

ANNUAL REPORT 2013 - 2014



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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 - 502,
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 work 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 Gross block of Fixed Assets of 2577 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 3527 million INR Company with approx. 15% contribution coming from exports.

Our installed capacity is 28432 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 customer's 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 energy, passion and respect for the individuals'.

INTEGRATING BIG AND SMALL





Dear Shareholders,

It is my privilege to present you the 45th Annual Report of the Company.

The global economy is passing through a sluggish period for the last few years. The global economy growth was around 3%. Indian economy was also under global pressure and GDP growth rate was around 5% and this slowdown has been stretched for long beyond expectation.

However, with the 2014 Lok Sabha elections, the new Government having clear majority, expected to clear the bottlenecks that have affected the economy and the infrastructure and Industrial sector in particular. Some positive signs like Rupee stabilisation, controlled inflation, budget proposal for Industry and Investment etc. are giving hope for the “Good days” as committed by the New Government.

During the previous year the Indian Automobile Industry, the main customer of your Company registered a meagre growth of 3.53% in domestic sales. However, it is expected that the worst has been over but boost in the automobile sector will take some more time to be back on growth track. The experts believe automobile industry will have upward trend in the second half of the current financial year.

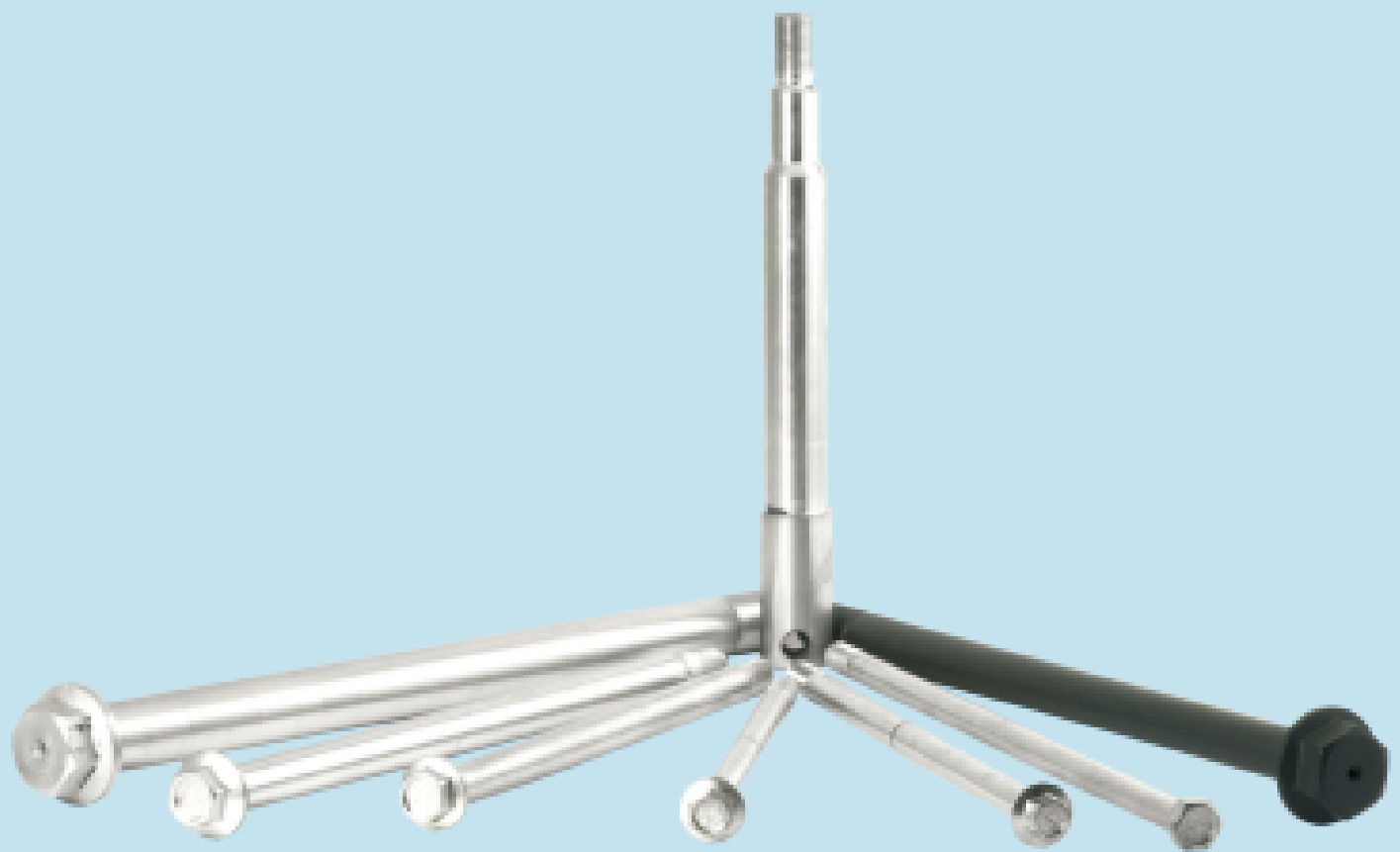
Despite all odds, your company has managed to register a growth in the top line and recorded a sale of Rs.351 Crores vis a vis Rs.319 Crores of previous year depicting a growth of 10% on year on year basis. However, the profit figures have been negative on account of change in accounting policies for compliance under AS 15 by providing for the liability against Gratuity and Leave encashment pertaining to the earlier years. The Board of Directors has not recommended any dividend for the year.

The faith bestowed by shareholders in the management is the strength of the Company and I assure you that your Company is committed to bounce back and will register a comprehensive growth in the coming years.

I wish to thank all of our loyal shareholders for standing by us in tough time. 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.

I would also like to express my sincere gratitude to my fellow Board members and shareholders of Company for their valuable guidance and support to help the Company grow.

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

PHILLIPS SCREW COMPANY

LPS has entered into a licensing agreement with Phillips Screw Company for ACR® TORQ-SET® ,TORQ-SET® , TRI-WING® proprietary Drive System found on virtually every aircraft.

REMINC CONTI

LPS has license of 31 REMINC/ CONTI fastening products TAPTITE is their most recognizable family for TRILOBULAR thread rolling fasteners.

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 DÖRKEN 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 Altrac® 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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 45th Annual Report together with Audited Accounts of the Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2014 is summarized as below:

(Rs. in Lacs)

Particulars	2013-2014	2012-2013
Revenue from operations	34894.43	31702.51
Gross Profit before interest, depreciation and tax	2456.84	5783.50
Less: Interest	3645.09	3143.26
Profit/(Loss) before depreciation and tax	(1188.25)	2640.24
Less: Depreciation	1662.08	2115.28
Profit/(Loss) before tax	(2850.33)	524.96
Less: Provision for tax	11.76	104.39
Net Profit/(Loss) for the year after tax	(2862.09)	420.57
Add: Balance brought forward from previous year	5622.47	5304.31
Amount available for appropriation	2760.38	5724.88
Appropriations		
Transfer to General Reserve	0.00	38.00
Proposed Dividend	0.00	87.53
Corporate Dividend Tax	0.00	14.88
Balance carried over to Balance Sheet	2760.38	5622.47

OPERATIONS

During the financial year 2013-14 your Company has earned revenue from operations Rs.34895 lacs (Previous year Rs.31703 lacs), recording a growth of 10% over the previous year. During the year net loss of the Company has been remain to Rs.2862.09 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 2014 -15.

DIVIDEND

Your Directors regretted their inability to recommend any dividend to the members of the Company for the financial year ended on March 31, 2014.

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, 2014, 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 2013-14.

DIRECTORS

Pursuant to the provisions of the Articles of Association of the Company, Smt. Sushila Devi Jain and Mr. Rajesh Jain Directors are retiring by rotation and being eligible, offer themselves for appointments at the forth coming 45th Annual General Meeting. The Board also recommends the appointment of Mr. J.R. Desai, Mr. K.N. Rattan, Mr. A.K. Chakraborty, Mr. B.D. Narang and Mr. Y.L. Madan as the Independent Directors of the Company not to retired by rotation. The term of appointments of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain also proposed to retiring Directors.

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 ensuing Annual General Meeting of the Company.

AUDITORS AND AUDITORS' REPORT

M/s. V. R. Bansal & Associates, Chartered Accountants, Statutory Auditors of the Company are retiring at the conclusion of ensuing 45th Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and a copy of certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The Board of Directors recommends their re-appointment.

Comments of the Auditors' in their report and the notes forming part of the Accounts, are self-explanatory and need no comments.

COST AUDITOR'S AND THEIR REPORT

M/s. HMVN & Associates the Company's Cost Auditors were appointed for the financial year 2014-15 and the Company has received certificate from the Cost Auditors to the effect their re-appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Company will seek necessary confirmation/ approval for such appointment in terms of the applicable provisions of the companies Act, 2013 and rules made thereunder.

In terms of the requirements of General Circular No. 15/2011, dated 11th April 2011 issued by the Ministry of Corporate Affairs, Govt. of India, following are the brief particulars w.r.t. Cost Auditors & Cost Audit Reports:

Financial Year	Name of the Cost Auditor	Due date of filing Cost Audit Report	Actual date of filing Cost Audit Report
2012-13	M/s. HMVN & Associates	27.09.2013	26.09.2013
2013-14	M/s. HMVN & Associates	27.09.2014	Under process

DECLARATION BY THE INDEPENDENT DIRECTORS

The Independent directors have submitted their disclosure to the Board that they fulfil all the requirements as to quality for their appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

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

The information pertaining to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as stipulated 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.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the applicable environmental laws and labour laws.

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.

EMPLOYEES' STOCK OPTION PLAN

Your Company had not provided any employee stock option.

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 2014-15 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2014-15 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

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 the Board confirm and submit the Directors' Responsibility Statement:-

- a. in the preparation of the Annual Accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/ (loss) of the Company for the year under review;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts for the financial year ended March 31, 2014 on a going concern basis;

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance Practices following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its stipulations as applicable to the Company. The report on Corporate Governance stipulated under Clause 49 for the Listing Agreement attached in Annexure 'C' and forming part of the Directors' 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.

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 appreciation for the overwhelming co-operation and assistance received from the Company's esteemed Shareholders, valued Customers, Suppliers, Business Associates, Bankers, Vendors, 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 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 09, 2014**

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 source 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.5117 Lacs
Total Foreign exchange used	:	Rs.3105 Lacs

for and on behalf of the Board of Directors

Place : New Delhi
Dated : August 09, 2014

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2013-2014	2012-2013
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
unit (Kwh in thousand)	19109.32	15706.48
Total amount (Rs. in lacs)	1480.14	1019.53
Rate/ unit (Rs.)	7.75	6.49
(b) Own generation		
Through diesel generator (unit in thousand)	1216.92	3432.54
Rate per litre of diesel oil	51.45	41.41
Cost/ unit (Rs.)	15.48	12.50
2. LPG		
Qty./ Tons	180.10	154.10
Total amount (Rs. in lacs)	139.19	108.48
Average Rate/ Kilogram (Rs.)	77.29	70.39
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)	1133.26	1133.09
LPG (kg./ Ton)	10.04	9.12
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 established its own in-house Research & Development centre at Plant-II, Rohtak. The research and development activities have been carried out in different areas such as tool design with new materials, virtual process design & analysis through latest software's, verification & validation through sophisticated equipments and value engineering & process optimization in the fields of automotive and aerospace fasteners. Full focus was given to customer satisfaction, zero defect manufacturing, process cost reduction, reducing product development time and to meet the market requirements.

R&D Project completed during financial year 2013-14

1. Evaluation of tensile strength and metallographic properties of engine fasteners subjected due to high temperature applications.
2. Crack detection of non magnetic aerospace parts by using vapor degreasing and aqueous ultrasonic cleaning method on panels subjected due to fatigue cracks by using FPI machine to assess the effectiveness of Aqueous cleaner as an acceptable replacement for vapour degreasing for AVIO components.
3. Development of split and forming die with new sleipner grade material and comparing tool life with existing D2 materials.
4. Evaluated thread forming torque and stripe torque for Delta PT screws through experimental studies on different engineering materials by REC machine.
5. Optimized/reduced number of forging sequences of manufacturing of bolt M10x32 bolt through Nagform software and done simulation & die stress analysis through Simufact. Evaluated life of modified tool during the actual forging operation.
6. Using of forming dies instead of taping tool for making threads on M 8x65 nut cyl. head bolt to solve quality problem, reduce manufacturing time and cost.
7. Failure analysis on reported customer complained.
8. Improvement in surface roughness (R_a value) of M10x20 spherical head bolt.

b) Future Plan of action:

1. Process optimization, validation of forging processes through Simufact software and die stress analysis for value engineering purposes.
2. Enhancing tool life and reducing number of tools & manufacturing cost without sacrificing the quality of products.
3. Development of Aerospace parts.
4. Development of heat treatment process for special alloys for development of aerospace parts.

- Explore new polymers and soft materials applications for self-tapping and PT screws and develop the correlation factor between them.
- To get higher productivity from newly installed machines.
- Development of test procedures.
- Development of special application screws to meet the new sectors requirement in electronic segments, white goods, elevators and medical devices.
- Fatigue and fracture analysis of automotive and aerospace fasteners.
- Failure analysis of components through advanced analytical instruments to identify and solve customer complain problems.
- NADCAP certification of cadmium plating, test lab and MPI (NDT) to fulfill Aerospace customer's requirements.
- 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	59.64
(2) Recurring	195.09
Total	<u>254.73</u>
(3) Total R&D expenditure as a percentage of turnover	0.73%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

I. Efforts, in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result thereof:

- The Company has started extensive use of new software which has strengthened planning system, on line quality monitoring and design calculation.
- Productivity has been improved through better tool life improvement new tool material concept.
- Trivalent Passivation in multicolours successfully approved by strategic customers.
- Trivalent Passivation has been widely accepted by domestic and global customers and its demand is on upward trend.
- Extensive reduction in tool manufacturing cycle time through latest CNC machining process and new concept machining tools.
- The Company always keep itself updated with all latest technological innovation by way of constant communication, visit to domestic/ foreign Companies.
- New stress analysis software has been installed in Design & Development Department for ensuring speedy work and better understanding of new joiners.
- New concept of Long Bolt Rolling Machine introduced for high productivity.
- Company has started developing more and more components/ shafts through cold forging process.
- Company has saved lacs of rupees through process innovation and process modification.
- 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, 2014.

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	1,38,00,000	05.12.74	60 40	B. E. Mech.	10.60	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	1,32,00,000	27.12.68	66 46	B. Com.	2.30	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	1,32,00,000	05.12.74	57 39	B. A.	10.35	-
04	Mr. Rajesh Jain	Non-Executive Director	36,00,000	28.09.90	56 34	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:

- Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
- The remuneration of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were approved by the Central Government for a period of 5 years w.e.f. 01.01.2013. The remuneration of Mr. Sudesh Kumar Jain is approved by the Central Government for a period of 3 years. The remuneration of Mr. Rajesh Jain w.e.f. 01.10.2013 is yet to be approved by the Central Government.
- The nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
- 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.
- Mr. Vijay Kumar Jain and Mr. Rajesh Jain are the relative of Chairman & Managing Director of the Company.
- Mr. Sudesh Kumar Jain is a relative of Vice Chairman & Managing Director of the Company.
- There is no other employee employed during the financial year drawing remuneration of more than Rs.5 lacs p.m.

REPORT ON CORPORATE GOVERNANCE

(1) Company's philosophy

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

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

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

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

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

Company's Values

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

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

Disclosure of Information to Investors

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

(2) Board of Directors

Composition and category of Directors

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

During the financial year 2013-14, Four Board Meetings were held on 29.05.2013, 14.08.2013, 08.11.2013 and 13.02.2014. 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, 2014 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)	4	Yes	6	1 (as Member)
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	4	Yes	3	1 (as Member)
3.	Mr. Vijay Kumar Jain	ED (JMD)	2	Yes	3	Nil
4.	Mr. Rajesh Jain	NED	2	Yes	9	2 (including 1 as Chairman)
5.	Mrs. Sushila Devi Jain	NED	1	No	Nil	Nil
6.	Mr. Jamshed Rustomji Desai	NEID	4	No	1	2 (as Member)
7.	Mr. Keshwa Nand Rattan	NEID	4	Yes	Nil	1 (as Chairman)
8.	Mr. Ajay Kumar Chakraborty	NEID	4	No	3	3 (including 1 as Chairman)
9.	Mr. Bhagwan Das Narang	NEID	4	No	11	9 (including 3 as Chairman)
10.	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.

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.

Smt. Sushila Devi Jain and Mr. Rajesh Jain Directors are retiring by rotation and being eligible, offer themselves for appointments at the forthcoming 45th Annual General Meeting. The Board also recommends the appointment of Mr. J.R. Desai, Mr. K.N. Rattan, Mr. A.K. Chakraborty, Mr. B.D. Narang and Mr. Y.L. Madan as the Independent Directors of the Company not to retire by rotation. The term of appointments of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain also proposed to retiring Directors.

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 ensuing Annual General Meeting 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, 2014. 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 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, Nomination cum Corporate Governance and Remuneration Committee, Stakeholders Relationship cum 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 Mr. Keshwa Nand Rattan, Non-Executive Director 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 2013-14 Four Audit Committee meetings were held on 29.05.2013, 14.08.2013, 08.11.2013 and 13.02.2014. The attendance Members during these meetings was as follows:

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

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) Nomination cum 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 Nomination cum Corporate Governance and Remuneration Committee. The Committee consists of four (4) Non-executive Directors, out of which three (3) Directors are Independent Director. Mr. Jamshed Rustomji Desai, Non-executive Independent Director is the Chairman of the Committee, Mr. Keshwa Nand Rattan, Mr. Rajesh Jain and Mr. Ajay Kumar Chakraborty, are the members of the Committee. The said Committee reviewed the remuneration package of Mr. Rajesh Jain, Non-executive Director 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 is yet to be received.

During the year 2013-14, one Corporate Governance and Remuneration Committee meeting was held on 14.08.2013. 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 2013-2014:

(a) Executive Directors:

Managing Directors / Joint Managing Director	Salary (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	60,00,000	70,80,000	7,20,000
Mr. Dinesh Kumar Jain	60,00,000	64,80,000	7,20,000
Mr. Vijay Kumar Jain	60,00,000	64,80,000	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, 2012 and also by the Central Government vide its letter no.SRNo.B60507860/04/2012-CL.VII, SRNo. B60508405/4/2012-CL.VII dated 17.09.2013 and SRNo. B60508736/0422011-CL.VII dated 29.10.2013.

(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 *	3700000
Mrs. Sushila Devi Jain	20000
Mr. Jamshed Rustomji Desai	180000
Mr. Keshwa Nand Rattan	180000
Mr. Ajay Kumar Chakraborty	180000
Mr. Bhagwan Das Narang	160000
Mr. Yudhisthir Lal Madan	40000
Total	4460000

* The payment of Mr. Rajesh Jain, Non-executive Director is comprising of Rs.36,00,000 as remuneration and Rs.1,00,000 as sitting fees. The said Payment is approved by the members of the Company in its Annual General Meeting held on 28th September, 2013. Consequently the Company has made necessary application to the Central Government for its approval which is yet to be approved.

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) Stakeholders Relationship cum Share Transfer and Investors Grievance Committee:

Terms of Reference and composition:

Stakeholders Relationship cum 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 2013-14, five 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 not received any complaint of Members from SEBI and Stock Exchanges. However, 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, 2014, 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	29.09.2013	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	One Approved the remuneration of Mr. Rajesh Jain, Non Executive Director of the Company.
Annual General Meeting	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.

(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 28th September, 2013.

(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, 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, 2014.

(8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express (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, 2014 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 2014-15:

- Annual General Meeting is proposed to be held on Tuesday, 30th September, 2014 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, 2014	Mid of August, 2014
Mailing of Annual Reports to the Members	Starting of September, 2014
Annual General Meeting for the year 2013-14	End of September, 2014
Financial Reporting for the half-year ending Sept. 30, 2014	Mid of November, 2014
Financial Reporting for the quarter ending December 31, 2014	Mid of February, 2015
Financial Reporting for the year ending March 31, 2015	End of May, 2015

- (iii) Dates of Book closure: Friday, 19th September, 2014 to Tuesday, 30th September, 2014. (both days inclusive)
- (iv) Dividend payment date: The Board did not recommend any dividend for the Financial Year 2013-14 to the members of the Company.
- (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 2014-15 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2014-15 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

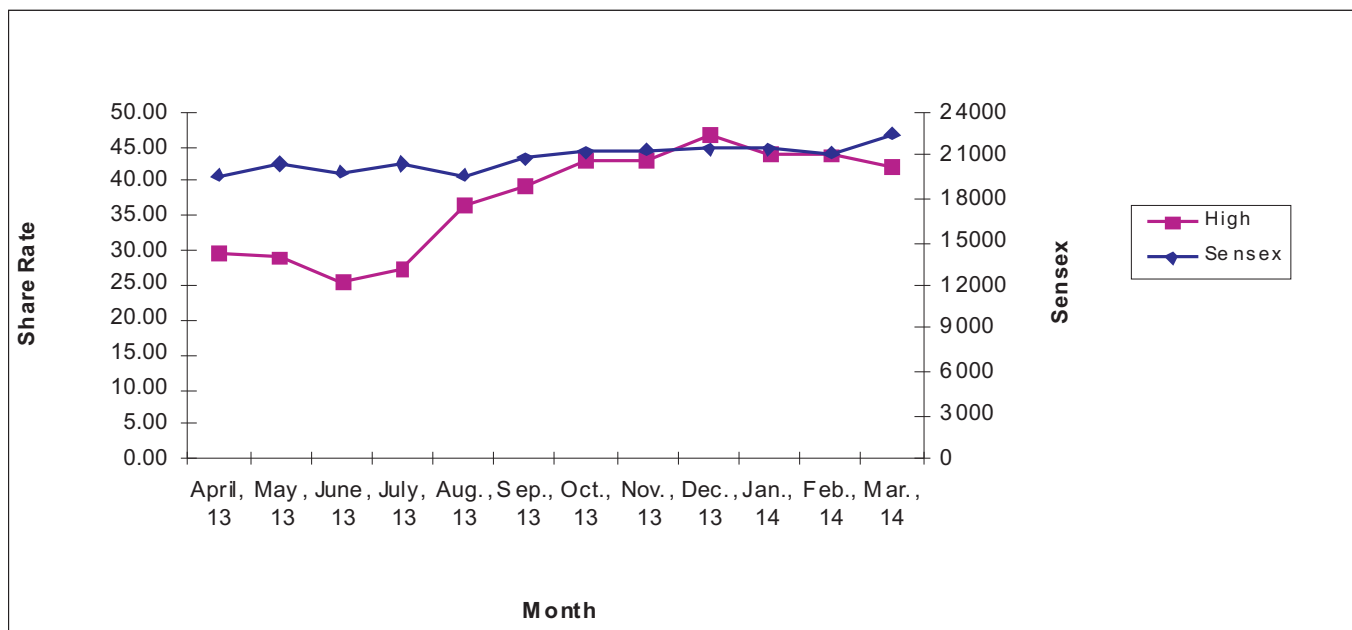
(vi) Market Price Data:

Market Price Data for the financial year 2013-14

Year	National Stock Exchange		Bombay Stock Exchange		
2013-14 (Month)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	Sensex
Apr. – 2013	29.00	23.05	29.75	23.00	19623
May – 2013	28.95	25.50	28.95	24.10	20444
Jun. – 2013	26.50	24.05	25.50	23.00	19860
Jul. – 2013	27.30	23.20	27.25	22.75	20351
Aug. – 2013	35.00	23.55	36.70	22.70	19569
Sep. – 2013	40.00	36.20	39.45	34.70	20740
Oct. – 2013	42.00	38.00	42.95	35.65	21205
Nov. – 2013	44.90	39.45	43.00	38.15	21322
Dec. – 2013	46.00	39.60	46.80	39.00	21484
Jan. – 2014	44.00	34.55	44.00	33.25	21410
Feb. – 2014	41.55	35.50	43.80	36.50	21141
Mar. – 2014	39.05	32.85	42.00	31.30	22467

(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 meets as and when required.

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 : INE651C01018
(Demat ISIN Code for NSDL & CDSL)

(x) Distribution of shareholding as on 31st March, 2014:

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	6341	88.98	825451	8254510	7.54
5001 to 10000	371	5.21	294952	2949520	2.70
10001 to 20000	195	2.74	252878	2928780	2.68
20001 to 30000	61	0.86	150234	1502340	1.37
30001 to 40000	27	0.38	96398	963980	0.88
40001 to 50000	26	0.36	119985	1199850	1.10
50001 to 100000	49	0.69	364490	3644900	3.33
100001 and above	56	0.78	8797279	87972790	80.40
Total	7126	100.00	10941667	109416670	100.00

(xi) Shareholding Pattern as on 31st March, 2014:

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	59	38741	0.354
Mutual Funds	2	700	0.006
Private Corporate Bodies	176	296160	2.707
Promoter and Promoter Group	24	6880287	62.882
Persons acting in concert	2	30733	0.281
General Public	6854	3691871	33.741
Total	7126	10941667	100.000

(xii) Dematerialization of shares and liquidity:

As on 31st March, 2014, 96.69% of Company's total paid up capital representing 1,05,79,954 equity shares of Rs.10/- each were held in dematerialized form [i.e. 89,83,429 shares (82.10%) with NSDL and 15,96,525 shares (14.59%) with CDSL] and balance 3.31% representing 3,61,713 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 : +91-1262-248289 Fax: +91-1262-248297 E-mail: nkakkar@lpsindia.com

(xvi) **Compliance:**

The certificate dated 29.05.2014 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 Nomination cum 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

After the 2012 slowdown global economic growth is expected to pick up gradually, however, the expectation of revival of growth was further extended by another year of slowdown during 2013-14. The world economic growth was restricted to 3% only during 2013-14.

The Indian economy during the year 2013-14 was also affected by impact of global economic factor, policy paralysis, political changes for general election etc. As a result the expected recovery in the growth rate remain far from reach., GDP growth has picked up marginally to 4.7 percent in 2013-14 against decade's low of 4.5 percent in 2012-13.

Auto Industry also registered a meager growth of 5% due to overall economic scenario. There was only 3.5% growth in the domestic sales and 7% in export sales during the last Financial year.

Auto components industry, which saw a dip of 2 per cent in turnover to Rs 2,117 crore in 2013-14, is pinning hopes on the resurgence of vehicle sales in the past couple of months. The auto components industry had posted a turnover of Rs 2,160 crore during the 2012-13 fiscal. The turnover of India's auto component sector shrank for the first time ever in the past fiscal year, with manufactures blaming increasing chinese imports and a tough local automotive market for the drop.

The past fiscal year has been one of the worst in recent times for the automobile industry as factors such as weak consumer sentiment in a slowing economy and sticky inflation kept buyers away. Even as the impact of weak demand for cars and commercial vehicles spilled into the parts market, rising imports compounded the problems for manufacturers. Indian manufacturers have stepped up pressure on the Government to impose anti-dumping duties on imports from China.

OPPORTUNITIES AND THREATS

a) **Opportunities**

The Indian automobile industry has tremendous potential to grow. India is very cost sensitive market and has an edge in cost over the European market. Keeping in view of the potential in Indian Market all leading automotive manufactures are launching new models in the Indian Market and also shifting their focus from import to localizing their parts to take the advantage of cost reduction and avoid forex fluctuation. It is expected that in the coming years India will be one of the top five vehicle manufacturing nation. The export front in automobile is also shown promising growth. It is emerging as global hub for auto component sourcing.

b) **Threats**

The potential in automotive segment has to overcome the following challenges:

1. The industry is facing the low liquidity
2. Increasing cost of input
3. Growing competition at domestic as well as overseas market
4. High Interest Rates
5. Lack of Proper infrastructure

FUTURE OUTLOOK

The new Government having full majority has clearly indicated its agenda for reviving of growth trend in India. As per the new Government's first Economic Survey India's economy is expected to grow between 5.4 percent and 5.9 percent in the current fiscal year, however the measures taken by the Government to improve investment climate and improve governance could push up growth to 7-8 percent in the coming years. It is expected that there will be moderation in inflation will ease the monetary policy stance and revive the confidence of investors. However there are some down side risks, like poor monsoon, the external environment and the poor investment climate.

Indian Auto Industry is one of the largest in world and account almost 7% of the India's GDP. For the last few years the Auto Industry has been going through low sentiments. Despite the meager growth in past, the automotive market is expected for steady growth in the coming years. ACMA has given an estimate that Auto components industry is expected to post up to 6 per cent growth in the current fiscal after having witnessed a decline last year.

RISK AND CONCERNS

The Company is exposed to external and internal risks associated with the business. The Company's growth is dependent on its customers majorly from the Indian Automotive Industry which is facing a low phase for the last few years. However the Company has widen its operations in terms of product portfolio, customer base and geographical segment.

The Company is also facing stiff competition from both domestic and overseas. Your Company has an established name in the market and has enough strength in terms of product range, capacity and high standards for quality to face the competition.

Financial risk in terms of increased interest rates, foreign exchange rates, increase in commodity prices are also a concern for the Company. Though the Company always cautious for such concerns and time to time review its policy to check this concerns.

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

Despite the overall slowdown in the industry, your Company has managed to register a growth of 11% in the top line. However, due to implementation of AS 15 with respect to provision of gratuity and leave encashment on actuarial valuation basis and change in the accounting policies with respect to valuation of Finished goods, WIP and tools and inventory. Despite the above higher interest cost has an impact on the profitability of the Company. The Company has register a negative profit of Rs 28.62 Crore due to provision of Leave encashment and Gratuity and change in basis of Inventory valuation. 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)	
	2014	2013
Net Sales & Other Income	35275	32110
Profit before Interest, Depreciation and Tax	2457	5784
Net Profit/(Loss)	(2862)	421

The financial performance of the Company has been explained in the Directors' Report of the Company for the financial year 2013-14, 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 2013-14.

for Lakshmi Precision Screws Ltd.

Place : **New Delhi**
Dated : **May 29, 2014**

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 2013 -14.

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 2013-14 and that to the best of our knowledge and belief:
- I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) 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:
- i. significant changes in internal controls over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

for Lakshmi Precision Screws Ltd.

Place : **New Delhi**
Dated : **May 29, 2014**

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, 2014 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, 2014**

V.P. 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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April, 2014 issued by the Ministry of Corporate Affairs. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2014;
- b) in the case of the Profit and Loss statement, of the loss 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.

Emphasis of Matter

Without qualifying our report we would like to draw attention to following matters:-

- 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. The physical verification of inventory should be carried out on perpetual basis and the procedures 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.
- b) The Company has paid managerial remuneration to a director amounting to Rs. 36,00,000/- for the period from 01/04/2013 to 31/03/2014. The same has been paid in accordance with the approval of Central Government obtained vide letter no. A96200837/2/2010-CL-VII valid for a period of three years w.e.f. 01/10/2010 to 30/09/2013. The approval for the subsequent period is to be obtained and the amount paid to the director is subject to consequential adjustment, if any, on receipt of approval of Central Government.

Our audit report gives emphasis of matter in respect of the matters as stated above.

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 notified under the Companies Act, 1956, read with General Circular 8/2014 Dated 4 April, 2014 issued by the Ministry of Corporate Affairs;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For V. R. Bansal & Associates
Chartered Accountants
Firm Registration No: 016534N

V.P. Bansal
Partner
Membership No: 08843

Place : Delhi
Dated : May 29, 2014

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. Pending determination of item wise depreciation and accumulated depreciation, the impact, if any, on financial statements cannot be ascertained and shall be provided for after updation of fixed assets register.*
 - 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 on a perpetual 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 13 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs. 17,89,99,244/- 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 and 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. *However the Company's internal control is not adequate with respect to advances given by the Company for material and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls except in case of advances given to suppliers for material and services as stated above.*
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 u/s 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 in respect of Investor Education and Protection Fund, Excise Duty and Custom Duty. *However in respect of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, TCS and TDS, the Company has deposited the amount with delays.* There are no arrears of outstanding statutory dues as at 31st March 2014 for a period of more than six months from the date they become payable except in respect of TDS amounting to Rs.26,34,980/-, Income Tax amounting to Rs.2,13,67,729/- and Wealth Tax amounting to Rs.1,64,849/-. The Company has deposited TDS amounting to Rs.26,34,980/- on 27th May, 2014 and Wealth Tax amounting to Rs.1,64,849/- on 31st March, 2014.

- 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 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, the following payments:

Particulars	Amount (Rs.)	Period of delay (Days)	Remarks
Term Loans	Rs.13,06,33,252/-	4 to 89	Paid during the year
Foreign Bills	Rs.16,12,50,948/-	3 to 27	Paid during the year
Domestic Bills	Rs.3,89,32,741/-	1 to 28	Paid during the year
Term Loans	Rs.2,26,35,268/-		Remained unpaid as on Balance Sheet date
Deferred Payment Liabilities	Rs.1,03,69,364/-		Remained unpaid as on Balance Sheet date
Bills Discounted with Banks	Rs.57,56,070/-		Remained unpaid as on Balance Sheet date
Working Capital Limits from			
Canara Bank	Overdrawn	1 to 60	Regularized on 15/04/2014
State Bank of India	Overdrawn	1 to 32	Regularized on 27/05/2014

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 interests 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 out of term loan of Rs.17,84,51,000/- disbursed by Haryana State Industrial and Infrastructure Development Corporation Limited, a sum of Rs.1,32,155/- is lying idle in the current account. As explained to us the same shall be utilized 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

V.P. Bansal
Partner

Membership No: 08843

Place : Delhi
Dated : May 29, 2014

BALANCE SHEET

Description	Notes No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
A. EQUITY AND LIABILITIES			
a) Shareholder's Funds			
Share Capital	2	109416670	109416670
Reserves and Surplus	3	638719658	923016342
		748136328	1032433012
b) Non Current Liabilities			
Long Term Borrowings	4	524800154	318587765
Other Long Term Liabilities	5	10791561	10856322
Long Term Provisions	6	243063938	10374456
		778655653	339818543
c) Current Liabilities			
Short Term Borrowings	7	1801365842	1751872554
Trade Payables	8	562168323	504979509
Other Current Liabilities	9	715461294	618836460
Short Term Provisions	10	25601852	43720861
		3104597311	2919409384
TOTAL		4631389292	4291660939
B. ASSETS			
a) Non Current Assets			
Fixed Assets:	11		
Tangible Assets		825491128	876508796
Intangible Assets		3022018	4183592
Capital Work in Progress		44745253	5405728
Non Current Investments	12	42736580	42736580
Deferred Tax Assets (Net)	13	0	1175826
Long Term Loans and advances	14	78631641	39673464
Other Non-current assets	15	475366	1614949
		995101986	971298935
b) Current Assets			
Inventories	16	2512648409	2349211625
Trade Receivables	17	742314779	659073809
Cash and Bank Balances	18	126407531	112520528
Short Term Loans and Advances	19	214989345	145368245
Other Current Assets	20	39927242	54187797
		3636287306	3320362004
TOTAL		4631389292	4291660939
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**

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

L.K.Jain

D.K.Jain

K.L.Ghorui

Naveen Kakkar

Partner

Chairman and

Vice Chairman and

AVP (Accounts)

Company Secretary

Membership No.8843

Managing Director

Managing Director

Place : **Delhi**

Dated : **May 29, 2014**

STATEMENT OF PROFIT AND LOSS

Description	Notes No.	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
A. INCOME			
Revenue from operations	21	3513633752	3195927096
Other Income	22	13833154	15079705
Total Revenue		3527466906	3211006801
B. EXPENDITURE			
Cost of materials consumed	23	1287797827	1278771001
Purchases of Traded goods	24	54784698	6595095
Purchases of semi finished goods	25	119748855	127123909
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(76544761)	(224913877)
Employee benefits expense	27	916312323	597888252
Finance costs	28	364509262	314325514
Depreciation and amortisation expense	12	166208048	211527879
Other Expenses	29	967285718	854892350
		3800101970	3166210123
Profit/(Loss) before Tax and prior period item		(272635064)	44796679
Add: Prior period items	31(viii)	(12398385)	7699178
Profit/(Loss) before Tax		(285033449)	52495856
Tax Expense:			
Current Tax		0	38400000
Excess provision of Income Tax written back		0	(1829926)
Deferred Tax Assets written off		1175826	(26130835)
C. NET PROFIT/(LOSS) FOR THE YEAR		(286209275)	42056617
D. EARNING PER SHARE (FACE VALUE OF RS. 10 PER SHARE)			
Basic and Diluted	31(xiii)	0	3.84
E. Significant Accounting Policies	1		
Contingent Liabilities and Commitments	30		
Other notes on Accounts	31		
The accompanying notes are an integral part of the financial statements.			

Auditors' Report:-

As per our report of even date

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

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2014**

CASH FLOW STATEMENT

Description	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) after tax	(286209275)	42056617
Adjustments for:		
Tax	1175827	10439238
Wealth Tax	286196	164849
Net profit/(Loss) before tax and extraordinary items	(284747252)	52660704
Adjustments for:		
Depreciation	166208047	211527879
Deferred payment interest and Technical know how fee written off	1090350	1213454
Rent and Interest received (Gross)	(11008393)	(9560369)
Interest and Financial charges	364509262	314325514
Provisions for Bad and Doubtful Debts	2264372	1177213
Loss on sale of assets	320059	14862
Profit on sale of assets	0	(838821)
Reduction in Reserve due to change in accounting policy*	1912591	2016456
Operating profit before working capital changes	240549036	572536892
Adjustments for:		
Increase/ (Decrease) in Trade Payables	57188814	(230487089)
Increase/ (Decrease) in Other Liability & Provisions	333442454	55575210
(Increase)/ Decrease in Trade Receivables	(85505342)	18402203
(Increase)/ Decrease in Loan and Advances	(108579275)	(29632840)
(Increase)/ Decrease in Other Current Assets	14309792	903942
(Increase)/ Decrease in Inventories	(163436785)	(310456497)
Cash generated from operations	287968693	76841821
Direct Taxes	(25062837)	(13502012)
Net cash from operating activities	262905856	63339809
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(153915263)	(83947281)
Proceeds from Sale of fixed assets	226871	862624
Bank deposits (having original maturity of more than 3 months) held as margin money	(40927602)	5678509
Rent and Interest received	11008393	9560369
Net cash used in investing activities	(183607601)	(67845779)

*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, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	405590379	105995929
Proceeds from short term borrowings	184726596	634458127
Repayment of long term borrowings	(219877403)	(160555822)
Repayment of short term borrowings	(244953310)	(262572206)
Proceeds from Directors and others	143725108	40900000
Repayment to Directors and others	(800000)	(400000)
Dividend paid	(10141024)	(19346364)
Interest and financial charges	(364509262)	(314325514)
	(106238916)	24154150
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(26940661)	19648180
Cash and Cash equivalents (Opening Balance)	36945398	17297220
Cash and Cash equivalents (Closing Balance)	10004737	36945398

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	9657385	28740328
Cash on hand	347352	205070
Cash Margin Account	0	8000000
	10004737	36945398

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	1684463	2079993
Pledged as margin money against letter of credits	100308619	60937587
Pledged against Loans	2747606	2665621
Lien against public deposits	7342628	6738102
No lien account	1718085	452496
Unpaid Dividend Accounts*	2601392	2701331
	116402793	75575130
	126407530	112520528

* 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 V.P. Bansal
Partner
Membership No.8843

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, 2014**

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, read with General Circular 8/ 2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs 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

- a) Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of semi-finished goods at 66% less on the price-list and finished goods have been valued at 57% less on the price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of selling price, based on overall cost data and gross margins. 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.
- b) Dies and tools are amortised over their residual useful lives based on the assessment made by the technical committee of the Company.

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 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) 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) Interest Income

Interest income is recognized on time proportionate basis taking into account the amount outstanding and the applicable rate of interest.

iv) 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

The employee's Gratuity Scheme, which is defined benefit plan, is managed by trust maintained with Life Insurance Corporation of India (LIC). The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as assets/(liability) in the books. Actuarial gains/(losses) for defined plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

ii) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.

iii) Leave Encashment

Accrual for leave encashment benefit is based on actuarial valuation as on the balance sheet date in pursuance of the company's leave 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 31.03.2014 (Rs.)		As at 31.03.2013 (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 Annual General Meeting.

During the year ended 31st March 2014, the amount of per share dividend recognized as distributions to equity shareholders is Rs.NIL (Previous Year Rs.0.80)

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 31.03.2014		As at 31.03.2013	
	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
Shri Arun Kumar Jain	798959	7	180334	2

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	2013-14	2012-13
Equity Shares	Nil	Nil

NOTE - 3

Description	(Rs.)	As at 31.03.2014 (Rs.)	(Rs.)	As at 31.03.2013 (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		30414385
d. Foreign Currency Monetary Item Translation Difference Account:* As per last Balance Sheet Add: Foreign Currency Variation during the year Less: Amortized during the year	(1912591) (1236411) (3149002) 3149002	0	(3929047) (1808723) (5737770) 3825179	(1912591)
e. Surplus as per Statement of Profit and Loss Opening balance Net Profit/(Loss) for the current year	562247322 (286209275) 276038047		(1912591) 530431668 42056617	
Less: Appropriation Proposed Final Equity Dividend Corporate Dividend Tax	0 0		572488285 8753334 1487629	
		276038047 638719658		562247322 923016342

*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 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 3686380/- arising on aforesaid long term foreign currency monetary items, a sum of Rs 2449969/- has been added to the cost of fixed assets and a sum of Rs 1236411/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.3149002/- has been fully amortized in the Statement of Profit and Loss since the connected long term foreign currency liability has been discharged during the year.

NOTE - 4

Description	As at 31.03.2014 (Rs.)		As at 31.03.2013 (Rs.)	
	Non Current	Current	Non Current	Current
LONG TERM BORROWINGS				
Secured:				
a. Term Loans				
From Banks	75153251	113592274	115650000	187031375
From Other Parties	369631519	61998058	139526085	10150639
	444784770	175590332	255176085	197182014
b. Deferred Payment Liabilities				
From Haryana State Industrial and Infrastructure Development Corporation Limited	-	14599894	-	2800431
	-	14599894	-	2800431
c. Long Term Maturities of Finance Lease Obligations				
Against hypothecation of vehicles	3758564	7970124	12014901	18926671
Against hypothecation of plant and machinery	777576	477480	-	-
	4536140	8447604	12014901	18926671
Unsecured:				
d. Term Loans				
From Other Parties	-	67541204	9122643	34564222
	-	67541204	9122643	34564222
e. Loans and Advances from Related Parties				
From Directors *	37977158	-	18072050	-
From Others *	37502086	-	24202086	-
	75479244	-	42274136	-
	524800154	266179034	318587765	253473338

*Interest free 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:

Nature of Loan	Date of sanction	Amount Sanctioned (Rs.)	Terms of repayment	Amount Outstanding (Rs.)	Prime Security
Term Loan	03.04.2013	50000000	18 quarterly installments varying from Rs.20 lacs to Rs.46.67 lacs	47390786	Exclusive charge on assets i.e. accessories of machines, dies and tools to be acquired valued at Rs. 7.00 crores.
Term Loan	08.09.2011	50000000	20 equal quarterly installments of Rs.2500000/-	31348380	1st pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired out of the loan.
Working Capital Term Loan	22.09.2010	105000000	20 equal quarterly installments of Rs.5250000/-	40825062	1st pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral Security for the term loans from Canara Bank : 1. 1st 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, Hissar Road Rohtak. 2. 1st pari passu charge on land measuring 4.6125 acre 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.
Term Loan	06.03.2013	3067912	Repayable on maturity	3067912	Against pledge of fixed deposits of the Company having a maturity value of Rs.3473941/-
(iii) Details of term loans from IDBI Bank Limited and security furnished are as under:					
Term Loan	27.01.2010	100000000	15 quarterly installments varying from Rs.25 lacs to Rs.100 lacs	48012465	1st pari passu charge on fixed assets of the Company alongwith ICICI Bank Limited, Karvy Financial Services Limited and Intec Capital Limited.

(iv) Details of term loan from State Bank of India and security furnished are as under:					
Term Loan	03.11.2011	45000000	10 quarterly installments varying from Rs.37.50 lacs to Rs. 58.5 lacs	19950000	1st pari passu charge alongwith other consortium bankers on current assets and existing tools and dies capitalised. Collateral security Securities are furnished against CC/ BD/ LC/ other facilities sanctioned by the bank. IInd 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 alongwith equitable mortgage on the land and building of Plant I and Plant II Hissar Road Rohtak and Plot No. 153 Sector-3 & Plot No. 256 Sector-6 at IMT Manesar and Plant IV at Kharawar, Rohtak and EMT of property situated at NH-10 Hissar Road, in the name of Smt. Sushila Devi Jain and land and building situated at Kharawar in the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of Director.

(v) Details of term loan from ICICI Bank Limited and security furnished are as under:					
Term Loan (ECB)	27.12.2006	USD 6.66 millions.	20 equal quarterly installments of USD 0.333 millions.	NIL	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. The Loan has been repaid during the year. However discharge of security is under process.

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(vi)	Aggregate amount of Term Loans from Banks secured by way of personal guarantees of some of directors of the Company and their relatives are:	75153251	110525082	115650000	183988690

(vii) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults, regularised after date of Balance Sheet.)

Name of Banks	Due Date of instalment	Instalment Amount (Rs.)	Amount Paid (Rs.)	Amount of Default (Rs.)
Canara Bank	25.03.2014	2000000	-	2000000
Canara Bank	29.03.2014	2500000	-	2500000
Canara Bank	09.03.2014	5250000	1174938	4075062
Canara Bank	06.03.2014	3067912	-	3067912
State Bank of India	30.03.2014	4650000	700000	3950000
				3950000

a) Interest accrued and due Rs.6632117/- (previous year Rs.4758747/-) remained unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(viii) Term loans from other parties are from Intec Capital Limited, Haryana State Industrial and Infrastructure Development Corporation Limited (HSI IDC), Karvy Financial Services Limited and Hero Fincorp Limited as under:

	2014		2013	
	Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
Intec Capital Limited	33424264	12853746	44975085	10150639
Haryana State Industrial and Infrastructure Development Corporation Limited (HSI IDC)	150997000	27454000	94551000	-
Karvy Financial Services Limited	134156130	13744437	-	-
Hero Fincorp Limited	51054125	7945875	-	-
	369631519	61998058	139526085	10150639

(ix) Details of term loans from other parties are as under:

Nature of facility	Date of sanction	Amount Sanctioned (Rs.)	Terms of repayment	Amount Outstanding (Rs.)	Cash collateral security (Rs.)	Other Security		
Intec Capital Limited								
Term Loan	30.11.2011	15600000	36 equal monthly installments of Rs.550333/- (including interest)	4130742	5460000	NIL		
Term Loan	29.11.2012	21400000	60 equal monthly installments of Rs.505843/- (including interest)	16959000	6420000	1st and exclusive charge on the entire assets and equal to the loan amount.		
Term Loan	22.02.2013	29500000	60 equal monthly installments of Rs.697268/-(including interest)	25188268	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.		
			Total	46278010				
			Current liability	12853746				
Cash collateral security of Rs. 20730000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.								
HSIIDC								
Term Loan	17.04.2012	250000000	26 equal quarterly installments of Rs. 9615385/-, commencing from 30.04.2014	178451000	NIL	First charge on all the present and future fixed assets of proposed expansion project at IMT Rohtak and remaining assets of the company (except book debts) subject to prior charges created or to be created in favour of bankers for working capital requirements.		
			Total	178451000				
			Current liability	27454000				
Interest accrued and due Rs.410177/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from HSIIDC.								
Karvy Financial Services Limited								
Term Loan	25.03.2013	150000000	78 equal monthly installments of Rs. 3275468/-(including interest)	147900567	NIL	1st pari passu charge on fixed assets of the Company alongwith ICICI bank Limited, IDBI Bank Limited and Intec Capital Limited. The creation of charge is under process.		
			Total	147900567				
			Current liability	13744437				
Interest accrued and due Rs.2011156/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from Karvy Financial Services Limited.								
Hero Fincorp Limited								
Term Loan	06.09.2013	59000000	57-60 equal monthly installments varying from Rs.1392622/- to Rs.1493904/- per month.	59000000	NIL	Hypothecation by way of lien and charges on the equipment/Plant and Machinery to be purchased by the company out of this loan. The creation of charge is under process.		
			Total	59000000				
			Current liability	7945875				
					Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
Aggregate amount of term loan from other parties and further secured by way of personal guarantee of Sh. Lalit Kumar Jain, Chairman and Managing Director of the Company and Sh. Dinesh Kumar Jain, Vice Chariman and Managing Director of the Company, are:-					369631519	61998058	139526085	10150639

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 Lander	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	(i) 5 half yearly instalments of Rs. 551646/- (ii) Enhanced cost of Rs 14385600/- payable in 5 half yearly instalments of Rs. 2877120/- each commencing from 31/10/2012. 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(Continuing defaults):

	Nature of facility		Amount of default (Rs.)	Due date	Status
a)	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 Plot No. 153	1952931	01.08.2011	Unpaid
		IMT Manesar, Gurgaon Plot No. 153	290983	31.10.2012	Unpaid
			2877120	30.04.2013	Unpaid
			2877120	31.10.2013	Unpaid
			8845654		

b) Interest accrued and due Rs.1523710/-(previous year Rs. 515300/-) 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 vehicles acquired under finance lease are as under:

Term of repayments

Name of Lander	Nature of facility	Terms of repayment (including interest)
State Bank of India	Finance Lease	36 monthly instalments of Rs. 201679/-
	Finance Lease	35 monthly instalments of Rs.57201/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 164132/-
	Finance Lease	36 monthly instalments of Rs. 49080/-
	Finance Lease	35 monthly instalments of Rs. 21764/-
	Finance Lease	60 monthly instalments of Rs. 163264/-
ICICI Bank Limited	Finance Lease	60 monthly instalments of Rs. 143113/-
Maruti Udyog Limited	Finance Lease	84 monthly instalments of Rs. 10772/-

(ii) Long term maturities of finance lease obligations secured by way of hypothecation of plant & machinery acquired under finance lease are as under:

HDFC Bank Limited	Finance Lease	35 monthly instalments of Rs. 49800/- (including interest) commencing from 15.10.2013
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d. Term loans (unsecured) from other parties

(i) Unsecured loans from Religare Finvest Limited, Magma Fincorp Limited, Tata Capital Limited, Bajaj Finance Limited and Hero Fincorp Limited aggregating to Rs.67541204 are repayable in 12 to 36 monthly installments varying from Rs.1.51 lacs to Rs.54.44 lacs.

		Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
(ii)	Aggregate amount of Term Loans from other parties secured by way of personal guarantees of				
	Sh. L.K.Jain, Chairman and Managing Director	-	7541204	7122643	22564222
	Sh. D.K.Jain, Vice Chairman and Managing Director	-	60000000	-	-

NOTE - 5

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
OTHER LONG TERM LIABILITIES		
a. Others:		
Security Deposits from customers/employees	10791561	10856322
	10791561	10856322

NOTE - 6

LONG TERM PROVISIONS		
a. Provisions for employee benefits (refer note no. 31(xviii))		
Gratuity	177027479	-
Leave Encashment	66036459	10374456
	243063938	10374456

- (i) The liability towards gratuity is as certified by an actuary.
- (ii) 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 as certified by an actuary.

NOTE - 7

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
SHORT TERM BORROWINGS		
Secured:		
a. Loans repayable on demand		
Working capital limits from Banks	1602345840	1656572554
	1602345840	1656572554
Unsecured:		
b. Deposits		
Fixed Deposits from Directors and others	173520002	63800000
Other loans and advances	25500000	31500000
	199020002	95300000
	1801365842	1751872554

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

- 3) Working capital limits from Corporation Bank are secured against:-

Simple Registered Mortgage of industrial plot measuring 16 Kanal 3 Marla situated in the Revenue Village Kutana, tehsil and District Rohtak executed in favour of Corporation Bank.

- 4) Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.) 1602345840 1656572554

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

Nature of facility	Amount of Defaults (Rs.)	Period of overdue and unpaid (Days)
Foreign bills discounted with Canara Bank	649440/-	14 Days
Domestic bills discounted with Canara Bank	5106630/-	2 Days
Working capital limits with Canara Bank	2505608/- to 101870858/-	1 to 60 Days
Working capital limits with State Bank of India	4917214/- to 27623092/-	1 to 32 Days

6) Interest accrued and due Rs. 1708771/- on Fixed Deposit from Directors and others remained unpaid as on the Balance Sheet date

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

(i) Other loans and advances are from Companies and repayable on demand.

(ii) Interest accrued and due Rs. 760932/- (previous year Rs.556156/-) remained unpaid as on the Balance Sheet date

NOTE - 8

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
TRADE PAYABLES		
Trade payables	562168323	504979509
	562168323	504979509

(i) Trade payables include payable to a subsidiary company Rs. 8961869/- (Previous Year Rs.8194506/-)

(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, 2014. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Sr. No	Particulars	Year ended 31st March 2014	Year ended 31st March 2013
1.	Principal amount and interest due thereon remaining unpaid to any supplier	8100/-	2462816/-
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	NIL
5.	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under sec.	NIL	NIL

NOTE - 9

Description	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer note no. 4a and 4d)	243131536	231746236
Current maturities of Deferred Payment Liabilities (Refer note no. 4b)	14599894	2800431
Current maturities of finance lease obligations (Refer note no. 4c)	8447604	18926671
Interest accrued but not due on Borrowings	7129538	3784978
Interest accrued and due on Borrowings	13046862	6367702
Unpaid dividend	2601393	2701331
Advances and progress payments from customers	199160834	190288304
Creditors for capital goods	29539786	4951316
HDFC Bank, Rohtak (Current Account)*	13783442	-
Excise duty payable	50328743	51120373
Employees benefit expenses	32388715	37898849
Statutory dues	60537285	33353408
Other payables	40765662	34896861
	715461294	618836460
(i) Current maturities of long term debt includes:		
a) Current maturities of long term (secured) (Refer note no. 4a)	175590332	197182014
b) Current maturities of long term (unsecured) (Refer note no. 4d)	67541204	34564222
	243131536	231746236

- (ii) The Company has made a provision of Excise duty amounting Rs 50328743/- (previous year Rs. 51120373/-) 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.6615000/- (Previous year Rs. 6534800/-) payable to Directors of the Company.
- (iv) Statutory dues are in respect of PF,ESI,Sales Tax, Service Tax, Income Tax and TDS.
- (v) Other payables include expenses payable, advance against sale of vehicle and other unsecured payables.
- (vi) * Credit Balance in HDFC Bank, Rohtak is due to uncashed cheques.

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
NOTE - 10		
SHORT TERM PROVISIONS		
Provision for Employee Benefits: (refer note no.31(xviii))		
Leave encashment	9097404	2875341
Gratuity	16218252	5541720
	25315656	8417061
Others:		
Income Tax (net of advance Tax and TDS)	0	24897988
Wealth Tax	286196	164849
Proposed Dividend	0	8753334
Corporate Dividend Tax	0	1487629
	286196	35303800
	25601852	43720861

- (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 2013-14.

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
The movements in provisions are as under:		
1 Carrying amount as on 01.04.2013		
Income Tax	38400000	27260000
Wealth Tax	164849	275150
Leave encashment (Long term Rs.10374456 /-)	13249797	10506119
Gratuity	5541720	3609424
Total	57356366	41650693

- 2 Additional provisions made during the financial year 2013-14.(including increase to existing provisions.)

Income Tax*	2150000	38400000
Wealth Tax	286196	164849
Leave encashment	67188761	5362643
Gratuity	198337033	4932296
Total	267961990	48859788

- 3 Amounts used (incurred and charged against the provisions) during the financial year 2013-14

Income Tax	19182271	25430074
Wealth Tax	164849	275150
Leave encashment	5304695	2618965
Gratuity	10633022	3000000
Total	35284837	31324189

- 4 Unused amounts reversed during the financial year 2013-14

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

- 5 Carrying amounts of provisions as on 31.03.2014

Income Tax**	21367729	38400000
Wealth Tax	286196	164849
Leave encashment (Long term Rs.66036459 /-)	75133863	13249797
Gratuity (Long term Rs. 177027479/-)	193245731	5541720
Total	290033519	57356366

* Interest on Income Tax for the year 2012-13 debited to finance cost (Note No 28)

** Included under Statutory Dues payable (Note No 9)

NOTE -11

FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2013 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2014 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
1	Tangible										
	Industrial Land:										
	Freehold Land	189234574	21172235	0	210406809	0	0	0	0	210406809	189234574
	Leasehold Land	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	221042340	133035	0	221175375	77161318	7764206	0	84925524	136249851	143881022
3	Office Premises:										
	Freehold Offices	813362	0	0	813362	499895	15673	0	515568	297794	313467
	Leasehold Offices	553040	0	0	553040	364512	9426	0	373938	179102	188528
4	Plant and Machinery	1676396566	86000341	0	1762396907	1244740083	141981068	0	1386721151	375675756	431656483
5	Furnitures and Fixtures	45253929	2266231	0	47520160	32768398	1953485	0	34721883	12798277	12485532
6	Electric fans and Installations	43966590	423622	0	44390212	29653182	2119801	0	31772983	12617229	14313406
7	Office Equipments	29188760	1651025	0	30839785	14689871	1396039	0	16085911	14753874	14498889
8	Computer	75237764	1811169	28490	77020442	73448664	1107952	16112	74540504	2479938	1789099
9	Vehicles	108832734	904281	1738947	107998068	59406109	8478426	1204395	66680141	41317927	49426625
10	Weighing Scales	1581928	51627	0	1633555	1314200	53216	0	1367416	266138	267728
11	Fire Extinguishers	897621	0	0	897621	842594	5010	0	847604	50017	55027
	Total	2411397622	114413565	1767437	2524043752	1534888826	164884302	1220507	1698552622	825491129	876508796
12	Intangible										
	Computer software	7780301	162171	0	7942472	3596708	1323745	0	4920453	3022018	4183592
	Total	2419177923	114575736	1767437	2531986223	1538485534	166208047	1220507	1703473076	828513148	880692388
	Add: Capital Work -In Progress	5405727	39339526	0	44745253	0	0	0	0	44745253	5405728
	Total : Current Year	2424583649	153915263	1767437	2576731476	1538485534	166208047	1220507	1703473076	873258400	886098113
	Previous Year	2348192105	85982300	-9590755	2424583649	1334474728	211527879	-7517073	1538485534	886098116	1013717377

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 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% .
- The additions in fixed assets include Rs. 16730445/- (Last year Rs.6314538) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by the Institute of Chartered Accountant 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. 2449969/- on account of exchange loss incurred during the year has been added to the cost of Plant and Machinery in accordance with notification no. G.S.R. 225(E) dated 31.01.2009 as amended vide notification dated 11.05.2011, issued by Ministry of Corporate Affairs.
- Plant and Machinery include capital expenditure of Rs. 5963676/- incurred during the year and Rs. 12601059/- incurred during the previous year on Research and Development.
- Vehicles under finance lease are as under:

Gross Block	Rs. 40332487/-
Net Block	Rs. 24903262/-
- Machines under finance lease are as under:

Gross Block	Rs. 1565758/-
Net Block	Rs. 1514748/-

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
NOTE-12		
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		
300000 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-13		
DEFERRED TAX ASSETS		
Deferred Tax Liabilities (net)		
On account of difference in treatment of certain payments under Income Tax Act, 1961	0	56969506
Deferred Tax Assets	0	56969506
On account of difference in rates and method of depreciation	0	58145332
Deferred Tax Liabilities/(Assets)		
At the end of year (net)	0	1175826
For the year	1175826	(26130836)

Deferred tax assets in respect of timing differences capable of reversal in future and carried forward losses under the Income Tax Act 1961 has not been recognised in view of absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future for reversal of deferred tax assets.

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
NOTE-14		
LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	45015381	2900304
Security Deposits		
With Electricity Departments	12527230	11311824
With Sales Tax/VAT Departments	20000	2000
With Other Government Departments	448862	448862
With Others	5350168	4262474
Other deposits with Intec Capital Limited as cash collateral against borrowings	15270000	20730000
	78631641	39673464
NOTE - 15		
OTHER NON CURRENT ASSETS		
Unsecured, considered good:		
Technical knowhow fee*	475366	1614949
	475366	1614949
*Technical knowhow fee		
As per last Balance Sheet	2649850	3789834
Less: Written off	1090350	1139984
	1559500	2649850
Non Current assets	475366	1614949
Current assets (Refer note no. 20)	1084134	1034901
NOTE - 16		
INVENTORIES		
Raw Materials	192334134	151363869
Work in Progress	844809952	754801136
Finished goods (includes in transit Rs.254119/- (Previous year Rs. 2378884/-)	489024761	503066418
Stock in Trade (Traded goods)	3228212	3620376
Consumables stores and Spares	404481290	400046234
Dies and tools	523569649	482333316
Packing materials	46072828	45834435
Stationary in hand	363959	352683
Postage and foreign stamps	2163	1464
Scrap materials (at realisable value)	8761460	7791694
	2512648409	2349211625

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 66% less on price-list and finished goods have been valued at 57% less on price-list and special items have been valued at 31% less in case of semi-finished goods and 22% 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.

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
NOTE - 17		
TRADE RECEIVABLES		
(Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	110390334	41819770
Considered doubtful	2264372	1177213
	112654706	42996983
Less: Allowance for doubtful debts	2264372	1177213
	110390334	41819770
Other Trade receivables	631924445	617254039
	742314779	659073809

Trade receivables includes

- Rs 271723/- (previous year Rs. 1963627/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs 7880/- (previous year Rs. 7880/-) due from J C Fasteners Limited, an Associate Company.
- Rs 448058/- (previous year Rs. 448058/-) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs 7745249/- (previous year Rs. 7745249/-) due from Universal Precision Screws, a firm in which directors are partners.
- Rs 139019/- (previous year NIL) due from LPS Industrial Supplies Private Limited, an Associate Company.

NOTE - 18		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks in current accounts	9657385	28740328
Cash on hand	347352	205070
Cash Margin Account	0	8000000
	10004737	36945398
Other Bank Balances		
Fixed Deposits:*		
Pledged as margin money against bank guarantees	1684463	2079993
Pledged as margin money against letter of credits	100308619	60937587
Pledged against loans	2747606	2665621
Lien against public deposits	7342628	6738102
No lien account	1718085	452496
Unpaid Dividend Accounts**	2601392	2701331
	116402793	75575130
	126407531	112520528

* Fixed deposits with banks include deposits of Rs. 36641627/- (Previous Year of Rs. 39831935/-) with maturity of more than 12 months.

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

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
NOTE - 19		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and Advances to Related Parties	18822444	21723464
Others:		
Advance against Materials and Services	95214727	60231221
Prepaid Expenses	11635612	10061306
Balance with Central Excise and VAT Department	18940107	17728925
Cenvat on capital goods	9375425	4643141
Advance to staff	7028589	4940494
Employee advance under litigation [refer note no. 31(v)]	16059342	16059342
Advance Income Tax and TDS (Refundable)	15990450	0
Other advances	21922649	9980352
	214989345	145368245

(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	2415396	3190000
Hanumat Wire Udyog Private Limited	An associate Company	Trade deposit	5500003	5054375
J.C. Fasteners Limited	An associate Company	Material and Services	117196	3121979
Nav Bharat Agencies	A partnership firm in which directors are partners	Material and Services	593164	160425
			18822444	21723464

(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	9011248	5299497
Claims receivable	1000000	2934923
Export incentives receivable	13893959	40612777
Licences in hand	14937901	4305699
Technical knowhow fee (Refer note no. 15)	1084134	1034901
	39927242	54187797
NOTE - 21		
REVENUE FROM OPERATIONS (GROSS)		
Sale of Machine Screws	3715269111	3403961731
Sale of Machine Screws (Traded)	62754580	15210055
Sale of Scrap Materials	78818331	85595256
Job work receipts	759596	704777
Export Incentives	23431313	24971060
	3881032930	3530442879
Less: Excise Duty	367399178	334515783
Revenue from operations (net)	3513633752	3195927096

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
NOTE - 22		
OTHER INCOME		
Rent	50400	50400
Interest on fixed deposits with banks, loans, securities and from customers	10957993	9509969
Dividend from long term trade investments	0	0
Profit on sale of assets	0	838821
Excess provisions no longer required written back	0	0
Exchange rate fluctuation loss (net)	0	0
Income Tax Refund	0	1184560
Miscellaneous receipts	2824761	3495955
	13833154	15079705
(i) Interest received includes a sum of Rs.7725097/- (previous year Rs.7052568/-) on bank deposits, Rs. 90661/- (previous year Rs. 1820/-) from trade customers, Rs. 664590/- (previous year Rs. 790214/-) on loans, Rs. 2477645/- (previous year Rs. 1042947/-) on securities, and Rs. Nil (previous year Rs. 622420/-) on interest on income tax refund.		
(ii) Miscellaneous receipts includes excise claim, unclaimed balances written off and other miscellaneous incomes.		
NOTE - 23		
COST OF MATERIALS CONSUMED		
Wire/Wire Rods Alloys	1266231584	1276430520
Stainless Steel/Bars	21566243	2340481
	1287797827	1278771001
NOTE - 24		
PURCHASES OF TRADED GOODS		
Machine Screws	54784698	6595095
	54784698	6595095
NOTE - 25		
PURCHASES OF SEMI FINISHED GOODS		
Washer, Cap and Springs	119748855	127123909
	119748855	127123909
NOTE - 26		
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stocks: Machine Screws		
Finished goods	500687534	454478159
Finished goods (Traded)	3620376	4061994
Finished goods in transit	2378884	2270939
Semi finished goods	734907883	496518246
Semi finished goods (Washer, Cap and Springs)	19893253	72411380
Scrap materials	7791694	14625029
	1269279624	1044365747
Closing Stocks: Machine Screws		
Finished goods	488770642	500687534
Finished goods (Traded)	3228212	3620376
Finished goods in transit	254119	2378884
Semi finished goods	779932987	734907883
Semi finished goods (Washer, Cap and Springs)	64876965	19893253
Scrap materials	8761460	7791694
	1345824385	1269279624
	(76544761)	(224913877)
(Increase)/Decrease in inventories is as under:		
Finished goods	11916892	(46209375)
Finished goods (Traded)	392164	441618
Finished goods in transit	2124765	(107945)
Semi finished goods	(45025104)	(238389637)
Semi finished goods (Washer, Cap and Springs)	(44983712)	52518127
Scrap materials	(969766)	6833335
	(76544761)	(224913877)
NOTE - 27		
EMPLOYEE BENEFITS EXPENSES		
Salaries,Wages,Bonus and other amenities	686153728	558657249
Co's contribution towards LIC Gratuity Trust	198337033	6241720
Co's contribution towards P.F. and E.S.I	16627348	19209850
Staff welfare	15194214	13779433
	916312323	597888252

- (i) Employee benefits expenses include managerial remuneration Rs. 4,48,50,000/- (previous year Rs. 40565000/-).
- (ii) The managerial remuneration has been paid in terms of sanction from Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letters dated 17th September 2013 and 29th October 2013.
- (iii) The Company has paid managerial remuneration @ Rs. 3,00,000/- p.m. to Shri Rajesh Jain, in terms of approval dated 31st December, 2010 which was valid upto 30th September, 2013. The Company has applied to the Ministry of Corporate Affairs for approval of managerial remuneration being paid to Sh. Rajesh Jain Director vide application dated 22 October, 2013. The remuneration paid to Shri Rajesh Jain, Director for the period from 1st October 2013 to 31st March 2014 amounting to Rs. 18,00,000/- is subject to approval of Ministry of Corporate Affairs.

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
NOTE - 28		
FINANCE COSTS		
Interest expense	311950406	244622881
Financial charges	9800771	10509819
Exchange difference to the extent considered as an adjustment to borrowing cost	915571	0
Bank charges and Front end fee	41842514	59192814
	364509262	314325514
NOTE - 29		
OTHER EXPENSES		
Consumable stores and spare parts	60171849	44388961
Electricity, water and fuel	203824575	176398801
Rent	6499741	5819947
Repairs to building	11500129	8726792
Repairs to machinery	4548384	3734434
Insurance	5158230	4728244
Rates and taxes	2061942	1244672
Job work charges	241518646	218013203
Packing expenses	47119782	41115464
Dies and tools consumed (Refer note No.31(xx))	54906389	24547585
Research and development expenses	19509325	11697154
Travelling and conveyance	73476752	73408367
Royalty, Technical know-how fee	6066671	3552907
Legal and consultancy	20485138	17883627
Payment to auditor		
As Auditor:		
Audit fee	2250000	2000000
Tax Audit Fee	250000	200000
Limited Review	300000	300000
Certification work	100000	-
Reimbursement of expenses	80578	77877
Freight, insurance and cartage	67520085	66451976
Turnover and cash discount	33408486	38337705
Advertisement, publicity and sales promotion	24930118	14324189
Bad Debts, liquidated damages and short recoveries	2364957	4025888
Provision for bad and doubtful debts	2264372	1177213
Excise duty and sales tax	8868770	5551279
Exchange rate fluctuation loss (net)	15094983	13100835
Other Expenses	53005815	74085229
	967285718	854892350
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)	151256824	79722194
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	66917398
3 Income Tax liabilities on account of appeals pending with various authorities	7716673	7716673
(b) Commitments		
1 Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	138018914	6829118

NOTE - 31**OTHER NOTES ON ACCOUNTS**

- (i) The Company has one following subsidiary as on 31.03.2014.

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) The Company has been sanctioned term loan of Rs. 25,00,00,000/- from Haryana State Industrial and Infrastructure Development Corporation Limited to be utilised for setting up plant at IMT, Rohtak. Out of the said loan, Haryana State Industrial and Infrastructure Development Corporation Limited has disbursed a sum of Rs. 17,84,51,000/- as on the date of Balance Sheet, which has been utilised for the purpose for which it was sanctioned, except a sum of Rs. 132155/- lying in the current account to be utilised in the current year.
- (iii) The Company has been sanctioned a term loan of Rs. 10,00,00,000/- from Hero Fincorp Limited for purchase of equipment/Plant and Machinery. Out of the said loan, Hero Fincorp Limited has disbursed a sum of Rs. 5,90,00,000/- as on the date of Balance Sheet, which has been utilised for the purpose for which it was sanctioned.
- (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 9th July 2014 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. 16730445/- (previous year Rs. 6314538/-) 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. 22313167/- (previous year Rs. 29009177/-) 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	31.03.2014 Rs.	31.03.2013 Rs.
a. Employee benefits expense	9818910	9131257
b. Cost of material consumed	1044330	1335635
c. Lease rent of research and development equipment	8067744	991151
d. Other expenses	578341	239111
	19509325	11697154

- (viii) **Prior Period Items:** The company has written off a sum of Rs. 9628697/- on account of excess provisions for export benefits for the financial years 2011-12 and 2012-13 in respect of Focus Product Scheme(FPS) and a sum of Rs. 2769688/- on account of excess provision for the financial year 2010-11 in respect of Status Holder Incentive Scheme(SHIS). 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, 2014		As at March 31, 2013	
		Foreign Currency	Indian Rupees (Rs.)	Foreign Currency	Indian Rupees (Rs.)
USD	Export Trade Receivables	123891	7445861	211948	11306135
	Import Trade Payables	901491	51376163	502684	25902221
	Buyer's Credit	689672	41449127	3319066	180225273
	Foreign Currency Term Loan from ICICI, Singapore.	0	0	699000	35859673
	Advance to Suppliers	603883	31714576	511766	28276778
EURO	Export Trade Receivables	2686010	221810739	2567508	177921164
	Import Trade Payables	0	0	182078	12662365
	Advance to Suppliers	78000	6311790	42705	2521188
JPY	Advance to Suppliers	0	0	5423176	3132051
GBP	Advance to Suppliers	0	0	27380	2285726
	Export Trade Receivables	76671	7655615	0	0
AUD	Advance to Suppliers	10265	480932	20468	941538

- (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) 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	31.03.2014 Rs.	31.03.2013 Rs.
Numerator for earning per shares		
Profit before taxation and prior period items	(272635064)	44796679
Less: Tax Expenses		
Current Tax	0	38400000
Excess provision of Income Tax	0	(1829926)
Deferred Tax	1175826	(26130835)
	(273810890)	34357440
Adjustment to net earning :		
Add: Prior period adjustment [refer to note no. 31(viii)]	(12398385)	7699178
Profit/ (Loss) after taxation and prior period items	(286209275)	42056618
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)	0	3.84

(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	31.03.2014 Rs.	31.03.2013 Rs.
Revenue from Operations (Net of Excise):		
Domestic Market	2996925559	2702945854
Overseas Market	516708193	492981242
	3513633752	3195927096
Segment Assets*		
Within India	4364208169	4070882469
Outside India	267181123	220778470
	4631389292	4291660939
Capital Expenditure		
Within India	153915263	85982300
Outside India	0	0
	153915263	85982300

* Net of Provision for doubtful receivables

(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 (Partnership Firm)
		ix	Nav Bharat Agencies (Partnership Firm)
		x	Shiv Industries (Partnership Firm)
		xi	Swadesh Engineering Industries (Partnership Firm)
		xii	Sudhir Automotive Industries Private Limited
		xiii	United Engineers (Partnership Firm)
		xiv	Universal Enterprises (Partnership Firm)
		xv	Universal Precision Screws (UPS) (Partnership Firm)
		xvi	LPS Industrial Supplies Private Limited
3	Key Management Personnel	i	Shri Lalit Kumar Jain
		ii	Shri Dinesh Kumar Jain
		iii	Shri Vijay Kumar Jain
		iv	Shri Rajesh Jain
4	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. Sushila Devi Jain

(b) Transactions:

S. NO.	Particulars	Subsidiary		Enterprises where Directors exercise Significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1.	Sale of Goods								
	LPS Bossard Private Limited	-	-	15569119	28632655	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	-	-	736713	-	-	-	-	-
	Indian Fasteners Limited	-	133552	-	-	-	-	-	-
	Universal Precision Screws	-	-	1357961	13113363	-	-	-	-
	Total	-	133552	17663793	41746018	-	-	-	-
2.	Purchase of Goods								
	Nav Bharat Agencies	-	-	417261	921900	-	-	-	-
	Hanumat Wire Udyog Private Limited	-	-	1298521	-	-	-	-	-
	Total	-	-	1715782	921900	-	-	-	-
3.	Interest received								
	Hanumat Wire Udyog Private Limited	-	-	664590	790215	-	-	-	-
	Total	-	-	664590	790215	-	-	-	-
4.	Rent received								
	LPS Fasteners & Wires Private Limited	-	-	50400	50400	-	-	-	-
	Total	-	-	50400	50400	-	-	-	-
5.	Rent paid								
	Indian Fasteners Limited	1800000	2400000	-	-	-	-	-	-
	Nav Bharat Industries	-	-	840000	840000	-	-	-	-
	Sushila Devi Jain	-	-	-	-	-	-	2117700	2117700
	Total	1800000	2400000	840000	840000	-	-	2117700	2117700
6.	Jobwork paid								
	Amit Screws Private Limited	-	-	768648	844192	-	-	-	-
	Hanumat Wire Udyog Private Limited	-	-	74118615	68867849	-	-	-	-
	Indian Fasteners Limited	1516155	3570955	-	-	-	-	-	-
	J.C. Fasteneres Limited	-	-	9594966	9347384	-	-	-	-
	LPS Fasteners & Wires Private Limited	-	-	9999240	14225516	-	-	-	-
	Nav Bharat Industries	-	-	4999824	7389962	-	-	-	-
	Shiv Industries	-	-	1033917	973780	-	-	-	-
	Sudhir Automotive Industries Pvt Ltd.	-	-	14645217	10451200	-	-	-	-
	United Engineers	-	-	2397230	2544829	-	-	-	-
	Universal Enterprises	-	-	-	-	-	-	-	-
	Total	1516155	3570955	117557657	114644712	-	-	-	-
7.	Unsecured Loan								
	Loans Accepted								
	Lalit Kumar Jain	-	-	-	-	19905108	-	-	-
	Dinesh Kumar Jain	-	-	-	-	74720000	-	-	-
	Vijay Kumar Jain	-	-	-	-	-	1700000	-	-
	Rajesh Kumar Jain	-	-	-	-	-	1700000	-	-
	Nikhlesh Jain	-	-	-	-	-	-	-	1700000
	Gagan Jain	-	-	-	-	-	-	1700000	800000
	Gautam Jain	-	-	-	-	-	-	2400000	-
	Rita Jain	-	-	-	-	-	-	33900000	-
	Total	-	-	-	-	94625108	3400000	38000000	2500000
8.	Unsecured Loan								
	Loans Repaid								
	Lalit Kumar Jain	-	-	-	-	-	400000	-	-
	Gagan Jain	-	-	-	-	1500000	-	-	-
	Rita Jain	-	-	-	-	23200000	-	-	-
	Total	-	-	-	-	24700000	400000	-	-

9	Remuneration paid								
	Lalit Kumar Jain	-	-	-	-	14250000	11734500	-	-
	Dinesh Kumar Jain	-	-	-	-	13500000	11964000	-	-
	Vijay Kumar Jain	-	-	-	-	13500000	10765500	-	-
	Rajesh Kumar Jain	-	-	-	-	3600000	3600000	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	3152262	2549421
	Gagan Jain	-	-	-	-	-	-	2610000	2479677
	Gautam Jain	-	-	-	-	-	-	2610000	2479677
	Nikhlesh Jain	-	-	-	-	-	-	2610000	2430000
	Amit Jain	-	-	-	-	-	-	2610000	2479677
	Saurabh Jain	-	-	-	-	-	-	2610000	2430000
	Rahul Jain	-	-	-	-	-	-	2610000	2338677
	Total	-	-	-	-	44850000	38064000	18812262	17187129
10.	Interest to Directors/Others								
	Lalit Kumar Jain	-	-	-	-	239250	239906	-	-
	Rajesh Kumar Jain	-	-	-	-	792000	794170	-	-
	Vijay Kumar Jain	-	-	-	-	327250	328146	-	-
	Dinesh Kumar Jain	-	-	-	-	2258864	-	-	-
	Gagan Jain	-	-	-	-	-	-	272250	272996
	Gautam Jain	-	-	-	-	-	-	280499	281268
	Gaurav Jain	-	-	-	-	-	-	459250	460508
	Amit Jain	-	-	-	-	-	-	464749	466022
	Saurabh Jain	-	-	-	-	-	-	332750	336662
	Total	-	-	-	-	3617364	1362222	1809498	1817456
11.	Balance receivable								
	Indian Fasteners Limited	2415396	3190000	-	-	-	-	-	-
	LPS Bossard Private Limited	-	-	271723	1963627	-	-	-	-
	Lakshmi Extrusion Limited	-	-	10644743	10644743	-	-	-	-
	J.C. Fasteneres Limited	-	-	125076	3129859	-	-	-	-
	Shiv Industries	-	-	-	-	-	-	-	-
	Universal Precision Screws	-	-	7745249	7745249	-	-	-	-
	Universal Enterprises	-	-	-	-	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	-	-	139019	-	-	-	-	-
	Nav Bharat Agencies	-	-	593164	160425	-	-	-	-
	Hanumat Wire Udyog Private Limited	-	-	5500003	5054375	-	-	-	-
	Total	2415396	3190000	25018977	28698278	-	-	-	-
12.	Balance payable								
	Indian Fasteners Limited	-	8194506	-	-	-	-	-	-
	Nav Bharat Industries	-	-	15273831	8500603	-	-	-	-
	United Engineers	-	-	10980067	8630782	-	-	-	-
	J.C. Fasteneres Limited	-	-	5518448	6815840	-	-	-	-
	Hanumat Wire Udyog Private Limited	-	-	28641838	19188170	-	-	-	-
	Amit Screws Private Limited	-	-	824246	677436	-	-	-	-
	Shiv Industries	-	-	3992568	2571917	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	-	-	6446049	12222879	-	-	-	-
	Universal Enterprises	-	-	6297765	3647740	-	-	-	-
	LPS Industrial Supplies Pvt. Ltd.	-	-	25960	-	-	-	-	-
	LPS Fasteners & Wires Private Limited	-	-	789994	3695186	-	-	-	-
	LPS Bossard Private Limited	-	-	2619926	-	-	-	-	-
	Universal Precision Screws	-	-	1970051	2154885	-	-	-	-
	Lalit Kumar Jain	-	-	-	-	26175308	4140000	-	-
	Dinesh Kumar Jain	-	-	-	-	79550996	9192996	-	-
	Vijay Kumar Jain	-	-	-	-	8909040	6905040	-	-
	Rajesh Kumar Jain	-	-	-	-	16714114	16714114	-	-
	Sushila Devi Jain	-	-	-	-	4700	4700	-	-
	Sudesh Kumar Jain	-	-	-	-	-	-	155978	146037
	Nikhlesh Jain	-	-	-	-	-	-	7449704	7429704

Saurabh Jain	-	-	-	-	-	-	3132200	3219482
Gagan Jain	-	-	-	-	-	-	5897058	6237518
Gautam Jain	-	-	-	-	-	-	15276868	13417328
Rahul Jain	-	-	-	-	-	-	200090	167561
Gaurav Jain	-	-	-	-	-	-	4200000	4361178
Charul Jain	-	-	-	-	-	-	66700	66700
Amit Jain	-	-	-	-	-	-	8230086	9020726
Rita Jain	-	-	-	-	-	-	10700000	0
Total	-	8194506	83380743	68105438	131354158	36956850	55308684	44066234

(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, 2014 | 49% |
| d) | The aggregate of Company's share in the above ventures in: | |

	31.03.2014 Rs.	31.03.2013 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	45385301	39770871
Intangible Assets	186723	360869
Deferred Tax Assets (Net)	11926582	14604645
Long Term Loans and advances	4808735	4824669
Current Assets		
Inventories	100326953	71648969
Trade Receivables	176605502	171227205
Cash and Bank Balances	10141788	8896162
Short Term Loans and Advances	3971187	3397815
Other Current Assets	930823	1405123
LIABILITIES		
Non Current Liabilities		
Long Term Provisions	266775	314358
Current Liabilities		
Short Term Borrowings	70056283	62138907
Trade Payables	49415276	33883741
Other Current Liabilities	9245837	9335990
Short Term Provisions	7689	1355635
INCOME		
Revenue from operations	454221191	473689476
Other Income	2661683	2686898
EXPENDITURE		
Purchases of Stock in Trade	306619826	278471606
Changes in inventories of finished goods, work in progress and Stock in Trade	(17026667)	40040327
Employee benefits expense	45733653	40309007
Finance costs	8150486	6144109
Depreciation and amortisation expense	5521776	4894301
Other Expense	93450020	93595339
Current Tax	8030142	10143245
Deferred Tax	(2401335)	(4752183)
CONTINGENT LIABILITIES		204915

- | | | |
|---------|--|---|
| (ii) a) | Name of the Venture | LPS Bossard Information Systems Pvt. Ltd. |
| b) | Country of Incorporation | India |
| c) | Proportion of ownership interest as at March 31, 2014 | 49% |
| d) | The aggregate of Company's share in the above ventures in: | |

	31.03.2014 Rs.	31.03.2013 Rs.
ASSETS		
Non Current Assets		
Fixed Assets:		
Tangible Assets	0	1390
Deferred Tax Assets (Net)	0	0
Long Term Loans and advances	0	1960
Current Assets		
Cash and Bank Balances	2471362	2126094
Short Term Loans and Advances	61482	130078
Other Current Assets	87441	305347
LIABILITIES		
Non Current Liabilities		
Deferred Tax Liabilities (net)	0	171
Current Liabilities		
Other Current Liabilities	3430	60327
Short Term Provisions	0	0
INCOME		
Other Income	226714	659441
EXPENDITURE		
Employee benefits expense	0	250926
Depreciation and amortisation expense	0	152
Other Expense	151536	73339
Current Tax	23030	104151
Deferred Tax	0	9622
CONTINGENT LIABILITIES	0	0

(xviii) The Company has obtained actuarial valuation in respect of liability towards Gratuity and Leave Encashment in accordance with AS-15 'Employee Benefits' notified under the Companies (Accounting Standards) Rules, 2006 (as amended). A sum of Rs. 180807588/- and 44224758/- has been debited in the statement of Profit and Loss towards Gratuity Liability and Leave Encashment respectively towards past service liability which has been fully amortised in view of average working period of employees being more than 5 years. The said liability has arisen due to first time adoption of actuarial valuation of Gratuity and Leave Encashment as prescribed under AS-15 'Employee Benefits' and therefore has been debited to Employee benefit expenses and not been treated as an exceptional item.

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	4999347	6824545
Employer's Contribution to Family Pension Scheme	9311892	8962378
Employer's Contribution to Employee State Insurance	2316109	3422927
	16627348	19209850

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 present value of obligation is determined based on actuarial valuation using Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity	2013-14
a) Reconciliation of opening and closing balances of Defined Benefit obligation	
Defined benefit obligation at beginning of the year	22919335
Interest cost	1764077
Current Service Cost	17431178
Benefit paid	(7078416)
Actuarial (gain) / loss	180746039
Defined Benefit obligation at year end	215782213
b) Reconciliation of opening and closing balances of fair value of plan assets	
Fair value of plan assets at beginning of the year	17377615
Expected return on plan assets	1665810
Employer contribution	12816694
Actuarial gain / (loss)	(61549)
Withdrawals	(9262088)
Fair value of plan assets at year end	22536482
c) Reconciliation of fair value of assets and liabilities	
Fair value of plan assets	22536482
Present value of obligation	215782213
Amount recognised in Balance Sheet-Asset / (Liabilities)	(193245731)
d) Expenses recognised during the year	
Current Service Cost	17431178
Interest Cost	1764077
Expected return on plan assets	(1665810)
Actuarial (gain) / loss	180807588
Net Cost debited to statement of profit and loss	198337033
e) Broad categories of plan assets as a percentage of total assets	
Insurer managed funds	100%
f) Actuarial assumption	
Mortality table (LIC)	IAL 2006-08
	Ultimate
Attrition Rate	0% - 1%
Imputed Rate of Interest	9.10% - 9.15%
Salary Rise	8% - 15%
Return on Plan Assets	6.75% - 8.75%
Remaining Working Life	11.92 - 21.29 years
g) Actual return on plan assets	1604261
h) Amounts for current and previous periods:*	
Present value of obligation	215782213
Fair value of plan assets	25536482
Surplus / (Deficit)	(193245731)

* The data has been given for the current year only as the actuarial valuation has been adopted for the first time in accordance with AS-15 "Employees Benefits" issued by the Institute of Chartered Accountants of India.

Leave encashment:-	2013-14
a) Reconciliation of opening and closing balances of Defined Benefit obligation	
Defined benefit obligation at beginning of the year	13056421
Interest cost	955887
Current Service Cost	12910712
Benefit paid	(5111319)
Actuarial (gain) / loss	53322162
Defined Benefit obligation at year end	75133863
b) Reconciliation of opening and closing balances of fair value of plan assets	
Fair value of plan assets at beginning of the year	-
Expected return on plan assets	-
Employer contribution	-
Actuarial gain / (loss)	-
Benefits paid	5111319
Fair value of plan assets at year end	-
c) Reconciliation of fair value of assets and liabilities	
Fair value of plan assets	-
Present value of obligation	75133863
Amount recognised in Balance Sheet-Asset / (Liabilities)	(75133863)
d) Expenses recognised during the year	
Current Service Cost	12910712
Interest Cost	955887
Expected return on plan assets	-
Actuarial (gain) / loss	53322162
Net Cost debited to statement of profit and loss	67188761
e) Broad categories of plan assets as a percentage of total assets	
Insurer managed funds	
f) Actuarial assumption	
Mortality table (LIC)	IAL 2006-08 Ultimate
Attrition Rate	0% - 1%
Imputed Rate of Interest	9.10% - 9.15%
Salary Rise	8% - 15%
Return on Plan Assets	N.A.
Remaining Working Life	11.92 - 21.29 years
g) Actual return on plan assets	-
h) Amounts for current and previous periods:*	
Present value of obligation	75133863
Fair value of plan assets	-
Surplus / (Deficit)	(75133863)

* The data has been given for the current year only as the actuarial valuation has been adopted for the first time in accordance with AS-15 "Employees Benefits" issued by the Institute of Chartered Accountants of India.

- (xix) During the year, the Company has valued the inventory of finished goods at 57% (earlier 55%) and semi-finished goods at 66% (earlier 65%) less on the price-list and special items have been valued at 22% (earlier 20%) less in the case of finished goods of the selling price and 31% (earlier 30%) less in case of semi-finished goods. The cost has been reviewed in light of overall cost data and Gross Margin in case of finished goods. Due to this, inventories of finished goods have decreased by Rs. 20947082/- and semi-finished goods by Rs. 18883848/- The exact cost of each item is not ascertainable in case of finished goods and semi-finished goods in view of multiple sizes and nature of products. However, the management believes that its impact on financial statements is not likely to be material on adoption of actual cost vis-a-vis the Standard Costing adopted by the Company. the Company plans to review its standard costing system based on the overall cost data every year.
- (xx) The Company has revised its accounting policy of amortisation of dies and tools. In the earlier years, the same was charged to statement of profit and loss account when the dies were scrapped and discarded from actual use. During the current year, the company has assessed the residual remaining life of dies and tools based on report of technical committee and amortised the same on the basis of effective remaining residual life of dies. Due to this the amortisation of dies and tools has increased by Rs. 27556298/- in the current year.

The Company propose to undertake technical assessment of dies and tools at the end of every quarter and amortise the dies and tools accordingly.

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

	2014	2013
Finished Goods/Semi Finished	22596046	18383857
Raw Material (Wire/ Wire rods)	158221079	311248748
Tooling Steel, Stores and Spares	34514293	45934393
Capital Goods	49341262	12850041

(xxii) **Earning in foreign currency**

F.O.B. value of exports	511715816	494317541
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(xxiii) **Expenditure in foreign currency**

Foreign Travelling	2383282	4903486
Royalty	4976321	2412923
Advances against Raw Materials and Capital contract	38507298	31739504

(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	197866807	15	351378295	27
Indigenous	1089931021	85	927392706	73
	1287797828		1278771001	
Stores and Spares consumed				
Imported	16921075	28	14125815	32
Indigenous	43250774	72	30263146	68
	60171849		44388961	

(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 Company has taken various residential/commercial premises under cancellable operating leases. 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.

(xxviii) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

	2013-14	2012-13
(i) not later than one year	14976286	3204153
(ii) later than one year and not later than five years	45893037	9480509
(iii) later than five year	-	-
	60869323	12684662
Lease payments recognised in the statement of profit and loss as under:		
Research and Development expense.	8067744	991151
Other expenses	1800000	1800000

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

(xxx) Figure have been rounded off to the nearest rupee.

(xxxi) 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 V.P. Bansal

L.K.Jain

D.K.Jain

K.L.Ghorui

Naveen Kakkar

Partner

Chairman and

Vice Chairman and

AVP (Accounts)

Company Secretary

Membership No.8843

Managing Director

Managing Director

Place : **Delhi**

Dated : **May 29, 2014**

INDEPENDENT AUDITORS' REPORT

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 Consolidate Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, 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, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. 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 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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. In respect of 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 audited subsidiary to the extent to which they are reflected in the consolidated financial statements as given below.

Audited by other auditors:

(Amount in Rs.)

Particulars	Total Assets	Total Revenue	Net cash inflow
Indian Fasteners Limited	20661749/-	1516155/-	75196/-

We further report that in respect of two joint ventures and three associates, for the year ended 31, March 2014, 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 31, March 2014 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 in Rs.)

Associates	Extent of Investment (%)	Share in Profit/(Loss)
J C Fasteners Limited	42.81	241322/-
Hanumat Wire Udyog Private Limited	23.25	2070128/-
Lakshmi Extrusion Limited	45.00	(32576/-)

(Amount in Rs.)

Joint Ventures	Total Assets	Total Revenue
LPS Bossard Private Limited	354283592/-	456582874/-
LPS Bossard Information Systems Private Limited	2620284/-	226714/-

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

Emphasis of Matter

Without qualifying our report we would like to draw attention to following matters:-

- 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. The physical verification of inventory should be carried out on perpetual basis and the procedures 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.
- b) The Company has paid managerial remuneration to a director amounting to Rs. 36,00,000/- for the period from 01/04/2013 to 31/03/2014. The same has been paid in accordance with the approval of Central Government obtained vide letter no. A96200837/2/2010-CL-VII valid for a period of three years w.e.f. 01/10/2010 to 30/09/2013. The approval for the subsequent period is to be obtained and the amount paid to the director is subject to consequential adjustment, if any, on receipt of approval of Central Government.

Our audit report gives emphasis of matter in respect of the matters as stated above.

Basis for Qualified Opinion

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 explanations given to us, *except for the possible effects of 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 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, 2014;
- b) in the case of the Consolidated statement, of Profit and Loss, of the loss 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, 2014**

V.P. Bansal
Partner
M. No. 8843

CONSOLIDATED BALANCE SHEET

Description	Note No.	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
A. EQUITY AND LIABILITIES						
a) Shareholder's Funds						
Share Capital	2	109416670	23520190	1847490	134784350	134784350
Less:- Investment in joint ventures					25367680	25367680
Reserves and Surplus	3	109416670 651819665	23520190 201771542	1847490 769363	109416670 854360571	109416670 1120046057
		761236335	225291732	2616853	963777241	1229462727
b) Minority Interest		5203268	-	-	5203268	5185866
c) Non Current Liabilities						
Long Term Borrowings	4	524800154	-	-	524800154	318587765
Deferred Tax Liabilities (Net)	5A	953764	-	-	953764	(38211)
Other Long Term Liabilities	6	10791561	-	-	10791561	10856322
Long Term Provisions	7	243063938	266775	-	243330713	10688814
		779609417	266775	-	779876192	340094690
d) Current Liabilities						
Short Term Borrowings	8	1801365842	70056283	-	1871422125	1814011461
Trade Payables	9	553206454	49415276	-	602621730	530668745
Other Current Liabilities	10	716679219	9245837	3431	725928487	628757132
Short Term Provisions	11	25601852	7689	-	25609541	45332915
		3096853367	128725085	3431	3225581883	3018770253
TOTAL		4642902386	354283592	2620284	4974438583	4593513536
B. ASSETS						
a) Non Current Assets						
Fixed Assets:	12					
Tangible Assets		831798322	45385303	-	877183625	927226173
Intangible Assets		5805413	186723	-	5992136	4544461
Capital Work in Progress		44745253	-	-	44745253	5405728
		882348988	45572026	-	927921014	937176362
Non Current Investments	13	45130125	-	-	45130125	42851251
Less:- Investment in joint venture companies					25367680	25367680
		45130125	-	-	19762445	17483571
Deferred Tax Assets (Net)	5B	-	11926582	-	11926582	14604474
Long Term Loans and advances	14	78760466	4808736	-	83569202	44628918
Other Non-current assets	15	475366	-	-	475366	1614949
		1006714945	62307344	-	1043654609	1015508274
b) Current Assets						
Inventories	16	2512648408	100326953	-	2612975361	2420860595
Trade Receivables	17	743408113	176605503	-	920013616	831592768
Cash and Bank balances	18	126542695	10141788	2471362	139155845	123602753
Short Term Loans and Advances	19	213660982	3971182	61482	217693646	146050879
Other Current Assets	20	39927242	930823	87441	40945506	55898267
		3636187440	291976249	2620284	3930783974	3578005262
TOTAL		4642902386	354283592	2620284	4974438583	4593513536
C. 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**

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

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, 2014**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Description	Note No.	Year Ended 31.03.2014 (Rs.) (Consolidated)	Year Ended 31.03.2014 (Rs.) (LPSBPL)	Year Ended 31.03.2014 (Rs.) (LPSBISPL)	Year Ended 31.03.2014 (Rs.) (Consolidated)	Year Ended 31.03.2013 (Rs.) (Consolidated)
A. INCOME						
Revenue from operations	21	3513633752	454221191	-	3967854943	3669616572
Other Income	22	13833154	2361683	226714	16421552	18426044
Share in Associates		2278874	-	-	2278874	1501820
Total Revenue		3529745780	456582874	227614	3986555369	3689544436
B. EXPENDITURE						
Cost of materials consumed	23	1287797827	-	-	1287797827	1278771001
Purchases of Stock in Trade	24	54784698	306619826	-	361404524	285066700
Purchases of semi finished goods	25	119748855	-	-	119748855	127123909
Changes in inventories of finished goods, work in progress and Stock in Trade	26	(76544761)	(17026667)	-	(93571428)	(184873549)
Employee benefits expense	27	916502027	45733653	-	962235680	638632739
Finance costs	28	364509533	8150486	-	372660019	318069946
Depreciation and amortisation expense	12	168062575	5521776	-	173584351	218309045
Other Expense	29	965302432	93450020	151536	1058903989	946494663
		3800163186	442449094	151536	4242763816	3627594453
Net Profit/(Loss) before Tax and prior period item		(270417406)	14133780	75178	(256208447)	61949984
Add: Prior period items	31 (xi)	(12398385)			(12398385)	7699178
Net Profit/(Loss) before Tax		(282815791)	14133780	75178	(268606832)	69649162
Tax Expense:						
- Current Tax		164935	8030142	23030	8218107	49215234
- Excess provision of Income Tax written back		(95509)	-	-	(95509)	(1837720)
- Deferred Tax Assets written off		991975	(2401335)	-	(1409359)	(30701249)
Less: Transfer to Minority Interest	31(iv)(d)	17403	-	-	17403	543747
C. NET PROFIT/(LOSS) FOR THE YEAR CARRIED DOWN		(283894595)	8504973	52148	(275337473)	52429150
D. EARNING PER SHARE						
(Face value of Rs. 10 per share)						
- Basic and Diluted	31(xvi)				-	4.79
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**

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

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Managing Director

D.K.Jain

Vice Chairman and
Managing Director

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2014**

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	(275337473)	52429149
Adjustments for:		
Tax -Current Tax	6713239	16676265
Wealth Tax	286197	164849
Net profit before tax and extraordinary items	(268338038)	69270263
Adjustments for:		
Depreciation	173584351	218309045
Deferred payment interest and Technical know how fee written off	1090350	1213454
Rent and Interest received (Gross)	(13415669)	(11573346)
Interest and Financial charges	372660019	318069946
Provisions for Bad and Doubtful Debts	3698955	7725952
(Profit)/Loss on sale of assets (Net)	774350	(101260)
Transferred to Minority Interest	17403	543747
Share of Profit in Associates	(2278874)	(1501820)
Reduction in Reserve due to change in accounting policy*	1912591	2016457
Operating profit before working capital changes	269705439	603972438
Adjustments for:		
Increase / (Decrease) in Trade Payables	69130862	(249874187)
Increase / (Decrease) in Other Liability & Provisions	337485272	55575207
(Increase) / Decrease in Trade Receivables	(92717773)	(9522704)
(Increase) / Decrease in Loan and Advances	(108218937)	(29632840)
(Increase) / Decrease in Other Current Assets	14488072	903942
(Increase) / Decrease in Inventories	(182669588)	(285468376)
Cash generated from operations	307203346	85953480
Direct Taxes	(33529503)	(19504824)
Net cash from operating activities	273673843	66448656
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(165607974)	(93486166)
Proceeds from Sale of fixed assets	503231	936310
Bank deposits (having original maturity of more than 3 months) held as margin money	(46120883)	3663586
Rent and Interest received	13415669	11573346
Net cash used in investing activities	(197809957)	(77312924)

*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, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	405590379	105995929
Proceeds from short term borrowings	192643972	634458127
Repayment of long term borrowings	(219877403)	(160555822)
Repayment of short term borrowings	(244953310)	(249097692)
Proceeds from Directors and others	143725108	40900000
Repayment to Directors and others	(800000)	(4000000)
Dividend paid	(10141024)	(19346364)
Interest and financial charges	(372660019)	(318069946)
	(106472297)	33884232
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(30608411)	23019965
Cash and Cash equivalents (Opening Balance)*	42332565	19323077
Cash and Cash equivalents (Closing Balance)	11724154	42343042

* Difference in opening balance of Rs. 10477/- because of provisional and audited figures in joint ventures and associates (Refer note no (31)(iv)(c))

Note:-

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

Cash and Cash Equivalents

Balances with Banks in current accounts	11247573	34080950
Cash on hand	426378	262092
Cheque in hand	50202	-
Cash Margin Account	-	8000000
	11724154	42343042

Other Bank Balances

Fixed Deposits:		
Pledged as margin money against bank guarantees	1684463	2079993
Pledged as margin money against letter of credits	108926296	64622070
Pledged as Loan against FDR	2747606	2665621
Lien against public deposits	7342628	6738102
No lien account	4129305	2452593
Unpaid Dividend Accounts*	2601392	2701331
	127431690	81259710
	139155844	123602752

*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 V.P. Bansal

Partner

Membership No.8843

L.K.Jain

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**Vice Chairman and
Managing Director**

K.L.Ghorui

AVP (Accounts)

Naveen Kakkar

Company Secretary

Place : **Delhi**

Dated : **May 29, 2014**

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, read with General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs 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 66% less on the price-list and finished goods have been valued at 57% less on the price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of selling price, based on average cost data and gross margins, 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 capitalized if capitalization 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, Recoil Business Division, subsidiary Company and joint venture Companies 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.
- d) Depreciation on fixed assets in case of joint ventures charged on SLM basis at the following rates :-

Sl.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)	

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 provisions 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

a) Gratuity

The employee's Gratuity Scheme, which is defined benefit plan, is managed by trust maintained with Life Insurance Corporation of India (LIC). The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as assets/(liability) in the books. Actuarial gains/(losses) for defined plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

ii) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.

b) Leave Encashment

Accrual for leave encashment benefit is based on actuarial valuation as on the balance sheet date in pursuance of the company's leave 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

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 group 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 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (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 ventures				33075000	33075000
9.5% Cumulative Preference Shares of Rs. 10/- each	300000	-	-	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	-	23520190	1847490	25367680	25367680
	109416670	-	-	109416670	109416670
Subscribed and paid up:					
10941667 Equity Shares of Rs. 10/- each	109416670	23520190	1847490	134784350	134784350
Less :Investment in joint venture companies	-	23520190	1847490	25367680	25367680
	109416670	-	-	109416670	109416670
b. Reconciliation of the number of shares outstanding at the beginning and at the end of the year					
10941667 Equity shares of Rs. 10/- each outstanding at the beginning of the year	109416670	-	-	109416670	109416670
NIL Equity shares of Rs. 10/- each issued during the year	-	-	-	-	-
NIL Equity shares of Rs. 10/- each bought back during the year	-	-	-	-	-
10941667 Equity shares of Rs. 10/- each outstanding at the end of the year	109416670	-	-	109416670	109416670

c. Terms/right attached to equity shares:

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

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

During the year ended 31st March 2014, the amount of per share dividend recognized as distributions to equity shareholders is Rs. Nil (Previous Year Rs. 0.80)

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 31.03.2014		As at 31.03.2013	
	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
Shri Arun Kumar Jain	798959	7	180344	2

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	2013-14	2012-13
Equity Shares	Nil	Nil

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 3					
RESERVES AND SURPLUS					
a. Capital Reserve					
As per the last Balance Sheet	13931192	-	-	13931192	13931192
Add : Reserve of subsidiary company till 24.12.1990	239600	-	-	239600	239600
Add : Reserve of associates till 31.03.2007	(1055969)	-	-	(1055969)	(1055969)
	13114823	-	-	13114823	13114823
b. Securities Premium Account					
As per the last Balance Sheet	318336034	-	-	318336034	318336034
c. General Reserve:					
As per the last Balance Sheet	30414385	4735552	-	35149937	35149937
d. Reserve of subsidiary company after 24.12.1990					
As per the last Balance Sheet	5855156	-	-	5855156	4736319
Add : Transfer from surplus as per statement of profit and loss	35806	-	-	35806	1118837
	5890962	-	-	5890962	5855156
e. Foreign Currency Monetary Item Translation Difference Account:*					
As per the last Balance Sheet	(1912590)	-	-	(1912590)	(3929047)
Add: Foreign Currency Variation during the year	(1236412)	-	-	(1236412)	(1808723)
	(3149002)	-	-	(3149002)	(5737770)
Less: Amortized during the year	3149002	-	-	3149002	3825180
	-	-	-	-	(1912590)
f Surplus as per Statement of Profit and Loss					
Opening balance	567993862	180851954	656880	749502696	707672357
Add/(Less): Adjustment on account of Audited figures**	-	7679063	60335	7739398	760990
	567993862	188531017	717215	757242094	708433347
	(283894595)	8504973	52148	(275337473)	52429150
Net Profit/(Loss) for the current year	284099267	197035990	769363	481904621	760862497
Appropriation					
Proposed Final Equity Dividend	-	-	-	-	8753334
Corporate Dividend Tax	-	-	-	-	1487629
Transfer to Reserve of Subsidiary company after 25.12.1990	35806	-	-	35806	1118837
	284063461	197035990	769363	481868814	749502697
	651819665	201771542	769363	854360571	1120046057

*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 3686380/- arising on aforesaid long term foreign currency monetary items, a sum of Rs 2449969/- has been added to the cost of fixed assets and a sum Rs 1236411/- has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs. 3149002/- has been amortized in the Statement of Profit and Loss since the connected long term foreign currency liability has been discharged during the year.

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

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 4					
LONG TERM BORROWINGS					
Secured:					
a. Term Loans					
From Banks	188745525	-	-	188745525	302681375
Less: Current Maturities of long term debts (Refer note no 10)	(113592274)	-	-	(113592274)	(187031375)
	75153251	-	-	75153251	115650000
From Other Parties	431629577	-	-	431629577	149676724
Less: Current Maturities of long term debts (Refer note no 10)	(61998058)	-	-	(61998058)	(10150639)
	369631519	-	-	369631519	139526085
	444784770	-	-	444784770	255176085
b. Deferred Payment Liabilities					
From Haryana State Industrial and Infrastructure Development Corporation Limited	14599894	-	-	14599894	2800431
Less: Current Maturities of Deferred Payment Liabilities (Refer note no 10)	(14599894)	-	-	(14599894)	(2800431)
	-	-	-	-	-
c. Long Term Maturities of Finance Lease Obligations					
against hypothecation of vehicles	11728688	-	-	11728688	30941572
Less: Current Maturities of finance lease obligation (Refer note no 10)	(7970124)	-	-	(7970124)	(18926671)
	3758564	-	-	3758564	12014901
against hypothecation of plant and machinery	1255057	-	-	1255057	-
Less: Current Maturities of finance lease obligation (Refer note no 10)	(477480)	-	-	(477480)	-
	777577	-	-	777577	-
	4536141	-	-	4536141	-
Unsecured:					
d. Term Loans					
From Other Parties	67541204	-	-	67541204	43686865
Less: Current Maturities of long term debts (Refer note no 10)	(67541204)	-	-	(67541204)	(34564222)
	-	-	-	-	9122643
e. Loans and Advances from Related Parties					
From Directors *	37977158	-	-	37977158	18072050
From Others *	37502086	-	-	37502086	24202086
	75479244	-	-	75479244	42274136
	524800154	-	-	524800154	318587765

*Interest free 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:

Nature of Loan	Date of sanction	Amount Sanctioned (Rs.)	Terms of repayment	Amount Outstanding (Rs.)	Prime Security
Term Loan	03.04.2013	50000000	18 quarterly installments varying from Rs.20 lacs to Rs.46.67 lacs	47390786	Exclusive charge on assets i.e. accessories of machines, dies and tools to be acquired valued at Rs. 7.00 crores.
Term Loan	08.09.2011	50000000	20 equal quarterly installments of Rs.2500000/-	31348380	1st pari passu charge with existing term lenders on existing fixed assets and dies and tools to be acquired out of the loan.
Working Capital Term Loan	22.09.2010	105000000	20 equal quarterly installments of Rs.5250000/-	40825062	1st pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral Security for the term loans from Canara Bank : 1. 1st 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, Hissar Road Rohtak. 2. 1st pari passu charge on land measuring 4.6125 acre 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.
Term Loan	06.03.2013	3067912	Repayable on maturity	3067912	Against pledge of fixed deposits of the Company having a maturity value of Rs.3473941/-

(iii) Details of term loans from IDBI Bank Limited and security furnished are as under:

Term Loan	27.01.2010	100000000	15 quarterly installments varying from Rs.25 lacs to Rs.100 lacs	48012465	1st pari passu charge on fixed assets of the Company alongwith ICICI Bank Limited, Karvy Financial Services Limited and Intec Capital Limited.
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(iv) Details of term loans from State Bank of India and security furnished are as under:					
Term Loan	03.11.2011	45000000	10 quarterly installments varying from Rs.37.50 lacs to Rs. 58.5 lacs	19950000	1st pari passu charge alongwith other consortium bankers on current assets and existing tools and dies capitalised. Collateral security Securities are furnished against CC/ BD/ LC/ other facilities sanctioned by the bank. IInd 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 alongwith equitable mortgage on the land and building of Plant I and Plant II Hissar Road Rohtak and Plot No. 153 Sector-3 & Plot No. 256 Sector-6 at IMT Manesar and Plant IV at Kharawar, Rohtak and EMT of property situated at NH-10 Hissar Road, in the name of Smt. Sushila Devi Jain and land and building situated at Kharawar in the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of Director.
(v) Details of term loans from ICICI Bank Limited and security furnished are as under:					
Term Loan (ECB)	27.12.2006	USD 6.66 millions.	20 equal quarterly installments of USD 0.333 millions.	NIL	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. The Loan has been repaid during the year. However discharge of security is under process.

		Consolidated (Rs.)	LPSBPL (Rs.)	LPSISPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(vi)	Aggregate amount of Term Loans from Banks secured by way of personal guarantees of some of directors of the Company and their relatives are:					
	Non Current	75153251	-	-	75153251	115650000
	Current	110525082	-	-	110525082	183988690

(vii) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults, regularised after date of Balance Sheet.)

Name of Banks	Due Date of instalment	Instalment Amount (Rs.)	Amount Paid (Rs.)	Amount of Default (Rs.)
Canara Bank	25.03.2014	2000000	-	2000000
Canara Bank	29.03.2014	2500000	-	2500000
Canara Bank	09.03.2014	5250000	1174938	4075062
Canara Bank	06.03.2014	3067912	-	3067912
State Bank of India	30.03.2014	4650000	700000	3950000
				3950000

a) Interest accrued and due Rs.6632117/- (previous year Rs.4758747/-) remained unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(viii) Term loans from other parties are from Intec Capital Limited, Haryana State Industrial and Infrastructure Development Corporation Limited (HSI IDC), Karvy Financial Services Limited and Hero Fincorp Limited as under:

	2014		2013	
	Non Current (Rs.)	Current (Rs.)	Non Current (Rs.)	Current (Rs.)
Intec Capital Limited	33424264	12853746	44975085	10150639
Haryana State Industrial and Infrastructure Development Corporation Limited (HSI IDC)	150997000	27454000	94551000	-
Karvy Financial Services Limited	134156130	13744437	-	-
Hero Fincorp Limited	51054125	7945875	-	-
	369631519	61998058	139526085	10150639

(ix) Details of term loans from other parties are as under:

Nature of facility	Date of sanction	Amount Sanctioned (Rs.)	Terms of repayment	Amount Outstanding (Rs.)	Cash collateral security (Rs.)	Other Security		
Intec Capital Limited								
Term Loan	30.11.2011	15600000	36 equal monthly installments of Rs.550333/- (including interest)	4130742	5460000	NIL		
Term Loan	29.11.2012	21400000	60 equal monthly installments of Rs.505843/- (including interest)	16959000	6420000	1st and exclusive charge on the entire assets and equal to the loan amount.		
Term Loan	22.02.2013	29500000	60 equal monthly installments of Rs.697268/-(including interest)	25188268	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.		
			Total	46278010				
			Current liability	12853746				
Cash collateral security of Rs. 20730000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.								
HSI IDC								
Term Loan	17.04.2012	250000000	26 equal quarterly installments of Rs. 9 6 1 5 3 8 5 / - , commencing from 30.04.2014	178451000	NIL	First charge on all the present and future fixed assets of proposed expansion project at IMT Rohtak and remaining assets of the company (except book debts) subject to prior charges created or to be created in favour of bankers for working capital requirements.		
			Total	178451000				
			Current liability	27454000				
Interest accrued and due Rs.410177/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from HSI IDC.								
Karvy Financial Services Limited								
Term Loan	25.03.2013	150000000	78 equal monthly installments of Rs. 3275468/-(including interest)	147900567	NIL	1st pari passu charge on fixed assets of the Company alongwith ICICI bank Limited, IDBI Bank Limited and Intec Capital Limited. The creation of charge is under process.		
			Total	147900567				
			Current liability	13744437				
Interest accrued and due Rs.2011156/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from Karvy Financial Services Limited.								
Hero Fincorp Limited								
Term Loan	06.09.2013	59000000	57-60 equal monthly installments varying from Rs.1392622/- to Rs.1493904/- per month.	59000000	NIL	Hypothecation by way of lien and charges on the equipment/Plant and Machinery to be purchased by the company out of this loan. The creation of charge is under process.		
			Total	59000000				
			Current liability	7945875				
				Consolidated (Rs.)	LPSBPL (Rs.)	LPSISPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(b)	Aggregate amount of term loan from other parties and further secured by way of personal guarantee of Shri Lalit Kumar Jain, Chairman and Managing Director of the Company and Shri Dinesh Kumar Jain, Vice Chairman and Managing Director of the Company, are:-							
	Non Current			369631519	-	-	369631519	139526085
	Current			61998058	-	-	61998058	10150639

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	(i) 5 half yearly instalments of Rs. 551646/- (ii) Enhanced cost of Rs 14385600/- payable in 5 half yearly instalments of Rs. 2877120/- each commencing from 31/10/2012. 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(Continuing defaults):

	Nature of facility		Amount of default (Rs.)	Due date	Status
a)	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 Plot No. 153	1952931	01.08.2011	Unpaid
		IMT Manesar, Gurgaon Plot No. 153	290983	31.10.2012	Unpaid
			2877120	30.04.2013	Unpaid
			2877120	31.10.2013	Unpaid
			8845654		

b) Interest accrued and due Rs.1523710/-(previous year Rs. 515300/-) 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 vehicles acquired under finance lease are as under:

Term of repayments

Name of Lendor	Nature of facility	Terms of repayment (including interest)
State Bank of India	Finance Lease	36 monthly instalments of Rs. 201679/- 35 monthly instalments of Rs.57201/-
HDFC Bank Limited	Finance Lease	60 monthly instalments of Rs. 327396/- 36 monthly instalments of Rs. 49080/- 35 monthly instalments of Rs. 21764/-
ICICI Bank Limited	Finance Lease	60 monthly instalments of Rs. 143113/-
Maruti Udyog Limited	Finance Lease	84 monthly instalments of Rs. 10772/-

(ii) Long term maturities of finance lease obligations secured by way of hypothecation of plant & machinery acquired under finance lease are as under:

HDFC Bank Limited	Finance Lease	35 monthly instalments of Rs. 49800/- commencing from 15.10.2013
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d. Term loans (unsecured) from other parties

(i) Unsecured loans from Religare Finvest Limited, Magma Fincorp Limited, Tata Capital Limited, Bajaj Finance Limited and Hero Fincorp Limited aggregating to Rs.67541204 are repayable in 12 to 36 monthly installments varying from Rs.1.51 lacs to Rs.54.44 lacs.

		Consolidated (Rs.)	LPSBPL (Rs.)	LPSISPL (Rs.)	Consolidated (Rs.)	Consolidated (Rs.)
(ii)	Aggregate amount of Term Loans from other parties secured by way of personal guarantee of					
	Shri Lalit Kumar Jain , Chairman and Managing Director					
	Non Current	-	-	-	-	7122643
	Current	7541204	-	-	7541204	22564222
	Shri Dinesh Kumar Jain , Vice Chairman and Managing Director					
	Non Current	-	-	-	-	-
	Current	60000000	-	-	60000000	-

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 5					
5A DEFERRED TAX LIABILITY (NET)					
Deferred tax liability					
On account of difference in rates and method of depreciation	953764	-	-	953764	1137615
On account of difference in treatment of certain payments under Income Tax Act,	-	-	-	-	56969506
Gross deferred tax liability	953764	-	-	953764	58107121
Deferred tax asset					
On account of difference in rates and method of depreciation	-	-	-	-	58145332
Gross deferred tax asset	-	-	-	-	58145332
Deferred Income tax Liability (NET)					
At the end of year	953764	-	-	953764	(38211)
For the year	991975	-	-	991975	181770
5B DEFERRED TAX ASSETS (NET)					
Deferred tax liability					
On account of difference in rates and method of depreciation	-	2000153	-	2000153	1736212
Gross deferred tax liability	-	2000153	-	2000153	1736212
Deferred tax asset					
On account of difference in treatment of certain payments under Income Tax Act, 1961	-	13926735	-	13926735	16340686
Gross deferred tax asset	-	13926735	-	13926735	16340686
Deferred Income tax Liability (NET)					
At the end of year	-	11926582	-	11926582	14604474
For the year	-	(2401335)	-	(2401335)	30883019

Deferred tax resulting from timing differences between book profit and taxable income is accounted for using the current tax rate. In the Company, deferred tax assets in respect of timing differences capable of reversal in future and carried forward losses under the Income Tax Act, 1961 has not been recognised in view of absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future for reversal of deferred tax assets.

Difference in opening balances of Rs. 5079227/- is because of provisional and audited figures in joint venture Companies (Refer note no 31(iv)(c))

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 6					
OTHER LONG TERM LIABILITIES					
a. Others:					
Security Deposits from customers/employees	10791561	-	-	10791561	10856322
	10791561	-	-	10791561	10856322
NOTE - 7					
LONG TERM PROVISIONS					
a. Provisions for employee benefits (Refer note no.31(xx))					
Gratuity	177027479	-	-	177027479	21562
Leave Encashment	66036459	266775	-	66303234	10667252
	243063938	266775	-	243330713	10688814

- (i) The liability towards Gratuity is as certified by an actuary.
- (ii) 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 as certified by an actuary.

NOTE - 8					
SHORT TERM BORROWINGS					
Secured:					
a. Loans repayable on demand					
Working capital limits from Banks	1602345840	70056283	-	1672402123	1718711461
	1602345840	70056283	-	1672402123	1718711461
Unsecured:					
b. Deposits					
Fixed Deposits from Directors and others	173520002	-	-	173520002	63800000
Other loans and advances- from Company	25500000			25500000	31500000
	199020002	-	-	199020002	95300000
	1801365842	70056283	-	1871422125	1814011461

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 Smt. Sushila Devi Jain, Director of the Company, situated at NH - 10, Hissar Road, Rohtak.

Second pari passu charge on Land and Building 4.6125 acres situated at Mauza Kharawar, Tehsil - Sampla, District - Rohtak, Haryana in the name of Shri Nikhlesh Jain and Shri Saurabh Jain.

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 immoveable properties and fixed assets, both present and future, ranking pari passu with other participating banks. Unconditional and irrevocable personal guarantees of Shri Lalit Kumar Jain and Shri Dinesh Kumar Jain, Directors of the Company.

- 3) Working capital limits from Corporation Bank Limited are secured against:-

Simple Registered Mortgage of industrial plot measuring 16 Kanal 3 Marla situated in the Revenue Village Kutana, tehsil and District Rohtak, Haryana executed in favour of Corporation Bank.

- 4) 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) 31.03.2014	LPSBPL 31.03.2014	LPSBISPL 31.03.2014	(Consolidated) 31.03.2014	(Consolidated) 31.03.2013
5)	Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.)	1602345840	70056283	0	1672402123	1718711461

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

Nature of facility	Amount of Defaults (Rs.)	Period of overdue and unpaid (Days)
Foreign bills discounted with Canara Bank	649440/-	14 Days
Domestic bills discounted with Canara Bank	5106630/-	2 Days
Working capital limits with Canara Bank	2505608/- to 101870858/-	1 to 60 Days
Working capital limits with State Bank of India	4917214/- to 27623092/-	1 to 32 Days

7) Interest accrued and due Rs.1708771/- on fixed deposit from Directors and Others remained unpaid as on the Balance Sheet date.

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.760932/- (previous year Rs.556156/-) remained unpaid as on the Balance sheet date.

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 9					
TRADE PAYABLES	553206454	54033046	0	607239500	534884175
Less: Intra group transactions		(4617770)	0	(4617770)	(4215430)
	553206454	49415276	0	602621730	530668745

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, 2014. 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.	8100	Nil	Nil	8100	2462816
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	NIL
5	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil	Nil	Nil	Nil

NOTE - 10

OTHER CURRENT LIABILITIES					
Current maturities of long term debts (Refer note no 4a and 4d)	243131536	-	-	243131536	231746236
Current maturities of Deferred Payment Liabilities (Refer note no 4b)	14599894	-	-	14599894	2800431
Current maturities of finance lease obligations (Refer note no 4c)	8447604	-	-	8447604	18926671
Interest accrued but not due on Borrowings	7129538	-	-	7129538	3784978
Interest accrued and due on Borrowings	13046862	-	-	13046862	6367702
Unpaid dividend	2601393	-	-	2601393	2701331
Advances and progress payments from customers	200186814	1832968	-	202019782	190717107
Creditors for capital goods	29539786	-	-	29539786	4951316
HDFC Bank, Rohtak (Current Account)*	13783442	-	-	13783442	-
Excise duty payable	50328743	-	-	50328743	51120373
Employees benefit expense	32411285	6259165	-	38670450	41350337
Statutory dues	60631360	1153704	-	61785064	35448355
Other payables	40840962	-	3431	40844393	38842296
	716679219	9245837	3431	725928487	628757132
(i) Current maturities of long term debt includes:					
a) Current maturities of long term debt (secured) (Refer note no. 4a)	175590332	-	-	175590332	197182014
b) Current maturities of long term debt (unsecured) (Refer note no. 4d)	67541204	-	-	67541204	34564222
	243131536	-	-	243131536	231746236

- (ii) The Company has made an provision of Excise duty amounting Rs 50328743/- (previous year Rs. 51120373/-) 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.6829277/- (Previous year Rs.17011691/-) payable to Directors of the Company.
- (iv) Statutory dues are in respect of PF,ESI,Sales Tax, Income Tax and TDS.
- (v) Other payables include expenses payable, advance against sale of vehicle and other unsecured payables.
- (vi) * Credit Balance in HDFC Bank Rohtak due to uncashed cheques.

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 11					
SHORT TERM PROVISIONS					
Provision for Employee Benefits: (Refer note no.31(xx))					
Leave encashment	9097404	-	-	9097404	2875341
Gratuity	16218252	-	-	16218252	5541720
	25315656	-	-	25315656	8417061
Others:					
Income Tax (net of advance Tax and TDS)	-	7689	-	7689	26510042
Wealth Tax	286196	-	-	286196	164849
Proposed Dividend	-	-	-	-	8753334
Corporate Dividend Tax	-	-	-	-	1487629
	286196	7689	-	293885	36915854
	25601852	7689	-	25609541	45332915

- (i) Provisions are recognized for expenses such as gratuity, income tax, wealth tax, 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 2013-14.

The movements in provisions are as under:

1. Carrying amount as on 01.04.2013

Income Tax	38967838	10143245	104151	49215234	44357254
Wealth Tax	164849	-	-	164849	275150
Leave encashment (Long term Rs.10374456/-)	13249797	292796	-	13542593	10506119
Gratuity	5541720	21562	-	5563282	3609424
Total	57924204	10457603	104151	68485958	58747947

2. Additional provisions made during the financial year 2013-14.(including increase to existing provisions.)

Income Tax *	2314936	8030142	23030	10368108	49215234
Wealth Tax	286196	-	-	286196	164849
Leave encashment	67188761	-	-	67188761	5655439
Gratuity	198337033	-	-	198337033	4953858
Total	268126926	8030142	23030	276180098	59989380

3. Amounts used (incurred and charged against the provisions) during the financial year 2013-14

Income Tax	19654600	10143245	104151	29901996	42519535
Wealth Tax	164849	-	-	164849	275150
Leave encashment	5304695	292796	-	5597491	2618965
Gratuity	10633022	21562	-	10654584	3000000
Total	35757166	10457603	104151	46318920	48413650

4. Unused amounts reversed during the financial year 2013-14

Income Tax	95509	-	-	95509	(1837720)
Wealth Tax	-	-	-	-	-
Leave encashment	-	-	-	-	-
Gratuity	-	-	-	-	-
Total	95509	-	-	95509	(1837720)

5. Carrying amounts of provisions as on 31.03.2014

Income Tax**	21532665	8030142	23030	29585837	49215234
Wealth Tax	286196	-	-	286196	164849
Leave encashment (Long term Rs.66036459/-)	75133863	-	-	75133863	13542593
Gratuity (Long term Rs.177027479/-)	193245731	-	-	193245731	5563282
Total	290198455	8030142	23030	298251627	68485958

*Includes interest on Income Tax of Rs. 2150000/- for the year 2012-13 debited to finance cost (Note No 28)

**Includes Rs.21367729/- under Statutory Dues payable (Note No 10)

NOTE - 12
FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2013 Rs.	Additions Rs.	Adjustment /Sales Rs.	As at 31.03.2014 Rs.	As at 01.04.2013 Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
1	Tangible										
	Industrial Land										
	Freehold	191171577	21172235	-	212343812	-	-	-	-	212343812	191171566
	Leasehold	18398416	-	-	18398416	-	-	-	-	18398416	18398416
2	Factory Building	228380313	133035	-	228513348	80513262	8009295	-	88522557	139990791	147867053
3	Office Premises										
	Freehold	813362	-	-	813362	499895	15673	-	515568	297794	313467
	Leasehold										
	Consolidated	553040	-	-	553040	364512	9426	-	373938	179102	188528
	Share in LPSBPL	11381383	1450279	-	12831662	8082811	994636	-	9077447	3754215	3298572
4	Plant and Machinery	1681222638	86000341	-	1767222979	1249176941	142178122	-	1391355063	375867916	432045709
5	Furniture and Fixtures										
	Consolidated	45634254	2266231	-	47900485	33014061	1977560	-	34991621	12908864	12620196
	Share in LPSBPL	32574892	8106326	(1747620)	38933598	9880238	2191443	-	12071680	26861918	22694655
6	Electric Fans and Installations	44132293	423622	-	44555915	29795874	2131516	-	31927390	12628525	14336417
7	Office Equipments										
	Consolidated	29188752	1651025	-	30839777	14689873	1396039	-	16085912	14753865	14498889
	Share in LPSBPL	7213510	982450	-	8195960	1629933	393027	-	2022960	6173000	5583576
	Share in LPSBISPL	-	-	-	-	-	-	-	-	-	1390
8	Computer										
	Consolidated	75237765	1811169	(28490)	77020444	73448664	1107952	(16112)	74540504	2479940	1078876
	Share in LPSBPL	6144199	1112361	(2499944)	4756616	3729261	1074947	(2285615)	2518594	2238023	2414938
	Share in LPSBISPL	-	-	-	-	-	-	-	-	-	-
9	Vehicles										
	Consolidated	115847140	904281	(1738947)	115012474	65438936	9144795	(1204395)	73379336	41633138	50408204
	Share in LPSBPL	7944863	24928	-	7969792	2165734	677211	(1231298)	1611647	6358144	5779130
10	Weighing Scales	1581933	51627	-	1633560	1314200	53216	-	1367416	266144	267728
11	Fire Extinguishers	897621	-	-	897621	842594	5010	-	847604	50017	55027
	Total	2498317951	126089911	(6015001)	2618392862	1574586789	171359868	(4737420)	1741209237	877183625	923022337
12	Intangible										
	Computer software										
	Consolidated	12161701	162171	-	12323872	4484489	2033970	-	6518459	5805413	8387437
	Share in LPSBPL	2409208	16366	-	2425574	2048340	190512	-	2238852	186723	360868
	Share in LPSBISPL	-	-	-	-	-	-	-	-	-	-
	Total	2512888861	126268448	(6015001)	2633142308	1581119620	173584350	(4737420)	1749966547	883175761	931770642
	Capital Work-In-Progress	5405727	39339526	-	44745253	-	-	-	-	44745253	5405727
	Total-Current Year	2518294582	165607974	(6015001)	2677887561	1581119620	173584350	(4737420)	1749966547	927921014	937176369
	Total-Previous Year	2435502742	95521184	(12352465)	2518671461	1372668454	218309044	(9482397)	1581495101	937176369	1062834288

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 case of Plant-II, Manesar Plants, Recoil Business Division, subsidiary Company and joint venture Companies where depreciation has been provided on straight-line method.
- Depreciation on assets for a value not exceeding Rs 5000/- has been provided @100%.
- The Addition in fixed assets include Rs. 16730445/- (last year Rs 6314538/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by the 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 2449969/- on account of exchange loss incurred during the year has been adjusted in Plant and Machinery in accordance with notification no G.S.R. 225(E) dated 31.03.2009 as amended vide notification dated 11.05.2011, issued by Ministry of Corporate Affairs.
- Plant and Machinery include capital expenditure of Rs. 5963676/- incurred during the year and Rs.12601059/- incurred during the previous year on research and development.
- Vehicles under finance lease are as under:-

Gross Block	Rs. 40332487/-
New Block	Rs. 24903262/-
- Machines under finance lease are as under:-

Gross Block	Rs . 1565758/-
New Block	Rs. 1514748/-

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (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 31.03.2013	5145590				
(including Goodwill Rs. Nil on acquisition)	7938590				
Add:- Share in profit for the year ended 31.03.14	2070128	10008718	-	10008718	7938590
J.C. Fasteners Limited, Rohtak					
700000 Equity Shares of Rs. 10/- each	7000000				
Add:- Accumulated Income upto 31.03.2013	2141056				
(including Goodwill Rs. Nil on acquisition)	9141056				
Add:- Share in profit for the year ended 31.03.14	241322	9382378	-	9382378	9141056
Lakshmi Extrusion Limited, Rohtak					
30000 Equity Shares of Rs. 100/- each	3000000				
Add:- Accumulated Income upto 31.03.2013	(2596075)				
(including Goodwill Rs. Nil on acquisition)	403925				
Add:- Share in profit for the year ended 31.03.14	(32576)	371349	-	371349	403925
Joint Ventures					
LPS Bossard Private Limited					
2352019 Equity Shares of Rs.10/- each	23520190	-	-	23520190	23520190
LPS Bossard Information Systems Private Limited					
184749 Equity Shares of Rs.10/- each	1847490	-	-	1847490	1847490
	45130125	-	-	45130125	42851251
Less: Investment in Joint Venture companies				25367680	25367680
Aggregate amount of unquoted investments	45130125	-	-	19762445	17483571
NOTE - 14					
LONG TERM LOANS AND ADVANCES					
Unsecured, considered good:					
Capital Advances	45015381	-	-	45015381	2900304
Security Deposits					
With Electricity Departments	12656055	90650	-	12746705	11531299
With Sales Tax/VAT Departments	20000	71050	-	91050	91050
With Other Government Departments	448862	-	-	448862	448862
With Others	5350168	4647036	-	9997204	8927403
Other deposits with Intec Capital Limited as cash collateral against term loans	15270000	-	-	15270000	20730000
	78760466	4808736	-	83569202	44628918
NOTE - 15					
OTHER NON CURRENT ASSETS					
Unsecured, considered good:					
Technical knowhow fee*	475366	-	-	475366	1614949
	475366	-	-	475366	1614949
*Technical knowhow fee					
As per last Balance Sheet	2649850	-	-	2649850	3789834
Add: Addition during the year	-	-	-	-	-
	2649850	-	-	2649850	3789834
Less: Written off	1090350	-	-	1090350	1139984
	1559500	-	-	1559500	2649850
Non Current Portion	475366	-	-	475366	1614949
Current Portion Assets (Refer note no 20)	1084134	-	-	1084134	1034901

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) (Consolidated)
NOTE - 16					
INVENTORIES					
Raw Materials [including in transit Rs.Nil (previous year Rs.7342281/-)]	192334134	-	-	192334134	151363869
Work in Progress	844809952	-	-	844809952	754801136
Finished goods [including in transit Rs.2378884/- (previous year Rs.2270939/-)]	489024761	128666128	-	617690889	600655987
Less: Unrealised profit on intra group transaction	-	(461777)	-	(461777)	(421543)
Stock in Trade (Traded goods)	3228212	-	-	3228212	3620376
Consumables stores and Spares	404481290	-	-	404481290	400046234
Dies and tools	523569649	-	-	523569649	482333316
Packing materials	46072828	152165	-	46224993	45834435
Stationary in hand	363959	-	-	363959	352683
Postage and foreign stamps	2163	-	-	2163	1464
Scrap materials (at realisable value)	8761460	-	-	8761460	7791694
	2512648408	128356516	-	2641004924	2446379651
		(28029563)	-	(28029563)	(25519056)
Less: Provision for slow moving inventory	2512648408	100326953	-	2612975361	2420860595

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 66% less on price-list and finished goods have been valued at 57% less on price-list and special items have been valued at 31% less in case of semi-finished goods and 22% 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	110390334	-	-	110390334	58104159
Considered doubtful	3357706	10687523	-	14045229	16091280
	113748040	10687523	-	124435563	74195439
Less: Allowance for doubtful debts	2264372	10687523	-	12951895	24914052
	111483668	-	-	111483668	49281387
Other Trade receivables	631924445	181223273	-	813147718	786526811
	743408113	181223273	-	924631386	835808198
Less: Intra group transaction		(4617770)	-	(4617770)	(4215430)
	743408113	176605503	-	920013616	831592768

Trade receivables include:

- Rs 271723/- (previous year Rs. 1963627/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs 7880/- (previous year Rs. 7880/-) due from J C Fasteners Limited, an Associate Company.
- Rs 448058/- (previous year Rs.448058/-) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs 7745249/- (previous year Rs.7745249/-) due from Universal Precision Screws, a firm in which directors are partners.
- Rs 139019/- (previous year Rs.Nil) due from LPS Industrial Supplies Private Limited, an Associate Company.

NOTE - 18					
CASH AND BANK BALANCE					
Cash and Cash Equivalents					
Balances with Banks in current accounts	9698757	1488901	59915	11247573	34080950
Cash on hand	390942	35210	226	426378	262092
Cheques in hand	50202	-	-	50202	-
Cash Margin Account	-	-	-	-	8000000
	10139901	1524111	60142	11724154	42343042
Other Bank Balances					
Fixed Deposits:*					
Pledged as margin money against bank guarantees	1684463	-	-	1684463	2079993
Pledged as margin money against letter of credits	100308619	8617677	-	108926296	64622070
Pledged as Loan against FDR	2747606	-	-	2747606	2665621
Lien against public deposits	7342628	-	-	7342628	6738102
No lien account	1718085	-	2411220	4129305	2452593
Unpaid Dividend Accounts**	2601392	-	-	2601392	2701331
	116402793	8617677	2411220	127431690	81259710
	126542694	10141788	2471362	139155844	123602753

*Fixed deposits with banks include deposits of Rs. 39371809/- (Previous Year of Rs. 42627238/-) with maturity of more than 12 months.

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

Description	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2014 (Rs.) LPSBPL	As at 31.03.2014 (Rs.) LPSBISPL	As at 31.03.2014 (Rs.) (Consolidated)	As at 31.03.2013 (Rs.) (Consolidated)
NOTE - 19					
SHORT TERM LOANS AND ADVANCES					
(Unsecured, considered good)					
Loans and Advances to Related Parties	16407048	-	-	16407048	18533464
Others:					
Advance against Material and Services	95377141	36254	-	95413395	62608652
Prepaid Expenses	12368805	2014520	-	14383325	11241472
Balance with Central Excise Department	18940107	-	-	18940107	17728925
Cenvat on capital goods	9375425	-	-	9375425	4643141
Advance to staff	7028589	-	-	7028589	4940494
Employee advance under litigation [refer note no. 31(vii)]	16059342	-	-	16059342	16059342
Advance Income Tax and TDS	16181876	-	61482	16243358	-
Other advances	21922649	1920408	-	23843057	10295389
	213660982	3971182	61482	217693646	146050879

(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
Hanumat Wire Udyog Private Limited	An associate Company	Trade deposit	5500003	5054375
J.C. Fasteners Limited	An associate Company	Material and Services	117196	3121979
Nav Bharat Agencies	A partnership firm in which directors are partner	Material and Services	593164	160425
			16407048	18533464

(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	9011248	930823	87441	10029512	7009967
Claim Receivable	1000000	-	-	1000000	2934923
Export incentive receivable	13893959	-	-	13893959	40612777
Licence in hand	14937901	-	-	14937901	4305699
Technical knowhow fee (Refer note no. 15)	1084134	-	-	1084134	1034901
	39927242	930823	87441	40945506	55898267

Description	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2014 (Rs.) LPSBPL	Year Ending 31.03.2014 (Rs.) LPSBISPL	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) (Consolidated)
NOTE - 21					
REVENUE FROM OPERATIONS (GROSS)					
Sale of Machine Screws	3715269111	-	--	3715269111	3403961731
Sale of Machine Screws (Traded)	62754580	454064930	-	516819510	488899531
Sale of Scrap Materials	78818331	156261	-	78974592	85595256
Job work receipts	759596	-	-	759596	704777
Export Incentives	23431313	-	-	23431313	24971060
	3881032931	454221191	-	4335254122	4004132355
Less: Excise Duty	367399178	-	-	367399178	334515783
Revenue from operations (net)	3513633752	454221191	-	3967854943	3669616572

Description	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2014 (Rs.) LPSBPL	Year Ending 31.03.2014 (Rs.) LPSBISPL	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) (Consolidated)
NOTE - 22					
OTHER INCOME					
Rent	50400	-	-	50400	50400
Interest on fixed deposits with banks, loans, securities and from customers	10957993	2180562	226714	13365269	11522946
Profit on sale of assets	-	-	-	-	838821
Income Tax Refund	-	-	-	-	1184560
Miscellaneous receipts	2824761	181121	-	3005882	4829317
	13833154	2361683	226714	16421551	18426044

(i) Interest received includes a sum of Rs.10114587/- (previous year Rs.9065545/-) on bank deposits , Rs. 90661/- (previous year Rs. 1820/-) from trade customers, Rs. 664590/- (previous year Rs. 790214/-) on loans , Rs. 2477645/- (previous year Rs. 1042947/-) on securities and Rs. 17786/- (previous year Rs. 622420/-) on interest on income tax refund.

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

NOTE - 23					
COST OF MATERIALS CONSUMED					
Wire/Wire Rods Alloys	1266231584	-	-	1266231584	1276430520
Stainless Steel/Bars	21566243	-	-	21566243	2340481
	1287797827	-	-	1287797827	1278771001
NOTE - 24					
PURCHASES OF TRADED GOODS					
Machine Screws	54784698	306619826	-	361404524	285066700
	54784698	306619826	-	361404524	285066700
NOTE - 25					
PURCHASES OF SEMI FINISHED GOODS					
Washer,Cap and Springs	119748855	-	-	119748855	127123909
	119748855	-	-	119748855	127123909
NOTE - 26					
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE					
Opening Stocks:					
Machine Screws					
Finished goods	500687534	-	-	500687534	454478159
Finished goods (traded)	3620376	106613205	-	110233581	100699086
Finished goods in transit	2378884	-	-	2378884	2270939
Semi finished goods	734907883	-	-	734907883	496518246
Semi finished goods (Washer, Cap and Springs)	19893253	-	-	19893253	72411380
Scrap materials	7791694	-	-	7791694	14625029
	1269279624	106613205	-	1375892829	1141002839
Closing Stocks:					
Machine Screws					
Finished goods	488770642	-	-	488770642	500687534
Finished goods (traded)	3228212	128204351	-	131432563	75269345
Finished goods in transit	254119	-	-	254119	2378884
Semi finished goods	779932987	-	-	779932987	734907883
Semi finished goods (Washer, Cap and Springs)	64876965	-	-	64876965	19893253
Scrap materials	8761460	-	-	8761460	7791694
	1345824385	128204351	-	1474028736	1340928593
Less: Provision for slow moving inventory	-	(4564479)	-	(4564479)	(15052205)
	1345824385	123639872	-	1469464257	1325876388
	(76544761)	(17026667)	-	(93571428)	(184873549)
(Increase) / Decrease in inventory is as under:					
Finished goods	11916892	-	-	11916892	(46209375)
Finished goods (traded)	392164	(17026667)	-	(16634503)	40481946
Finished goods in transit	2124765	-	-	2124765	(107945)
Semi finished goods	(45025104)	-	-	(45025104)	(238389637)
Semi finished goods (Washer, Cap and Springs)	(44983712)	-	-	(44983712)	52518127
Scrap materials	(969766)	-	-	(969766)	6833335
	(76544761)	(17026667)	-	(93571428)	(184873550)

Description	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2014 (Rs.) LPSBPL	Year Ending 31.03.2014 (Rs.) LPSBISPL	Year Ending 31.03.2014 (Rs.) (Consolidated)	Year Ending 31.03.2013 (Rs.) (Consolidated)
NOTE - 27					
EMPLOYEE BENEFITS EXPENSES					
Salaries,Wages,Bonus and other amenities	686343432	43560810	-	729904242	595897249
Co's contribution towards LIC Gratuity Trust	198337033	1048197	-	199385230	7628713
Co's contribution towards P.F. and E.S.I	16627348	-	-	16627348	20317158
Staff welfare	15194214	1124646	-	16318860	14789619
	916502027	45733653	-	962235680	638632739

- (i) Employee benefits expenses include managerial remuneration Rs. 49389360/- (Previous Year Rs. 45109260/-).
- (ii) The managerial remuneration has been paid in terms of sanction from Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letters dated 17th September 2013 and 29th October 2013.
- (iii) The Company has paid managerial remuneration @ Rs. 3,00,000/- p.m. to Sh. Rajesh Jain, in terms of approval dated 31st December, 2010 which was valid upto 30th September, 2013. The company has applied to the Ministry of Corporate Affairs for approval of managerial remuneration being paid to Sh. Rajesh Jain, Director vide application dated 22nd October, 2013. The remuneration paid to Sh. Rajesh Jain, Director for the period from 1st October 2013 to 31st March 2014 amounting to Rs. 18,00,000/- is subject to approval of Ministry of Corporate Affairs.

NOTE - 28					
FINANCE COST					
Interest expenses	311950406	7389347	-	319339753	250078507
Financial charges	9800771	-	-	9800771	8109819
Exchange difference to the extent considered as an adjustment to borrowing cost	915571	-	-	915571	-
Bank charges and Front end fee	41842785	761139	-	42603924	59881621
	364509533	8150486	-	372660019	318069946
NOTE - 29					
OTHER EXPENSE					
Consumable stores and spare parts	60171849	-	-	60171849	44388961
Electricity,water and fuel	204449104	1332042	-	205781146	178298938
Rent	6499741	19651619	-	26151360	24188075
Repairs to building	11500129	157743	-	11657872	9005331
Repairs to machinery	4548384	-	-	4548384	3734434
Insurance	5222239	481666	-	5703905	5203506
Rates and taxes	2250080	-	-	2250080	1245047
Job work charges	240002491	-	-	240002491	214442248
Packing expenses	47119782	6458886	-	53578668	46211069
Dies and tools consumed (Refer note no.32(xxii))	54906389	-	-	54906389	24547585
Research and development expenses	19509325	-	-	19509325	11697154
Travelling and conveyance	73476752	22307417	-	95784169	92830805
Royalty, Technical know-how fee	6066671	-	-	6066671	3552907
Legal and consultancy	20511295	1507879	151264	22170438	20298145
Auditors' Remuneration:					
As auditor:					
Audit fee	2263000	780847	-	3043847	2356430
Tax Audit Fee	250000	-	-	250000	200000
Limited Review	300000	-	-	300000	300000
Certification work	100000	-	-	100000	-
Reimbursement of expenses	80578	-	-	80578	77877
Freight, insurance and cartage	67520085	6505530	-	74025615	71431296
Turnover and cash discount	33408486	-	-	33408486	40581791
Advertisement,publicity and sales promotion	24930118	6105339	-	31035457	21437856
Bad Debts,liquidated damages and short recoveries	2364957	3628320	-	5993277	6105130
Provision for bad and doubtful debts	2264372	1434583	-	3698955	7725952
Excise duty and sales tax	8868770	-	-	8868770	5551279
Exchange rate fluctuation gain/ (loss) (net)	15094983	924600	-	16019583	13730544
Other Expenses	51622852	22173549	272	73796673	97352302
	965302432	93450020	151536	1058903989	946494663

Description	2013-2014 (Consolidated)	2013-2014 LPSBPL	2013-2014 LPSBISPL	2013-2014 (Consolidated)	2012-2013 (Consolidated)
NOTE - 30					
CONTINGENT LIABILITIES AND COMMITMENTS					
(a) Contingent liabilities					
1. Letter of credits and guarantees obtained from bank (Net of margin money)	151256824	-	-	151256824	79927109
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	-	-	66917398	66917398
3. Income Tax liabilities on account of appeals pending with various authorities	7716673	-	-	7716673	7716673
(b) Commitments					
1. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	138018914	-	-	138018914	7780841

NOTE - 31**OTHER NOTES ON ACCOUNTS**

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

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

- (ii) The associate companies 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 System Private Limited towards allotment of 184749 equity shares of Rs.10/- each, towards 49% holding in the aforesaid Companies. The particulars of the Joint Ventures are as under:-

Name of the Joint Ventures	Country of Incorporation	Proportion of ownership interest
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 System 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 statement of subsidiary Company is audited up to 31st March, 2014. 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, 2014. 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 associates 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 and Other Liabilities	-	721757
Trade and other receivables	-	9462639
Inventories	-	9445181
Direct Taxes	6950121	-
Deferred Tax Assets	5079227	-
Cash and Bank Balance	10477	-
Fixed Assets	1390	-
Fixed Deposit with Bank	-	151036
Adjustment on account of audited figures	7739398	-
	<u>19780613</u>	<u>19780613</u>

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

Particulars	31.03.2014	31.03.2013
Share of Equity in Subsidiary company	2340300	2340300
Add: Share in Reserves upto 31.03.2013	2845565	2301819
Add: Profit for the year	17403	543747
	<u>5203268</u>	<u>5185866</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:-

	2014	2013
Intra group transaction deducted from debtors and corresponding creditors	4617770	4215430
Unrealized profit deducted from inventory pertaining to intra group transactions.	461777	421543

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) The Company has been sanctioned term loan of Rs. 25,00,00,000/- from Haryana State Industrial and Infrastructure Development Corporation Limited to be utilised for setting up plant at IMT, Rohtak. However out of the said loan Haryana State Industrial and Infrastructure Development Corporation Limited has disbursed Rs. 17,84,51,000/- which has been utilised for the purpose for which it was sanctioned, except a sum of Rs.132155/- lying in the current account to be utilise in the current year.
- (vi) The Company has been sanctioned term loan of Rs. 10,00,00,000/- from Hero Fincorp Limited fo purchase of Equipments / Plant and Machinery. Out of the said loan Hero Fincorp Limited has disbursed Rs. 5,90,00,000/- as on the date of Balance Sheet, which has been utilised for the purpose for which it was sanctioned.
- (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 9th July 2014 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. 16730445/- (previous year Rs. 6314538/-) 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.22313167/- (previous year Rs. 29009177/-) 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	31.03.2014 (Rs.) (Consolidated)	31.03.2014 (Rs.) LPSBPL	31.03.2014 (Rs.) LPSBISPL	31.03.2014 (Rs.) (Consolidated)	31.03.2013 (Rs.) (Consolidated)
1 Employee benefits expense	9818910	-	-	9818910	9131257
2 Cost of material consumed	1044330	-	-	1044330	1335635
3 Lease rent for research and development equipment	8067744	-	-	8067744	991151
4 Other expenses	578341	-	-	578341	239111
	19509325	-	-	19509325	11697154

- (xi) **Prior Period Items :** The company has written off a sum of Rs.9628697/- on account of excess provisions for export benefit for the financial years 2011-12 and 2012-13 in respect of Focus Product Scheme (FPS) and a sum of Rs. 2769688/- on account of excess provision for the year 2010-11 in respect of Status Holder Incentive Scheme (SHIS). 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, 2014		As at March 31, 2013	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
USD	Export Trade Receivables	123891	7445861	211948	11306135
	Import Trade Payables				
	Consolidated	901491	51376163	502684	25902221
	Share in LPS Bossard Private Limited	31651	1897006	44489	2426225
	Buyer's Credit				
	Consolidated	689672	41449127	3319066	180225273
	Foreign Currency Term Loan from ICICI, Singapore.	-	-	699000	35859673
EUR	Advance to Suppliers				
	Consolidated	603883	31714576	511766	28276778
	Share in LPS Bossard Private Limited	21347	1279482	36257	1922771
	Export Trade Receivables	2686010	221810739	2567508	177921164
	Import Trade Payables				
	Consolidated	-	-	182078	12662365
	Share in LPS Bossard Private Limited	10640	878949	20431	1875716
JPY	Advance to Suppliers				
	Consolidated	78000	6311790	42705	2521188
	Share in LPS Bossard Private Limited	-	-	-	-
	Advance to Suppliers	-	-	5423176	3132051
	Import Trade Payables				
	Consolidated	-	-	-	-
	Share in LPS Bossard Private Limited	394494	229590	398525	230803
GBP	Advance to Suppliers				
	Consolidated	-	-	27380	2285726
	Share in LPS Bossard Private Limited	-	-	-	-
	Export Trade Receivables	76671	7655615	-	-
	Import Trade Payables				
	Consolidated	-	-	-	-
	Share in LPS Bossard Private Limited	20	1959	-	-
AUD	Advance to Suppliers	8653	480932	20468	941538
CHF	Import Trade Payables				
	Share in LPS Bossard Private Limited	81461	5528789	110787	6347360

SEK	Import Trade Payables Share in LPS Bossard Private Limited	534	4937	-	-
MYR	Import Trade Payables Share in LPS Bossard Private Limited	62	1129	-	-

- (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.6499741/- (Previous year Rs.5819947/-).
 - LPSBPL, Joint Venture Company is a lessee under various operating leases for premises taken on lease. These leasing agreements, which are cancellable, range between 11 months to 180 months and are usually renewable on mutually agreeable terms. Lease payment recognized in the statement of profit and loss account during the year amounted to Rs. 19651619/- (Previous year Rs.18356368/-) for the year.
- (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	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Numerator for earning per shares		
Profit/(Loss) before taxation and prior period items	(256208447)	61949984
Less: Tax Expenses		
Current Tax	8218107	49215234
Excess provision of Income Tax writtern back	(95509)	(1837720)
Deferred tax	(1409359)	(30701249)
Transferred to Minority Interest	17403	543747
	(262939088)	44729972
Adjustment to net earning :		
Add: Prior period adjustment (refer note no.31(xi))	(12398385)	7699178
Profit/(Loss) after taxation and prior period items	(275337473)	52429150
Denominator for earning per share		
Weighted number of equity shares	10941667	10941667
Outstanding during the period		
Earning per share-Basic and Diluted	-	4.79
(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	31.03.2014 (Rs.) (Consolidated)	31.03.2014 (Rs.) LPSBPL	31.03.2014 (Rs.) LPSBISPL	31.03.2014 (Rs.) (Consolidated)	31.03.2013 (Rs.) (Consolidated)
Revenue from operations (Net of Excise):					
Domestic Market	2996925559	454221191	-	3451146750	3176635330
Overseas Market	516708193	-	-	516708193	492981242
	3513633752	454221191	-	3967854943	3669616572
Segment Assets*					
Within India	4375721263	353004111	2620284	4731345658	4396179975
Outside India	267181123	1279482	-	268460605	222701241
	4642902386	354283593	2620284	**4998680263	**4618881216
Capital Expenditure					
Within India	153915263	11692711	-	165607974	95521184
Outside India	-	-	-	-	-
	153915263	11692711	-	165607974	95521184

* Net of Provision for doubtful receivables.

** Includes investment in joint ventures, cancelled on consolidation.

(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 Private Limited.
		vii	LPS Fasteners & Wires Private Limited.
		viii	Nav Bharat Industries (Partnership Firm)
		ix	Nav Bharat Agencies (Partnership Firm)
		x	Shiv Industries (Partnership Firm)
		xi	Swadesh Engineering Industries (Partnership Firm)
		xii	Sudhir Automotive Industries Private Limited.
		xiii	United Engineers (Partnership Firms)
		xiv	Universal Enterprises (Partnership Firm)
		xv	Universal Precision Screws (UPS) (Partnership Firm)
		xvi	LPS Industrial Supplies Private Limited
		xvii	Bossard Limited. Fasteners, Switzerland
		xviii	Bossard France S.A.
		xix	Bossard Pte Limited., Singapore
		xx	Bossard north America
		xxi	Bossard Denmark s.A.s
		xxii	Bossard industrial Fastener Int'l Trading Company Limited
		xxiii	Lakshmi Precision Screws Limited.
		xxiv	Precision Fasteners Corporation
		xxv	KVT-Fasteni Dietikon
		xxvi	KVT-Fasteni Illerried
		xxvii	Bossard (M) SDN BHD
		xxviii	Bossard China
2	Key Management Personnel	i	Shri Lalit Kumar Jain
		ii	Shri Dinesh Kumar Jain
		iii	Shri Vijay Kumar Jain
		iv	Shri Rajesh Jain
3	Relative of Key Management Personnel	i	Smt. Sushila Devi Jain
		ii	Shri Sudesh Kumar Jain
		iii	Shri Nikhlesh Jain
		iv	Shri Amit Jain
		v	Shri Gagan Jain
		vi	Shri Gautam Jain
		vii	Shri Rahul Jain
		viii	Smt. Charul Jain
		ix	Smt. Rita Jain
		x	Smt. Deepa Jain
		xi	Smt. Sandhya Jain

b) Transactions:

S. NO.	Particulars	Enterprises where Directors exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Sale of Goods						
	LPS Bossard Private Limited	15569119	28632655				
	Lakshmi Precision Screws Limited	2096515	232225				
	Sudhir Automotive Industries Private Limited	12198	56829				
	LPS Industrial Supplies Private Limited	736713	386005				
	Universal Enterprises	1741636	844284				
	Universal Precision Screws	1357961	13113363				
	Bossard Pte Ltd., Singapore	1870	-				
	Bossard China	55187	-				
	Total	21571199	43265361				
2	Services Rendered						
	LPS Bossard Private Limited	-	490000				
3	Purchase of Goods						
	Nav Bharat Agencies	417261	921900				
	Bossard Limited. Fasteners, Switzerland	22771353	24181122				
	Bossard France S.A.	519380	340303				
	Bossard Pte Limited., Singapore	17731	121648				
	Bossard north America	596625	698172				
	Bossard Denmark s.A.s	80265	191310				
	Bossard industrial Fastener Int'l Trading Company Limited	19372	21555				
	KVT-Fasteni Dietikon	120264	-				
	KVT-Fasteni Illeried	34475	-				
	Bossard (M) SDN BHD	76028	-				
	Lakshmi Precision Screws Limited	8317636	14402082				
	Sudhir Automotive Industries Private Limited	15022100	15011583				
	Universal Precision Screws	98411674	56668901				
	Lakshmi Extrusion Limited	-	205930				
	Universal Enterprises	6977231	31956212				
	J C Fasteners Limited	62310	320809				
	Hanumat Wire Udyog Private Limited	1298521	-				
	Total	154742226	145041527				
4	Intrest Received						
	Hanumant Wire Udyog Private Limited	664590	790215				
5	Rent received						
	LPS Fasteners & Wires Private Limited	50400	50400				
6	Rent paid						
	Nav Bharat Industries	840000	840000				
	Universal Precision Screws	16032514	15173611				
	Precision Fasteners Corporation	-	11760				
	Sushila Devi Jain					2117700	2117700
	Sandhya Jain					891914	648530
	Total	16872514	16025371	0	0	3009614	2766230
7	Jobwork paid						
	Amit Screws Private Limited	768648	844192				
	Hanumant Wire Udyog Private Limited	74118615	68867849				
	J.C. Fasteners Limited.	9594966	9347384				
	LPS Fasteners & Wires Private Limited	9999240	14225516				
	Nav Bharat Industries	4999824	7389962				
	Shiv Industries	1033917	973780				
	Sudhir Automotive Industries Private Limited	14645217	10451200				
	United Engineers	2397230	2544829				
	Total	117557657	114644712				
8	Unsecured Loan						
	Loans Accepted						
	Lalit Kumar Jain			19905108	-		
	Dinesh Kumar Jain			74720000	-		-
	Vijay Kumar Jain			-	1700000		0
	Rajesh Kumar Jain			-	1700000		0
	Nikhlesh Jain					-	1700000
	Gagan Jain					1700000	800000
	Gautam Jain					2400000	-
	Rita Jain					33900000	-
	Total			94625108	3400000	38000000	2500000

9	Unsecured Loan						
	Loans Repaid						
	Lalit Kumar Jain			-	400000	-	-
	Gautam Jain					-	2000000
	Gagan Jain			1500000	-	-	-
	Rita Jain			23200000	-	-	-
	Total			24700000	400000	-	2000000
10	Remuneration paid						
	Lalit Kumar Jain			14250000	11734500		
	Dinesh Kumar Jain			13500000	11964000		
	Vijay Kumar Jain			13500000	10765500		
	Rajesh Kumar Jain			8139360	8144260		
	Sudesh Kumar Jain					3152262	2549421
	Gagan Jain					2610000	2479677
	Gautam Jain					2610000	2479677
	Nikhlesh Jain					2610000	2430000
	Amit Jain					2610000	2479677
	Saurabh Jain					2610000	2430000
	Rahul Jain					2610000	2338677
	Total			49389360	42608260	18812262	17187129
11	Interest to Directors/Others						
	Lalit Kumar Jain			239250	239906		
	Dinesh Kumar Jain			2258864	-		
	Rajesh Kumar Jain			792000	794170		
	Vijay Kumar Jain			327250	328146		
	Gagan Jain					272250	272996
	Gautam Jain					280499	281268
	Gaurav Jain					459250	460508
	Amit Jain					464749	466022
	Saurabh Jain					332750	336662
	Total			3617364	1362222	1809498	1817456
12	Professional Charges						
	LPS Bossard Information Systems Private Limited	-	495508				
13	IT Fees						
	Bossard Limited Fasteners, Switzerland	6986736	-				
14	Advertisement/Sales Promotion						
	Bossard Limited Fasteners, Switzerland	642975	-				
	Grand Total	319088297	320803093	172331832	47770482	61631374	26270815
15	Balance receivable		(790215)				
	Lakshmi Precision Screws Limited	1377904	-				
	LPS Bossard Private Limited	271723	1963627				
	Lakshmi Extrusion Limited	10644743	10644743				
	J.C. Fasteners Limited	125076	3129859				
	Universal Precision Screws	7745249	7745249				
	Nav Bharat Agencies	593164	160425				
	Hanumat Wire Udyog Private Limited	5500003	5054375				
	LPS Industrial Supplies Private Limited	139019	-				
	Bossard China	55187	-				
	Total	25074164	28698278				
16	Balance payable						
	Nav Bharat Industries	15273831	8500603				
	United Engineers	10980067	8630782				
	J.C. Fasteners Limited	5545732	6816487				
	Hanumat Wire Udyog Private Limited	28641838	19188170				
	Amit Screws Private Limited	824246	677436				
	Shiv Industries	3992568	2571917				
	Sudhir Automotive Industries Private Limited	10147510	13826579				
	Universal Enterprises	7544833	5888373				
	LPS Fasteners & Wires Private Limited	789994	3695186				
	LPS Bossard Private Limited	2619926	-				
	Universal Precision Screws	17761042	11925235				
	Bossard Limited. Fasteners, Switzerland	5439760	6347359				
	Bossard France S.A.	81728	178891				
	Bossard Pte Limited., Singapore	12269	5194				
	Bossard north America	1028	117616				
	Bossard Denmark s.A.s	8217	-				
	Bossard Industrial Fastener Int'l Trading Company Limited	-	21601				
	KVT-Fasteni Dietikon	12862	-				
	KVT-Fasteni Illerried	32792	-				

Lakshmi Precision Screws Limited	-	928900				
Bossard (M) SDN BHD	77296	-				
LPS Industrial Supplies Private Limited	25960	-				
Lalit Kumar Jain			26175308	4140000		
Dinesh Kumar Jain			79550996	9192996		
Vijay Kumar Jain			8909040	6905040		
Rajesh Kumar Jain			16928391	16925725		
Sushila Devi Jain			4700	4700		
Sudesh Kumar Jain					155978	146037
Nikhlesh Jain					7449704	7429704
Saurabh Jain					3132200	3219482
Gagan Jain					5897058	6237518
Gautam Jain					15276868	13417328
Rahul Jain					200090	167561
Gaurav Jain					4200000	4361178
Charul Jain					66700	66700
Amit Jain					8230086	9020726
Rita Jain					10700000	-
Total	109813499	89320329	131568435	37168461	55308684	44066234

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 The Company has obtained actuarial valuation in respect of liability towards Gratuity and Leave Encashment in accordance with AS-15 'Employee Benefits' notified the companies (Accounting Standard) Rules, 2006 (as amended). A sum of Rs. 180807588/- and Rs. 44224758/- has been debited in the statement of Profit and Loss towards Gratuity Liability and Leave Encashment respectively towards past service liability which has been fully amortised in view of average working period of employees being more than 5 years. The said liability has arisen due to first time adoption of actuarial valuation of Gratuity and Leave Encashment as prescribed under As-15 'Employee Benefits' and therefore has been debited to Employee benefit expenses and has not been treated as exceptional item.

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:

Particulars	Consolidated	LPSBPL	LPSBISPL	2014 TOTAL	2013 TOTAL
Employer's Contribution to Provident Fund	6824545	692332	-	7516877	7523836
Employer's Contribution to Family Pension Scheme	8962378	332128	-	9294506	9312263
Employer's Contribution to Employee State Insurance	3422927	23737	-	3446664	3481060
	19209850	1048197	-	20258047	20317159

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 present value of obligation Company is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service and giving rise to additional unit of employee benefit entitlement and measures each unit separately build up the final obligation.

Gratuity	2013-14
a) Reconciliation of opening and closing balances of Defined Benefit obligation	
Defined benefit obligation at beginning of the year	22919335
Interest cost	1764077
Current Service Cost	17431178
Benefit paid	(7078416)
Actuarial (gain) / loss	180746039
Defined Benefit obligation at year end	215782213
b) Reconciliation of opening and closing balances of fair value of plan assets	
Fair value of plan assets at beginning of the year	17377615
Expected return on plan assets	1665810
Employer contribution	12816694
Actuarial gain / (loss)	(61549)
Benefits paid	(9262088)
Fair value of plan assets at year end	22536482

Gratuity	2013-14
c) Reconciliation of fair value of assets and liabilities	
Fair value of plan assets	22536482
Present value of obligation	215782213
Amount recognised in Balance Sheet - Assets / (Liabilities)	(193245731)
d) Expenses Recognised during the year	
Current Service Cost	17431178
Interest Cost	1764077
Expected return of plan assets	(1665810)
Actuarial gain / (loss)	180807588
Net cost debited to statement of profit and loss account	198337033
e) Broad categories of plan assets as a percentage of total assets	
Insurer managed funds	100%
f) Actuarial assumptions	
Mortality Table	IAL 2006-08 (Ultimate)
Attrition Rate	0% - 1%
Imputed Rate of Interest	9.10% - 9.15%
Salary Rise	8% - 15%
Return on plan Assets	N.A.
Remaining Working Life	11.92 - 21.29 Years
g) Actual return on plan assets	-
h) Amount for current and previous periods: *	
Present value of obligation	75133863
Fair value of plan assets	-
Surplus / (Deficit)	(75133863)

* The data has been given for the current year only as per the actuarial valuation has been adopted for the first time in accordance with AS-15 "Employees Benefits" issued by the Institute of Chartered Accountants of India.

- (xxi) During the year, the Company has valued the inventory of finished goods at 57% (earlier 55%) and semi-finished goods at 66% (earlier 65%) less on the price-list and special items have been valued at 22% (earlier 20%) less in the case of finished goods of the selling price and 31% (earlier 30%) less in case of semi-finished goods. The cost has been reviewed in light of overall cost data and Gross Margin in case of finished goods. Due to this, inventories of finished goods have decreased by Rs.20947082/- and semi-finished goods by Rs.18883848/-. The exact cost of each item is not ascertainable in case of finished goods and semi-finished goods in view of multiple sizes and nature of products. However, the management believes that its impact on financial statements is not likely to be material on adoption of actual cost vis-a-vis the Standard Costing adopted by the Company. the Company plans to review its standard costing system based on the overall cost data every year.

The Company propose to undertake technical assessment of dies and tools at the end of every quarter and amortise the dies and tools accordingly.

- (xxii) The Company has revised its accounting policy of amortisation of dies and tools. In the earlier year, the same was charged to statement of profit and loss account when the dies were scrapped and discarded from actual use. During the current year, the company has assessed the residual remaining life dies and tools based on report of technical committee and amortised the same of the basis of effective remaining residual life of dies. Due to this the amortisation of dies and tools has increased by Rs. 27556298/- in the current year.
- (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 Company has taken various residential / commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these lease and there are no subleases.
- (xxv) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

Particulars	Consolidated	LPSBPL	LPSBISPL	2014 TOTAL	2013 TOTAL
(i) not later than one year	14976286	19083079	-	34059365	3204153
(ii) later than one year and not later than five years	45893037	48742507	-	94635544	9480509
(iii) later than five years	-	13319244	-	13319244	-
	60869323	81144830	-	142014153	12684662

Lease payments recognised in the statement of profit and loss as under :

Rent	-	19651619	-	19651619	18368128
Research and Development expenses.	8067744	-	-	8067744	991151
Other Expenses	1800000	-	-	1800000	1800000

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

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

(xxviii) Note no.30 and 31 form integral part of Balance Sheet and Statement of Profit and Loss.

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

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

Chartered Accountants

(Registration No. 016534N)

for and on behalf of the Board of Directors

Per V.P. Bansal
Partner
Membership No.8843

L.K.Jain
Chairman and
Managing Director

D.K.Jain
Vice Chairman and
Managing Director

K.L.Ghorui
AVP (Accounts)

Naveen Kakkar
Company Secretary

Place : **Delhi**

Dated : **May 29, 2014**

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, 2014
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, 2014	Rs.0.41 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.58.56 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2014	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, 2014**

Lalit Kumar Jain
Chairman & Managing Director

DIRECTOR'S REPORT

Dear Members,

Your Directors present before you the 28th Annual Report of the working of the Company along with Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Job Work & Other receipts	3316155	5798807
Profit before Interest, Depreciation and Tax	2084596	4117134
Less: Interest	0	0
Profit before Depreciation and Tax	2084596	4117134
Less: Depreciation	1854527	1886712
Profit before Tax	230069	2230422
Less: Income Tax	168620	567838
Net Profit for the year	61449	1662584

DIVIDEND

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

DIRECTORS

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

AUDITORS

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

FIXED DEPOSITS

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

PARTICULARS U/s 217(2A)

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudents so as to give a true and fair view of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended March 31, 2014 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, 2014

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, 2014.

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	90756	71776
Total amount (Rs.)	612603	431375
Rate/Unit (Rs.)	6.75	6.01
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	808	272
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, 2014

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, 2014 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 31.03.2014 from being appointed as directors of the Company U/s 274(l)(g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanation given to us, the accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - i) In the case of Balance Sheet of the State of Affairs of the company at 31st March, 2014.
 - 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, 2014**

Suresh Chand
Proprietor

ANNEXURE TO THE AUDITOR'S REPORT

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

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the period, and no discrepancies have been noticed on such verification.
2. The company is having a procedure of verifying fixed assets at reasonable intervals and based on such verification it has been reported that company has not noticed any discrepancies.
3. The company has not disposed off any fixed assets during the year.
4. The stock of Raw Material, Finished Goods, Spare parts, and Consumable Goods have been physically verified at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of Stock followed by the Management are reasonable and adequate in relation to size of the company and the nature of its business.
6. The company has maintained proper records of inventory and no material discrepancies were noticed on such verification between the physical records and book records.
7. The company has not taken/granted any loans secured or unsecured from Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. According to the information and explanations given to us, there are no Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
8. Clause iii(b), (c) and (d) of the order are not applicable to the Company.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
10. Clause v(a) and (b) of the order are not applicable to the Company.
11. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public to which the provision of section 58A and 58AA of the Companies Act, 1956 are applicable.
12. In our opinion according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
14. According to the records of the company examined by us, there were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as at 31.03.2014 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 31.03.2014.
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 31.03.2014.
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 not taken any term loan against car during the year.
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, 2014**

Suresh Chand
Proprietor



BALANCE SHEET

Description	Schedule No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
(I) SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	1	7155800	7155800
b) Reserve & Surplus		8762170	8700721
Share Application Money	2	0	0
NON CURRENT LIABILITIES	3		
(a) Long Term Borrowings		0	0
(b) Deferred Tax Liabilities (Net)		953764	1137615
(c) Long Term Provision		0	0
CURRENT LIABILITIES	4		
(a) Short-Terms Borrowings		0	0
(b) Trade Payables		3479450	3618803
(c) Others Current Liabilities		141945	95552
(d) Short-Term Provisions		168620	567838
Total		20661749	21276329
(II) ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets	5		
(i) Tangible Asstes		9090589	10945116
(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		10055203	9486260
(d) Cash and Cash Equivalents		135163	59968
(e) Short-Term Loans and Advances		1251969	656160
(f) Other Current assets		0	0
Total		20661749	21276329

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, 2014**

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
1 Revenues from Operations	8	1516155	3570955
2 Cost of Operations	7	802307	631676
3 Gross Profit		713848	2939279
OPERATING EXPENSES	9		
1) Selling & Marketing Expenses		0	0
2) Administrative Expenses		708612	1057791
3) Depreciation & Amortization of Assets		1854527	1886712
4) Foreign Currency Exchange Gains/(Losses), Net		0	0
		2563139	2944503
Results from Operating activities		-1849291	-5224
Gain on sales of long-term investments		0	0
Other Income	10	1895509	2407794
Other Expenses			
(1) Finance Costs	11	0	0
(2) Others		0	0
Income before income tax		46218	2402570
Tax Expense:			
(1) Current Income Tax		168620	567838
(2) Deferred Income Tax		-183851	172148
(3) Others		0	0
Profit for the period		61449	1662584
Earnings per equity shares			
(a) Basic		0.09	2.32
(b) Diluted		0.09	2.32

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, 2014**



SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (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

Details of Shareholders holding more than 5% shares in the Company.

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No of Shares Hold	%age of Holding	No of Shares Hold	%age of Holding
LPS Ltd. (Parent Co.)	481550	67.30	481550	67.30
Smt. Sushila Devi Jain	172130	24.05	172130	24.05

RESERVE & SURPLUS		
Share Premium Account	0	0
PROFIT & LOSS ACCOUNT		
General Reserve	10762	10762
Balance as per Last Balance Sheet	8689959	7027375
Add:- Profit for the Year	61449	1662584
	8762170	8700721
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)	953764	1137615
(c) Long Term Provision	0	0
	953764	1137615
SCHEDULE-4		
CURRENT LIABILITIES		
(a) Short-Terms Borrowings		
U.B.I. Bank Cash Credit	0	0
(b) Trade Payables		
Advance from Customers	3479450	3618803
(c) Others Current Liabilities	0	0
Due to other than S.S.I. Undertaking	0	0
Other Liabilities	141945	95552
(d) Short-Term Provisions		
Provision for Income Tax	168620	567838
	3790015	4282193
SCHEDULE-5		
NON CURRENT ASSETS		
(A) Fixed Assets		
i) Tangible Assets	9090589	10945116
ii) Intangible Assets		
Preliminary Expenses	0	0
Less :- Written-off	0	0
iii) Capital Work-in Progress		
iv) Intangible Assets under development		

Description	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
(B) Non-Current Investments Security Deposit H.S.E.B. Security	128825	128825
(C) Deferred Tax Assets (Net)		
(D) Long-Term Loans and Advances		
(E) Other Non Current Assets		
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 Other Debts	9076669 978534 10055203	7459430 2026830 9486260
(D) CASH & CASH EQUIVALENTS Cash in Hand Cheques/Drafts in hand In current accounts (with scheduled bank)	43589 50202 41372 135163	51258 0 8710 59968
(E) SHORT -TERM LOANS AND ADVANCES (Recoverable in cash or in kind or for the value to be received) Loan & Advances Assets Advance Income Tax (T.D.S.) TDS Refund for the F.Y. 2011-2012	895607 210324 146038 1251969	198703 311419 146038 656160
SCHEDULE-7		
COST OF OPERATIONS		
A) Raw Material Consumption Opening Balance Raw Material Purchase Less:- Closing Stock	0 0 0	0 0 0
B) Manufacturing Expenses Job Work Paid Fork Lifter Expenses Electricity Expenses	0 0 612603 612603	0 0 447122 447122
C) PERSONAL EXPENSES Wages (Contractors) Company Contribution to P.F. Overtime and incentive Welfare Fund Company Contribution to E.S.I.	189704 0 0 0 0	184554 0 0 0 0
	189704	184554
COST OF OPERATIONS (A+B+C)	802307	631676
SCHEDULE-8		
REVENUES FROM OPERATIONS Job Work Received	1516155 1516155	3570955 3570955

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
OPERATING EXPENSES		
SCHEDULE-9		
(I) SELLING & MARKETING EXPENSES		
Freight & Cartage	0	0
	0	0
(II) ADMINISTRATIVE EXPENSES		
Rates and Taxes	74532	375
Legal & Professional Charges	26157	23208
Motor Car Maint. Expenses	177902	259971
Insurance	64009	71246
Audit Fee	13000	10000
Bank Charges	1271	323
Technical Service Charges	234832	691581
Telephone Expenses	0	1087
Income Tax	90	0
Miscellaneous Expenses	815	0
Prior Period Exp	116004	0
	708612	1057791
(III) DEPRECIATION & AMORTIZATION OF ASSETS	1854527	1886712
	1854527	1886712
(IV) FOREIGN CURRENCY EXCHANGE GAINS/(LOSSES), NET	0	0
	0	0
SCHEDULE-10		
OTHERS INCOME		
Deferred Tax Written back	0	0
Lease Rent	1800000	2400000
Provision for income tax Written Back	95509	7794
	1895509	2407794
SCHEDULE -11		
OTHER EXPENSES		
i) Finance Cost		
Interest on Term Loan	0	0
	0	0
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 or a value exceeding Rs.5,000/- has been provided @ 100%.
- Inventories**
Inventories are valued at lower of cost and net realizable value.

5. Deferred tax is recognized, subject to consideration of prudence, on timing difference, being 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 realization 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.,	8961869	8194506

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:-

	31.03.2014	31.03.2013
Liabilities (on a/c difference in depreciation)	953764	1137615
Assets	0	0

5. Schedule 1 to 13 form Integral part of Balance Sheet and Profit & 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	2013-14		2012-13	
		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.	112.305	14.43	264.498	33.98
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		2014 Qty.		2013 Qty.
4. Licenced capacity installed capacity and production					
Licence Capacity	M.T.		400		400
Installed Capacity	M.T.		112.305		264.498
Utilised Capacity	%age		28.08		66.12
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		2014 Qty.		2013 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, 2014**

SCHEDULE - 5

FIXED ASSETS

(Amount in Rs.)

Sr. No.	DESCRIPTION	GROSS BLOCK					DEPRECIATION			NET BLOCK	
		As at 01.04.2013	Addition Before 30.09.2013	Addition After 30.09.2013	Sale	Total 31.03.2014	Up to 31.03.2013	For the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Land	1936992	0	0	0	1936992	0	0	0	1936992	1936992
2	Building (A)	3504153	0	0	0	3504153	1704730	117039	1821769	1682384	1799423
3	Building (B)	3833820	0	0	0	3833820	1647212	128050	1775262	2058558	2186608
4	Plant & Machinery	4110903	0	0	0	4110903	3723467	195268	3918735	192168	387436
5	Fork Lifter	715177	0	0	0	715177	713391	1786	715177	0	1786
6	Electric Fittings	165703	0	0	0	165703	142694	11715	154409	11294	23009
7	Furniture Fixture	380325	0	0	0	380325	245661	24075	269736	110589	134664
8	Motor Car	7014406	0	0	0	7014406	6032827	666369	6699196	315210	981579
9	Computer & Software	4381400	0	0	0	4381400	887781	710225	1598006	2783394	3493619
	Total	26042879	0	0	0	26042879	15097763	1854527	16952290	9090589	10945116

NOTE: Depreciation has been charged on the basis of S.L.M. as per Schedule XIV of the Companies Act, 1956.

CASH FLOW STATEMENT

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
I. CASH INFLOWS		
(1) From Operating Activities		
(a) Profit from operating activities Adjustments:	-1849291	-5524
Depreciation and amortization	1854527	1886712
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	-139353	-1745827
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)	-134117	135661
(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	1895509	2407794
Total of (2)	1895509	2407794
(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)	1761392	2543455
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	168620	567838
b) Working capital changes:		
Increase in inventories	568943	3035215
Increase in trade receivables	595809	-400103
Increase in short-term loans and advances	0	0
Increase in other current assets	0	0
Decrease in trade payables	0	0

CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2014 (Rs.)	Year Ending 31.03.2013 (Rs.)
Decrease in other current liabilities	-46393	-69894
Decrease in provisions	399218	-551572
c) Direct taxes paid (Net of refunds)	0	0
Total of (1)	1686197	2581484
(2) From Investing activities	0	0
a) Purchase of tangible assets/capital work-in-progress	0	0
b) Purchase of intangible assets/assets under development	0	0
c) Purchase of investments	0	0
d) Investment in subsidiaries/associates/business ventures	0	0
e) Payment of long-term loans and advances to subsidiaries/associates/business ventures	0	0
f) Increase in other long-term loans and advances	0	0
g) Increase in other non-current assets	0	0
Total of (2)	0	0
(3) From Financing activities	0	0
a) Repayment of long-term borrowings	0	0
b) Repayment of short-term borrowings	0	0
c) Dividends paid (including distribution tax)	0	0
d) Interest and other finance costs	0	0
e) Share issue expenses	0	0
Total of (3)	0	0
Total cash outflows (1+2+3)	1686197	2581484
III. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (I-II)	75195	-38029
Add: Cash and cash equivalents at the beginning of the period	59968	97997
IV. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	135163	59968

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, 2014**



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

May 29, 2014

FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Lakshmi Precision Screws Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	<p>Matter of Emphasis</p> <p>a) Physical verification of inventory was conducted on test check basis by an independent firm of Chartered Accountants at the end of the year. The physical verification of inventory should be carried out on perpetual basis and the procedures 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.</p> <p>b) The Company has paid managerial remuneration to a director amounting to Rs. 36,00,000/- for the period from 01/04/2013 to 31/03/2014. The same has been paid in accordance with the approval of Central Government obtained vide letter no. A96200837/2/2010-CL-VII valid for a period of three years w.e.f. 01/10/2010 to 30/09/2013. The approval for the subsequent period is to be obtained and the amount paid to the director is subject to consequential adjustment, if any, on receipt of approval of Central Government.</p>
4.	Frequency of observation	Appeared for first time

For Lakshmi Precision Screws Limited


Lalit Kumar Jain
Chairman & Managing Director

For Lakshmi Precision Screws Limited


Kanai Lal Ghorui
Chief Financial Officer

For Lakshmi Precision Screws Limited


Keshwa Nand Rattan
Chairman of Audit Committee

For V.R. Bansal & Associates
Chartered Accountants
(Registration No.016534N)


V.P. Bansal
Partner
(Membership No.08843)



NOTICE

Notice is hereby given that the **45th Annual General Meeting** of the Members of **Lakshmi Precision Screws Limited** will be held on **Tuesday, the 30th day of September, 2014 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 receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Sushila Devi Jain (holding DIN 00150952), who retires by rotation and being eligible offers herself for re- appointment.
3. To appoint a Director in place of Mr. Rajesh Jain (holding DIN 00096176), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. V.R. Bansal & Associates, Chartered Accountants, Noida as Statutory Auditors of the Company and fix their remuneration 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 139(1) of the Companies Act, 2013 and all other applicable provision of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. V.R. Bansal & Associates, Chartered Accountants, Noida (ICAI Registration No. 016534N), be and is hereby appointed as the Statutory Auditors of the Company to hold the office as Statutory Auditors from the conclusion of 45th Annual General Meeting until the conclusion of 48th 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 and/or Board of Directors of the Company, subject to ratification of their appointment by members at every Annual General Meeting hereinafter till the term expires."

SPECIAL BUSINESS:

5. 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 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 enhanced contract limits for purchase of industrial fasteners items from M/s. Sudhir Automotive Industries 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".

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jamshed Rustomji Desai (DIN 00196667), who was appointed as a Director liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 45th Annual General Meeting until the conclusion of 50th Annual General Meeting of the Company".

7. 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Keshwa Nand Rattan (DIN 0322533), who was appointed as a Director liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 45th Annual General Meeting until the conclusion of 50th Annual General Meeting of the Company".

8. 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay Kumar Chakraborty (DIN 00133604), who was appointed as a Director liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 45th Annual General Meeting until the conclusion of 50th Annual General Meeting of the Company".

9. 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Bhagwan Das Narang (DIN 00038052), who was appointed as a Director liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 45th Annual General Meeting until the conclusion of 50th Annual General Meeting of the Company."

10. 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Yudhisthir Lal Madan (DIN 05123237), who was appointed as a Director liable to retire by rotation, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from the conclusion of 45th Annual General Meeting until the conclusion of 50th Annual General Meeting of the Company."

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

"RESOLVED THAT in partial modification of the earlier resolution in relation to appointment of Mr. Lalit Kumar Jain as Chairman & Managing Director ("**CMD**") of the Company and subject to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("**New Act**") and rules made there under or any statutory modifications or re-enactment thereof and subject to such consents and permissions as may be required, the consent of the members of the Company be and is hereby accorded to vary the resolution passed by the members of the Company on 29-09-2012 in relation to appointment of Mr. Lalit Kumar Jain for the limited purpose of complying with the provisions of Section 152 of the New Act by making him liable to retire by rotation in terms of Section 152(6) of the New Act however not causing a break in the continuity of office for the unexpired period of his appointment and all other terms and conditions of his appointment remaining the same including payment of remuneration till his remaining tenure of appointment.

FURTHER RESOLVED THAT Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the foregoing resolution."

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

"RESOLVED THAT in partial modification of the earlier resolution in relation to appointment of Mr. Dinesh Kumar Jain as Vice Chairman & Managing Director ("**VCMD**") of the Company and subject to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("**New Act**") and rules made there under or any statutory modifications or re-enactment thereof and subject to such consents and permissions as may be required, the consent of the members of the Company be and is hereby accorded to vary the resolution passed by the members of the Company on 29-09-2012 in relation to appointment of Mr. Dinesh Kumar Jain to the limited purpose of complying with the provisions of Section 152 of the New Act by making him liable to retire by rotation in terms of Section 152(6) of the New Act however not causing a break in the continuity of office for the unexpired period of his appointment and all other terms and conditions of his appointment remaining the same including payment of remuneration till his remaining tenure of appointment.

FURTHER RESOLVED THAT Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the foregoing resolution."

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

"RESOLVED THAT in partial modification of the earlier resolution in relation to appointment of Mr. Vijay Kumar Jain as Joint Managing Director ("**JMD**") of the Company and subject to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("**New Act**") and rules made there under or any statutory modifications or re-enactment thereof and subject to such consents and permissions as may be required, the consent of the members of the Company be and is hereby accorded to vary the resolution passed by the members of the Company on 29-09-2012 in relation to appointment of Mr. Vijay Kumar Jain to the limited purpose of complying with the provisions of Section 152 of the New Act by making him liable to retire by rotation in terms of Section 152(6) of the New Act however not causing a break in the continuity of office for the unexpired period of his appointment and all other terms and conditions of his appointment remaining the same till his remaining tenure of appointment of appointment.

FURTHER RESOLVED THAT Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the foregoing resolution."

14. 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 148 and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid a remuneration of Rs.200000/- (Rs. Two lacs only) plus out of pocket expenses to M/s HMVN & Associates, Cost Auditors of the Company for the financial year 2014-15, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof), the new set of Articles of Association of the Company, be and is hereby approved and adopted as the new set of Articles of Association of the Company, in substitution for, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect this resolution".

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 42nd Annual General Meeting held on 29th September, 2011 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to borrow any sum or sums of money from time to time for the purposes of the business of the Company upon such terms and conditions with or without security, as the Board may in its absolute discretion think fit, Notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained/ to be obtained from Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed at any time, the aggregate of the paid-up Capital of the Company and its free reserves, PROVIDED HOWEVER, THAT the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs. 250 Crores (Rs. Two Hundred and Fifty Crores only).

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the foregoing resolution."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 42nd Annual General meeting of the Company held on 29th September 2011 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to hypothecate/ mortgage and/ or charge and/ or encumber in addition to the hypothecation/ mortgages and/ or charges and/ or encumbrances created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company's Bankers/ Financial Institutions/ other investing agencies and trustees for the holders of Debentures/ Bonds/ other instruments/ securities to secure any Rupee/Foreign currency Loans, Guarantee assistance, Standby Letter of Credit / Letter of Credit, and/or any issue of Non-Convertible Debentures, and/ or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/ or Bonds, and/ or any other Non-Convertible and/ or other Partly/ Fully Convertible instruments/ securities, which shall not, at any time exceed the ceiling of Rs.250 Crores (Rs. Two Hundred and Fifty Crores only) as approved in terms of Section 180(1)(c) of the Companies Act, 2013.

FURTHER RESOLVED THAT Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company and to do all such acts, deeds, matters and things as may be deemed necessary expedient or desirable in order to give effect to the foregoing resolutions."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment and revision in the remuneration package of Mr. Sudesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Executive Vice President (Marketing) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment and revision in the remuneration package of Mr. Nikhlesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Marketing) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment and revision in the remuneration package of Mr. Amit Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Exports) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment and revision in the remuneration package of Mr. Gagan Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Operations) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for appointment and revision in the remuneration package of Mr. Gautam Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Business Development) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded for the appointment and revision in the remuneration package of Mr. Rahul Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Supply Chain) w.e.f. 01.10.2014 for a period of 5 years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and things as may be deemed necessary for the compliance of the above said resolution."

By order of the Board of Directors
For Lakshmi Precision Screws Limited

Place : **New Delhi**
Dated : **August 09, 2014**

Naveen Kakkar
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE DULY SIGNED AND COMPLETED PROXY MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE ABOVE SAID MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate Members are requested to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the AGM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business at item No. 05 to 23 to be transacted at this meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 19, 2014 to Tuesday, September 30, 2014 (both days inclusive) for the purpose of ensuing Annual General Meeting.
4. 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. 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 124(5) and 125 of the Companies Act, 2013, 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 2006-07 shall become transferable to the fund on 28.09.2014, 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 2006-07 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
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
2012-13	28.09.2013	27.09.2020

Those Members who have not so far claimed their dividend for the above financial years from 2006-07 to 2012-13 are requested to make their claims to the Company for obtaining duplicate dividend warrants.

5. 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.
6. 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 72 of the Companies Act, 2013, may do so by submitting to the Company the prescribed Form SH-13 duly filled in to Company's Registrar and Share Transfer Agent.
7. 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 189 of the Companies Act, 2013.
8. 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.
9. 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.
10. 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.

11. Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed M/s MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi -110 020 as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.
12. Members are informed that the Company is sending Annual Report through e-mail to those members who have registered their e-mail ID with the Company. Members may also note that the Annual Report for the FY 2013-14 will also be available on the Company's website www.lpsindia.com for their download.
13. **Instruction for Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz, "LPS e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Lakshmi Precision Screws Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@mgcs.com or complianceofficer@lpsindia.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. The e-voting period commences on 24th September, 2014 (9.00 am) and ends on 26th September, 2014 (5.00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th August, 2014.
- VI. Mr. Manish Gupta, Practicing Company Secretary (Membership No. FCS 5123, COP No. 4095) and Partner of M/s. RMG & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.lpsindia.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited and NSE Limited.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated August 09, 2014.

Item No. 05

The Company has passed resolution in their Board Meeting held on 13.02.2014 for enhancement in the contract limits for purchase of industrial fasteners items from M/s. Sudhir Automotive Industries 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.4/65/T-1/2014/D/672 dated 23.04.2014 subject to the post-facto approval of the members in the ensuing General Meeting. The contract limits are enhanced from Rs.75.00 lacs to Rs.95.00 lacs for a period of one year i.e. 01.04.2013 to 31.03.2014.

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 Companies Act, 1956 and provisions of Section 198, 269, 309, 314 and 295 of the Companies Act, 1956 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 Board recommends the proposed Special 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, none of the Director and Key Management Personnel of the Company or their relatives is, whether directly or indirectly, concerned or interested, financial or otherwise, in passing of resolution set out at item No.05.

Item No. 06 to 10

Mr. Jamshed Rustomji Desai, Mr. Keshwa Nand Rattan, Mr. Ajay Kumar Chakraborty, Mr. Bhagwan Das Narang and Mr. Yudhisthir Lal Madan are Independent Directors on the Board of the Company.

Section 149 of the Companies Act, 2013, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 consecutive years on the Board of the Company and he shall not be included in the total number of Directors liable to retire by rotation.

Further the Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement which will become effective from 1st October 2014 inter alia stipulating the conditions for the appointment of independent directors by a listed Company.

Accordingly, it is proposed to appoint Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan as independent directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term upto the conclusion of the 50th Annual General Meeting of the Company to be held in the calendar year 2019 (i.e. for the financial year ended 31st March, 2019) and they shall not be included in the total number of Directors liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of Rs. 1,00,000/- requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan for the office of Directors of the Company.

The Company has also received declarations from them, that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board and as recommended by the Nomination cum Corporate Governance and Remuneration Committee, Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan fulfils the conditions for appointment as Independent Directors as specified in the Companies Act, 2013, and the Listing Agreement. They are Independent of the management.

Brief resume of Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan nature of their expedite in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is given in the Annexure to the Notice.

The Copies of the draft letters for respective appointments of Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan as Independent Directors setting out the terms and conditions are available for inspection by the members at the Registered Office of the Company.

The disclosure of the information about the proposed appointees under Clause 49 of the Listing Agreement with the Stock Exchanges is given in the Annexure to the Notice.

These Gentlemen and their relatives are interested in the resolutions set out respectively at Item Nos. 6 to 10 of the Notice, to the extent of their shareholding, interest, if any, in the Company.

Save and except the above, none of the other Directors and Key Management Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in these resolutions set out at item Nos. 6 to 10.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointments of Mr. Desai, Mr. Rattan, Mr. Chakraborty, Mr. Narang and Mr. Madan as Independent Directors, for the approval of the Members of the Company.

Item No. 11 to 13

Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were appointed as Chairman & Managing Director ("CMD"), Vice Chairman & Managing Director ("VCMD") and Joint Managing Director ("JMD") of the Company respectively, for a period of 5 years commencing from 01.01.2013 in the Board meeting held on 08.08.2012 and the appointment of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were duly approved by the members in the Annual General Meeting of the Company held on 29.09.2012. Also, the office of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were not liable to retire by rotation in terms of said resolutions.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 ("New Act"), unless the Articles of Association of the Company provides for retirement of all directors by rotation, at least 2/3rd of the total number of directors shall be the persons whose period of office is liable to determination by retirement of directors by rotation. Also, in terms of explanation to Section 152(6), independent directors appointed in terms of Section 149 of the New Act are to be excluded for the purpose of calculating total number of directors who are liable to retirement by rotation.

Therefore, in order to comply with the aforesaid provision of the New Act, the Company is required to re-constitute the composition of its Board in a manner that it comprises of 2/3rd of the total number of directors whose period of office is liable to determination by retirement of directors by rotation. Hence, the Company is required to vary the terms of appointment of Managing Directors on its Board to make them liable to retire by rotation in terms of Section 152 of the New Act.

In order to comply with the aforesaid provisions of the New Act, the Company is required to alter the terms of appointment of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain in respect of their office liable to retire by rotation. Further it may be noted that the appointments made under the erstwhile Companies Act, 1956 were duly approved by the members at the 43rd Annual General Meeting held on 29.09.2012 and the office of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were not liable to be determined by rotation. However, the tenure of office will be subject to rotation hence forth for the limited purpose of complying with the provisions of Section 152 of the New Act and this will not cause a break in continuity of office for the unexpired period of his appointment. All other terms and conditions of their appointments will remain same. Earlier, the appointments were subject to the terms and conditions as contained in the Companies Act, 1956 which shall stand varied to the extent that the balance tenure of office shall be subject to applicable laws under the New Act and Schedule V read with other applicable provisions, if any. Therefore, the Company is required to vary the resolutions as passed by the members of the Company in their meeting held on 29-09-2012.

Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain and their relatives to the extent of their shareholding interest, if any, in the Company may be deemed to be concerned or interested in the said resolutions.

Save and except the above, none of the other Directors and Key Management Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in these resolutions set out at item Nos. 11 to 13.

This Explanatory Statement may also be regarded as disclosures under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the ordinary resolutions as set out at Item Nos. 11 to 13 of the Notice for approval of the members.

Item No. 14

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of M/s. HMVN & Associates, Cost Accountants, New Delhi, as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 and the Board in its meeting held on 29th May 2014 based on the recommendation of Audit Committee, and subject to the ratification by the Members, had approved the remuneration of M/s. HMVN & Associates, Cost Accountants, New Delhi, as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs. 2 lacs plus applicable taxes and reimbursement of such other out of pocket expenses as may be incurred by the said cost auditors during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by Audit Committee shall be approved by the Board of Directors and subsequently to be ratified by the members of the Company. Accordingly, the consent of the members is being sought for passing an Ordinary Resolution as set out Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

Item No. 15

The existing Articles of Association (AoA) based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Companies Act, 2013 is now largely in force. On 12th September, 2013 the Ministry of Corporate Affairs ("MCA") had notified 98 sections for implementation and subsequently, on 26th March, 2014 MCA notified most of the remaining sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal). However, substantive sections of the Companies Act, 2013 which deals with the general working of Companies stand notified.

In order to make the Articles of Association of the Company in tandem and to comply with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereof it is proposed to replace the existing Articles of Association of the Company by a new set of Articles. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, this matter has been placed before the Members for approval.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares.

A copy of the new set of Articles of Association of the Company proposed to be adopted together with the proposed alterations would be available for inspection by the members at the Registered office of the Company during business normal hours on any working day, excluding Sunday, upto and including the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution except to the extent of their shareholding in the Company.

The Board of Directors of the Company, therefore, recommends passing of the Special Resolution at Item No. 15 of the Notice.

Item No. 16 and 17

The members of the Company at their 42nd Annual General Meeting held on 29th September, 2011 had accorded their consent by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors for borrowing up to INR 200 Crores (Indian Rupees Two Hundred Crores Only). However, with the corresponding Section 180(1)(c) of the Companies Act, 2013, coming into effect from 12th September, 2013 the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 will need to be superseded with a Special Resolution for the Board to exercise the powers as envisaged in Section 180(1)(c) of the Companies Act, 2013.

Ministry of Corporate Affairs (MCA), Government of India vide a notification issued dated 25.03.2014, it has been clarified that any Special Resolution passed by a Company under old Section 293(1)(d) shall remain valid only upto a period of one year w.e.f. 12.09.2013.

It is therefore, necessary for the members to pass Special Resolution under Section 180(1)(c), and other applicable provisions of the Companies Act, 2013, as set out at Item Nos. 16 and 17 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow money up to INR 250 Crores (Indian Rupees Two Hundred and Fifty Crores Only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities/ trustees for the holders of the said securities as mentioned in the Resolution under Item No. 17. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company will need to be executed pursuant to a power envisaged in the Board, it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/ mortgages and hypothecations.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolutions except to the extent of their shareholding in the Company.

The above proposals are in the interest of the Company and the Directors recommend the Resolutions in Item Nos. 16 and 17 of the Notice for approval of the Members.

Item No. 18

Mr. Sudesh Kumar Jain is working with the Company since 1974. He is having 40 years of experience in the fields of marketing and administration. Mr. Sudesh Kumar Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60515319/4/ 2012-CL.VII dated 17.01.2013 for payment of remuneration package of Rs.3333436/-, Rs.3666780/- and Rs.4033458/- per year to Mr. Sudesh Kumar Jain for a period of 3 years i.e. 01.10.2012 to 30.09.2015. Accordingly, his term of appointment and remuneration is effective upto 30.09.2015. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014 in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. The Selection Committee and Audit Committee as well as the Board of Directors at their respective meetings held on 09.08.2014 have approved the appointment and revision in the remuneration package of Mr. Sudesh Kumar Jain as Executive Vice President (Marketing) of the Company subject to the approval of members, for a further period of 5 years w.e.f. 01.10.2014 on the payment of remuneration package to be paid on the terms and conditions as set out below:-

Salary and Benefits:

- | | | | |
|-----|------------------------------------|---|--|
| (a) | Basic Salary | : | Rs.2,02,000/- per month (in the scale of Rs.2,02,000-20,200-2,82,800). |
| (b) | HRA | : | 40% of Basic Salary |
| (c) | Professional Development Allowance | : | 10% of Basic Salary |

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

Other Terms and Conditions

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

The Board recommend the adoption of the Special Resolution contained in Item no. 18 of the notice.

Mr. Sudesh Kumar Jain is brother of Mr. Dinesh Kumar Jain, one of the Directors of the Company, the appointment and revision in his remuneration requires the consent of the members of the Company in Annual General Meeting.

Mr. Dinesh Kumar Jain, Director of the Company is interested in passing of the said resolution. Except the above no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No. 18 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 18 of the Notice for approval of the Members.

Item No. 19

Mr. Nikhlesh Kumar Jain is an MBA from North Eastern University of USA and is at present working with the Company since 2004. He is having 10 years of experience in the field of marketing. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60514544/4/2012-CL.VII dated 21.12.2012 for payment of remuneration package of Rs.2,40,942/- per month to Mr. Nikhlesh Kumar Jain for a period of 5 years i.e. 01.10.2012 to 30.09.2017 with an annual increment. Accordingly, his term of appointment and remuneration is effective upto 30.09.2017. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014, in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. It is proposed to approve the appointment and revision in the monthly remuneration package of Mr. Nikhlesh Kumar Jain w.e.f. 01.10.2014 with an annual increment for a further period of 5 years.

Except Mr. Dinesh Kumar Jain, who is related to Mr. Nikhlesh Kumar Jain, no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No. 19 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 19 of the Notice for approval of the Members.

Item No. 20

Mr. Amit Kumar Jain is a BBA from University of Chicago, USA and is at present working with the Company since 2004. He is having 10 years of experience in the field of marketing. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60513231/4/2012-CL.VII dated 21.12.2012 for payment of remuneration package of Rs.2,40,942/- per month to Mr. Amit Kumar Jain for a period of 5 years i.e. 01.10.2012 to 30.09.2017 with an annual increment. Accordingly, his term of appointment and remuneration is effective upto 30.09.2017. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014 in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. It is proposed to approve the appointment and revision in the monthly remuneration package of Mr. Amit Kumar Jain w.e.f. 01.10.2014 with an annual increment for a further period of 5 years.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Amit Kumar Jain, no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No. 20 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 20 of the Notice for approval of the Members.

Item No. 21

Mr. Gagan Jain is a Bachelor of Information Systems from University of Melbourne, Australia and is at present working with the Company since 2004. He is having 10 years of experience in the field of operational activities. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60513587/4/2012-CL.VII dated 21.12.2012 for payment of remuneration package of Rs.2,40,942/- per month to Mr. Gagan Jain for a period of 5 years i.e. 01.10.2012 to 30.09.2017 with an annual increment. Accordingly, his term of appointment and remuneration is effective upto 30.09.2017. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014 in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. It is proposed to approve the appointment and revision in the monthly remuneration package of Mr. Gagan Jain w.e.f. 01.10.2014 with an annual increment for a further period of 5 years.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Gagan Jain, no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No. 21 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 21 of the Notice for approval of the Members.

Item No. 22

Mr. Gautam Jain is a Bachelor of Commerce (Management) from University of Melbourne, Australia and is at present working with the Company since 2004. He is having 10 years of experience in the field of commercial activities. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60513983/4/2012-CL.VII dated 21.12.2012 for payment of remuneration package of Rs. 2,40,942/- per month to Mr. Gautam Jain for a period of 5 years i.e. 01.10.2012 to 30.09.2017 with an annual increment. Accordingly, his term of appointment and remuneration is effective upto 30.09.2017. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014 in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. It is proposed to approve the appointment and revision in the monthly remuneration package of Mr. Gautam Jain w.e.f. 01.10.2014 with an annual increment for a further period of 5 years.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Gautam Jain, no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No.22 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 22 of the Notice for approval of the Members.

Item No. 23

Mr. Rahul Jain is a B.Tech (Mechanical and Automation) from Amity School of Engineering and Technology, GGSIP University and is at present working with the Company since 2007. He is having 7 years of experience in the field of Supply Chain, Sourcing, Marketing, Sales and Distribution. Mr. Jain was appointed by the members in their Annual General Meeting held on 29.09.2012 for a period of 5 years i.e. 01.10.2012 to 30.09.2017 on a remuneration package as approved by the Central Government. The Company has received the approval of Central Government vide its letter no. SRN B60514999/4/2012-CL.VII dated 21.12.2012 for payment of remuneration package of Rs.2,40,942/- per month to Mr. Rahul Jain for a period of 5 years i.e. 01.10.2012 to 30.09.2017 with an annual increment. Accordingly, his term of appointment and remuneration is effective upto 30.09.2017. With the implementation of Section 188(1)(f) the Companies Act, 2013 w.e.f. 01.04.2014 in place of Section 314(IB) of the Companies Act, 1956 the approval of the Central Government is no more applicable. It is proposed to approve the appointment and revision in the monthly remuneration package of Mr. Rahul Jain w.e.f. 01.10.2014 with an annual increment for a further period of 5 years.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Rahul Jain, no other Directors and Key Managerial Personnel of the Company or their relative is, whether directly or indirectly, in any way concerned or interested, financial or otherwise, in passing of Special Resolution as set out at Item No. 23 of the notice convening the Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 23 of the Notice for approval of the Members.

The Selection Committee and Audit Committee as well as the Board of Directors at their respective meetings held on 09.08.2014 have approved the appointments and revision in the remunerations of Mr. Nikhlesh Kumar Jain as Vice President (Marketing), Mr. Amit Kumar Jain as Vice President (Exports), Mr. Gagan Jain as Vice President (Operations), Mr. Gautam Jain as Vice President (Business Development) and Mr. Rahul Jain as Vice President (Supply Chain) subject to the approval of members, for a further period of 5 years w.e.f. 01.10.2014 on the payment of remuneration package to be paid individually and severally and on the terms and conditions as set out below:-

Salary and Benefits:

- | | | | |
|-----|------------------------------------|---|--|
| (a) | Basic Salary | : | Rs.1,60,000/- per month (in the scale of Rs.1,60,000-16,000-2,24,000). |
| (b) | HRA | : | 40% of Basic Salary |
| (c) | Professional Development Allowance | : | 10% of Basic Salary |

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

Other Terms and Conditions

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

The Board recommends the adoption of the Special Resolutions as contained in Item Nos. 19 to 23 of the notice.

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 of Directors
For Lakshmi Precision Screws Limited

Place : **New Delhi**
Dated : **August 09, 2014**

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, NED	Mr. Rajesh Jain, NED
Date of Birth	May 07, 1933	June 28, 1958
Date of Appointment	September 30, 1987	September 28, 1990
Qualifications	Matriculate	B. E. Technical
Expertise in specific functional areas	Smt. Jain has 45 years experience as an industrialist. She has a wide experience of general management and business vision	Mr. Rajesh Jain is having 34 years experience as an industrialist. He has a wide experience in the filed of marketing, finance, technology and HRD. He has attended various business programmes at IBS Hyderabad and 3 years Owners & President Management Programme (OPM) at Harvard Business School, U.S.A. He has pioneered the exports in LPS and contributed greatly in promotion of ancillary units. Mr. Rajesh Jain is looking after brand management of the Company.
Name of the other Companies in which holds Directorship	NIL	<ul style="list-style-type: none">• Indian Fasteners Ltd.• Sudhir Automotive Ind. Pvt. Ltd.• LPS Fasteners & Wires Pvt. Ltd.• Amit Screws Pvt. Ltd.• J.C. Fasteners Ltd.• LPS Bossard Pvt. Ltd.• LPS Bossard Information Systems Pvt. Ltd.• LVR Holding Ltd.• LPS Industrial Supplies Pvt. Ltd.
Name of Committee of the other Companies in which holds Membership / Chairmanship	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	14,30,804
Relationship with Other Director(s)	Related to the Directors	Related to the Directors

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	Mr. Jamshed Rustomji Desai, NEID	Mr. Keshwa Nand Rattan, NEID
Date of Birth	March 21, 1933	December 01, 1942
Date of Appointment	July 23, 1982	April 28, 2001
Qualifications	Graduation in Mechanical Engineering	B.Sc., M.I.E. and Post Graduate Diploma in Project Management.
Expertise in specific functional areas	Mr. Desai has 53 years of varied experience in Industrial engineering and overall management.	Mr. Keshwa Nand Rattan is having vast experience in mass production precision industries at various levels including Shop Floor Management, Industrial Engineering, Project Planning & Implementation and General Management.
Name of the other Companies in which holds Directorship	Tropicana Enterprises Pvt. Ltd.	NIL
Name of Committee of the other Companies in which holds Membership / Chairmanship	NIL	NIL
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	2,204	500
Relationship with Other Director(s)	Not related to any Director	Not related to any Director

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	Mr. Ajay Kumar Chakraborty, NEID	Mr. Bhagwan Dass Narang, NEID	Mr. Yudhisthir Lal Madan, NEID
Date of Birth	April 07, 1945	April 12, 1945	August 24, 1950
Date of Appointment	July 28, 2005	January 31, 2010	November 10, 2012
Qualifications	Cost Accountant, Company Secretary and Law Graduate	Post Graduate M Sc. (Agro. Eco.)	Post Graduate M Sc.(Physics), MBA (Finance), FMS and CAIIB.
Expertise in specific functional areas	Mr. Chakraborty is having vast experience in the field of banking, finance, marketing research and general administration etc.	Mr. Narang is having more than 39 years experience in banking. He had been the CMD of Oriental Bank of Commerce till April, 2005. He was also Executive Director and General Manager in the various banks.	Mr. Madan is having more than 38 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	<ul style="list-style-type: none"> Manaksia Ltd. Shreyans Industries Ltd. Manaksia Steel Ltd. 	<ul style="list-style-type: none"> Dish T.V. India Ltd. Jubilee Hill Landmark Projects Ltd. Revathi Equipment Ltd. Shivam Autotech Ltd. Va Tech Wabag Ltd. Karvy Stock Broking Ltd. Karvy Financial Services Ltd. Potential Semac Consultants Pvt. Ltd. Arvind Techno Engineers Pvt. Ltd. Value Hydrocarbon PTE Ltd. (Singapore) Ovington Finance Pvt. Ltd. 	<ul style="list-style-type: none"> Intec Capital Ltd. Ramkrishna Forgings Ltd.
Name of Committee of the other Companies in which holds Membership/ Chairmanship	Manaksia Ltd. -Audit Committee (Chairman) -Remuneration Committee (Member) Shreyans Industries Ltd. -Audit Committee (Member) -Remuneration Committee (Member)	NIL	NIL
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	NIL	NIL	NIL
Relationship with Other Director(s)	Not related to any Director	Not related to any Director	Not related to any Director

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION

Particulars	Mr. Lalit Kumar Jain, ED	Mr. Dinesh Kumar Jain, ED	Mr. Vijay Kumar Jain, ED
Date of Birth	October 19, 1954	September 09, 1948	June 27, 1957
Date of Appointment	December 05, 1974	December 27, 1968	December 05, 1974
Qualifications	Engineering Graduate	Commerce Graduate	Graduate
Expertise in specific functional areas	Mr. Jain has 40 years of experience as an Industrialist. He has a wide experience of project management, finance, technology, marketing, HRD & better quality management. He has contributed greatly on matters relating to Corporate Governance, Business Development and holding of high level reviews of corporate strategy and planning. His comprehensive industrial exposure brings highly valued insights in strategy & brand building of the Company. Mr. Jain is engaged whole time in looking after and supervising the affairs of the Company & has indepth understanding.	Mr. Jain has the distinguished credit of carrying with him over 46 years rich Industrial experience. He is on the Board as Whole time Director since the date of inception of the Company. He has a wide experience in the field of finance, banking, sales/ marketing, HRD, excise and taxation, and administration. He has contributed greatly, in the company achieving its present position.	Mr. Jain has the distinguished credit of carrying with him over 40 years of rich Industrial experience. He has a wide experience in the field of finance, purchase, project implementation, general administration, environment protection and eco-friendliness. He has also contributed greatly, in the company achieving its present position.
Name of the other Companies in which holds Directorship	<ul style="list-style-type: none"> Indian Fasteners Ltd. Amit Screws Pvt. Ltd. LPS Bossard Pvt. Ltd. LPS Bossard Information Systems Pvt. Ltd. LVR Holding Ltd. LPS-EJOT Fastening Systems Pvt. Ltd. 	<ul style="list-style-type: none"> Indian Fasteners Ltd. Advance Cable Technologies Pvt. Ltd. Sanchar Engineers Pvt. Ltd. 	<ul style="list-style-type: none"> Indian Fasteners Ltd. Amit Screws Pvt. Ltd. LVR Holding 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]	11,59,600	2,52,000	11,32,593
Relationship with Other Director(s)	Related to any Director	Not related to any Director	Related to any Director

**LAKSHMI PRECISION SCREWS LIMITED****Form No. MGT-11****Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L35999HR1968PLC004977

Name of the Company : Lakshmi Precision Screws Limited
Registered office : 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)

Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No./ Client Id	:
DP ID	:

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 45th Annual General Meeting of the Company, to be held on the 30th day of September, 2014 at 11.30 A.M. at the Regd. Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Balance Sheet as at March 31, 2014 and Statement of Profit & Loss Accounts for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. Appointment of Smt. Sushila Devi Jain who retires by rotation and offers herself for re-appointment as Director of the Company.
3. Appointment of Mr. Rajesh Jain who retires by rotation and offers himself for re-appointment as Director of the Company.
4. Appointment of M/s. V.R. Bansal & Associates, Chartered Accountants, Noida as Statutory Auditors of the Company.
5. Obtain post-facto approval of the contract for purchase of Industrial Items from M/s. Sudhir Automotive Industries Pvt. Ltd.
6. Appointment of Mr. Jamshed Rustomji Desai as Independent Director of the Company.
7. Appointment of Mr. Keshwa Nand Rattan as Independent Director of the Company.
8. Appointment of Mr. Ajay Kumar Chakraborty as Independent Director of the Company.
9. Appointment of Mr. Bhagwan Das Narang as Independent Director of the Company.
10. Appointment of Mr. Yudhisthir Lal Madan as Independent Director of the Company.
11. Variation in terms of appointment of Mr. Lalit Kumar Jain, Chairman & Managing Director of the Company.
12. Variation in terms of appointment of Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director of the Company.
13. Variation in terms of appointment of Mr. Vijay Kumar Jain, Joint Managing Director of the Company.
14. Approval of remuneration of Cost Auditors of the Company.
15. Approval of new set of Articles of Association of the Company.
16. Authority to borrow under Section 180(1)(c).
17. Authority to borrow under Section 180(1)(a).
18. Appointment and revision in the remuneration package of Mr. Sudesh Kumar Jain as Executive Vice President (Marketing), relative of one of the Directors of the Company.
19. Appointment and revision in the remuneration package of Mr. Nikhlesh Kumar Jain as Vice President (Marketing), relative of one of the Directors of the Company.
20. Appointment and revision in the remuneration package of Mr. Amit Kumar Jain as Vice President (Exports), relative of some of the Directors of the Company.
21. Appointment and revision in the remuneration package of Mr. Gagan Jain as Vice President (Operations), relative of some of the Directors of the Company.
22. Appointment and revision in the remuneration package of Mr. Gautam Jain, Vice President (Business Development), relative of some of the Directors of the Company.
23. Appointment and revision in the remuneration package of Mr. Rahul Jain, Vice President (Supply Chain), relative of some of the Directors of the Company.

Signed this _____ day of _____ 2014

Signature of the Shareholders: _____

Signature of the Proxyholders(s)

**Affix
15 Paise
Revenue
Stamp**

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. (i.e. on or before 11.30 A.M. on Saturday, September 27, 2014).