.2011	Unpaid
			2800431		

b) Interest accrued and due Rs.515300/-(previous year Rs. 832470/-) remained 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. 57201/- 36 monthly instalments of Rs. 180746/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 327396/- 36 monthly instalments of Rs. 94200/- 35 monthly instalments of Rs. 21764/-
Kotak Mahindra Prime Limited	Finance Lease	24 monthly instalments of Rs. 365280/- 36 monthly instalments of Rs. 611456/-
BMW India Financial Services Limited	Finance Lease	36 monthly instalments of Rs. 87121/-
ICICI Bank Limited	Finance Lease	35 monthly instalments of Rs. 25660/- 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

Name of Lendor	Nature of facility	Terms of repayment (including interest)
TVS Motor Company Limited	Unsecured Loan	30 monthly instalments of Rs.1268750/-
Religare Finvest Limited	Unsecured Loan	36 monthly instalments of Rs. 351570/- 24 monthly instalments of Rs. 249621/-
Magma Fincorp Limited	Unsecured Loan	36 monthly instalments of Rs. 351570/- 30 monthly instalments of Rs. 413937/-
Tata Capital Limited	Unsecured Loan	8 monthly instalments of Rs. 317340/- 8 monthly instalments of Rs. 221300/- 8 monthly instalments of Rs. 199200/-
Bajaj Finance Limited	Unsecured Loan	8 monthly instalments of Rs. 243376/- 8 monthly instalments of Rs. 198856/- 8 monthly instalments of Rs. 151368/-
Intec Capital Limited	Unsecured Loan	36 monthly instalments of Rs. 550333/- Refer note no. 4(a)(xi)

		Consolidated (Rs.)	LPS BPL (Rs.)	LPSI SPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(ii)	Aggregate amount of Term Loans from other parties secured by way of personal guarantee of Sh. L.K.Jain, Director of the Company:	7122643	0	0	7122643	13997462

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

a) Installment of Rs. 1000000/- due on 05.03.2013 in respect of term loan from TVS Motor Company Limited remained unpaid as on 31.03.2013.

b) Interest accrued and due Rs.535000/- remained unpaid as on the date of Balance Sheet in respect of term loan from TVS Motor Company Limited

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 5					
5A DEFERRED TAX LIABILITY (NET)					
Deferred tax liability					
On account of difference in rates and method of depreciation	1137615	0	171	1137786	0
On account of difference in treatment of certain payments under Income Tax Act,	0	0	0	0	53423292
Gross deferred tax liability	1137615	0	171	1137786	53423292
Deferred tax asset					
On account of difference in rates and method of depreciation	0	0	0	0	34860657
Gross deferred tax asset	0	0	0	0	34860657
Deferred Income tax Liability (NET)					
At the end of year	1137615	0	171	1137786	18562635
For the year	172148	0	9622	181770	(10762188)
5B DEFERRED TAX LIABILITY (NET)					
Deferred tax liability					
On account of difference in rates and method of depreciation	0	1736041	0	1736041	0
On account of difference in treatment of certain payments under Income Tax Act,	56969506	0	0	56969506	0
Gross deferred tax liability	56969506	1736041	0	58705547	0
Deferred tax asset					
On account of difference in rates and method of depreciation	58145332	0	0	58145332	0
On account of difference in treatment of certain payments under Income Tax Act,	0	16340686	0	16340686	0
Gross deferred tax asset	58145332	16340686	0	74486018	0
Deferred Income tax Liability (NET)					
At the end of year	1175826	14604645	0	15780471	0
For the year	26130836	4752183	0	30883019	10762188

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. 2504071/- because of provisional and audited figures in joint ventures companies (Refer note no (31(iv)(c))

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 6 OTHER LONG TERM LIABILITIES					
a. Others:					
Security Deposits from customers/employees	10856322	0	0	10856322	11608990
	10856322	0	0	10856322	11608990
NOTE - 7 LONG TERM PROVISIONS					
a. Provisions for employee benefits					
Leave Encashment	10374456	292796	0	10667252	7887154
Gratuity	0	21562	0	21562	0
	10374456	314358	0	10688814	7887154

- (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	1656572554	62138907	0	1718711461	1349351026
	1656572554	62138907	0	1718711461	1349351026
Unsecured:					
b. Deposits					
Fixed Deposits from Directors and others	63800000	0	0	63800000	28800000
Other loans and advances- from Company	31500000	0	0	31500000	10000000
	95300000	0	0	95300000	38800000
	1751872554	62138907	0	1814011461	1388151026

a. Working capital limits from banks (secured)

- 1) Working capital limits from consortium banks are from 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 Mrs.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.

First pari passu charge with working capital consortium members on Dies and Tools capitalised during financial year 2010-2011 and 2011-12.

Exclusive charge on Dies and Tools capitalised during financial year 2012-13.

- 2) Working capital limits from ICICI bank limited are secured as under:-
First charge by way of hypothecation of the Company's entire stocks of raw materials, semi-finished and finished goods, consumable store and spares and such other moveable's including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.
Second charge on all the company's immovable properties and fixed assets, both present and future, ranking pari passu with other participating banks.
- 3) 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.

		(Consolidated) 31.03.2013	LPSBPL 31.03.2013	LPSBISPL 31.03.2013	(Consolidated) 31.03.2013	(Consolidated) 31.03.2012
4)	Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.)	1656572554	62138907	0	1718711461	1349351026

5) 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	15332097/-	7 to 17 Days
Domestic bills discounted with Canara Bank	20926057/-	1 to 40 Days
Working capital limits with Canara Bank	76874872/-	1 to 5 Days
Working capital limits with State Bank of India	4069429/-	1 to 5 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.556156/- (previous year Rs.738221/-) remained unpaid as on the Balance sheet date.

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 9					
TRADE PAYABLES	496785003	38099172	0	534884175	780285540
Less: Intra group transactions	0	(4215430)	0	(4215430)	(4471479)
	496785003	33883742	0	530668745	775814061

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, 2013. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

Sr. no.	Particulars	(Consolidated)	LPSBPL	LPSBISPL	(Consolidated)	(Consolidated)
1	Principal amount and interest due thereon remaining unpaid to any supplier	2462816	Nil	Nil	2462816	2228326
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.	Nil	Nil	Nil	Nil	806
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)	231746236	0	0	231746236	204790624
Current maturities of Deferred Payment Liabilities (Refer note no. 4b)	2800431	0	0	2800431	26101920
Current maturities of finance lease obligations (Refer note no. 4c)	18926671	0	0	18926671	13096247
Interest accrued but not due on Borrowings	3784978	0	0	3784978	4861620
Interest accrued and due on Borrowings	6367702	0	0	6367702	3295378
Unpaid dividend	2701331	0	0	2701331	2429984
Advances and progress payments from customers	190717107	0	0	190717107	134414798
Creditors for capital goods	4951316	0	0	4951316	50718207
Excise duty payable	51120373	0	0	51120373	47615531
Employees benefit expense	37921381	3426897	2059	41350337	39231327
Statutory dues	33353581	2094774	0	35448355	18435025
Other payables	34969708	3814319	58269	38842296	24707316
	619360815	9335990	60328	628757133	569697977
(i) Current maturities of long term debt includes:					
a) Current maturities of long term (secured) (Refer note no. 4a)	197182014	0	0	197182014	177291339
b) Current maturities of long term (unsecured) (Refer note no. 4d)	34564222	0	0	34564222	27499285
	231746236	0	0	231746236	204790624

- (ii) The Company has made an provision of Excise duty amounting Rs.51120373/- (previous year Rs.47615531/-) 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.6741511/- (Previous year Rs.17011691/-) payable to Directors of the Company.
- (iv) Other payable include Rs. Nil (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 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 11					
SHORT TERM PROVISIONS					
Provision for Employee Benefits:					
Leave encashment	2875341	0	0	2875341	2631450
Gratuity (refer note no. 31(xx))	5541720	0	0	5541720	3628082
	8417061	0	0	8417061	6259532
Others:					
Income Tax (net of advance Tax and TDS of Rs.22705192 /-)	25154407	1355635	0	26510042	4928045
Wealth Tax	164849	0	0	164849	275150
Proposed Dividend	8753334	0	0	8753334	16412501
Corporate Dividend Tax	1487629	0	0	1487629	2662518
	35560219	1355635	0	36915854	24278214
	43977280	1355635	0	45332915	30537746

- (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 2012-13.

The movements in provisions are as under:

1. Carrying amount as on 01.04.2012

Income Tax	2727266	16940121	140868	44357254	46540650
Wealth Tax	275150	0	0	275150	260000
Leave encashment (Long term Rs.7887154/-)	10506119	0	0	10506119	8570486
Gratuity	3609424	0	0	3609424	5541719
Total	41666959	16940121	140868	58747947	60912855

2. Additional provisions made during the financial year 2012-13.(including increase to existing provisions.)

Income Tax	38967838	10143245	104151	49215234	43171901
Wealth Tax	164849	0	0	164849	275150
Leave encashment (Long term Rs.2780098/-)	5362643	292796	0	5655439	4827691
Gratuity (Long term Rs.21562/-)	4932296	21562	0	4953858	5560378
Total	49427626	10457603	104151	59989380	53835120

3. Amounts used (incurred and charged against the provisions) during the financial year 2012-13

Income Tax	25438546	16940121	12485	42391152	39620447
Wealth Tax	275150	0	0	275150	260000
Leave encashment	2618965	0	0	2618965	2875973
Gratuity	3000000	0	0	3000000	7474015
Total	31332661	16940121	12485	48285267	50230435

4. Unused amounts reversed during the financial year 2012-13

Income Tax	(1837720)	0	0	(1837720)	(6920203)
Wealth Tax	0	0	0	0	0
Leave encashment	0	0	0	0	0
Gratuity	0	0	0	0	0
Total	(1837720)	0	0	(1837720)	(6920203)

5. Carrying amounts of provisions as on 31.03.2013

Income Tax	38967838	10143245	104151	49215234	43171901
Wealth Tax	164849	0	0	164849	275150
Leave encashment (Long term Rs.10667252/-)	13249797	292796	0	13542593	10518604
Gratuity (Long term Rs.21562/-)	5541720	21562	0	5563282	3628082
Total	57924204	10457603	104151	68485958	57593737

- (ii) The Company has proposed dividend for the year @8% 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.

NOTE - 12

FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012 Rs.	Additions Rs.	Adjustment /Sales Rs.	As at 31.03.2013 Rs.	As at 01.04.2012 Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
1	Tangible										
	Industrial Land										
	Freehold	176687561	14484005	0	191171566	0	0	0	0	191171566	176687561
	Leasehold	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	225263907	3116406	0	228380313	72284235	8229025	0	80513260	147867053	152979672
3	Office Premises										
	Freehold	813362	0	0	813362	483397	116498	0	499895	313467	329965
	Leasehold										
	Consolidated	553040	0	0	553040	354589	9923	0	364512	188528	198451
	Share in LPSBPL	10758019	623364	0	11381383	7574629	508182	0	8082811	3298572	3183390
4	Plant and Machinery	1636436302	51686333	(6899986)	1681222649	1069788464	186287283	(6898807)	1249176940	422045709	566647838
5	Furniture and Fixtures										
	Consolidated	44934353	869690	(169788)	45634255	30963660	2203786	(153387)	33014059	12620196	13970693
	Share in LPSBPL	30073610	3363197	(861915)	32574892	8156337	2030994	(307093)	9880238	22694655	21917274
6	Electric Fans and Installations	43698403	453719	(19831)	44132291	27583949	2231742	(19817)	29795874	14336417	16114454
7	Office Equipments										
	Consolidated	27487116	1780145	(78501)	29188760	13468535	1290396	(69060)	14689871	14498889	14018581
	Share in LPSBPL	6194969	1018541	0	7213510	1290696	339237	0	1629933	5583576	4904273
	Share in LPSBISPL	5331	0	0	5331	3788	153	0	3941	1390	1543
8	Computer										
	Consolidated	73466968	1897683	(126886)	75237765	72600703	1678060	(119874)	74158889	1078876	866264
	Share in LPSBPL	6865309	616924	(1338034)	6144199	3910366	1143580	(1324685)	3729261	2414938	2954944
	Share in LPSBISPL	298556	0	0	298556	298556		0	298556	0	0
9	Vehicles										
	Consolidated	110594419	5513467	(260746)	115847140	55545318	10149746	(256128)	65438936	50408204	55049101
	Share in LPSBPL	4855231	3651392	(561760)	7944863	1771371	727909	(333546)	2165734	5779130	3083860
10	Weighing Scales	1574158	7770	0	1581928	1276914	37286	0	1314200	267728	297244
11	Fire Extinguishers	883821	13800	0	897621	831617	10977	0	842594	55027	52204
	Total	2419842851	89096436	(10317447)	2498621841	1368187124	216894777	(9482397)	1575599504	923022337	1051655718
12	Intangible										
	Computer software										
	Consolidated	10260683	1901018	0	12161701	2504396	1269868	0	3774264	8387437	7756287
	Share in LPSBPL	2143743	265465	0	2409208	1903941	144399	0	2048340	360868	239803
	Share in LPSBISPL	72990	0	0	72990	72990	0	0	72990	0	0
	Total	2432320268	91262919	(10317447)	2513265740	1372668454	218309044	(9482397)	1581495098	931770642	1059651808
	Capital Work-In-Progress	3182480	4258265	(2035018)	5405707	0	0	0	0	5405727	3182480
	Total-Current Year	2435502742	95521184	(12352465)	2518671467	1372668454	218309044	(9482397)	1581495098	931776369	1062834288
	Total-Previous Year	2113309676	343162343	20969273	2435502742	1152184459	228935430	8451437	1372668454	1062834288	961125211

NOTES:

- Depreciation on tangible fixed assets is provided on written down value method using the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956, which approximates the useful lives of the assets estimated by the management, except in the case of Plant-II, Manesar Plants, Recoil Business Division, subsidiary Company and Joint Ventures Companies where depreciation has been provided on straight-line method.
- Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- Additions in Fixed Assets include Rs.6314538/-(last year Rs.34320709/-) 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. 3584010/- on account of exchange gain realised during the year has been adjusted in Plant & Machinery in accordance with 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.
- Addition in freehold land include stamp duty charges, development charges and interest capitalised.
- Plant and Machinery include capital expenditure of Rs.12601059/- incurred during the year and Rs.25822374/- incurred during the previous year on research and development.

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (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 31.03.2012	3911655				
(including Goodwill Rs. Nil on acquisition)	6704655				
Add:- Share in profit for the year ended 31.03.13	1233935	7938590	0	7938590	6704655
J.C. Fasteners Limited, Rohtak					
700000 Equity Shares of Rs. 10/- each	7000000				
Add:- Accumulated Income upto 31.03.2012	1873137				
(including Goodwill Rs. Nil on acquisition)	8873137				
Add:- Share in profit for the year ended 31.03.13	267919	9141056	0	9141056	8873137
Lakshmi Extrusion Limited, Rohtak					
30000 Equity Shares of Rs. 100/- each	3000000				
Add:- Accumulated Income upto 31.03.2012	(2596041)				
(including Goodwill Rs. Nil on acquisition)	403959				
Add:- Share in profit for the year ended 31.03.13	(34)	403925	0	403925	403959
Joint Ventures					
LPS Bossard Private Limited					
2352019 Equity Shares of Rs.10/- each	23520190	0	0	23520190	23520190
LPS Bossard Information Systems Private Limited					
184749 Equity Shares of Rs.10/- each	1847490	0	0	1847490	1847490
	42851251	0	0	42851251	41349431
Less: Investment in Joint Venture companies	0	0	0	25367680	25367680
Aggregate amount of unquoted investments	42851251	0	0	17483571	15981751
NOTE - 14					
LONG TERM LOANS AND ADVANCES					
Unsecured, considered good:					
Capital Advances	2900304	0	0	2900304	11107996
Security Deposits					
With Electricity Departments	11440649	90650	0	11531299	9228729
With Sales Tax/VAT Departments	20000	71050	0	91050	84800
With Other Government Departments	448862	0	0	448862	638849
With Others	4262474	4662969	1960	8927403	5799571
Other deposits with Intec Capital Limited as cash collateral against term loans	20730000	0	0	20730000	5460000
	39802289	4824669	1960	44628918	32319945
NOTE - 15					
OTHER NON CURRENT ASSETS					
Unsecured, considered good:					
Technical knowhow fee*	1614949	0	0	1614949	2649850
	1614949	0	0	1614949	2649850
*Technical knowhow fee					
As per last Balance Sheet	3789834	0	0	3789834	3514800
Add: Addition during the year	0	0	0	0	1670220
	3789834	0	0	3789834	5185020
Less: Written off	1139984	0	0	1139984	1395186
	2649850	0	0	2649850	3789834
Non Current Portion	1614949	0	0	1614949	3789834
Current Portion Assets (Refer note no 20)	1034901	0	0	1034901	1139984

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 16					
INVENTORIES					
Raw Materials [including in transit Rs.Nil (previous year Rs.7342281/-)]	151363869	0	0	151363869	235913157
Work in Progress	754801136	0	0	754801136	568929626
Finished goods [including in transit Rs.2378884/- (previous year Rs.2270939/-)]	503066418	97589569	0	600655987	567295603
Less: Unrealised profit on intra group transaction	0	(421543)	0	(421543)	(447148)
Stock in Trade (Traded goods)	3620376	0	0	3620376	4061994
Consumables stores and Spares	400046234	0	0	400046234	316182179
Dies and tools	482333316	0	0	482333316	406183918
Packing materials	45834435	0	0	45834435	35720668
Stationary in hand	352683	0	0	352683	384336
Postage and foreign stamps	1464	0	0	1464	5123
Scrap materials (at realisable value)	7791694	0	0	7791694	14625029
	2349211625	97168026	0	2446379651	2148854485
Less: Provision for slow moving inventory	0	(25519056)	0	(25519056)	(15543023)
	2349211625	71648969	0	2420860594	2133311462

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 price-list and finished goods have been valued at 55% less on price-list and special items have been valued at 30% less in case of semi-finished goods and 20% less in 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 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 Considered good)					
Trade receivables outstanding for a period exceeding six months from the date they are due for payment					
Considered good	43111524	14992635	0	58104159	192744265
Considered doubtful	1177213	14914067	0	16091280	9585597
	44288737	29906702	0	74195439	202329862
Less: Allowance for doubtful debts	1177213	23736839	0	24914052	20912181
	43111524	6169863	0	49281387	181417681
Other Trade receivables	617254039	169272772	0	786526811	662400871
	660365563	175442635	0	835808198	843818552
Less: Intra group transaction	0	(4215430)	0	(4215430)	(4471480)
	660365563	171227205	0	831592768	839347072

Trade receivables include:

- Rs.1963627/- (previous year Rs. 2677619/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs.7880/- (previous year Rs. nil) due from J C Fasteners Limited, an Associate Company.
- Rs.448058/- (previous year Rs. nil) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs.7745249/- (previous year Rs. nil) due from Universal Precision Screws, a firm in which directors are partners.

NOTE - 18					
CASH AND BANK BALANCE					
Cash and Cash Equivalents					
Balances with Banks	28749038	5205995	125917	34080950	18649482
Cash in hand	256328	5684	79	262092	541180
Cheques in hand	0	0	0	0	93033
E F C Account (US\$ Nil Previous year US\$ 769.83)	0	0	0	0	39382
Cash Margin Account	8000000	0	0	8000000	0
	37005366	5211679	125997	42343042	19323077
Other Bank Balances					
Fixed Deposits:*					
Pledged as margin money against bank guarantees	2079993	0	0	2079993	1495000
Pledged as margin money against letter of credits	60937587	3684483	0	64622070	72548560
Pledged as loan against FDR	2665621	0	0	2665621	0
Lien against public deposits	6738102	0	0	6738102	6170308
No lien account	452496	0	2000097	2452593	2008097
Unpaid Dividend Accounts**	2701331	0	0	2701331	2429984
	75575130	3684483	2000097	81259710	84651949
	112580496	8896162	2126094	123602752	103975027

*Fixed deposits with banks include deposits of Rs. 42627238/- (Previous Year of Rs.62694657/-) with maturity of more than 12 months.

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

Description	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) LPSBPL	As at 31.03.2013 (Rs.) LPSBISPL	As at 31.03.2013 (Rs.) (Consolidated)	As at 31.03.2012 (Rs.) (Consolidated)
NOTE - 19					
SHORT TERM LOANS AND ADVANCES					
(Unsecured, considered good)					
Loans and Advances to Related Parties	18533464	0	0	18533464	15266467
Capital Advances	0	0	0	0	0
Others:					
Advance against Material and Services	60394450	2214202	0	62608652	43129998
Prepaid Expenses	10096780	1144692	0	11241472	8236258
Balance with Central Excise Department	17728925	0	0	17728925	21491611
Cenvat on capital goods	4643141	0	0	4643141	10539012
Advance to staff	4940494	0	0	4940494	5350356
Employee advance under litigation [refer note no. 31(vii)]	16059342	0	0	16059342	16059342
Other advances	10126390	38921	130078	10295389	8101224
	142522986	3397814	130078	146050879	128174268

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

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	0	0
Shiv Industries	A partnership firm in which directors are partner	Material and Services	0	7983
Universal Enterprises	A partnership firm in which directors are partner	Material and Services	0	7424
Hanumat Wire Udyog Private Limited	An associate Company	Trade deposit	5054375	5054375
J.C. Fasteners Limited	An associate Company	Material and Services	3121979	0
Nav Bharat Agencies	A partnership firm in which directors are partners	Material and Services	160425	0
			18533464	15266467

(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	5299497	1405123	305347	7009967	3188852
Claim Receivable	1934923	0	0	1934923	0
Freight Subsidy receivable	1000000	0	0	1000000	1000000
Export incentive receivable	40612777	0	0	40612777	45799313
DEPB Licence in hand	4305699	0	0	4305699	4235722
Interest on deferred payments*	0	0	0	0	73470
Technical knowhow fee (Refer note no. 15)	1034901	0	0	1034901	1139984
	54187797	1405123	305347	55898268	55437341
Interest on deferred payments*					
As per last Balance Sheet	73470	0	0	73470	173811
Add: Addition during the year	0	0	0	0	0
	73470	0	0	73470	173811
Less: Written off	73470	0	0	73470	100341
	0	0	0	0	73470
Non-Current assets	0	0	0	0	0
Current Portion assets	0	0	0	0	73470

Description	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) LPSBPL	Year Ending 31.03.2013 (Rs.) LPSBISPL	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) (Consolidated)
NOTE - 21					
REVENUE FROM OPERATIONS (GROSS)					
Sale of Machine Screws	3403961731	0	0	3403961731	3589144839
Sale of Machine Screws (Traded)	15210055	473689476	0	488899531	500249859
Sale of Scrap Materials	85595256	0	0	85595256	70318779
Job work receipts	704777	0	0	704777	1730281
Export Incentives	24971060	0	0	24971060	46502234
	3530442879	473689476	0	4004132356	4207945992
Less: Excise Duty	334515783	0	0	334515783	295106895
Revenue from operations (net)	3195927096	473689476	0	3669616572	3912839097

Description	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) LPSBPL	Year Ending 31.03.2013 (Rs.) LPSBISPL	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) (Consolidated)
NOTE - 22					
OTHER INCOME					
Rent	50400	0	0	50400	50400
Interest on fixed deposits with banks, loans, securities from customers (TDS Rs.801830/- previous year Rs.1294414/-)	9509969	1874679	138298	11522946	8746801
Exchange rate variation (net)	0	0	0	0	0
Dividend from long term trade investments	838821	0	0	838821	0
Profit on sale of assets	1184560	0	0	1184560	6737
Excess provisions no longer required written back	3495955	812219	521143	4829317	3547251
Miscellaneous receipts	15079705	2686898	659441	18426043	12351189

(i) Interest received includes a sum of Rs.9687965/- (previous year Rs.6334898/-) on bank deposits, Rs.1820/- (previous year Rs.2719/-) from trade customers, Rs.790214/- (previous year Rs.452391/-) on loans, and Rs.1042947/- (previous year Rs.1956793/- on securities.

(ii) Miscellaneous receipts includes excise claim, unclaimed balances written off and other miscellaneous incomes.

NOTE - 23					
COST OF MATERIALS CONSUMED					
Wire/Wire Rods Alloys	1276430520	0	0	1276430520	1398271649
Stainless Steel/Bars	2340481	0	0	2340481	9072836
	1278771001	0	0	1278771001	140734445
NOTE - 24					
PURCHASES OF TRADED GOODS					
Machine Screws	6595095	278471606	0	285066700	320432412
	6595095	278471606	0	285066700	320432412
NOTE - 25					
PURCHASES OF SEMI FINISHED GOODS					
Washer,Cap and Springs	127123909	0	0	127123909	151075682
	127123909	0	0	127123909	151075682
NOTE - 26					
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE					
Opening Stocks:					
Machine Screws					
Finished goods	454478159	0	0	454478159	369275612
Finished goods (traded)	4061994	96637092	0	100699086	84183406
Finished goods in transit	2270939	0	0	2270939	3252077
Semi finished goods	496518246	0	0	496518246	376343190
Semi finished goods (Washer, Cap and Springs)	72411380	0	0	72411380	61525146
Scrap materials	14625029	0	0	14625029	8115327
	1044365747	96637092	0	1141002839	902694758
Closing Stocks:					
Machine Screws					
Finished goods	500687534	0	0	500687534	454478159
Finished goods (traded)	3620376	71648969	0	75269345	98618328
Finished goods in transit	2378884	0	0	2378884	2270939
Semi finished goods	754801136	0	0	754801136	496518246
Semi finished goods (Washer, Cap and Springs)	0	0	0	0	72411380
Scrap materials	7791694	0	0	7791694	14625029
	1269279624	71648969	0	1340928593	1138922081
Less: Provision for slow moving inventory	0	(15052205)	0	(15052205)	(8841061)
	1269279624	56596765	0	1325876389	1130081020
	(224913877)	40040327	0	(184873550)	(227386262)
(Increase) / Decrease in inventory					
Finished goods	(46209375)	0	0	(46209375)	(85202547)
Finished goods (traded)	441618	(40040327)	0	40481945	(5593861)
Finished goods in transit	(107945)	0	0	(107945)	981138
Semi finished goods	(258282890)	0	0	(258282890)	(120175056)
Semi finished goods (Washer, Cap and Springs)	72411380	0	0	72411380	(10886234)
Scrap materials	(6833335)	0	0	6833335	(6509702)
	(224913877)	(40040327)	0	(184873550)	(227386262)

Description	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) LPSBPL	Year Ending 31.03.2013 (Rs.) LPSBISPL	Year Ending 31.03.2013 (Rs.) (Consolidated)	Year Ending 31.03.2012 (Rs.) (Consolidated)
NOTE - 27					
EMPLOYEE BENEFITS EXPENSE					
Salaries,Wages,Bonus and other amenities	558841803	36804520	250926	595897249	543711366
Co's contribution towards LIC Gratuity Trust	6241720	1386993	-	7628713	12128299
Co's contribution towards P.F.,E.S.I and L.W.F.	19209850	1107308	-	20317158	21869931
Staff welfare	13779433	1010185	-	14789619	14226255
	598072806	40309007	250926	638632739	591935851

- (i) Employee benefits expenses include managerial remuneration Rs. 45109260/- (Previous Year Rs. 47144640/-).
- (ii) The managerial remuneration has been paid by the Company in terms of sanction from Central Government u/s 269, 198(4)/303(3) and 637AA of the Companies Act, 1956, vide letters dated 15th March 2012 and 27th March, 2012.

NOTE - 28					
FINANCE COSTS					
Interest expenses	244622882	5455625	0	250078507	200393486
Financial charges	8109819	0	0	8109819	8847784
Bank charges and Front end fee	59193137	688484	0	59881621	50412956
	311925837	6144109	0	318069946	259654227
NOTE - 29					
OTHER EXPENSES					
Consumable stores and spare parts	44388961	0	0	44388961	44207131
Electricity,water and fuel	176845923	1453015	0	178298938	184077508
Rent	5819947	18356368	11760	24188075	20588286
Repairs to building	8726792	278539	0	9005331	17020196
Repairs to machinery	3734434	0	0	3734434	6401645
Insurance	4799490	404016	0	5203506	4141367
Rates and taxes	1245047	0	0	1245047	1786313
Job work charges	214442248	0	0	214442248	254781553
Packing expenses	41115464	5095605	0	46211069	52274435
Dies and tools consumed	24547585	0	0	24547585	24103550
Research and development expenses	11697154	0	0	11697154	10446081
Travelling and conveyance	73408367	19422438	0	92830805	116715946
Royalty, Technical know-how fee	3552907	0	0	3552907	4148479
Legal and consultancy	17906835	2335919	55391	20298145	25298266
Auditors' Remuneration:					
As auditor:					
Audit fee	2010000	343000	3430	2356430	2144340
Tax Audit Fee	200000	0	0	200000	169600
Limited Review	300000	0	0	300000	329400
Reimbursement of expenses	77877	0	0	77877	82513
Freight, insurance and cartage	66451976	4979320	0	71431296	80040161
Turnover and cash discount	38337705	2244086	0	40581791	56468356
Advertisement,publicity and sales promotion	14324189	7113667	0	21437856	24046720
Bad Debts,liquidated damages and short recoveries	4025888	2079242	0	6105130	5640837
Provision for bad and doubtful debts	1177213	6548739	0	7725952	10871102
Excise duty and sales tax	5551279	0	0	5551279	8126773
Exchange rate fluctuation gain/ (loss) (net)	13100835	629709	0	13730544	24438173
Other Expenses	75037869	22311675	2758	97352302	93966559
	852825985	93595339	73339	946494663	1072315291
NOTE - 30					
CONTINGENT LIABILITIES AND COMMITMENTS					
(a) Contingent liabilities					
1. Letter of credits and guarantees	79722194	204915	0	79927109	138094314
2. Liabilities against legal	66917398	0	0	66917398	66917098
3. Income Tax liabilities	7716673	0	0	7716673	7716673
4. Liabilities on account of suits filed	0	0	0	0	238980
(b) Commitments					
1. Estimated amount of capital provided for (net of advances)	6829118	951723	0	7780841	21766520

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 included 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 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. The particulars of the Joint Venture are as under: -

Name of the Joint Ventures	Country of Incorporation	Proportion of ownership interest as on 31st March, 2013
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 ventures are added line by line to the assets, liabilities, income and expenditure on the basis of their provisional figures as approved by their respective Boards.

- (iv) Principles of Consolidation

The consolidated financial statements relate to Lakshmi Precision Screws Limited (The Company), the subsidiary and Joint Ventures collectively referred to as "The Group". The financial statements of subsidiary Company is audited up to 31st March, 2013. The financial statements of joint ventures and associates have been incorporated based upon their provisional figures as approved by their respective Boards upto 31st March, 2013. 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 statement of profit and loss and the balance sheet of the 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:

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 (iv) 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 (Refer note no. 3(f)).

Particulars	Amount of Increase (Rs.)	Amount of Decrease (Rs.)
Trade Payables	2934791	
Trade and other receivables		15250302
Inventories		2080758
Direct Taxes	16139350	
Deferred Tax Assets		2504071
Adjustment on account of audited figures	760990	
	<u>19835131</u>	<u>19835131</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	<u>31.03.2013</u>	<u>31.03.2012</u>
Share of Equity in Subsidiary company	2340300	2340300
Add: Share in Reserves upto 31.03.2012	2301819	2293368
Add: Profit for the year	543747	8451
	<u>5185866</u>	<u>4642119</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 statement of profit and loss 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:-

	<u>2013</u>	<u>2012</u>
Intra group transaction deducted from debtors and corresponding creditors	4215430	4471480
Unrealized profit deducted from inventory pertaining to intra group transactions.	421543	447148

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.2259727/-. Out of the said exchange loss, a sum of Rs.1501815/- has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.757913/- 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, to be utilized for purchase of accessories of machines and dies & tools, out of which the bank has disbursed a sum of Rs. 5680000/- till the date of Balance Sheet. The same is lying unutilised as at the end of the year and the same shall be utilized for the purpose for which it was sanctioned in the current year.
- (vii) 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 6th July 2013 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.

(viii) Interest and other borrowing costs amounting to Rs.6314538/- (previous year Rs.34320709/-) 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.29009177/- (previous year Rs.45865408/-) 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	31.03.2013 (Rs.) (Consolidated)	31.03.2013 (Rs.) LPSBPL	31.03.2013 (Rs.) LPSBISPL	31.03.2013 (Rs.) (Consolidated)	31.03.2012 (Rs.) (Consolidated)
a) Employee benefits expense	9131257	-	-	9131257	7891209
b) Cost of material consumed	1335635	-	-	1335635	1318219
c) Other expenses	1230262	-	-	1230262	1236653
	11697154	-	-	11697154	10446081

(xi) **Prior Period Items:** The company has recognised an income in respect of export incentives relating to Status Holders Incentive Scheme (SHIS) for the financial Years 2009-10, 2010-11 & 2011-12 amounting to Rs 14871472/- and written off a sum of Rs 7172294/- in respect of excess provision of export incentives relating to Focus Product Scheme (FPS) in earlier years. The same has been treated as prior period items in accordance with AS-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" and treated accordingly in the statement of profit and loss.

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

Currency	Nature of Transaction	As at March 31, 2013		As at March 31, 2012	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
USD	Export Trade Receivables	211948	11306135	442330	22628034
	Import Trade Payables				
	Consolidated	3821750	206127494	5902109	302389049
	Share in LPS Bossard Private Limited	44489	2426225	101553	5186481
	Foreign Currency Term Loan from ICICI, Singapore.	699000	35859673	1474250	71100575
	Advance to Suppliers				
EUR	Consolidated	511766	28276778	137513	6995300
	Share in LPS Bossard Private Limited	36257	1922771	76129	3816553
	Export Trade Receivables	2567508	177921164	2852842	194964101
	Import Trade Payables				
	Consolidated	182078	12662365	95660	6595549
	Share in LPS Bossard Private Limited	20431	1875716	22458	1526006
JPY	Advance to Suppliers				
	Consolidated	42705	2521188	28323	1922626
	Share in LPS Bossard Private Limited	0	0	9243	622500
	Export Trade Receivables	5423176	3132051	875695	537548
	Import Trade Payables				
	Consolidated	0	0	8857	5314
GBP	Share in LPS Bossard Private Limited	398525	230803	490	304
	Advance to Suppliers				
	Consolidated	27380	2285726	1597	130098
	Share in LPS Bossard Private Limited	0	0	79	6401
	Export Trade Receivables	0	0	12622	1032492
	Import Trade Payables	0	0	9388	767813
AUD	Advance to Suppliers	20468	941538	4983	262343
CHF	Advance to Suppliers	0	0	12991	732510
	Import Trade Payables				
	Share in LPS Bossard Private Limited	110787	6347360	308187	17396961

SEK	Advance to Suppliers	0	0	18474	142085
	Import Trade Payables				
	Share in LPS Bossard Private Limited	0	0	100	772
CAD	Import Trade Payables				
	Share in LPS Bossard Private Limited	0	0	554	25493
SGD	Export Trade Receivables	0	0	50	2062

(xiii) 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.

(xiv) 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.5819947/- (Previous year Rs.5825256/-)
- 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.18356368/- (Previous year Rs.14751270/-) 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 statement of profit and loss. There are no restrictions imposed by the lease agreement.

(xv) In the opinion of the Board, 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 and provision for all known liabilities have been made.

(xvi) Earning per share-Basic and Diluted

Particulars	2012-13 Amount (Rs.)	2011-12 Amount (Rs.)
Numerator for earning per shares		
Profit before taxation and prior period items	61949983	121850268
Less: Tax Expenses		
Current Tax	49215234	43171900
Excess provision of Income Tax writtern back	(1837720)	(6920203)
Deferred tax	(30701249)	(10762188)
Adjustment to net earning :	45273718	96360759
Add: Prior period adjustment (refer note no.31(xi))		
Profit after taxation and prior period items	7699178	0
Denominator for earning per share	52972896	96360759
Weighted number of equity shares	10941667	10941667
Outstanding during the period		
Earning per share-Basic and Diluted	4.84	8.81
(Rs. per equity share of Rs. 10/- each)		

(xvii) 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	31.03.2013 (Rs.) (Consolidated)	31.03.2013 (Rs.) LPSBPL	31.03.2013 (Rs.) LPSBISPL	31.03.2013 (Rs.) (Consolidated)	31.03.2012 (Rs.) (Consolidated)
Revenue from operations (Net of Excise):					
Domestic Market	2702945854	473689476	0	3176635330	3309235468
Overseas Market	492981242	0	0	492981242	603603629
	3195927096	473689476	0	3669616572	3912839097
Fixed assets located (including Capital work-in-progress)					
Within India	897043232	40131740	1390	937176362	1062834288
Outside India	0	0	0	0	0
	897043232	40131740	1390	937176362	1062834288
Capital Expenditure					
Within India	85982300	9538884	0	95521184	343162343
Outside India	0	0	0	0	0
	85982300	9538884	0	95521184	343162343
Trade receivables					
Within India	467863872	171227205	0	639091077	620720384
Outside India	192501692	0	0	192501692	218626688
	660365564	171227205	0	831592769	839347072

(xviii) 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	Enterprises where Directors exercise significant influence	i	Amit Screws Private Limited.
		ii	Hanumat Wire Udyog Private Limited.
		iii	J C Fasteners Limited.
		iv	LPS Bossard Private Limited. (Joint Venture)
		v	LPS Bossard Information Systems Private Limited. (Joint Venture)
		vi	Lakshmi Extrusion Limited.
		vii	LPS Fasteners & Wires Private Limited.
		viii	Nav Bharat Industries
		ix	Nav Bharat Agencies
		x	Shiv Industries
		xi	Swadesh Engineering Industries
		xii	Sudhir Automotive Industries Private Limited.
		xiii	United Engineers
		xiv	Universal Enterprises
		xv	Bossard Limited. Fasteners, Switzerland
		xvi	Bossard France S.A.
		xvii	Bossard Pte Limited., Singapore
		xviii	Bossard north America
		xix	Bossard Denmark s.A.s
		xx	Bossard industrial Fastener Int'l Trading co. Limited.
		xxi	Lakshmi Precision Screws Limited.
		xxii	Precision Fasteners Corporation
		xxiii	Universal Precision Screws (UPS)
		xxiv	LPS Industrial Supplies Private Limited.
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
		ii	Shri Nikhlesh Jain
		iii	Shri Amit Jain
		iv	Shri Gagan Jain
		v	Shri Gautam Jain
		vi	Shri Rahul Jain
		vii	Smt. Charul Jain
		viii	Smt. Rita Jain
		ix	Smt. Deepa Jain
		x	Smt. Sandhya Jain

b) Transactions:

S. NO.	Particulars	Enterprises where Directors exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Sale of Goods						
	LPS Bossard Private Limited.	28632655	55164453	-	-	-	-
	Lakshmi Precision Screws Ltd.	232225	228416	-	-	-	-
	Sudhir Automotive Industries Private Limited.	56829	566758	-	-	-	-
	LPS Industrial Supplies Private Limited.	386005	271520	-	-	-	-
	Universal Enterprises	844284	0	-	-	-	-
	Universal Precision Screws	13113363	1371983	-	-	-	-
	Total	43265361	57603130	-	-	-	-
2	Services Rendered						
	LPS Bossard Private Limited.	490000	0	-	-	-	-
3	Purchase of Goods						
	Nav Bharat Agencies	921900	1284515	-	-	-	-
	Bossard Limited. Fasteners, Switzerland	244181122	17913444	-	-	-	-
	Bossard France S.A.	340303	192262	-	-	-	-
	Bossard Pte Limited., Singapore	121648	301345	-	-	-	-
	Bossard north America	698172	2351452	-	-	-	-
	Bossard Denmark s.A.s	191310	250595	-	-	-	-
	Bossard industrial Fastener Int'l Trading Co. Limited.	21555	11209	-	-	-	-
	Lakshmi Precision Screws Limited.	14402082	28993408	-	-	-	-
	Sudhir Automotive Industries Private Limited.	15011583	17083050	-	-	-	-
	Precision Fasteners Corporation	0	5033911	-	-	-	-
	Universal Precision Screws	56668901	3180059	-	-	-	-
	Lakshmi Extrusion Limited.	205930	0	-	-	-	-
	Universal Enterprises	31956212	61013813	-	-	-	-
	J C Fasteners Limited.	320809	879557	-	-	-	-
	Total	145041527	138488620	-	-	-	-
4	Intrest Received						
	Hanumant Wire Udyog Private Limited.	790215	452391	-	-	-	-
5	Rent received						
	LPS Fasteners & Wires Private Limited.	50400	50400	-	-	-	-
6	Rent paid						
	Nav Bharat Industries	840000	840000	-	-	-	-
	Universal Precision Screws	15173611	11933578	-	-	-	-
	Precision Fasteners Corporation	11760	0	-	-	-	-
	Sushila Devi Jain.	-	-	2379456	2117700	-	-
	Sandhya Jain	-	-	-	-	648530	470400
	Total	16025371	12773578	2379456	2117700	648530	470400
7	Jobwork paid						
	Amit Screws Private Limited.	844192	461141	-	-	-	-
	Hanumant Wire Udyog Private Limited.	68867849	62613948	-	-	-	-
	J.C. Fasteners Limited.	9347384	24014654	-	-	-	-
	LPS Fasteners & Wires Private Limited.	14225516	9199304	-	-	-	-
	Nav Bharat Industries	7389962	4967386	-	-	-	-
	Shiv Industries	973780	1380443	-	-	-	-
	Sudhir Automotive Industries Private Limited.	10451200	25222046	-	-	-	-
	United Engineers	2544829	2963300	-	-	-	-
	Universal Enterprises	0	7124431	-	-	-	-
	Total	114644712	137946653	-	-	-	-
8	Unsecured Loan						
	Loans Accepted						
	Vijay Kumar Jain	-	-	1700000	0	-	-
	Rajesh Kumar Jain	-	-	1700000	0	-	-
	Nikhlesh Jain	-	-	-	-	1700000	0
	Gagan Jain	-	-	-	-	800000	0
	Total	-	-	3400000	0	2500000	0
9	Unsecured Loan						
	Loans Repaid						
	Lalit Kumar Jain	-	-	400000	0	-	-
	Gautam Jain	-	-	-	-	0	2000000
	Total	-	-	400000	0	0	2000000

10	Remuneration paid						
	Lalit Kumar Jain	-	-	11734500	12945000	-	-
	Dinesh Kumar Jain	-	-	11964000	13027200	-	-
	Vijay Kumar Jain	-	-	10765500	13027200	-	-
	Rajesh Kumar Jain	-	-	8144260	8139360	-	-
	Sudesh Kumar Jain	-	-	-	-	2549421	2630400
	Gagan Jain	-	-	-	-	2479677	2203500
	Gautam Jain	-	-	-	-	2479677	2203500
	Nikhlesh Jain	-	-	-	-	2430000	2082300
	Amit Jain	-	-	-	-	2479677	2203500
	Saurabh Jain	-	-	-	-	2430000	2039500
	Rahul Jain	-	-	-	-	2338677	1933500
	Total	-	-	42608260	47138760	17187129	15296200
11	Interest to Directors/Others						
	Lalit Kumar Jain	-	-	239906	239906	-	-
	Rajesh Kumar Jain	-	-	794170	794170	-	-
	Vijay Kumar Jain	-	-	328146	328146	-	-
	Dinesh Kumar Jain	-	-	-	-	-	-
	Gagan Jain	-	-	-	-	272996	272996
	Gautam Jain	-	-	-	-	281268	281268
	Gaurav Jain	-	-	-	-	460508	460508
	Amit Jain	-	-	-	-	466022	466022
	Saurabh Jain	-	-	-	-	336662	336662
	Total	-	-	1362222	1362222	1817456	1817456
12	Professional Charges						
	LPS Bossard Information Systems Pvt Ltd	495508	648564	-	-	-	-
	Grand Total	320012879	347510945	50149938	50618682	22150115	19584056
13	Balance receivable						
	LPS Bossard Private Limited	1963627	2677619	-	-	-	-
	Lakshmi Extrusion Limited	10644743	10196685	-	-	-	-
	J.C. Fasteners Limited	3129859	0	-	-	-	-
	Shiv Industries	0	7983	-	-	-	-
	Universal Precision Screws	7745249	0	-	-	-	-
	Universal Enterprises	0	7424	-	-	-	-
	Nav Bharat Agencies	160425	0	-	-	-	-
	Hanumant Wire Udyog Private Limited	5054375	5054375	-	-	-	-
	Total	28698278	17944086	-	-	-	-
14	Balance payable						
	Nav Bharat Industries	8500603	8292861	-	-	-	-
	United Engineers	8630782	6138949	-	-	-	-
	J.C. Fasteners Limited	6816487	10483495	-	-	-	-
	Hanumant Wire Udyog Private Limited	19188170	20666060	-	-	-	-
	Amit Screws Private Limited	677436	436165	-	-	-	-
	Shiv Industries	2571917	1863939	-	-	-	-
	Sudhir Automotive Industries Private Limited	13826579	18776482	-	-	-	-
	Universal Enterprises	5888373	12861067	-	-	-	-
	LPS Fasteners & Wires Private Limited	3695186	0	-	-	-	-
	LPS Bossard Private Limited	0	35642	-	-	-	-
	Universal Precision Screws	11925235	0	-	-	-	-
	Bossard Limited. Fasteners, Switzerland	6347359	17390179	-	-	-	-
	Bossard France S.A.	178891	151382	-	-	-	-
	Bossard Pte Limited., Singapore	5194	18715	-	-	-	-
	Bossard north America	117616	580253	-	-	-	-
	Bossard Denmark s.A.s	0	42297	-	-	-	-
	Bossard Industrial Fastener Int'l Trading Company Limited	21601	0	-	-	-	-
	Lakshmi Precision Screws Limited	928900	1312179	-	-	-	-
	Precision Fasteners Corporation	0	993039	-	-	-	-
	LPS Industrial Supplies Private Limited	0	454	-	-	-	-
	Lalit Kumar Jain	-	-	4140000	9334800	-	-
	Dinesh Kumar Jain	-	-	9192996	9578596	-	-
	Vijay Kumar Jain	-	-	6905040	10541040	-	-
	Rajesh Kumar Jain	-	-	16925725	14968724	-	-
	Sushila Devi Jain	-	-	4700	179886	-	-
	Sudesh Kumar Jain	-	-	-	-	146037	197200
	Nikhlesh Jain	-	-	-	-	7429704	5859604
	Saurabh Jain	-	-	-	-	3219482	3340672
	Gagan Jain	-	-	-	-	6237518	8466445
	Gautam Jain	-	-	-	-	13417328	4883237

Rahul Jain	-	-	-	-	167561	12863047
Gaurav Jain	-	-	-	-	4361178	28978
Charul Jain	-	-	-	-	66700	4255149
Amit Jain	-	-	-	-	9020726	66700
Total	89320329	100043158	37168461	44603046	44066234	39961032

- (xix) 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.

(xx) **Defined Contribution Plan**

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

Particulars	Consolidated	LPSBPL	LPSBISPL	2013 TOTAL	2012 TOTAL
Employer's Contribution to Provident Fund	6824545	699291	-	7523836	5273980
Employer's Contribution to Family Pension Scheme	8962378	349885	-	9312263	9845797
Employer's Contribution to Employee State Insurance	3422927	58133	-	3481060	6750154
	19209850	1107309	-	20317159	21869931

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.

- (xxi) The Company is valuing inventories 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 stocks will be valued on actual cost basis on implementation of detailed cost records. The impact, if any, on financial statements on valuation of stocks on actual cost basis shall be provided for as and when required.
- (xxii) The cost of dies and tools are charged to statement of profit and loss as and when scrapped. The Company is reviewing the policy to charge the cost of dies and tools in a systematic manner depending upon their useful lives. The impact of such change on the financial statements is not ascertainable and hence not provided for.
- (xxiii) As per the transfer pricing norms included in India with effect from April 1, 2001, the group is required to use certain specified methods in computing arm's length price of international transactions and specified domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- (xxiv) The figures for the previous year has been regrouped/rearranged wherever necessary to make them comparable with those of the current year.
- (xxv) Figures have been rounded off to the nearest rupee.
- (xxvi) 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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per Rajan Bansal

Partner

Membership No.93591

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2013**

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, 2013
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, 2013	Rs.11.19 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.47.37 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2013	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 29, 2013**

Lalit Kumar Jain
Chairman & Managing Director

DIRECTOR'S REPORT

Dear Members,

Your Directors present before you the 27th Annual Report of the working of the Company along with Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Job Work & Other receipts	57,98,807	27,06,332
Profit before Interest, Depreciation & Taxation	41,17,134	16,74,448
Less: Interest	0	48,928
Profit before Depreciation and Taxation	41,17,134	16,25,520
Less: Depreciation	18,86,712	15,83,414
Profit before Taxation	22,30,422	42,106
Less: Income Tax	5,67,838	16,266
Net Profit for the year	16,62,584	25,840

DIVIDEND

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

DIRECTORS

Shri Vijay Kumar Jain and Shri Sudesh 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:

- that the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the Directors have prepared the accounts for the financial year ended March 31, 2013 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 : April 30, 2013

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, 2013.

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	71776	51143
Total amount (Rs.)	431375	296116
Rate/Unit (Rs.)	6.01	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	272	261
Furnace Oil	-	-
Coal Oil	-	-

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	

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 : April 30, 2013

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, 2013 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 31.03.2013 from being appointed as directors of the Company U/s 274(I)(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, 2013.
 - 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 : **April 30, 2013**

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 and 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 31.03.2013 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 31.03.2013.
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 31.03.2013.
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

Place : **Rohtak**
Dated : **April 30, 2013**

Suresh Chand
Proprietor

BALANCE SHEET

Description	Schedule No.	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
(I) SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	1	7155800	7155800
b) Reserve & Surplus		8700721	7038138
Share Application Money	2	0	0
NON CURRENT LIABILITIES	3		
(a) Long Term Borrowings		0	0
(b) Deferred Tax Liabilities (Net)		1137615	965467
(c) Long Term Provision		0	0
CURRENT LIABILITIES	4		
(a) Short-Terms Borrowings		0	0
(b) Trade Payables		3618803	5364630
(c) Others Current Liabilities		95552	25658
(d) Short-Term Provisions		567838	16266
Total		21276329	20565959
(II) ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets	5		
(i) Tangible Asstes		10945116	1283129
(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		9486260	6451045
(d) Cash and Cash Equivalents		59968	97997
(e) Short-Term Loans and Advances		656160	1056263
(f) Other Current assets		0	0
Total		21276329	20565959

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 : **April 30, 2013**



PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
1 Revenues from Operations	8	3570955	2703076
2 Cost of Sales	7	631676	486285
3 Gross Profit		2939279	2216791
OPERATING EXPENSES	9		
1) Selling & Marketing Expenses		0	0
2) Administrative Expenses		1057791	545599
3) Depreciation & Amortization of Assets		1886712	1583414
4) Foreign Currency Exchange Gains/(Losses), Net		0	0
		2944503	2129013
Results from Operating activities		-5224	87778
Gain on sales of long-term investments		0	0
Other Income	10	2407794	0
Other Expenses			
(1) Finance Costs	11	0	48928
(2) Others		0	00
Income before income tax		2402570	38850
Tax Expense:			
(1) Current Income Tax		567838	16266
(2) Deferred Income Tax		172148	-3256
(3) Others		0	0
Profit for the period		1662584	25840
Earnings per equity shares			
(a) Basic		2.32	0.04
(b) Diluted		2.32	0.04

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 : **April 30, 2013**

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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	7027375	7001536
Add:- Profit for the Year	1662584	25840
	8700721	7038138
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	0
(b) Deferred Tax Liabilities (Net)	1137615	965467
(c) Long Term Provision	0	0
	1137615	965467
SCHEDULE-4		
CURRENT LIABILITIES		
(a) Short-Terms Borrowings		
U.B.I. Bank Cash Credit	0	0
(b) Trade Payables		
Advance from Customers	3618803	5364630
(c) Others Current Liabilities		
Due to other than S.S.I. Undertaking	0	0
Other Liabilities	95552	25658
(d) Short-Term Provisions		
Provision for Income Tax	567838	16266
	4282193	5406554
SCHEDULE-5		
NON CURRENT ASSETS		
(A) Fixed Assets		
i) Tangible Assets	10945116	12831829
ii) Intangible Assets		
Preliminary Expenses	0	0
Less :- Written-off	0	0
iii) Capital Work-in Progress	0	0
iv) Intangible Assets under development	0	0
(B) Non-Current Investments		
Security Deposit		
H.S.E.B. Security	128825	128825



Description	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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	7459430	4864341
Other Debts	2026830	1586704
	9486260	6451045
(D) CASH & CASH EQUIVALENTS		
Cash in Hand	51258	1952
Cheques/Drafts in hand	0	93033
In current accounts (with scheduled bank)	8710	3012
	59968	97997
(E) SHORT -TERM LOANS AND ADVANCES		
(Recoverable in cash or in kind or for the value to be received)		
Loan & Advances Assets	198703	901753
Advance Income Tax (T.D.S.)	311419	154510
TDS Refund for the F.Y. 2011-2012	146038	0
	656160	1056263
SCHEDULE-7		
COST OF OPERATIONS		
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	0
Fork Lifter Expenses	0	0
Electricity Expenses	447122	296116
	447122	296116
C) PERSONAL EXPENSES		
Wages (Contractors)	184554	190169
Company Contribution to P.F.	0	0
Overtime and incentive	0	0
Welfare Fund	0	0
Company Contribution to E.S.I.	0	0
	184554	190169
COST OF OPERATIONS (A+B+C)	631676	486285
SCHEDULE-8		
REVENUES FROM OPERATIONS		
Job Work Received	3570955	2703076
	3570955	2703076
OPERATING EXPENSES		
SCHEDULE-9		
(I) SELLING & MARKETING EXPENSES		
Freight & Cartage	0	0
	0	0

Description	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
(II) ADMINISTRATIVE EXPENSES		
Rate and Taxes	375	6341
Legal & Professional Charges	23208	24200
General Charges	0	0
Motor Car Maint. Expenses	259971	181044
Insurance	71246	91928
Audit Fee	10000	10000
Bank Charges	323	587
Technical Service Charges	691581	230527
Telephone Expenses	1087	972
	1057791	545599
(III) DEPRECIATION & AMORTIZATION OF ASSETS	1886712	1583414
	1886712	1583414
(IV) FOREIGN CURRENCY EXCHANGE GAINS/(LOSSES), NET	0	0
	0	0
SCHEDULE-10 OTHERS INCOME		
Deferred Tax Written back	0	0
Lease Rent	2400000	0
Provision for income tax Written Back	7794	0
	2407794	0
SCHEDULE -11 OTHER EXPENSES		
i) Finance Cost		
Interest on Term Loan	0	48928
	0	48928
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 realizable 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.,	8194506	5001882

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:-

	31.03.2013	31.03.2012
Liabilities (on a/c difference in depreciation)	1137615	965467
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	2012-13		2011-12	
		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.	264.498	33.98	195.968	27.03
2. Details of opening stock purchases and closing stock of goods produced/purchased.					
Opening Stock	M.T.	0	0	0	0
Purchase	M.T.	0	0	0	0
Closing Stock	M.T.	0	0	0	0
3. Raw Material Consumed	M.T.	0	0	0	0
	Unit		2013 Qty.		2012 Qty.
4. Licenced capacity installed capacity and production					
Licence Capacity	M.T.		400		400
Installed Capacity	M.T.		264.498		195.968
Utilised Capacity	%age		66.12		48.99
Capacity Utilisation					
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		2013 Qty.		2012 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 : **April 30, 2013**

SCHEDULE - 5

FIXED ASSETS

(Amount in Rs.)

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2012	Addition	Sale	Total 31.03.2013	Up to 31.03.2012	For the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
1	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2	Building (A)	3504153	0	0	3504153	1587691	117039	1704730	1799423	1916462
3	Building (B)	3833820	0	0	3833820	1519162	128050	1647212	2186608	2314658
4	Plant & Machinery	4110903	0	0	4110903	3528199	195268	3723467	387436	582704
5	Fork Lifter	715177	0	0	715177	679420	33971	713391	1786	35757
6	Electric Fittings	165703	0	0	165703	130979	11715	142694	23009	34724
7	Furniture Fixture	380325	0	0	380325	221586	24075	245661	134664	158739
8	Motor Car	7014406	0	0	7014406	5366458	666369	6032827	981579	1647948
9	Computer & Software	4381400	0	0	4381400	177556	710225	887781	3493619	4203844
	Total	26042879	0	0	26042879	13211051	1886712	15097763	10945116	12831828

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 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
I. CASH INFLOWS		
(1) From Operating Activities		
(a) Profit from operating activities Adjustments:	-5224	87778
Depreciation and amortization	1886712	1583414
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 Payable	-1745827	5364630
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	0
Total of (1)	135661	7035822
(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	2407794	0
Total of (2)	2407794	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)	2543455	7035822
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	567838	16266
b) Working capital changes:		
Increase in inventories	0	0
Increase in trade receivables	3035215	979515
Increase in short-term loans and advances	-400103	815571
Increase in other current assets	0	0
Decrease in trade payables	0	0

CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2013 (Rs.)	Year Ending 31.03.2012 (Rs.)
Decrease in other current liabilities	-69894	5120
Decrease in provisions	-551572	181734
c) Direct taxes paid (Net of refunds)	0	0
Total of (1)	2581484	1998206
(2) From Investing activities	0	0
a) Purchase of tangible assets/capital work-in-progress	0	4318400
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)	0	4318400
(3) From Financing activities	0	762971
a) Repayment of long-term borrowings	0	0
b) Repayment of short-term borrowings	0	0
c) Dividends paid (including distribution tax)	0	48928
d) Interest and other finance costs	0	0
e) Share issue expenses	0	0
Total of (3)	0	811899
Total cash outflows (1+2+3)	2581484	7191505
III. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (I-II)	-38029	-155683
Add: Cash and cash equivalents at the beginning of the period	97997	253680
IV. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	59968	97997

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 : **April 30, 2013**



**LAKSHMI PRECISION SCREWS LIMITED****ATTENDANCE SLIP**

I hereby record presence at the 44th 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 28th September, 2013.

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 44th Annual General Meeting of the Company to be held on Saturday, 28th September, 2013 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013

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.

46/1, Mile Stone, Hissar Road, Rohtak - 124001, (Haryana), Tel.: +91-1262-248790, 248289, 249920
Fax: +91-1262-248297, 249922 E-mail: complianceofficer@lpsindia.com Website: www.lpsindia.com

FORM B
Format of covering letter of the annual audit report to be filed with the
stock exchanges

Name of the Company:	Lakshmi Precision Screws Limited, 46/1, Mile Stone, Hisar Road, Rohtak-124001
Annual financial statements for the year ended	31st March 2013
Type of Audit qualification	Qualified (i) Non compliance of AS-15 with respect to actuarial valuation of gratuity liability and leave encashment liability (ii) Inventories have been valued on a fixed percentage of sale price rather than on actual cost. (iii) Dies are charged to profit and loss as and when scraped instead of amortizing the same on useful life basis.
Frequency of qualification	(i) AS-15 with respect to gratuity liability and leave encashment liability from 31/03/2009 (ii) Valuation of inventory since 31/03/2012 (iii) Amortization of dies since 31/03/2012
Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	(i) Note no. 31(xviii) of Financial Statements with respect to qualification pertaining to AS- 15. (ii) Note no. 31(xix) of Financial Statements with respect to valuation of inventories. The valuation is as per past practice and stock will be valued on actual/ standard cost basis on implementation of detailed cost records. (iii) Note no. 31(xx) of Financial Statements with respect to amortization of tools and dies. The Company is reviewing the policy to charge the cost of dies and tools in a systematic manner depending upon the useful lives.
Additional comments from the board/audit committee chair:	The management of the Company is working to implement the necessary changes required to comply with the requirements.



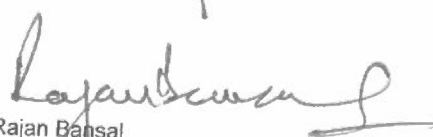
Lalit Kumar Jain
Chairman & Managing Director (CEO)



K. L. Ghorui
AVP Accounts (CFO)



K. N. Rattan
Chairman Audit Committee



Rajan Bansal
For V/R. Bansal and Associates (Auditors)

Date: 29/05/2013
Place: Delhi