

Sharing Dreams

Cherishing hopes

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BOARD OF DIRECTORS

Lalit Kumar Jain
Dinesh Kumar Jain
Vijay Kumar Jain
Rajesh Jain
Sushila Devi Jain
Jamshedji Rustomji Desai
Babulal S. Aggarwal
Keshwa Nand Rattan
Ajay Kumar Chakraborty
R. Krishnakumar

Chairman & Managing Director
Vice Chairman & Managing Director
Joint Managing Director
Director
Director
Director
Director
Director
Director
Director (ICICI – Nominee)

COMPANY SECRETARY

S.N. Grover

AUDITORS

V.R. Bansal & Associates
Chartered Accountants, Noida
Canara Bank, Rohtak

BANKERS

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

REGD. OFFICE, FACTORY & CORPORATE OFFICE

M/s. MCS Ltd.
Sri Venkatesh Bhavan, W – 40,
Phase – II, Okhla Industrial Area,
New Delhi – 110 020.
Tel: 011 – 41406149

REGISTRAR AND SHARE TRANSFER AGENT

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

BRANCH OFFICES

153-Wing-A, Mittal Tower,
Nariman Point, Mumbai – 400 021.
Tel: 022 – 22821918.

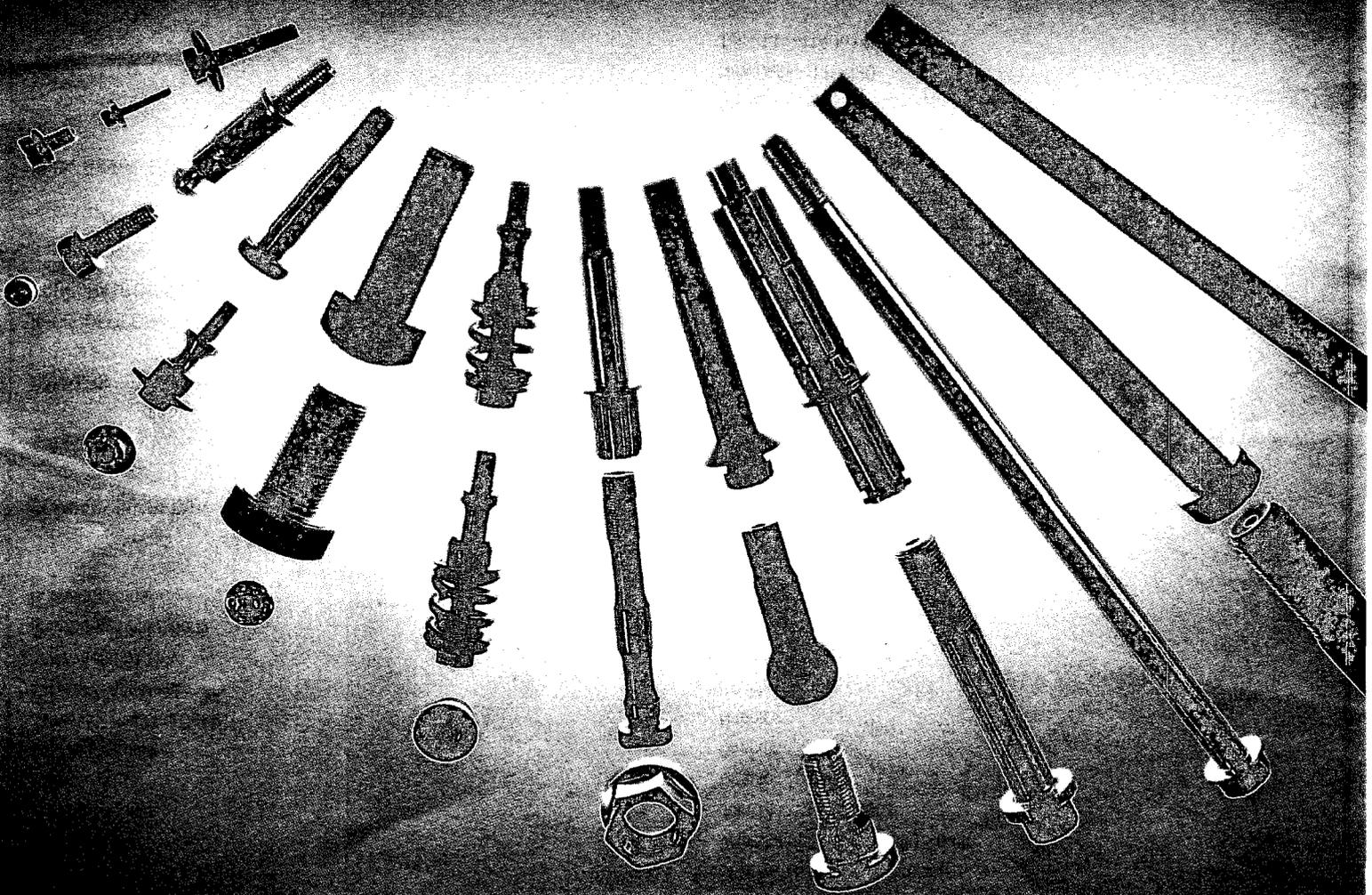
8, Canning Street, 3rd Floor,
Room No.303, Kolkata – 700 001.
Tel: 033 – 22210754

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

1/284, Transport Nagar, Agra (U.P.)
Tel: 0562-2600060

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

Raising the bar, always



CORPORATE PROFILE

At Lakshmi Precision Screws Ltd., fastening technology is our core business and customer service our guiding principle. Headquartered at Rohtak (Haryana), the LPS works comprises of two manufacturing units spread across an area of about 100,000 square meters, just 60 km from New Delhi, the capital of India. With net Assets of 1410 million INR supported by 1150 highly dedicated professionals driven with the zeal to make world class products under the leadership of a dynamic management team. Today we are 1958 million INR company with 33% contribution coming from exports.

Our installed capacity stands at above 19210 metric tonnes 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.

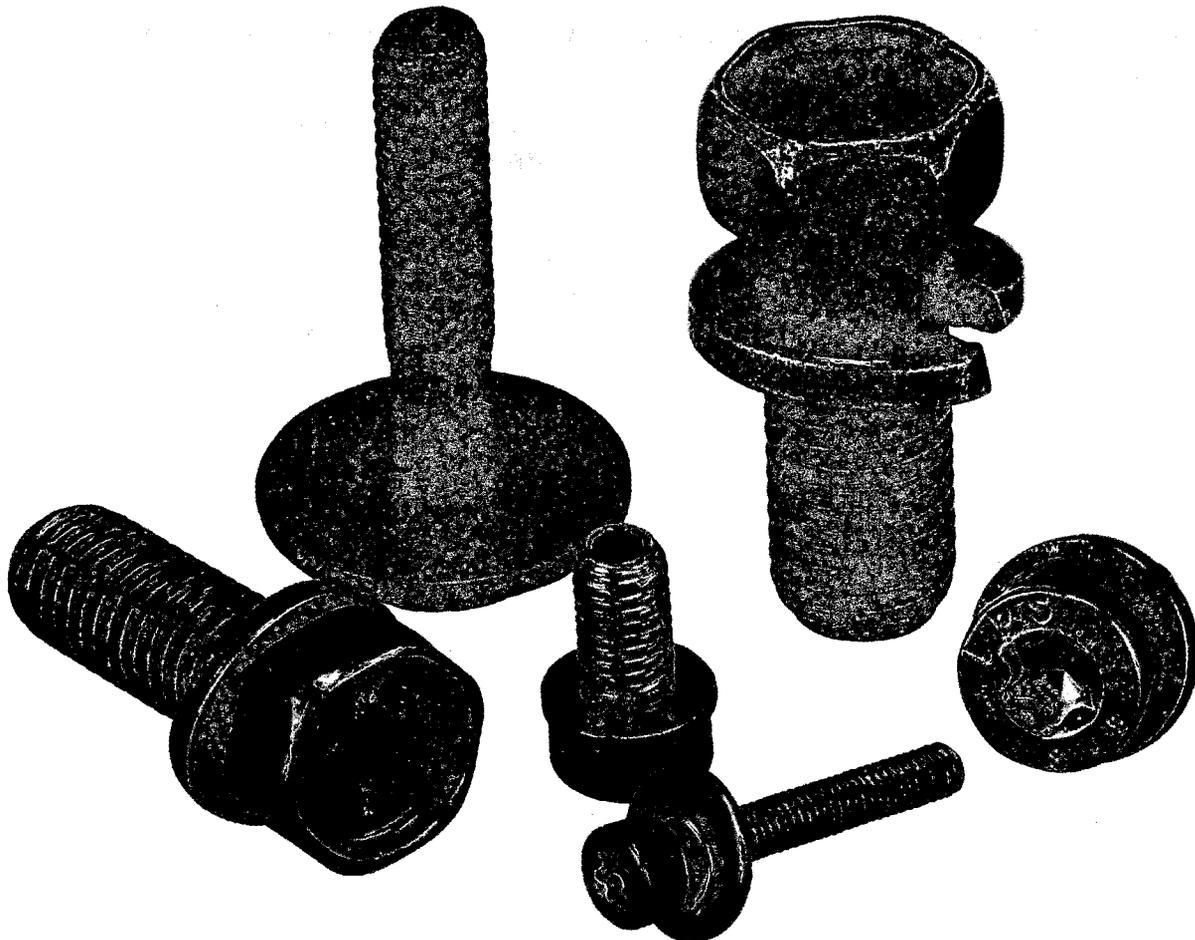
We are committed to improve our products so that they meet the ever-increasing expectations of our customers and are always obliged for their continuous guidance and patronage.

Vision

To be a growth oriented professional company promoting high standards of business ethics, producing best quality products & thereby achieving international standards of excellence and also to establish a strong R&D facility to fulfill the demands of the automotive industry as comprehensively as possible.

Mission

To be a globally competitive organization providing the best fastening solutions.





C M D ' S M E S S A G E

Dear Shareholders,

It gives me great pleasure to present the 38th Annual Report of the Company and share with you, your company's operational performance during the financial year 2006-07.

The global economy has experienced a robust growth during the financial year 2006-07 which was primarily led by emerging economies, specifically the Asian markets. India is emerging amongst the fastest growing economies of the world. We as a nation have propelled well with a growth rate of 9.4% in the year 2006-07 and with the infrastructural development in progress, India may continue with 8 to 8.5% GDP growth during the eleventh five year plan ending in year 2012. I strongly feel that the Indian growth story is here to stay in the coming years due to enormous growth opportunities across all segments of the economy.

You will appreciate the significance of having anticipated the growth numbers for the global and national economy as across industry verticals, we are very strongly correlated with the growth rate of GDPs all across the globe. With the healthy and steady growth rates the demand for automobiles have increased, consequently increasing the demand for auto components, hence your company has also crossed a few milestones, besides yet another year of robust performance. Let me share with you the key financial performance parameters :

- Your company's revenue increased by 17% to Rs. 1958 million in 2006-07.
- PBIDT (Profit Before Interest, Depreciation & Taxes) stood at Rs. 278.48 million, which grew by 26% from previous year.
- PAT (Profit After Tax) rose by 32% to Rs. 69.18 million

Your company's mission "to be a globally competitive organization that provides the best fastening solutions", is being translated at LPS into four interactive components, these are;

1. Evolving a strategy focused business model to utilize the resources in the best possible way to achieve the organizational goals in due time frame.
2. Driving greater efficiencies, higher productivity and better sweating the capital.
3. Having in place the desired edge with the technologies and capabilities to attract the best of the customers and provide them 'designed to deliver' solutions.
4. Allocating capital to rapidly build larger and more efficient scales of production at competitive costs.

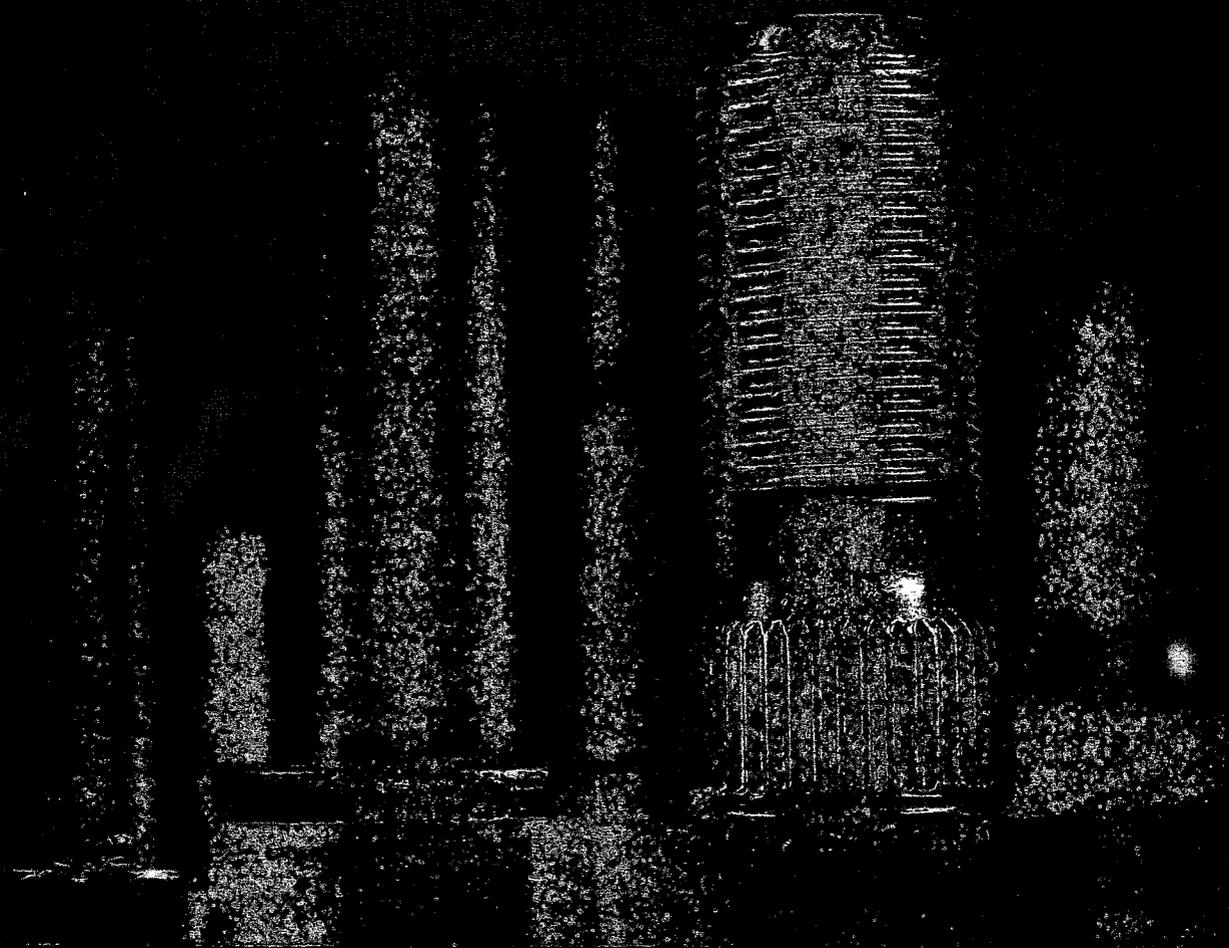
I believe that 2007-08 will be an even better year for your company as we will have larger capacities to leverage higher sales & profits. Our key priorities going forward will be based on the progress made so far and excellence achieved on the way. We pledge to continue to achieve our goals in line with the company's enshrined values, principles and processes, which have helped the organization to meet specified targets and achieve feats. We pose complete belief and faith in our people and look forward to creating an industry benchmark for cost-effective, international standard production processes and maintaining exceptional customer relationships.

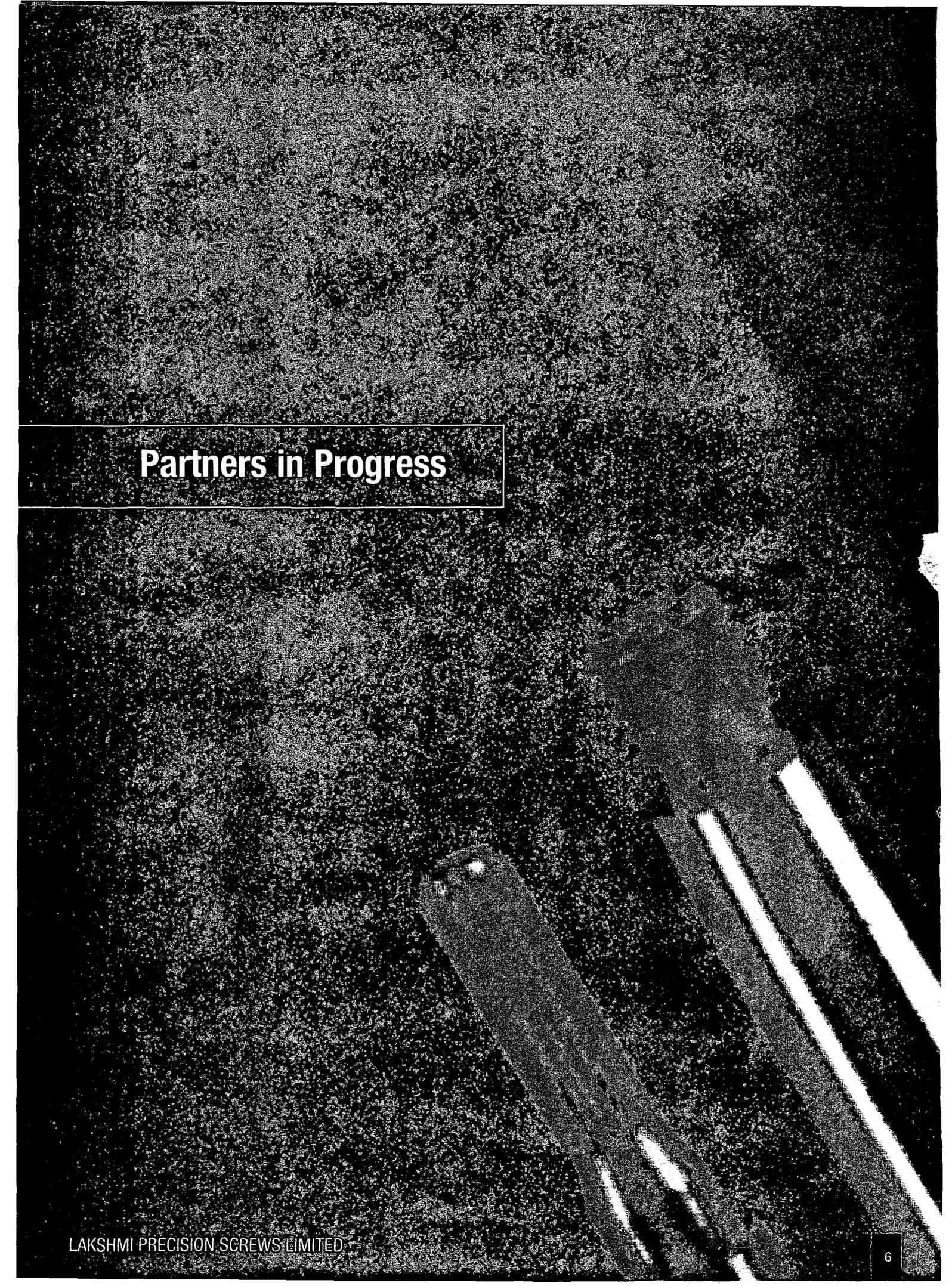
Let me take this opportunity to thank the shareholders whose sheer belief in the company is inspiring us to perform and strengthening our determination to take the company to newer heights. On behalf of the organization I would like to thank our bankers for their continued & timely support helping us in keeping our word with all our valued customers. I would also like to thank all our employees and their families for their invaluable contribution to the company's growth and assure a sustained growth for the LPS family.

Regards.

Lalit Kumar Jain

Inspiring growth, fostering initiative





Partners in Progress

FINANCIAL HIGHLIGHTS

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Members of Lakshmi Precision Screws Ltd. will be held on Saturday, the September 29, 2007 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 business:-

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
02. To declare dividend for the financial year ended on March 31, 2007.
03. To appoint a Director in place of Smt. Sushila Devi Jain, who retires by rotation and being eligible, offers herself for re-appointment.
04. To appoint a Director in place of Mr. Jamshedji Rustomji Desai, who retires by rotation and being eligible, offers himself for re-appointment.
05. To appoint Statutory Auditors and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 M/s. V.R. Bansal & Associates, Chartered Accountants, Noida, be and are hereby appointed as the Auditors of the Company from the conclusion of 38th Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company on a remuneration (including tax audit fees) plus out of pocket expenses as may be fixed by the Board/ Audit Committee later on."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government, Mr. Lalit Kumar Jain be and is hereby reappointed as Chairman and Managing Director of the Company for a period of five years w.e.f. 01.01.2008 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company 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 be and is hereby authorized to alter or vary the said terms and conditions at its discretion as it may deem fit and as acceptable to Mr. Lalit Kumar Jain within the limits specified in the Explanatory Statement without being required to seek further consent or approval of the members of the Company.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary documents/returns with the Central Government, Company Law Board, Registrar of Companies, Delhi & Haryana and to do all such acts and things as may be deemed necessary in this regard."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government, Mr. Dinesh Kumar Jain be and is hereby reappointed as Vice Chairman and Managing Director of the Company for a period of five years w.e.f. 01.01.2008 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company 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 be and is hereby authorized to alter or vary the said terms and conditions at its discretion as it may deem fit and as acceptable to Mr. Dinesh Kumar Jain within the limits specified in the Explanatory Statement without being required to seek further consent or approval of the members of the Company.

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary documents/returns with the Central Government, Company Law Board, Registrar of Companies, Delhi & Haryana and to do all such acts and things as may be deemed necessary in this regard."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof), for the time being in force and subject to the approval of the Central Government, Mr. Vijay Kumar Jain be and is hereby reappointed as Joint Managing Director of the Company for a period of five years w.e.f. 01.01.2008 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and otherwise as set out in the Explanatory Statement which is annexed to the notice convening the Annual General Meeting.

VENTURES

Joint Ventures

LPS/Bossard Pvt. Ltd.

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

Licensing & Distribution

Recoil Business Division of LPS

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

Acument Global Technologies

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

Dorken

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

EJOT

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

Alliance

Global Fastener Alliance (GFA)

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

BOSSARD

EJOT

DÖRKEN



UNDERWRITERS LABORATORIES INC.

Lakshmi Precision Screws Ltd., Plant II
Opposite Northern Bypass
Hissar Road
Rohtak - 124 001, Haryana
INDIA

ISO 14001:2004

ENVIRONMENTAL MANAGEMENT SYSTEM

The Environmental Management System of Lakshmi Precision Screws Ltd. is certified with the International Standard ISO 14001:2004 for Environmental Management System. The scope of certification is as follows: Production and Control of Fasteners for Automobile, Light Duty, Power Transmission and Construction Applications. The certificate is valid for a period of 3 years.

For further details, please contact:
Lakshmi Precision Screws Ltd., Plant II
Opposite Northern Bypass, Hissar Road
Rohtak - 124 001, Haryana
India

UL REGISTERED

UNDERWRITERS LABORATORIES INC.

LAKSHMI PRECISION SCREWS LTD., PLANT II
Hissar Road
Rohtak - 124 001
Haryana INDIA

ISO 9001:2000

QUALITY MANAGEMENT SYSTEM

The Quality Management System of Lakshmi Precision Screws Ltd. is certified with the International Standard ISO 9001:2000 for Quality Management System. The scope of certification is as follows: Production and Control of Fasteners for Automobile, Light Duty, Power Transmission and Construction Applications. The certificate is valid for a period of 3 years.

For further details, please contact:
Lakshmi Precision Screws Ltd., Plant II
Opposite Northern Bypass, Hissar Road
Rohtak - 124 001, Haryana
India

UL REGISTERED

UNDERWRITERS LABORATORIES INC.

LAKSHMI PRECISION SCREWS LTD., PLANT II
Hissar Road
Rohtak - 124 001
Haryana INDIA

ISO/TS 16949:2002

QUALITY MANAGEMENT SYSTEM FOR THE AUTOMOTIVE INDUSTRY

The Quality Management System of Lakshmi Precision Screws Ltd. is certified with the International Standard ISO/TS 16949:2002 for Quality Management System for the Automotive Industry. The scope of certification is as follows: Production and Control of Fasteners for Automobile, Light Duty, Power Transmission and Construction Applications. The certificate is valid for a period of 3 years.

For further details, please contact:
Lakshmi Precision Screws Ltd., Plant II
Opposite Northern Bypass, Hissar Road
Rohtak - 124 001, Haryana
India

UL REGISTERED

UNDERWRITERS LABORATORIES INC.

Lakshmi Precision Screws Ltd. Plant II
Opposite Northern Bypass
Hissar Road
Rohtak - 124 001
INDIA

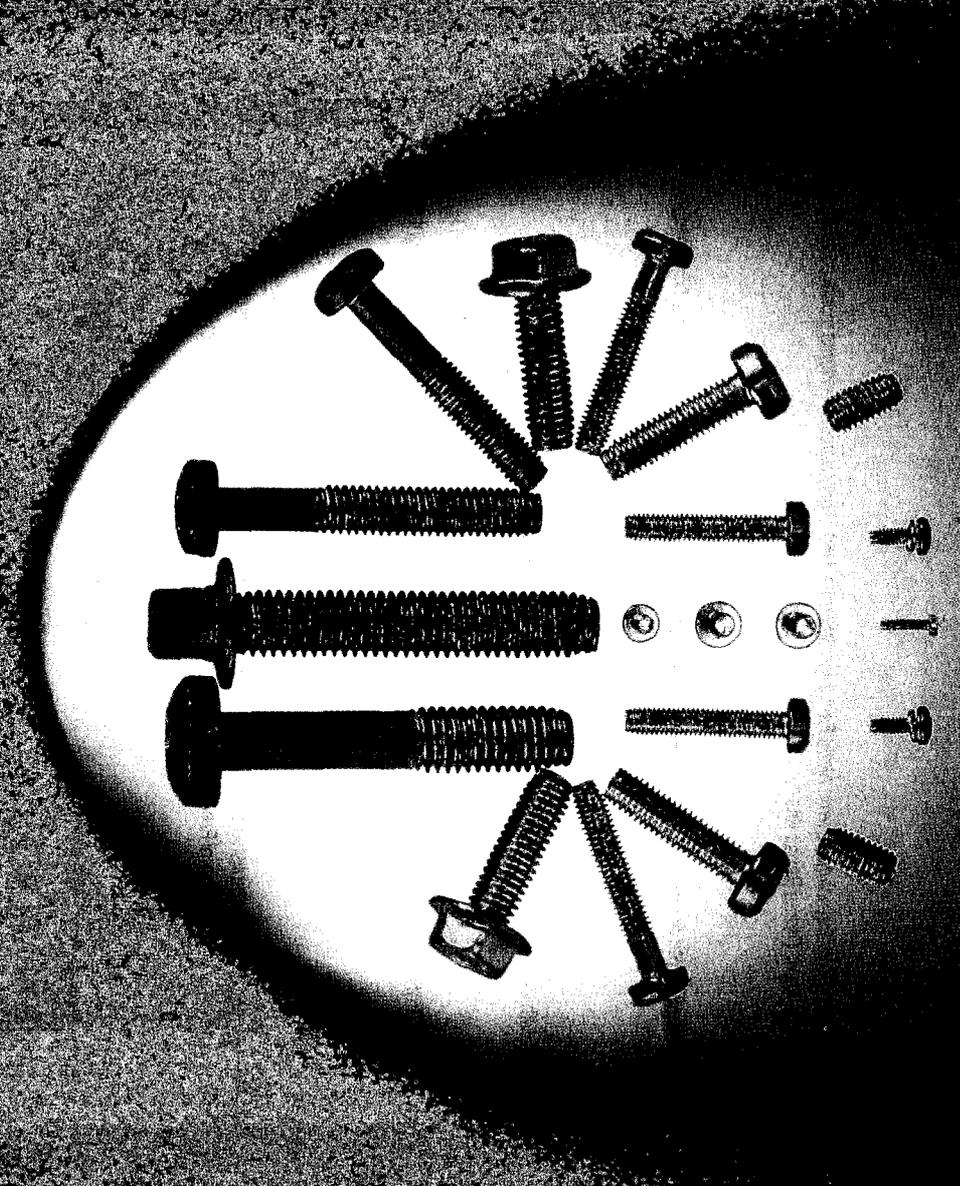
OHSAS 18001:1999

OPERATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Operational Health and Safety Management System of Lakshmi Precision Screws Ltd. is certified with the International Standard OHSAS 18001:1999 for Operational Health and Safety Management System. The scope of certification is as follows: Production and Control of Fasteners for Automobile, Light Duty, Power Transmission and Construction Applications. The certificate is valid for a period of 3 years.

For further details, please contact:
Lakshmi Precision Screws Ltd., Plant II
Opposite Northern Bypass, Hissar Road
Rohtak - 124 001, Haryana
India

UL REGISTERED



The Team with the Dream

LAKSHMI PRECISION SCREWS LIMITED

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary documents/returns with the Central Government, Company Law Board, Registrar of Companies, Delhi & Haryana and to do all such acts and things as may be deemed necessary in this regard."

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

"RESOLVED THAT pursuant to the provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its consent to re-appoint and increase the remuneration of Mr. Sudesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Marketing Director (not a Board level appointment) w.e.f. 01.10.2007 for a period of five years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

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

"RESOLVED THAT pursuant to the provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its consent to appoint and fix the remuneration of Mr. Nikhlesh Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Marketing) w.e.f. 01.10.2007 for a period of five years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

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

"RESOLVED THAT pursuant to the provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its consent to appoint and fix the remuneration of Mr. Amit Kumar Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Exports) w.e.f. 01.10.2007 for a period of five years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

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

"RESOLVED THAT pursuant to the provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its consent to appoint and fix the remuneration of Mr. Gagan Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Operations) w.e.f. 01.10.2007 for a period of five years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

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

“RESOLVED THAT pursuant to the provision of Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its consent to appoint and fix the remuneration of Mr. Gautam Jain, a relative of one of the Directors of the Company, for holding and continuing to hold the office or place of profit designated as Vice President (Business Development) w.e.f. 01.10.2007 for a period of five years upon the terms and conditions relating to remuneration and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

By order of the Board of Directors

Place : Rohtak
Dated : July 30, 2007

S.N. Grover
Company Secretary

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/ herself. The proxy need not be a member of the Company. Proxy form being enclosed, duly signed and completed should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement setting out the material facts concerning Special Business Item No.06 to 13 of the accompanying notice as required by Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from **September 22, 2007 to September 29, 2007** (both days inclusive) for the purpose of **Annual General Meeting and payment of dividend, if any.**
4. The dividend as recommended by the Board is subject to the approval of Members, if sanctioned at the meeting and will be paid to those members whose names appear on the Company's Register of Members on September 21, 2007. In respect to the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. The Company has already transferred all unclaimed/unpaid dividend declared up to the financial year ended March 31, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. The Company has transferred the unclaimed dividend for the year ended March 31, 1996 and March 31, 1997 to Investor Education and Protection Fund. Further, the Company did not declare dividend for the financial year ended March 31, 1998 to March 31, 2001 and for March 31, 2003.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended on March 31, 2002, March 31, 2004, March 31, 2005 and March 31, 2006, which remains unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Members who have not encashed their dividend warrants for the above said financial year so far, are requested to approach the registered office of the Company for revalidation of the Dividend Warrants as the amount of dividend remaining unpaid for a period of 7 years shall be transferred to Investors Education and Protection Fund. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims. The unpaid dividend for the financial year 2001-02, 2003-04 to 2005-06 will become due for transfer to the Investors Education and Protection Fund in the year 2009, 2011 to 2013 respectively.
7. Members are requested to notify immediately any change of address
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
 - ii) To the Company's Registrar, MCS Ltd in respect of their physical share folios, if any, quoting their folio number.
8. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/ change in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the

shares held in the electronic mode. Shareholders who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.

9. Contract Register 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. and 2.30 P.M. except the date on which the same will be placed in the Board Meeting for compliance of Section 301 of the Companies Act, 1956.
10. Pursuant to the requirements of the Listing Agreements 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.
11. Pursuant to the directions of the Securities 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.
12. Members desiring of getting any information/clarification relating to the accounts of the Company under reference or about operations of the Company, are requested to write to the Company Secretary at least 7 days before the Meeting to enable the Company to make it available at the time of Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated 30th July, 2007.

Item No. 06 to 08

Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were appointed as Chairman & Managing Director, Vice Chairman & Managing Director and Joint Managing Director respectively w.e.f. 01.01.2004 for a period of 3 years and accordingly their term of appointment will expire on 31.12.2007. Presently, Mr. Lalit Kumar Jain, Chairman & Managing Director is drawing remuneration of Rs.3.50 lacs per month, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director each are drawing remuneration of Rs.3.37 lacs per month. The annual turnover of the Company has touched a level near to Rs.200 crores during the financial year 2006-07 as on 31.03.2007. The job responsibilities of Whole Time Executive Directors have also considerably increased. In order to achieve the planned growth of the Company, the services of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain are required for another period of 5 years. Considering their background, outstanding contribution and achievements, and as a part of the initiative to create enduring leadership for the Company, the Remuneration Committee as well as the Board of Directors at their meetings held on 30.07.2007 have approved the reappointment of Mr. Lalit Kumar Jain as Chairman & Managing Director, Mr. Dinesh Kumar Jain as Vice Chairman & Managing Director and Mr. Vijay Kumar Jain as Joint Managing Director of the Company subject to the approval of shareholders and the Central Government, for a period of 5 years w.e.f. 01.01.2008 on the payment of remuneration to be paid individually and severally as per details given below :

1. Basic Salary

(a) Mr. Lalit Kumar Jain	:	Rs.5,00,000 per month
(b) Mr. Dinesh Kumar Jain	:	Rs.4,80,000 per month
(c) Mr. Vijay Kumar Jain	:	Rs.4,80,000 per month

2. Perquisites and Allowances: Perquisites and allowances shall be allowed in addition to basic salary as follows:

(i) Housing/HRA:

The Company to provide free fully furnished accommodation with the facilities of Telephone, Gas, Electricity and Water etc. The Company to also bear the actual expenses incurred on maintenance, repairs and other facilities as required from time to time. In case the accommodation is owned by the Company, an amount equivalent to 10% of his basic salary shall be taken as the perquisite value.

In case no accommodation is provided by the Company, House Rent Allowance subject to a maximum of 25% of the salary shall be paid.

(ii) Medical Reimbursement

Expenditure incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

(iii) Leave Travel Concession

For self and family in a year in accordance with the rules of the Company.

(iv) Club Fees

Subject to maximum of two clubs, this will not include admission and life membership fee.

(v) Personal Accident Insurance

Premium not to exceed Rs.10000/- per annum.

(vi) Children's Education Allowance

Children studying in or outside India, an allowance entitled to a maximum of Rs.5000/- per month per child or actual expenses incurred whichever is less. Such allowance is admissible for two children only.

(vii) Car
Facility of car with driver to be used for the business of the Company.

(viii) Telephone
Free telephone facility at Residence at Company's cost.

In addition the following perquisites which shall not be included in the computation of the ceiling of remuneration as specified shall also be allowed:

- Contribution to provident fund, superannuation fund or any annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- Gratuity for each completed year of service payable shall not exceed half a month's salary.
- Encashment of leave at the end of the tenure.

The provision of Car with chauffeur for use for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls of telephones and use of car for private purpose shall be billed by the Company

3. OTHER BENEFITS

(i) The Chairman and Managing Director, Vice Chairman and Managing Director and Joint Managing Director shall also be entitled to such other benefits, schemes, privileges and amenities as are granted to senior executives of the Company in accordance with the Company's practices, rules and regulations in force from time to time.

(ii) Further they will be reimbursed various expenses incurred in the interest of the business of the Company like entertainment and traveling expenses.

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

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

Item No. 09.

Mr. Sudesh Kumar Jain is working with the Company since 1974. He has more than 33 years of experience in the fields of marketing and administration. Mr. Sudesh Kumar Jain is presently drawing a monthly remuneration of Rs.100000/- w.e.f. 01.10.2002. The Board of Directors have, at their meeting held on 30.07.2007 subject to the approval of members and the Central Government, approved the increase in the remuneration of Mr. Sudesh Kumar Jain, Marketing Director for a period of five years w.e.f. 01.10.2007 as per the terms and conditions as set out below: -

Basic Pay	:	Rs.160000/-
HRA	:	25% of Salary

together with such other perquisites as agreed by the Board of Directors as per the policy of the Company from time to time.

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

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

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

Item No. 10 to 13

Mr. Nikhlesh Kumar Jain is an MBA from North Eastern University of USA and is presently working with the Company since 2004 as Manager Marketing. He has a wide experience in the field of marketing. Mr. Jain is presently drawing a monthly remuneration of Rs.35000/-. Mr. Jain has actively participated in the marketing activities of the Company and has been instrumental in increasing the sales turnover of the Company during the last 3 years. Mr. Nikhlesh Kumar Jain is the son of Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director of the Company and fixation of his remuneration requires the consent of the members of the Company in Annual General Meeting and prior approval of the Central Government under sub section (1B) of Section 314 of the Companies Act, 1956.

Mr. Amit Kumar Jain is a BBA from University of Chicago, USA and at present is working with the Company since 2004 as Manager Marketing (Exports). He has a wide experience in the field of marketing. During his tenure as Manager Marketing (Exports), Mr. Jain has contributed immensely as a result of which the Company has been able to maintain its growth in the export sales. Mr. Jain is presently drawing a monthly remuneration of Rs.35000/-. Mr. Amit Kumar Jain, is the son of Mr. Vijay Kumar Jain, Joint Managing Director of the Company and fixation of his remuneration requires the consent of the members of the Company in Annual General Meeting and prior approval of the Central Government under sub section (1B) of Section 314 of the Companies Act, 1956.

Mr. Gagan Jain is a Bachelor of Information Systems from University of Melbourne, Australia and is at present working with the Company since 2004 as Manager (Operations). He has a wide experience in the field of operational activities and has contributed a lot in the progress/growth of the Company during his tenure of last 3 years. Mr. Jain is presently drawing a monthly remuneration of Rs.35000/- . Mr. Gagan Jain is the son of Mr. Lalit Kumar Jain, Chairman & Managing Director of the Company and fixation of his remuneration requires the consent of the members of the Company in Annual General Meeting and prior approval of the Central Government under sub section (1B) of Section 314 of the Companies Act, 1956.

Mr. Gautam Jain is a Bachelor of Commerce (Management) from University of Melbourne, Australia and at present is working with the Company since 2004 as Manager (Commercial). He has a wide experience in the field of commercial activities and has contributed a lot in the business development of the Company during the last 3 years of his working with the Company. Mr. Jain is presently drawing a monthly remuneration of Rs.35000/- . Mr. Gautam Jain is the son of Mr. Lalit Kumar Jain, Chairman & Managing Director of the Company and fixation of his remuneration requires the consent of the members of the Company in Annual General Meeting by passing the Special Resolution and prior approval of the Central Government under sub section (1B) of Section 314 of the Companies Act, 1956.

On the recommendations of the Selection Committee, the Board of Directors have, at their meeting held on 30.07.2007 subject to the approval of members and the Central Government, approved the appointments of Mr. Nikhlesh Kumar Jain as Vice President (Marketing), Mr. Amit Kumar Jain as Vice President (Exports), Mr. Gagan Jain as Vice President (Operations) and Mr. Gautam Jain as Vice President (Business Development) for a period of five years w.e.f. 01.10.2007 on the payment of remuneration to be paid individually and severally and on the terms and conditions as set out below: -

Salary and Benefits:

(a) Basic Salary	:	Rs.70,000/- per month (in the scale of Rs.70,000-15,000-1,30,000).
(b) HRA	:	40% of Basic Salary
(c) Professional Development Allowance	:	10% of Basic Salary
(d) Entertainment Allowance	:	Rs.1000/- per month
(e) Magazine Allowance	:	Rs.800/- per month

Other Perquisites

(f) Medical Reimbursement	:	Expenses incurred for self and the family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
(g) Leave Travel Concession	:	For self and family subject to a ceiling of one month's salary in a year.
(h) Personal Accident Insurance	:	Annual premium not to exceed Rs.4000/- per annum

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

Other Terms and Conditions

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

The Directors recommend the adoption of the Special Resolutions as contained in Item No. 10 to 13 of the notice.

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

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, who are related to Mr. Amit Kumar Jain, Mr. Gagan Jain and Mr. Gautam Jain, no other Director of the Company is concerned or interested in passing of Special Resolutions as set out at Item No.11 to 13 of the Notice convening the Annual General Meeting.

Inspection of documents

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

By order of the Board of Directors

Place : Rohtak
Dated : July 30, 2007

S.N. Grover
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. Jamshedji Rustomji Desai NED	Mr. Lalit Kumar Jain ED	Mr. Dinesh Kumar Jain ED	Mr. Vijay Kumar Jain ED
Date of Birth	07.05.1933	21.03.1933	19.10.1954	07.09.1948	27.06.1957
Date of Appointment	30.09.1987	23.07.1982	05.12.1974	27.12.1968	05.12.1974
Qualifications	Matriculate	Graduation in Mechanical Engineering.	Engineering Graduate	Commerce Graduate	Graduate
Expertise in specific functional areas	Smt. Jain has 38 years experience as an industrialist. She has a wide experience of general management and business vision.	Mr. Desai has 47 years of varied experience in Industrial engineering and overall management.	Mr. Jain has 33 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 an in-depth understanding.	Mr. Jain has the distinguished credit of carrying with him over 39 years of rich Industrial experience. He is on the Board as a whole time Director since the 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, to the company in achieving its present position.	Mr. Jain has the distinguished credit of carrying with him over 33 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 Companies in which holds Directorship	Lakshmi Precision Screws Ltd.	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • ABN-Amro Securities Pvt. Ltd. • Tropicana Enterprises Pvt. Ltd. 	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Indian Fasteners Ltd. • Amit Screws Pvt. Ltd. • LPS Bossard Pvt. Ltd. • LPS Bossard Information Systems Pvt. Ltd. 	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Indian Fasteners Ltd. 	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Indian Fasteners Ltd. • Amit Screws Pvt. Ltd.
Name of Committee of the Companies in which holds Membership/ Chairmanship	None	Lakshmi Precision Screws Ltd. - Remuneration Committee (Chairman) - Audit Committee (Member)	Lakshmi Precision Screws Ltd. - Share Transfer and Investors Grievance Committee (Member)	Lakshmi Precision Screws Ltd. - Share Transfer and Investors Grievance Committee (Member)	None
Number of shares held in the Company	3,10,415	2,204	11,59,600	2,52,000	11,31,892

DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present the 38th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2007.

FINANCIAL RESULTS

The salient features of the Company's Financial Results for the year under review are as follows:

(Rs. in Lacs)

Particulars	2006-2007	2005-2006
Net Sales	19342.10	16675.14
Profit before interest, depreciation and tax	2784.72	2213.06
Less: Interest	839.25	718.09
Profit before depreciation and tax	1945.47	1494.97
Less: Depreciation	804.15	617.94
Profit before tax	1141.32	877.03
Less: Provision for tax	449.50	353.85
Net Profit for the year after tax	691.82	523.18
Add: Balance brought forward from previous year	2462.90	2138.48
Profit available for appropriation	3154.72	2661.65
Appropriation of Profits		
Transfer to General Reserve	52.00	27.00
Proposed Dividend	196.95	150.63
Corporate Dividend Tax	33.47	21.13
Balance carried over to Balance Sheet	2872.30	2462.90

PERFORMANCE OF THE COMPANY

The Economy of the country witnessed fast improvement in overall economic growth. Your Company has once again given a good performance during the financial year 2006-07. The Turnover of your Company has increased by 16% in current financial year. The net profit of the Company has also increased by 32% over the previous year. Supply of fasteners to replacement and original equipment segments, wherein your Company holds a key position, continued to be the area of focus of your Company. In order to meet the increased demand, the Company is expanding its activities by increasing the installed capacity. Your Company continued to follow its philosophy to provide high quality products at the lowest cost, coupled with excellent customer services. 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 high quality products enjoy well acceptance in the market place.

During the year under review, your Company came out with a preferential issue and allotted 900000 equity shares of Rs.10/- each for cash at a premium of Rs. 93.42 per share aggregating to Rs.930.78 lacs to M/s. Reliance Capital Trustee Co. Ltd. A/c. of Reliance Long Term Equity Fund. Your Directors express their gratitude to M/s. Reliance Capital Trustee Co. Ltd. A/c. of Reliance Long Term Equity Fund for the trust and confidence reposed by them in the Company and its management. After the above said allotment, the paid up capital of the Company increased to Rs.1094.17 lacs.

OUTLOOK

The performance of the fasteners industry is linked to the automobile sector. The growth of automobile sector is dependent on the performance of the economy. The current economic growth is 9.4%. The development of the infrastructure and agriculture sectors would lead to continuous growth in the automobile sector by generating more demand of fasteners. Considering the measures taken/ planned by the Central Government to boost the economy as well as the various steps taken by your Company and further plans and strategies drawn, the Company is expected to maintain its performance.

With all our customers indicating increased volume in production and new entrants like Suzuki Motorcycles opting for your Company as a major source for their new models, the out look for the financial year 2007-08 looks promising.

DIVIDEND

Your Board recommends a dividend @ Rs.1.80 per equity share of Rs.10/- each on the enhanced equity share capital for the year 2006-07. The recommended dividend, if approved at the ensuing 38th Annual General Meeting, will absorb a sum of Rs.197 lacs and Corporate Tax on dividend will be Rs.33 lacs out of the profits. The Company has made transfer of Rs.52 lacs to the General Reserve. The total appropriation of Rs.230 lacs gives 33% payout on net profit of the Company. The proposed dividend shall be payable to Shareholders whose names appear in the Register of Members as on September 21, 2007.

FIXED DEPOSIT

During the year under review, the Company has accepted/renewed the deposits under the Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. There is no unclaimed or unpaid deposit lying with the Company. As on March 31, 2007, there were no overdue deposits of the Company.

SUBSIDIARY

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Statement of 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 2006-07.

DIRECTORS

In accordance with the requirement of the Companies Act, 1956, and the Company's Articles of Association, Smt. Sushila Devi Jain and Mr. Jamshedji Rustomji Desai, Directors retiring by rotation at the ensuing 38th Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their reappointment as Directors liable retiring by rotation.

A brief resume, giving expertise and details of other directorships and committee memberships of these Directors seeking re-appointment as required under clause 49 of the Listing Agreement has been given under the notice to the shareholders.

The Board of Directors also places on record its deep appreciation for the valuable guidance and significant contribution made by Dr. D. Bhandari during his tenure as Nominee Director of the Company. The Board also welcomes Mr. R. Krishna Kumar on the Board of Directors who has been nominated by ICICI Bank Ltd. and hopes that the Company shall be benefitted from his rich experience and professional acumen.

AUDITORS

M/s. V. R. Bansal & Associates, Chartered Accountants, Noida, the present Auditors of the Company, retiring at the forthcoming 38th Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment as Auditors of the Company for the financial year 2007-08.

COMMENTS ON AUDITORS' REPORT

All observations made in the Auditors' Report and notes to the accounts are self explanatory and do not call for any further comments under section 217 of the Companies Act, 1956.

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

Particulars as required to be disclosed as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the statement attached hereto under Annexure 'A' and forms part of this Report.

HEALTH, SAFETY AND ENVIRONMENT

LPS is very much concerned with the health and safety of every person at its plants and offices and is protecting and nurturing the environment.

LPS is concerned not only about complying with the regulatory norms for prevention and control of pollution, but also to go beyond this by adopting clean technologies and improvement in management practices. Your Directors have always felt the compliance of end-of-the-pipe effluent and emission standards and have always given attention to planting of trees, greening of surrounding areas in and around factories and beautification of the plant's vacant premises. The employees are also made conscious of their responsibilities towards protecting the environment and adding to its beauty.

Your Company has a track record of proactively fulfilling regulatory requirements. There is not a single violation of any type, since its inception. Your Company has already crossed the milestone of being accredited ISO 14001:1996 and OHSAS 18001:1999. Your Company has also got new version of ISO 14001:2004, which is more stringent as far as Environmental Management System is concerned.

CONTRIBUTION TO EXCHEQUER

Corresponding to the increase in turnover, there is an increase in contribution made to exchequer through taxes. Your company is a regular payer of taxes and other duties to the Government and is contributing fully to the growth of our nation as a responsible corporate citizen.

QUALITY MANAGEMENT SYSTEM

The financial year 2006 – 07 brought good outcome for the Company in terms of quality improvement. The Company won various accolades during this year. It won "Silver

Award for Manufacturing Excellence' in Emerging Engineering category during IMEA 2006 (Indian Manufacturing Excellence Awards) conducted by Frost & Sullivan". Volkswagen, W. Germany audited the Company and certified it for supplying high tensile fasteners of grade 10.9 and above. The Company also won the "1st runner up award in North West Qualtech Awards 2006 conducted by PTU's Gian Jyoti School of TQM and Entrepreneurship". Honda Motor Cycle and Scooter India awarded the Company for performance in New Product Development.

Your company is further strengthening its operations and management techniques through the implementation of "Total Productive Maintenance" (TPM) for improving its operational efficiencies and "Balance Scorecard" for aligning the different company objectives to meet the vision 2010.

PARTICULARS OF EMPLOYEES

Particulars of employees required under Section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975 as amended form part of this Report and are attached herewith as Annexure 'B'.

LISTING OF SHARES AND FEE

The Company's shares are listed at The Delhi Stock Exchange Association Ltd. (DSE), Bombay Stock Exchanges Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). The Company confirms that it has paid annual listing fee due to the above said stock exchanges, for the financial year 2007-08. The Shares of the Company are compulsorily tradable in dematerialized form.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year under report;
- c. 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; and
- d. the Directors had prepared the accounts for the financial year ended March 31, 2007 on a 'going concern' basis.

CORPORATE GOVERNANCE

An independent Board with the best of business practices, transparency and empowerment of shareholders are as necessary as the solid financial results are for creating and sustaining the shareholder value. In line with the amended Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance", Management Discussion & Analysis Report and Auditor's Certificate on the compliance of conditions of Corporate Governance has been included in this annual report in Annexure 'C' attached hereto and forming part of this Annual Report.

HUMAN RESOURCES

The Company values human resources as they are very vital for the growth of the Company. The plans and policies framed by the management from time to time are translated into reality by this asset only. Your Company continuously evolves policies and processes to attract and retain its substantial pool of scientific, technical and managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

Measures for safety of the employees, training and development continued to receive top priority. Existing employees are continuously being imparted training, in-house and through external sources, to hone their skills for meeting challenges. 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 have remained cordial throughout the year and industrial harmony was maintained.

ACKNOWLEDGMENTS

Your Directors thank our valued Customers and Suppliers, various Financial Institutions, Banks, Central and State Government Bodies, Auditors and Legal Advisors who have made possible the excellent results achieved by your Company and to all the persons who reposed faith and trust in Company. We would also like to express thanks to our esteemed Shareholders and Stakeholders for their confidence and understanding.

Last but not the least, we wish to place on record the appreciation of the efficient and loyal services rendered by all employees and our colleagues at all levels, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

Your support as shareholders is greatly valued.

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

for and on behalf of the Board

Place : Rohtak
Dated : July 30, 2007

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. 1000 KVA Transformer with Automatic On Load Tap Changer (OLTC) installed with Vacuum Circuit Breakers (VCB). It is more efficient than Transformer with off load tap changer.
2. A rational and systematic approach has been taken for energy conservation:
 - i) 180 KVAR new capacitors are being installed to improve power factor upto 0.99.
 - ii) All the power consumption sources like air conditioners, pumps, lights have been connected with individual switches and they are being shut down during the idle time.
3. Installation of energy saving CFL lamps in place of conventional wattage lamps.
4. Replacement of endo gas generators with methanol system.
5. Installation of energy savers for lighting circuits.
6. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
7. Machines and pipelines are being checked to arrest air, oil and water leakages.
8. Zirconium coil heating is implemented instead of electric heater in pickling tanks of plating and phosphating plants.
9. Provided energy saver in street light feeder to save energy cost.
10. Oil centrifuge installed in 625 KVA DG-Set to improve life of engine oil from 250 hrs to 500 hrs.

(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 voltage stabiliser at the identified lighting feeders.
2. After installation of sanyung furnace, initiative being taken to install 300 KVAR capacitors 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 should be enough natural day light inside.
 - (B) Street lights are designed in 70 W, instead of conventional 150 or 250 W.

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

As a result of continuation and increasing scale of energy conservation measures taken in earlier years, there have been savings in the cost of production. 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:

As the International economy improved faster, your Company could achieve the 9% growth in export sales over the previous year. Considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits have made this possible. The Company has made efforts on various fronts for promotion of Exports like manufacturing of products as per new international quality standards, improvement in the packaging. Specific markets like American and European which were chosen as special thrust areas have resulted in increased avenues for export. Besides export to distributors, now the Company plans to reach 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.6178 Lacs
Total Foreign exchange used	:	Rs.3006 Lacs

for and on behalf of the Board

Place : Rohtak
Dated : July 30, 2007

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2006-2007	2005-2006
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
Units (Kwh in thousand)	10292.28	9778.52
Total amount (Rs. in lacs)	437.43	401.88
Rate/unit (Rs.)	4.25	4.11
(b) Own generation		
Through diesel generator (unit in thousand)	5348.12	4357.12
Units per litre of diesel oil	31.24	29.45
Cost/unit (Rs.)	8.94	8.31
2. LPG		
Qty./Tons	370.38	336.31
Total amount (Rs. in lacs)	130.61	119.89
Average Rate/Kilogram (Rs.)	35.26	35.65
3. Furnace		
Oil Qty./Litres (in thousand)	0.23	0
Total amount (Rs. in lacs)	3.88	0
Average Rate/litre (Rs.)	16.83	0
B. Consumption per tonne of production		
Product (with details) Unit		
Electricity (Units/Ton)	1204.03	1232.31
LPG (kg./ton)	28.51	31.73

Form B

Form for disclosure of particulars with respect to absorption:

A. RESEARCH AND DEVELOPMENT (R&D)

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

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

1. Development of Spline and Productionisation of shaft and components through cold forging process.
2. Neck rolling process established for high fatigue life in critical engine fasteners.
3. Development of Hexavalent Chrome passivation and Delta Tone and Geomet process to meet customers demand in coating process.
4. Development in Design process by addition of latest technology software for stress analysis to analyze and avoid tools breaking in forging.
5. Development in thread rolling section by addition of new concept self tapping thread for light alloy material.
6. To gear up tool production and better quality, new concept and latest machineries have been added.
7. Continuous Kaizen activity across the company on raw material processing and specification, resulted improvement in the tool life, cost saving and higher productivity.
8. Machining processes have been improved by addition of latest type of T.C. Tools and Machines.
9. Development of coating in thread rolling dies to improve die life.

b) Future Plan of action:

1. Upgradation of tool design, process technology, input raw material quality, Q.A. process and preventive maintenance system down time reduction to have high efficiency in productivity, aiming growth in the financial year.

2. To bring internal PPM level up to 2000 from 4000.
3. Cost reduction through continuous Kaizen and process innovation.
4. TPM activities.
5. Vertical Header to develop hot forging line.
6. Complete dip/spin unit with automatic mixture for Delta MKS/Delta Tonne (Hexavalent Chrome free) coating process.
7. Dip Hole Drilling machine for auto components.

c) Expenditure on R & D:

	(Rs. in lacs)
(1) Capital	67.19
(2) Recurring	<u>78.96</u>
Total	<u>146.15</u>
(3) Total R&D expenditure as a percentage of turnover	0.76%

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

1. The Company has started extensive use of new softwares which has strengthened planning system, online quality monitoring and design calculation.
2. Tool life has been increased through new design concept and improvement in tool steel Heat Treatment Process.
3. Hexavalent Chrome free coating system commercialized successfully.
4. Trivalent passivation has been widely accepted by domestic and global customers.
5. Extensive reduction in tool manufacturing cycle time through latest CNC machining process, new concept machining tools.
6. The Company always keeps itself updated with all the latest technological innovation by way of constant communication, visit to domestic/ foreign Companies.
7. New Stress analysis software installed in Design and Development department for speedy work and better understanding for new joinee.
8. New concept Stud Rolling machines introduction for higher productivity.
9. Company has started developing more and more component/shafts through cold forging process.
10. In some cases of internal threads, thread forming technology has been successfully tried in place of thread cutting operation.

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

PARTICULARS OF EMPLOYEES PURSUANT TO 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 YEAR ENDED MARCH 31, 2007.

(I) Employed throughout the year and in receipt of remuneration not less than Rs.24 lacs.

S. N.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Date of Joining	Age/Exp. (in years)	Qualifications	Last employment held
01	Mr. Lalit Kumar Jain	Chairman & Managing Director	39,45,600	05.12.74	53 33	B. E. Mech.	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	39,45,600	27.12.68	59 39	B. Com	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	39,45,600	05.12.74	50 32	B. A.	-
(II) Employed for a part of the year and in receipt of remuneration not less than Rs.2 lacs per month							NIL

Notes:

1. Remuneration received includes Salary, House Rent Allowance, perquisites and Company's contribution to provident fund.
2. Nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
3. 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.
4. Mr. Vijay Kumar Jain is a relative of Chairman & Managing Director of the Company.

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

(1) Company's philosophy

In the context of modern business environment where the stakeholders are scattered all over the country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and a 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 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 maintain high degree of disclosure levels.

The Company's Board and Senior Level Management comprise 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 is 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

The Board of the Company consists of ten Directors which comprises three Whole Time Directors, seven Non Executive Directors out of whom five are independent including one nominee of financial institution. The Company is chaired by an Executive Director. 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 2006-07, Seven Board Meetings were held on 27.04.2006, 27.06.2006 (2 Nos.), 28.07.2006, 28.10.2006, 12.12.2006 and 13.01.2007. 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, 2007 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 as also number of directorships and chairmanships/memberships of committees of each director held in various companies as at March 31, 2007 are as follows:

Sr. No.	Name of Director	Category	Attendance Record		No. of other Directorship and Committee Membership & Chairmanship		
			Board Meetings	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
1.	Mr. Lalit Kumar Jain	ED (CMD)	7	Yes	4	1	Nil
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	6	Yes	1	1	Nil
3.	Mr. Vijay Kumar Jain	ED (JMD)	6	Yes	2	Nil	Nil
4.	Mr. Rajesh Jain	NED	7	No	7	2	1
5.	Mrs. Sushila Devi Jain	NED	7	No	Nil	Nil	Nil
6.	Mr. Jamshej Rustomji Desai	NEID	6	No	2	1	1
7.	Mr. Babulal S. Aggarwal	NEID	0	No	1	1	Nil
8.	Dr. D. Bhandari *	NEID	2	No	3	1	Nil
9.	Mr. Keshwa Nand Rattan	NEID	5	Yes	Nil	1	1
10.	Mr. Ajay Kumar Chakraborty	NEID	7	No	3	2	Nil
11.	Mr. R. Krishnakumar *	NEID	3	No	2	Nil	Nil

* IICI Bank Ltd. withdrew nomination of Dr. D. Bhandari from the Directorship of the Company and nominated Mr. R. Krishnakumar in his place w.e.f. 06.09.2006.

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.

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 which 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, 2007. A declaration to this effect, duly signed by the Chairman and Managing Director (CEO) is given in the Annual Report.

Insider Trading

The Company's shares are listed at the Delhi Stock Exchange, National Stock Exchange and Bombay Stock Exchange. With the intention of preventing insider dealing in the securities of the Company, the Company has implemented an "Insider Dealing Policy" 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 framework.

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 three committees viz. the Audit Committee, Remuneration Committee and Share Transfer and Investors Grievance Committee. All these Board Committees are chaired by Non Executive 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 is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the accounting standards, stock exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of internal audit and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts.

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

During the year 2006-07, four Audit Committee meetings were held on 27.06.2006, 28.07.2006, 28.10.2006 and 13.01.2007. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Keshwa Nand Rattan	Chairman	3
Mr. Jamshedji Rustomji Desai	Member	4
Mr. Dharmendra Bhandari*	Member	1
Mr. Rajesh Jain	Member	4
Mr. Ajay Kumar Chakraborty	Member	4

* Withdrawn by ICICI Bank Ltd. from the Board of the Company w.e.f. 06.09.2006.

All the above meetings were also attended by the Executive Director (Finance). The Statutory, Internal Auditors and other executives generally attended the meetings on invitation. Mr. Keshwa Nand Rattan is the Chairman of the Audit Committee and was present in the last Annual General Meeting of the Company.

Mr. S.N. Grover, Company Secretary acts as the Secretary of the Audit Committee.

(4) 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 Remuneration Committee. The Committee consists of three (3) Non-executive Directors, out of which two (2) Directors are Independent Directors. Mr. Jamshedji Rustomji Desai, Non-executive Independent Director is the Chairman of the Committee, Mr. Keshwa Nand Rattan and Mr. Rajesh Jain, are the members of the Committee. There was no change in the remuneration of the executive directors during the year and as such no meeting of the Remuneration Committee of the Board was held.

Mr. S. N. Grover, Company Secretary acts as the Secretary of Remuneration Committee.

Remuneration policy

The Company is not paying any remuneration to Non-executive Directors of the Company except 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 in the Board/ Shareholders Meetings. The remuneration structure comprises 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 2006-2007:

(a) Executive Directors:

Managing Directors/Joint Managing Director	Salary (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	28,80,000	7,20,000	3,45,600
Mr. Dinesh Kumar Jain	28,80,000	7,20,000	3,45,600
Mr. Vijay Kumar Jain	28,80,000	7,20,000	3,45,600
Total	86,40,000	21,60,000	10,36,800

(b) Non-executive Directors:

The Non-executive Directors are paid only the sitting fee of Rs.5000/- per Board/ Committee Meeting attended:

Name of the Directors	Rs.
Mr. Rajesh Jain	115000
Mrs. Sushila Devi Jain	35000
Mr. Jamshedji Rustomji Desai	50000
Mr. Babulal S. Aggarwal	5000
Dr. Dharmendra Bhandari	15000
Mr. Keshwa Nand Rattan	40000
Mr. Ajay Kumar Chakraborty	55000
Mr. R. Krishnakumar	15000
Total	330000

(5) Share Transfer and Investors Grievance Committee:

Terms of Reference and composition:

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

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

The members of the Committee normally meet twice in a month for share transfer and other said purposes.

Mr. S.N. Grover, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

During the year, the Company has received 6 complaints from the shareholders. All the complaints were attended to promptly and resolved to the satisfaction of the shareholders. The Company endeavors to reply to all complaints received from the shareholders within a period of 10 days. As on March 31, 2007, there were no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The shareholders may email to M/s MCS Ltd. at email id mcscomplaintsdel@mcsdel.com and CC to Compliance Officer at the email id complianceofficer@lpsboi.com for early response of their queries.

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

(6) General Body Meetings:

The details of General Meetings held in the last three years are given below:

Meetings	Date	Time	Location
Annual General Meeting	25.09.2004	11.30 A.M.	Regd. Office
Extra Ordinary General Meeting	25.06.2005	11.30 A.M.	Regd. Office
Annual General Meeting	29.09.2005	11.30 A.M.	Regd. Office
Annual General Meeting	29.09.2006	11.30 A.M.	Regd. Office
Extra Ordinary General Meeting	04.01.2007	11.30 A.M.	Regd. Office

4 special resolutions were passed at the Annual General Meeting held on 25.09.2004.

No special resolutions were required to be put through postal ballot last year.

There were no special resolutions passed by the company through postal ballot as recommended under Clause 49 of the Listing Agreement.

(7) Disclosures

- The Company has disclosed the transactions with related parties in Note No.19 of Schedule No.19 of the Annual Accounts, which have been entered with its Directors, 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 at their 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 a Whistle Blower Policy and affirms that no personnel have been denied access to the Audit Committee.
- During the year, the Company has allotted 900000 equity shares of Rs.10/- each for cash at a premium of Rs. 93.42 per share aggregating to Rs.930.78 lacs on preferential basis to M/s. Reliance Capital Trustee Co. Ltd. A/c. of Reliance Long Term Equity Fund.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company, at large.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

CEO/ CFO Certification

The Chairman and Managing Director (CEO) and the AVP (Finance) (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended March 31, 2007.

(8) Means of communication:

Information like Quarterly/Half-yearly/Annual Audited Financial Results are published by the Company in leading national newspapers viz. The Economic Times (English) and Nav Bharat Times (Hindi). The quarterly shareholding pattern and quarterly/ half-yearly/ yearly results are also placed on the Company's website www.lpsindia.com under the head of 'Financial Info' for the purpose of household of the Shareholders. As the Company publishes the Audited Annual Results within a stipulated period of three months from the close of financial year, as permitted under the listing Agreement of the Stock Exchanges, the Unaudited Results for the last quarter of the financial year are not published. In term of Clause 51 of the Listing Agreement with the Stock Exchanges, certain documents/information relating to the Company are also accessible on the website www.sebidifar.nic.in. The website is also accessible through hyperlink 'EDIFAR' from the SEBI's official website <http://www.sebi.gov.in>. 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 2007-08:

- (i) Annual General Meeting is proposed to be held on Saturday, 29th September, 2007 at 11.30 A. M. at the Regd. Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak.
- (ii) Financial Calender (tentative and subject to change) :

Financial Reporting for the quarter ending June 30, 2007	End July, 2007
Mailing of Annual Reports to the Members	Starting September, 2007
Annual General Meeting for the year 2006-07	End September, 2007
Financial Reporting for the half-year ending Sept. 30, 2007	End October, 2007
Financial Reporting for the quarter ending December 31, 2007	End January, 2008
Financial Reporting for the year ending March 31, 2008	End June, 2008

(iii) Dates of Book closure: Saturday 22nd September, 2007 to Saturday, 29th September, 2007. (both days inclusive)

(iv) Dividend payment date: 30 days from the date of AGM.

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

The Bombay Stock Exchange Ltd. (BSE)	-	Stock Code	506079
The Delhi Stock Exchange Association Ltd. (DSE)	-	Stock Code	12010
The National Stock Exchange of India Ltd. (NSE)	-	Stock Code	LAKPRE

The Annual Listing fees for the year 2007-08 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2007-08 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

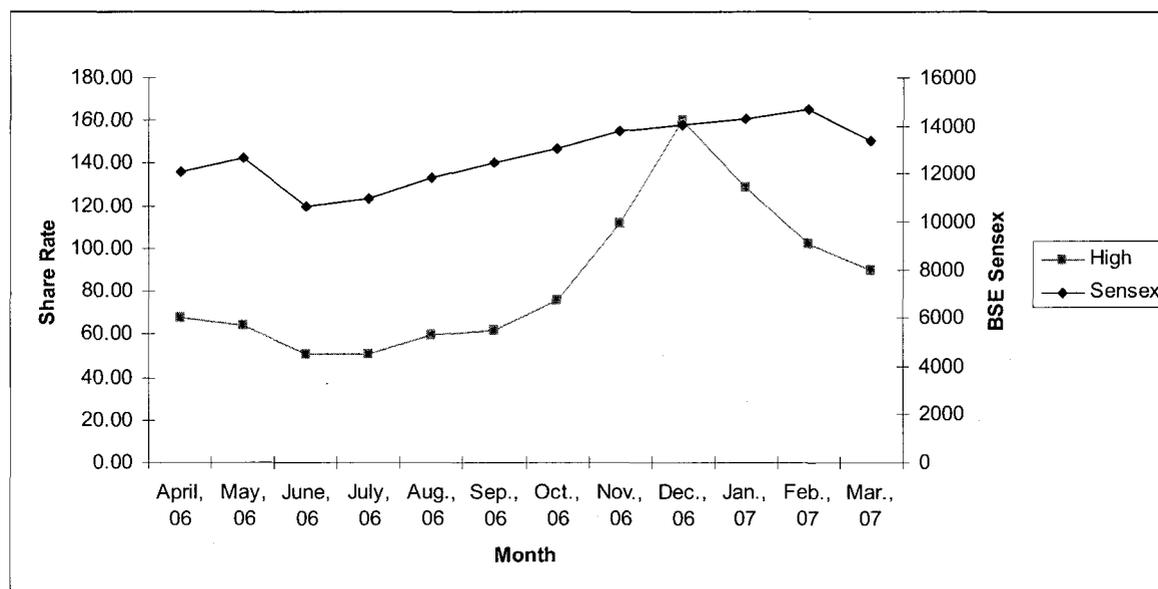
(vi) Market Price Data:

Market Price Data for the financial year 2006-07

Year 2006-07 (Month)	Mumbai Stock Exchange		
	High (Rs.)	Low (Rs.)	Sensex
Apr. 2006	67.90	53.00	12102
May 2006	63.85	41.00	12671
Jun. 2006	50.50	36.15	10627
Jul. 2006	51.00	43.55	10940
Aug. 2006	59.70	45.00	11794
Sep. 2006	61.50	50.00	12485
Oct. 2006	76.00	59.50	13076
Nov. 2006	111.50	69.10	13799
Dec. 2006	160.40	110.00	14035
Jan. 2007	128.85	98.15	14326
Feb. 2007	101.90	77.65	14724
Mar. 2007	89.90	70.75	13387

(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.
Sri Venkatesh Bhavan
W- 40, Okhla Industrial Area,
Phase - II, New Delhi – 110 020.
Tel: +91-11-41406149
Fax: +91-11-41709881
E-mail: mcsdel@vsnl.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 fortnight (if in order and complete in all respects) and the share certificates are immediately returned to the shareholders. In respect to requests received for dematerialization of shares, the same is confirmed to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. All the Share Transfers, received are being approved by Share Transfer and Investors Grievance Committee, which normally meets twice in a month.

In compliance with the Clause 47(c) of the Listing Agreement, every 6 months a practicing Company Secretary audits the system of transfer and a compliance certificate to that effect is issued which, in turn, is submitted to the Stock Exchanges. Also, in compliance with the SEBI (Depositories and Participants) Regulations, 1996, for timely dematerialization of the shares of the Company and for reconciliation of share capital of the Company, a quarterly Secretarial Audit is being conducted by a practising Company Secretary and the Secretarial Audit Report is issued which, in turn, is submitted to the Stock Exchanges. The above said compliance certificate and Secretarial Audit Report 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, 2007:

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	7465	89.46	986961	9869610	9.02
5001 to 10000	434	5.20	344106	3441060	3.15
10001 to 20000	216	2.59	320833	3208330	2.93
20001 to 30000	66	0.79	165704	1657040	1.51
30001 to 40000	40	0.48	140295	1402950	1.28
40001 to 50000	25	0.30	118502	1185020	1.08
50001 to 100000	43	0.52	315020	3150200	2.88
100001 and above	55	0.66	8550246	85502460	78.15
Total	8344	100.00	10941667	109416670	100.00

(xi) Shareholding Pattern as on 31st March, 2007:

Particulars of Shareholders	No. of Shareholders	No. of Shareholding	% of Shareholding
Banks & Financial Institutions	5	1925	0.018
Foreign Institutional Investors	5	1750	0.016
NRIs/OCBs	105	54074	0.494
Mutual Funds	3	900850	8.233
Private Corporate Bodies	275	481366	4.399
Promoters, Directors & Relatives	23	6877290	62.854
Persons acting in concert	2	30733	0.281
General Public	7926	2593679	23.705
Total	8344	10941667	100.000

(xii) Dematerialization of shares and liquidity:

* As on 31st March, 2007, 34.90% of total paid up capital of the Company representing 38,18,791 equity shares of Rs.10/- each were held in dematerialized form [i.e. 34,50,947 shares (31.54%) with NSDL and 3,67,844 shares (3.36%) with CDSL] and balance 65.10% representing 71,22,876 equity shares of Rs.10/- each shares were held in physical form.

*Note: The above paid up capital includes 9,00,000 equity shares allotted to Reliance Capital Trustee Co. Ltd. A/c Reliance Long Term Equity Fund on preferential basis by the Board of Directors in its meeting held on 13.01.2007. The credit of new shares with NSDL in the demat account of said allottee has been affected. The listing approval in respect of above shares has been received from NSE and it is yet to be received from BSE and DSE.

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 – II:

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

Plant-III:

Lakshmi Precision Screws Ltd.
Plot No.153, Sector-3 and
Plot No.257, Sector-6, IMT, Manesar, Gurgaon.

(xv) Address for correspondence

The Company Secretary
Lakshmi Precision Screws Ltd. P-II
Opp. Northern Bye Pass,
Hissar Road, Rohtak – 124 001.
Tel : +91-1262-249920
Fax : +91-1262-248297
E-mail : sngrover@lpsboi.com

(xvi) Compliance

The certificate dated 30.07.2007 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 Remuneration Committee comprising 3 Non-Executive Directors is 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 and EDIFAR website. The same is also communicated to the stock exchanges within the stipulated time period.
3. The Company has a Whistle Blower Policy and affirms that no personnel have been denied access to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2006-07 has been a year of sustained growth for the Indian economy as well as for your Company, so is the global story. The reason is massive developments and expansion of the automobile sector. The performance of the fasteners industry is linked to the automobile sector. During the year 2006-07, the economy registered an impressive growth of 9.4%. The Union Budget 2008 presented in the Parliament aims at achieving a growth rate of 8 – 10% and gives increased emphasis on employment generation and development of agriculture, manufacturing and infrastructure sectors. The development of infrastructure and agriculture sectors would lead to growth in automobile sector by generating more demand for fasteners. India is increasingly becoming a sourcing base both for international auto majors for exporting completely built units as well as for outsourcing components.

The growth of global and Indian economies are based on solid fundamentals. Much of that growth is taking place in the manufacturing sector. As a result, demand is in market and it is rising. It's good for the nation and your Company because it drives the growth on the higher path. Over the past decade, India has become an important player in the world economy. The current environment of much deserved optimism provides an ideal opportunity for India to move ahead with further reforms that can promote continued rapid economic development. Your Company has a good opportunity in view of the present estimates for future development of the industry.

OPPORTUNITIES AND THREATS

a) Opportunities

The major strength of the Indian auto component industry is skill in areas such as engineering, re-designing manufacturing process, designing to lower cost. India's advance tooling and machining industries has enabled localization of capital equipment and reduced capital cost. The Indian auto component industry has the opportunity to grab the world global auto component industry with its existing infrastructure at a lower cost with better quality and lesser delivery time for supplies to the customer. Your Company is committed to supplying quality products to its customers not only to compete in the existing Indian market but also looking for destinations across the world specially in Asian and European countries. Moreover, the present policy of the Indian government also encourages the auto component industry.

b) Threats

There are certain weaknesses that Indian manufacturing industry is confronting including lack of scale of operation, inadequate and poor quality of infrastructure. These weaknesses are either directly or indirectly affecting the performance of the Indian auto component industry. Your Company may have to face stiff competition and cost reduction pressure from customers.

SEGMENT-WISE PERFORMANCE

Your Company is engaged in the manufacturing of fasteners. All these products are carrying similar risk and returns. Hence, there is no separate reportable segment.

The export sales of the Company during the year 2006-07 was Rs.63 crores as against Rs.58 crores during previous year registering a growth of 9% approx. Your Company is making efforts to enhance its export sales and have tied-up with some of the major OEMs.

OUTLOOK

The performance of the fasteners industry is linked to the automobile sector. The growth of automobile sector is dependent on the performance of the economy. The current economic growth is 9.4%. The development of infrastructure and agriculture sectors would lead to continuous growth in the automobile sector by generating more demand of fasteners. Considering the measures taken/planned by the Central Government to boost the economy as well as the various steps taken by your Company and further plans and strategies drawn, the Company is expected to maintain its performance. Your Company is also growing in a pace ahead of the industry growth and registered a growth of 16% in 2006-07.

With all our customers indicating increased volume in production and new entrants like Suzuki Motorcycles opting your Company a major source for their new models, as such the outlook for the financial year 2007-08 looks promising.

Your Company is enjoying deep penetration in all major OEMs like Maruti, Telco, HMSI, TVS Motors, John Deere, Mahindra, Volvo etc. The success in developing of cold forged components which your Company has recently ventured into, will bring in more and more domestic and international customers who want to switch over to cold forged components and put us in their prospective supplier list. The market is witnessing continues upward trend in the prices of raw materials as well as fierce competition. In such an environment, Six Sigma is perceived as an important tool to improve processes or operations to maximize gain/reduce cost and customer satisfaction will go a long way in achieving the Company's goal and scale new heights in the growth path.

RISK AND CONCERNS

The fastener industry is going through an interesting phase. Due to fluctuations in demand in the automotive sector, it has become important to widen our customer base to reduce any adverse impact on the business. Although the major economies of the world are facing a tough time but our economic fundamentals still look optimistic, expecting GDP growth to be between 8 to 8.5%. To meet the growing demand and requirement of environmental friendly products, we will be required to invest money for the capacity expansion and new technology and execute the projects in a timely manner. Any delays in execution will only deprive us of great opportunities ahead of us.

The competition is setting up new units in the region and this is going to create cost pressures on our products. We will be required to cut costs to maintain our price

competitiveness and market share with the major customers. In near future, our success will depend on the new customers won and the number of new products developed at a fast pace by our Design and Development team in addition to retaining and growing with our existing customers.

The competition is pulling our trained employees who are already in scarcity in the industry. This has started creating additional pressure on our payroll. Not only this but it is becoming extremely challenging to retain our talented employees.

The fluctuating trend of the interest rates is a cause of concern thereby finance costs are going up. We need to be watchful and spend the money wisely to overcome the fluctuating interest rates.

Indian currency has been going stronger against US Dollar which is adversely affecting exports from the country. To maintain our current export level, we will be required to review our pricing strategy.

Apart from normal risks as are applicable to an industrial undertaking, the Company does not foresee any serious area of concern. As in the past, the Company has obtained the insurance coverage for its assets. The compliance of safety requirements and norms placed by different Government agencies is the top priority of your Management.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. The Company has also a well defined organization structure, authority level and internal rules and regulations. The internal control systems have been fine-tuned in line with the global practices and have been adapted keeping in mind our environment. Internal controls are in place at work sites and offices and are reviewed periodically.

In order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The Company has an Audit Committee headed by a Non-executive Independent Director, inter-alia, to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions, investigation relating to suspected fraud or failure of internal audit control, etc. as well as other areas requiring mandatory review as per amended Clause 49 of the Listing Agreement with the Stock Exchanges. The Independent Internal Auditor carries out regular views spanning all locations and functions to ensure that adequate controls and systems are in place. The scope, coverage, issues and updates are shared by internal audit at appropriate management levels. Their reports and replies of the management are placed before the Audit Committee. The scope, coverage, control weakness and other relevant issues and updates are share by internal audit at appropriate management levels for corrective action and the progress thereof tracked.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In the scenario of improved economy, the performance of the Company during the year has been encouraging. 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)	
	2007	2006
Net Sales & Other Income	19586	16786
Profit before Interest, Depreciation and Tax	2785	2213

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2006-07, 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 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 work force and frequent interactive sessions are conducted throughout the year.

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

The employees and management relation have remained positive throughout the year. Initiatives are being taken to enhance the productivity of employees. Total employee strength of the Company is about 1090 people employed in manufacturing plants and branch offices spread in the country. The team of employees consists of people who are experts in their respective and allied fields.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's views, about the industry expectation, prediction, objectives etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. The Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws, and other factors such as industrial relations and economic development etc. Investors should bear the above in mind.

**DECLARATION BY THE CEO
UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct, as applicable to them for the financial year ended March 31, 2007.

for Lakshmi Precision Screws Ltd.

Place : Rohtak
Dated : July 30, 2007

Lalit Kumar Jain
Chairman & Managing Director (CEO)

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

Dear Sirs,

TO WHOMSOEVER IT MAY CONCERN

We have examined the compliance of condition of Corporate Governance of Lakshmi Precision Screws Ltd., having its Registered Office at 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 for the year ended 31st March, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the officials of the Company, we hereby in compliance of conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be mis-leading;
 - 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 violative to the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal control for financial reports and that we have evaluated the effectiveness of the internal control systems of the Company for financial reports and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of 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:
- significant changes in the internal controls over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, of an employee having a significant role in the Company's internal control system of our financial reporting.

for Lakshmi Precision Screws Ltd.

Place : Rohtak
Dated : July 30, 2007

Lalit Kumar Jain
Chairman & Managing Director (CEO)

K.L. Ghorui
AVP (Finance) (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, 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : July 30, 2007

V.P. BANSAL
Partner

AUDITORS' REPORT

To,
The Members of
LAKSHMI PRECISION SCREWS LIMITED

We have audited the attached Balance Sheet of Lakshmi Precision Screws Limited as on 31st March, 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of audit have been received from the branches not visited by us;
- iii) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) on the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- vi) in the absence of the notification in the official gazette of the Central Government, the company has not made any provision for cess payable under section 441A of the Companies Act, 1956. As per the explanations given to us the required provisions for cess payable shall be made in accordance with the notification, as and when issued by the Central Government in its official gazette;
- vii) in our opinion, and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - (b) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 28, 2007

V.P. BANSAL
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to our report of even date)

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets
b) The fixed assets have been physically verified by the management during the year at reasonable intervals, having regard to the size of the Company and nature of its assets. We have been informed that no material discrepancies were noticed on such physical verification.
c) Substantial part of fixed assets has not been disposed off during the year
2. a) The stocks of finished goods, spare parts and raw materials have been physically verified at the end of the year by the Management. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material, however, the same have been properly dealt with in the books of account.
3. a) The company has granted unsecured loan to one party covered in the register maintained under section 301 of the Act. The balance outstanding as at the end of the year is Rs.535607/- in the account and
b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been given, are not prima facie prejudicial to the interests of the company.
c) The recovery of principal and interest is regular as per stipulations.
d) There is no overdue amount of loan taken/given exceeding Rs.1 lac.
e) The Company has taken deposits from 15 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs.33007011/- as on the date of the balance sheet.
f) In our opinion the terms and conditions on which such loans have been taken are not prima facie prejudicial to the interests of the Company.
g) In our opinion, the repayment of deposits and interest thereon is regular as per stipulated terms. Other loans and advances from directors and their relatives amounting to Rs.11407011/- as on the balance sheet date are as per stipulations of lending financial institutions and banks.
4. In our opinion, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. a) As per our prima facie examination of the register maintained under section 301 of the Act, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
b) In our opinion and according to the information and explanations given to us, each of these transactions 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. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. With regard to the applicability of the cost records prescribed u/s 209(1)(d) of the Companies Act 1956, the Central Government has issued a notification dated April 24,2001 whereby the cost accounting records (Engineering Industries) Rules 1984 have been amended to include in its appendix all types of 'automotive parts and accessories'. As per the information and explanations given to us by the company, the products of the company have multiple usage and the principal business of the company does not comprise of such products, which are capable of being used as automotive parts and accessories. Accordingly, prima-facie, we are of the opinion that the aforesaid rules are not applicable to the company.
9. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2007, concerned for a period of more than six months from the date they become payable. However, the company has not made any provision towards cess payable u/s 441 A of the Companies Act, 1956, since the required notification has not been issued by the Central Government in this regard.

b) According to the information and explanations given to us, there were no amounts of dues of sales tax/income tax/custom duty/wealth tax/excise duty/cess which have not been deposited on account of any dispute other than the following:-

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Charging of tax in case of book profit u/s 115J	2294900	A.Y. 1989-90	Review petition with High Court and SLP with Supreme Court
	Deduction/Claim in respect of 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
	Determination of book profit before or after depreciation	5426222	A.Y. 1990-91	High Court, Chandigarh
	Expenses allowable under various heads viz Bonus and Insurance	2000075	A.Y. 1990-91	High Court, Chandigarh
	TOTAL	10050471		
Industrial Dispute Act, 1947	Recovery of money due from employer	239980	1999 to 2002	Labour Court, Rohtak
	TOTAL	239980		
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	17714	April 1995 to March 1996	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	29044	April 2000 to March 2001	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	173779	April 2002 to March 2003	ESI Court, Rohtak
	TOTAL	220537		

10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. In our opinion and according to explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank except in the case of devolvement of letter credits amounting to Rs.16016254/- which were due for payment to Canara Bank in the month of March 2007. The same have been regularized by the company by 31st May 2007.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the clauses 13 (a), (b), (c) and (d) are not applicable.
14. In respect of dealing in investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares held by the company are held in the name of the company.
15. In our opinion and according to explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and on the basis of examination of cash flow statement, and as per the explanations given to us, we are of the opinion that the term loans were applied for the purpose for which the loans were obtained.
17. In our opinion and on the basis of examination of cash flow statement, and as per the explanations given to us, we are of the opinion that, the funds raised on short term basis have not been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The company has raised money from issue of equity shares offered on preferential basis to Reliance Capital Trustee Company Limited. On the basis of explanations and information given to us, we have verified the end use of the money raised through the preferential issue and the same is as disclosed in Note no. 1 of Schedule 19 to the financial statements. Out of the proceeds of the said issue, a sum of Rs.62.32 lacs was lying unutilized in cash credit account with ICICI Bank Limited as at the end of the year.
21. During the checks carried out by us and as per the information made available to us, it has been noticed that there was a misappropriation of funds of the company 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 and further investigations are being conducted. In the meantime, the concerned employee has been granted interim anticipatory bail by Punjab & Haryana High Court on deposit of an amount of Rs.20 lacs with the Hon'ble Court as security. 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 as loans and advances.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 28, 2007

V.P. BANSAL
Partner

BALANCE SHEET

Description	Schedule No.	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
A. SOURCES OF FUNDS			
a) Shareholders' Funds			
Share Capital	1	109416670	100416670
Reserves and Surplus	2	640930298	510887709
		750346968	611304379
b) Loan Funds			
Secured Loans	3	646382561	578716778
Unsecured Loans	4	40807011	40618377
		687189572	619335155
c) Deferred Tax Liabilities (Net)		19756519	25472548
TOTAL		1457293059	1256112082
B. APPLICATION OF FUNDS			
a) Fixed Assets			
Gross Block		1076319572	893865276
Less : Depreciation	5	634387452	556042015
Net Block		441932120	337823261
Add : Capital Work in Progress		826717	38719906
		442758837	376543167
b) Investments	6	41361580	41361580
c) Current Assets, Loans and Advances	7		
Inventories		992640743	832858713
Sundry Debtors		399605167	369048925
Cash and Bank Balances		49663819	49255153
Other Current Assets		413807	582572
Loans and Advances		117716337	91740220
		1560039873	1343485583
Less: Current Liabilities and Provisions			
Current Liabilities	8	519511707	458465182
Provisions		72062166	54155016
Total Current Liabilities		591573873	512620198
Net Current Assets		968466000	830865385
d) Miscellaneous Expenditure	9	4706642	7341950
TOTAL		1457293059	1256112082
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	19		

Auditors' Report:-

As per our report attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

Place : NOIDA

Dated : June 28, 2007

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
A. INCOME			
Gross Sales		2147911967	1848849128
Less: Excise Duty		213702359	181335357
Net Sales		1934209608	1667513770
Job Work Receipts		1433953	2402994
Other Income	10	17239550	6318320
Deferred Tax liability written back		5716029	2402237
		1958599140	1678637321
B. EXPENDITURE			
Materials and Finished Goods	11	703008396	590053976
Manufacturing	12	508370762	469244169
Personnel	13	252345754	217857258
Office and Administration	14	114713258	101169951
Selling and Distribution	15	84136507	68009241
Interest and Financial charges	16	83924902	71809019
Managerial Remuneration	17	11836800	8548800
Miscellaneous Expenditure Written off	18	0	45815
Depreciation		80415367	61794284
Wealth Tax		95000	30000
Income Tax - Current tax		46320581	33307265
- Fringe Benefit Tax		4250000	4450000
		1889417327	1626319780
C. PROFIT FOR THE YEAR CARRIED DOWN		69181813	52317541
D. PROFIT FOR APPROPRIATION			
Balance as per last Balance Sheet		246290241	213847716
Profit for the year brought down		69181813	52317541
		315472053	266165257
Transfer to General Reserve		5200000	2700000
Proposed Dividend		19695001	15062500
Corporate Dividend Tax		3347165	2112516
Balance carried over to Balance Sheet		287229887	246290241
		315472053	266165257
E. EARNING PER SHARE (FACE VALUE RS. 10 PER SHARE)			
- Basic & Diluted		6.76	6.60
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	19		

Auditors' Report:-

As per our report attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

Place : NOIDA
Dated : June 28, 2007

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Refer Notes	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - 1			
SHARE CAPITAL			
Authorised:			
14970000 - Equity Shares of Rs. 10/- each		149700000	149700000
30000 - 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		300000	300000
		150000000	150000000
Issued, Subscribed and Paid Up			
10941667 - Equity Shares of Rs. 10/- each fully paid up (Last year 10041667 equity shares @10/- each fully paid up)		109416670	100416670
		109416670	100416670
SCHEDULE - 2			
RESERVES AND SURPLUS			
Capital Reserve		13931192	13931192
Securities Premium Account			
As per last Balance Sheet	234433091		
Add : Received during the year on account of preferential allotment	84078000		
	318511091		
Less : Preferential Allotment Expenses	175057	318336034	234433091
General Reserve			
As per last Balance Sheet	16233185		
Add : Transfer from Profit and Loss Account	5200000	21433185	16233185
Profit and Loss Account		287229887	246290241
		640930298	510887709
SCHEDULE - 3			
SECURED LOANS			
From Banks			
Canara Bank, Rohtak			
Working Capital Limits	1		
Cash Credit Accounts		325898277	252917716
Foreign Bills Purchased Account		52357507	75288704
Bills Discount Account		13727163	13004966
Cheques Discounted		9528585	17500624
Bills (L/C) Account		16016254	0
		417527786	358712010
Canara Bank, Rohtak			
Working Capital Term Loan	2	53821478	0
Short Term Loan		40725155	0
		94546633	0
ICICI Bank Ltd, New Delhi			
Working Capital Demand Loan		0	40000000
ICICI Bank Limited, New Delhi			
Term Loans			
Rupee Currency	3	92628071	81267482
		92628071	81267482
State Bank Of Patiala, New Delhi			
Term Loan	4	26646554	57690711
		26646554	57690711

Description	Refer Notes	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
From Financial Institutions Industrial Development Bank Of India Ltd. Term Loan for Working Capital		0	12000000
		0	12000000
Other Loans ICICI Bank Ltd. against hypothecation of Motor Cars Director of Industries, Haryana	6 7	14493394 540123	18608930 8398714
		15033517	27007644
Deferred Payment Credits Haryana State Industrial Development Corporation		0	2038931
		646382561	578716778

NOTES:

- Working capital loans from Canara Bank are secured against hypothecation of raw materials, semi-finished goods, finished goods, stores and spares, receivables, both present and future and also secured by pari-passu second charge on all the fixed assets of the Company including plant and machinery, land and building (present and future) and guaranteed by S/ Shri L.K. Jain, D. K. Jain, V. K. Jain, and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D. K. Jain, Director of the Company.

Working capital limits from Canara Bank are further secured by way of equitable mortgage of land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company and agricultural land measuring 4.6125 acre situated at Mauza Kharawar, Distt. Rohtak in the names of Shri Nikhlesh Jain son of Shri D. K. Jain, Director of the Company and Shri Saurabh Jain son of Shri S. K. Jain, brother of Shri D. K. Jain, Director of the Company and second charge on plots of land (5 nos.) measuring 107451 sq. yards situated at Rohtak owned by the Company.

- Working capital term loan from Canara Bank is secured by way of existing stock of dies and tools of the company and Short term loan is secured by way of stock of Dies and Tools to be purchased out of loan proceeds. The said loans are further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above.
- Term loan from ICICI Bank Ltd. is secured by way of first charge on all the company assets including all moveable and immoveable properties both present and future on pari-passu basis and unconditional and irrevocable personal guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the Company.
- Term loan from State Bank of Patiala is secured by way of first pari-passu charge on fixed assets of the company and personal guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the company and Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company.
- Working capital demand loan/ cash credit limit from ICICI Bank Ltd. is secured by first charge by way of hypothecation of the company's entire stocks of raw materials, semi-finished and finished goods, consumables stores and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form and manner satisfactory to the bank, ranking pari-passu with other participating banks: second mortgage and charge on all the company's immoveable properties and fixed assets, both present and future, ranking pari-passu with other participating banks and unconditional and irrevocable personal guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the company.
- Loans from ICICI Bank Ltd. against hypothecation of motor cars are under hire purchase scheme and secured by hypothecation of specific assets and on personal guarantees of the Directors of the Company.
- Loan from Director of Industries, Haryana is in respect of interest free loan sanctioned to the Company on conversion of deferred amount of sales tax which is secured by way of pari-passu second charge on fixed assets alongwith the Canara Bank.
- Term loans and deferred payment credits due within a year are Rs.981 lacs (Previous year Rs.933 lacs).

Description	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - 4 UNSECURED LOANS		
Fixed Deposits (Due within a year Rs.294 lacs (previous year Rs.294 lacs))	29400000	29400000
Other Loans and Advances*		
From Directors	480176	480176
From Others	10926835	10738201
	11407011	11218377
	40807011	40618377
* Other loans and advances from directors and their relatives are as per stipulations of lending financial institutions and banks.		

**SCHEDULE-5
FIXED ASSETS**

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2006 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2007 Rs.	Up to Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	Up to date Rs.	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
1.	Land	40030117	584952	0	40615069	0	0	0	0	40615069	40030117
2.	Factory Buildings	73743258	90303646	0	164046904	26598248	4725086	0	31323334	132723570	47145010
3.	Leasehold Offices	553040	0	0	553040	282275	14251	0	296526	256514	270765
4.	Freehold Offices	813362	0	0	813362	364483	22444	0	386927	426435	448879
5.	Plant and Machinery	612869398	71027721	0	683897119	427150283	60613866	0	487764136	196132983	185719115
6.	Effluent Treatment Plant	1172911	191578	0	1364489	1126078	60033	0	1186111	178378	46833
7.	Furniture and Fixtures	30191496	4158347	0	34349843	18874601	1734284	0	20608885	13740958	11316895
8.	Electric Installations	19267108	3609957	0	22877065	16344821	1386580	0	17731401	5145664	2922287
9.	Office Equipments	17636895	3037058	0	20673953	6727225	1114249	0	7841474	12832479	10909670
10.	Computer	51414547	4981521	0	56396068	36145484	6760504	0	42905988	13490080	15269063
11.	Vehicles	44344488	7588818	3156709	48776597	21184203	3880857	2069917	22995143	25781454	23160285
12.	Weighing Scales	1271503	80732	0	1352235	965340	65084	0	1030424	321811	306163
13.	Fire Extinguisher	557153	46675	0	603828	278974	38129	0	317103	286725	278179
	Total	893865276	185611005	3156709	1076319572	556042015	80415367	2069917	634387452	441932120	337823261
	Add: Capital Work in Progress										
	Building	37402212	27757428	64332923	826717	0	0	0	0	826717	37402212
	Plant and Machinery	1317694	1730995	3048689	0	0	0	0	0	0	1317694
	Total : Current year	932585182	215099428	70538321	1077146289	556042015	80415367	2069917	634387452	442758837	376543167
	Previous Year	808098029	126366839	1879686	932585182	494670774	61794284	423043	556042015		

NOTES:

1. Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in the case of Plant-II setup in the year 1993 where depreciation has been provided on straight line method.
2. Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
3. The addition in fixed assets include Rs.2988625/- (last year Rs.3015674/-) capitalised on account of interest paid to financial institutions in accordance with AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountants of India.
4. Addition in Plant and Machinery include Rs.11874606/- (last year Rs.9218454/-) capitalised on account of Dies and Tools relating to development of new product and also include Rs.4562/- (last year Rs.5853/-) adjusted on account of fluctuation in foreign exchange rate.
5. Leasehold Office Premises are in respect of office/flat situated at Bangalore.
6. Freehold Office Premises are in respect of office premises/flat at Mumbai and Delhi.

Description	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
SCHEDULE - 6 INVESTMENTS		
(Long term, trade, unquoted, at cost)		
Indian Fasteners Limited, Rohtak (Subsidiary Company)		
441550 Equity Shares of Rs.10/- each	4415500	4415500
40000 Equity Shares of Rs.4.01 per Share	160400	160400
Hanumat Wires Udyog Private Limited, Rohtak		
141800 Equity Shares of Rs.10/- each	1418000	1418000
J.C. Fasteners Limited, Rohtak		
700000 Equity Shares of Rs.10/- each	7000000	7000000
LPS Bossard Private Limited (Joint Venture)		
2352019 Equity Shares of Rs.10/- each	23520190	23520190
LPS Bossard Information Systems Private Limited (Joint Venture)		
184749 Equity Shares of Rs.10/- each	1847490	1847490
Lakshmi Extrusion Ltd, Rohtak		
30000 Equity Shares of Rs.100/- each	3000000	3000000
	41361580	41361580
SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Chairman and Managing Director)		
Raw Materials	181525307	191108303
Finished Goods	296095980	252230159
Finished Goods in transit	1077774	1912759
Semi Finished Goods	115591349	90128299
Consumables Stores and Spare Parts	84265535	51250048
Dies and Tools	278552592	224925349
Packing Materials	30848192	18711612
Stationary in hand	86830	98979
Postage and Foreign Stamps	1407	527
Scrap Materials (at realisable value)	4595777	2492678
	992640743	832858713
SUNDRY DEBTORS		
(Unsecured - considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	23788343	22064543
Other Debts	376092020	347548946
	399880363	369613489
Less: Provision for doubtful debts	275196	564564
	399605167	369048925
CASH AND BANK BALANCES		
Cash and cheques in hand	790357	8977106
(includes Cheques in hand - Rs.177129/-, Previous Year Rs.7591454/-)		
with Scheduled Banks		
In Fixed Deposit Accounts		
Pledged as margin money against bank guarantees	1907000	1700000
Pledged as margin money against letters of Credits	25910900	20000000
Lien against public deposits	4500000	5248519
Fixed Deposit (no-lien account)	0	3499013
In Current Accounts	9777403	9260318
In Cash Credit Account	6231901	0
In Dividend Accounts	512385	536324
In E F C Account (US\$ 769.83 Previous year US\$ 769.83)	33873	33873
	49663819	49255153

Description	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
OTHER CURRENT ASSETS		
Interest accrued on deposits	413807	582572
	413807	582572
LOANS AND ADVANCES (unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	70924420	46001663
Security deposits	9232000	7600558
Balance with Central Excise Department:		
Excise Duty	12391588	14514476
Service Tax	5452085	5560477
Advance Income Tax and TDS	15625712	10338993
Advance Fringe Benefit Tax	3089765	4042940
Sales Tax refund due	1000767	3681112
	117716337	91740220
	1560039873	1343485583
SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors:		
Due to SSI undertakings	58021254	42940352
Due to other than SSI undertakings	377512526	340361440
Due to subsidiary company	3042726	3511406
Advances and progress payments from customers	15367798	10505722
Unclaimed Dividend	757205	536324
Other liabilities	24279563	15940068
Excise duty payable	40266134	35956757
Interest accrued but not due	264501	268526
ICICI Bank Ltd Current Account	0	2146365
Canara Bank Current Account	0	6298222
	519511707	458465182
Provisions		
Income Tax	45000000	32500000
Wealth Tax	95000	30000
Fringe Benefit Tax	3925000	4450000
Proposed Dividend	19695001	15062500
Corporate Dividend Tax	3347165	2112516
	72062166	54155016
	591573873	512620198
SCHEDULE - 9 MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Interest on deferred payments		
As per last Balance Sheet	3795302	
Add : Addition during the year	565304	
	4360606	
Less : Written Off	2697039	
Technical knowhow fee		
As per last Balance Sheet	3546648	
Add : Addition during the year	291292	
	3837940	
Less: Written Off	794865	
	3043075	3546648
	4706642	7341950

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
SCHEDULE - 10		
OTHER INCOME		
Rent (TDS Rs.147432/- previous year Rs.586377/-)	707400	2678400
Interest on fixed deposits with banks, loans and from customers (TDS Rs.458507/- previous year Rs.440215/-)	2571261	2213991
Miscellaneous receipts	2644720	1336987
Dividend income from long term trade investments	4704038	0
Profit on sale of assets	14335	12181
Income tax refund	98112	76761
Exchange rate variation	6499684	0
	17239550	6318320
SCHEDULE - 11		
MATERIALS AND FINISHED GOODS		
Raw Materials Consumed		
Opening stocks	191108303	129074480
Add : Purchases	657502521	621300911
Freight and Cartage	19202914	15115680
	867813738	765491071
Less : Closing Stocks	181525307	191108303
Raw materials consumed	686288431	574382768
Add : Opening Stocks		
Finished Goods	252230159	207284947
Finished Goods in transit	1912759	2374740
Semi Finished Goods	90128299	100731128
Scrap Materials	2492678	8776176
	346763895	319166991
Add : Purchases of Semi-Finished/Finished Goods	87316950	43268113
	1120369276	936817871
Less : Closing Stocks		
Finished Goods	296095980	252230159
Finished Goods in transit	1077774	1912759
Semi Finished Goods	115591349	90128299
Scrap Materials	4595777	2492678
	417360880	346763895
	703008396	590053976
SCHEDULE - 12		
MANUFACTURING EXPENSES		
Consumable stores and spare parts	44534094	41125063
Dies and Tools	69917623	58425237
Electricity, Water and Fuel	109796895	94764934
Job Work Charges	228010669	219160018
Excise duty on Closing Stock of Finished Goods and Scrap Material	40266134	35956757
Less : Excise duty payable as on 01.04.2006	<u>35956757</u>	<u>29526831</u>
Repairs to Machinery	6734961	9232045
Packing Expenses	32949189	30138137
Testing Charges	595936	687683
Generator Hire Charges	2254307	220000
Research and Development expenses	7895832	7815114
Royalty, Technical know-how fee	1371879	1246012
	508370762	469244169

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
SCHEDULE - 13		
PERSONNEL EXPENSES		
Salaries, Wages and other Amenities	214160778	186469570
Bonus	1358320	1339857
Co's contribution towards LIC Gratuity Trust	6802103	3101095
Co's contribution towards P.F.	10779829	10527003
Co's contribution towards E.S.I.	4220621	3746885
Staff welfare	8326825	7171791
Staff Recruitment and Training	1861946	1514465
Watch and Ward Expenses	4835332	3986590
	252345754	217857258
SCHEDULE - 14		
OFFICE AND ADMINISTRATION EXPENSES		
Rent	4018772	3638793
Rates and Taxes	371398	351394
Printing and Stationery	6331328	6141324
Postage, Telephone, Telex and Fax	8232923	7738963
Traveling and Conveyance	52941020	47376090
Vehicle Maintenance	3044343	2605470
Legal and Consultancy	9221883	9239317
Insurance	3984759	3099725
Auditors' Remuneration:		
Audit Fee	650000	400000
Limited Review	120000	75000
Out-of-Pocket Expenses	55962	49445
Other Matters	0	50000
Repairs to Building	6874498	4442708
Floriculture Expenses	1509180	1164343
General Repairs	6680844	4265534
Loss on Sale of Assets	669250	391342
Miscellaneous	9677098	9780503
Directors' Sitting Fees	330000	360000
	114713258	101169951
SCHEDULE - 15		
SELLING AND DISTRIBUTION EXPENSES		
Freight, Insurance and Cartage	35835948	30811652
Turnover and Cash Discount	26331975	18507275
Advertisement, Publicity and Sales Promotion	6233835	6226904
Bad Debts, Liquidated Damages and Short Recoveries	6376289	7350381
Provision for Bad and Doubtful Debts	275196	564564
Excise Duty and Sales Tax	9083264	4548465
	84136507	68009241

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest		
On Fixed Loans	27171935	20937635
On Non-fixed Loans	43617291	36962432
Difference in Exchange	0	311208
Front-end Fee	518923	600000
Financial Charges	917071	1306773
Bank Charges	11699682	11690971
	83924902	71809019
SCHEDULE - 17		
MANAGERIAL REMUNERATION		
Chairman and Managing Director	3945600	2849600
Vice Chairman and Managing Director	3945600	2849600
Joint Managing Director	3945600	2849600
	11836800	8548800
SCHEDULE - 18		
MISCELLANEOUS EXPENSES WRITTEN OFF		
Expenditure towards increase in capital	0	45815
	0	45815

SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

a) **Accounting Convention**

The Accounts have been prepared on historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956 and applicable statutes and to comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

b) **Use of Estimates**

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

c) **Fixed Assets**

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed Assets are further adjusted by the amount of Modvat/Cenvat credit availed and VAT credit wherever applicable and fluctuations in foreign exchange rate.

d) **Depreciation**

Depreciation on fixed assets have been provided on triple shift basis rates as provided in Schedule XIV of the Companies Act, 1956 on written down value method except in case of Plant-II which was setup in the year 1993 where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%.

e) **Revenue Recognition**

Domestic sales are recognized at the point of despatch of goods to the customers. The sales are accounted for net of trade discount, sales tax and excise duty. Export sales are recognized at the time of clearance of goods and approval from Excise Authorities. Other Income is accounted for on accrual basis. Dividend income is accounted for when the right to receive the payment is established.

f) **Foreign Currency Transactions**

Foreign currency denominated monetary liabilities incurred for the acquisition of fixed assets are translated at the exchange rate prevailing on the Balance Sheet date. The net variation arising out of the said transactions are adjusted to the cost of fixed assets. Other monetary assets and liabilities denominated in foreign currency are similarly translated. All exchange gains/ losses other than those relating to fixed assets arising out of such transactions are taken to the Profit and Loss account.

g) **Inventories**

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

h) **Investments**

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

i) **Retirement Benefits**

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India, Contribution to provident fund are accounted for on the basis of relevant fund rules. Provision is made for the unutilized leave due to employees as at the end of the year.

j) **Research and Development**

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

k) **Borrowing Cost**

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

l) **Excise Duty**

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

m) Miscellaneous Expenditure

Expenditure on increase in capital is being amortized over a period of ten years. 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.

n) Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

o) Prior Period Items

Prior Period Expenses/ Income is accounted for under the respective heads. Material items, if any, are disclosed separately by way of note.

p) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprises the net profit after tax. The number of shares used in computing Basic and diluted EPS is weighted average number of shares outstanding during the year. The number of shares and dilutive shares are adjusted for preferential issue of shares.

q) Impairment of Fixed Assets

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

r) Contingent Liabilities and Provisions

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

B) CONTINGENT LIABILITIES:

(Lac/Rs.)

S.No	Particulars	2007	2006
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	493	140
2.	Letters of credit and guarantees obtained from bank (Net of margin money)	342	159
3.	Liabilities against legal undertakings/bonds executed in favour of DGFT on account of export obligation undertaken by the Company against advance and import licenses under EPCG Scheme.	833	318
4.	Income Tax liabilities on account of appeals pending with various authorities.	101	101
5.	Liabilities on account of suits filed against the company in the Labour Court/ESI Corporation.	5	2

C) NOTES

1. a) The Company has issued and allotted 9,00,000 Equity Shares of Rs.10/- each to Reliance Capital Trustee Company Limited at a premium of Rs.93.42 per share on preferential basis. The proceeds of said issue have been utilized as under :

Sr. No.	Particulars	Amount (Rs.In lacs)
1.	Meeting Long Term Working Capital Requirements	618.59
2.	Meeting Preferential Issue Expenses	1.75
3.	Meeting Capital Expenditure	226.34

A sum of Rs.62.32 lacs was lying unutilized in the cash credit account with ICICI Bank Limited at the end of the financial year. Further a sum of Rs.21.78 lacs was recoverable/due on account of share premium from the allottee as at the end of the year.

- b) The company has received the final listing/trading approval from the National Stock Exchange of India Limited and the approval for final listing/trading is awaited from Bombay Stock Exchange Limited and The Delhi Stock Exchange Association Limited.
- c) Preferential allotment expenses debited to Share Premium Account include Rs.25,000/- paid to Statutory Auditors towards Certification Charges in connection with the preferential allotment.
2. During the year, the Company had availed a Short Term Loan (STL) of Rs. 403 lacs from Canara Bank out of sanctioned amount of Rs.500 lacs for the purchase of dies and tools and also availed Working Capital Term Loan of Rs. 592 lacs to meet working capital requirements on the security of existing stock of dies and tools. The said loans have been utilized for the purpose for which the same were sanctioned.

3. 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.
4. Fixed deposits from public include a sum of Rs.12350000/- due to Directors (previous year Rs.12350000/-)
5. The company has capitalized dies and tools amounting to Rs.11874606/- (last year Rs.9218454/-) during the year relating to development of new products in Research & Development Block.
6. Sundry Debtors include
 - (i) A sum of Rs.21620074/- due from M/s LPS Bossard Private Limited, a Joint Venture Company (maximum due during the year Rs.47418072/-) (previous year due Rs.11318851/- and maximum due Rs.37470713/-).
 - (ii) A sum of Rs.2654461/- due from M/s Lakshmi Extrusion Limited, an associate company (maximum due during the year Rs.4486552/-) (previous year due Rs.3274754/- and maximum due Rs.7888184/-)
7. Advances recoverable in cash or in kind or for value to be received include Rs.535607/- (previous year Rs.1255607/-) due from Smt. Sushila Devi Jain, Director of the Company. (Maximum outstanding during the year Rs.1260307/-) (Previous year Rs.1980307/-) The approval for the aforesaid loan was obtained from Central Government vide letter dated 12.02.2001, issued by Government of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs.
8. 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. In the meantime, the concerned employee has been granted interim anticipatory bail by Punjab & Haryana High Court on deposit of an amount of Rs.20 lacs with the court as security. 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 loans and advances. No provision for the same has been made since the company expects to recover the entire amount.
9. That the balance of Rs. 12391588 /- with central excise department as on 31.03.2007, include balance of excise duty at head office, duty paid on stocks at the branches and with consignees.
10. a) Sundry creditors include:
 - i) Rs.192063745/- (previous year Rs.161575397/-) on account of letter of credits on 180 days' sight issued by Canara Bank, which are not due for payment on the date of Balance Sheet.
 - ii) Rs.3042726/- (previous year Rs.3511406/-) payable to subsidiary company viz Indian Fasteners Limited.
- b) The list of SSIs to whom the Company owes any sum and which is outstanding for more than 30 days is:
 1. Aarti Precision Products 2. Abhi Industries 3. Amar Nath Precision Screws 4. Amit Auto Industries 5. Ankit Auto Industries 6. Ankit Industries 7. Ankush Enterprises 8. Ashish Engineering & Tools 9. A. K. Auto Components 10. Ar Vee Industries 11. Ajit Engineering Works 12. Amba Electroplating Industries 13. Amit Screws Private Limited 14. A.B. Finisher 15. Associate Blackening 16. AUM Dacro Coating 17. Aakash Precision Screws 18. Budhwar Enterprises 19. Bharat Electroplating Industries 20. Benco Industries 21. Bhagwati Precision Industries 22. Bharat Industries 23. B.D. Engineering Works 24. Balaji Industries 25. Badhwar Engineering Works 26. Chakson Engineering Company 27. Chandra Engineering Works 28. D.K. Enterprises 29. D.P. Industries 30. Deep Precision Industries 31. Dhamuniya Engineering Works 32. Diamond Automatics 33. Diamond Fasteners 34. Divya Automates 35. Dempa Machine Tools 36. Dahiya Engineering Works 37. Diamond Fasteners Tools 38. Friend Engineering Works 39. Ganesh Engineering Industries 40. Ganesh Fasteners Tools 41. Govind Auto Product 42. Gupta Auto Industries 43. Geeta Fasteners 44. Govind Enterprises 45. Ganesh Fasteners Tools 46. Gaurav Tools Udyog 47. G.S. Engineering Tools 48. Hanumat Wire Udyog Private Limited 49. Harjaisons 50. H.K. Engineering Works 51. Hanwant Fasteners Private Limited 52. India Industrial Products 53. Jai Hanuman Engineering Works 54. Jassu Industries 55. Jhandai Fasteners 56. J.C. Fasteners Limited 57. K.V. Auto Industries 57. Kapoor Auto Industries 58. Karan Auto Industries 59. Kumar Auto Industries 60. Kapil Auto Engineering 61. Kulwant Enterprises 62. LPS Fasteners & Wires Private Limited 63. Lakshmi Machine Tools 64. M.K. Electro Polisher 65. Mahalakshmi Fabricators 66. Manish Fasteners 67. Markewell Fasteners 68. MNP Turnmatics 69. Manish Steel Services 70. Man Darshak Udyog 71. Nageshwar Auto Industries 72. Nanak Engineering Works 73. Natraj Automatics 74. Nav Bharat Industries 75. Navkar Automotives 76. Nirmala Job Works 77. Nahar Engineering Works 78. Punch Ratna Steels Private Limited 79. Precision Machine Tools 80. P. S. Enterprises 81. Panchal Engineering Works 82. Parasnath Auto Industries 83. Parmjeet Auto Industries 84. Premier Auto Industries 85. Pragati Fasteners 86. P.S. Industries 87. Pooja Steel Fabricators 88. Parvati Precision 89. Quality Fasteners 90. R. K. Tools 91. Rahul Industries 92. Rajdeep Industries 93. Rajesh Engineering Works 94. Ram Gopal Industries 95. Raman Auto Industries 96. Rishabh Precision Screws 97. Rishi Tools Udyog 98. Rathee Engineering Works 99. S.K. Auto Industries 100. Santosh Industries 101. Sehwat Engineering Works 102. Shakti Fasteners 103. Shanker Engineering Works 104. Shanti Machine Tools (Regd.) 105. Shanti Shakti Engineering Works 106. Shitta Tools Industries 107. Sonu Engineering Works (Regd.) 108. Sunil Auto Industries 109. Surya Engineering Works 110. Sunil Engineering Works 111. Shreesh Precision Screws 112. Saify Industries 113. S. P. Industries 114. Shiva Auto Industries 115. Supreme Industries 116. Sehgal Fasteners 117. Shakti Tools Udyog 118. Shiv Industries 119. Sharma Precision Works 120. Shiva Hardwell Industries 121. Sakshi Enterprises 122. Sudhir Automotive Industries Private Limited 123. Taif Industries 124. Trimurti Precision 125. Three Bond India Private Limited 126. Universal Enterprises 127. V.K. Engineering Works 128. Venus Hydroline Engineering Works 129. Vishesh Engineering 130. Vishwakarma Machine Tools 131. Yogi Industries.
11. Interest and other borrowing costs amounting to Rs.29,88,625/- (previous year Rs.30,15,674/-) have been capitalized to the carrying cost of fixed assets being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its intended commercial use.

12. Dividend @ 18 % has been proposed for the year and a provision of corporate dividend tax @ 15% plus surcharge @ 10% plus 3% cess thereon has been made. The said amount is not subject to deduction of tax at source.
- 13 a.) That the company had paid a sum of Rs.110 lacs as prepaid premium to ICICI Bank Limited during the earlier years, which has been amortized in the ratio of interest payable for the period of six years i.e. during the currency of term loan. Accordingly, a sum of Rs.8.42 lacs (last year Rs.13.64 lacs) has been written off and debited to interest paid during the year. Further, the company had also paid a sum of Rs.45.13 lacs as prepaid premium to ICICI Bank during the earlier years, which has been amortized in the ratio of interest payable for the period of four years i.e. during the currency of term loan. Accordingly, a sum of Rs.8.41 lacs (last year Rs.13.89 lacs) has been written off and debited to interest paid during the year.
- b.) That the company had paid a sum of Rs.6.50 lacs as premium towards reduction in the interest rate from 15.25% p.a. to 11% p.a. to Industrial Development Bank of India during the earlier years which has been amortized in the ratio of interest payable for the period of two and half years i.e. during the currency of term loan. Accordingly, a sum of Rs.0.78 lac (last year Rs.3.13 lacs) has been written off and debited to interest paid during the year.
14. Interest received include a sum of Rs.2457060/- (previous year Rs.1796090/-) on bank deposits, Rs.111636/- (previous year Rs.198036/-) on loan to a director and Rs.2565/- (previous year Rs.219865/-) received from trade customers and interest paid include Rs.566500/- paid to Managing Directors (previous year Rs.566500/-).
15. In the opinion of the Managing Directors and the Joint Managing Director, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for all known liabilities have been made.
16. a) The break-up of managerial remuneration is as under: -

Sr. No.	Particulars	2007 (In Rs.)	2006 (In Rs.)
1.	Chairman and Managing Director:		
	Salary	28,80,000/-	20,80,000/-
	House Rent Allowance	7,20,000/-	5,20,000/-
	Contribution towards P.F.	3,45,600/-	2,49,600/-
		39,45,600/-	28,49,600/-
2.	Vice Chairman and Managing Director:		
	Salary	28,80,000/-	20,80,000/-
	House Rent Allowance	7,20,000/-	5,20,000/-
	Contribution towards P.F.	3,45,600/-	2,49,600/-
		39,45,600/-	28,49,600/-
3.	Joint Managing Director:		
	Salary	28,80,000/-	20,80,000/-
	House Rent Allowance	7,20,000/-	5,20,000/-
	Contribution towards P.F.	3,45,600/-	2,49,600/-
		39,45,600/-	28,49,600/-
	Total	1,18,36,800/-	85,48,800/-

b) Computation of net profit in accordance with Section 349 of the Companies Act, 1956.

(Lac/Rs.)

Particulars	2007	2006
Net Profit as per profit and loss account	691.82	523.18
Add: Income Tax	463.21	333.07
Deferred Tax	(57.16)	(24.02)
Wealth Tax	0.95	0.30
Fringe Benefit Tax	42.50	44.50
Managerial remuneration	118.37	85.49
Director's sitting fees	3.30	3.60
Depreciation charged to profit and loss account	804.15	617.94
Provision for doubtful debts	2.75	5.65
Loss on sale of Assets	6.69	3.91
	2076.58	1593.62
Less: Depreciation as per Section 350 of the Companies Act	804.15	617.94
Profit on sale of assets	0.14	0.12
	804.29	618.06
Net Profit as per Section 349 of the Companies Act, 1956	1272.29	975.56
Maximum Remuneration payable @ 10% of Net Profit	127.23	97.56

17. The break-up of deferred tax assets and deferred tax liabilities is as under: -

Particulars	2007 (Rs.)	2006 (Rs.)
Deferred tax liability		
a) on account of difference in rates and method of depreciation	14359542	20657775
b) on account of different treatment of certain payments under I.T. Act, 1961	5396977	4814773
	19756519	25472548
Deferred tax liability		
- at the end of year (net)	19756519	25472548
- for the year	(5716029)	(2402237)

18. Earning per share – Basic and Diluted

Profit after tax	Rs.	69181813	52317541
Weighted number of Equity Shares	Nos.	*10233996	*7931440
Earning per share	Rs.	6.76	6.60
Nominal Value per share	Rs.	10.00	10.00

(*) The weighted average numbers of equity shares have been adjusted for the change in number of equity shares on account of Preferential issue during the year.

19. 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.

	(Rs. in lacs)	
	2007	2006
Revenue (Net of Excise)		
Revenue-Domestic Market	13025.54	10900.02
Revenue-Overseas Market	6316.55	5775.12
Fixed assets located (Including capital work-in-progress)		
Within India	4427.59	3765.43
Outside India	-	-

20. Related Party Transactions

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

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

1. Subsidiary	(i)	Indian Fasteners Limited
2. Associates	(i)	Amit Screws 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)	LPS Fasteners & Wires Private Limited
	(vii)	Nav Bharat Industries
	(viii)	Nav Bharat Agencies
	(ix)	Shiv Industries
	(x)	Swadesh Engineering Industries
	(xi)	Sudhir Automotive Industries Private Limited
	(xii)	United Engineers
	(xiii)	Universal Enterprises
	(xiv)	Lakshmi Extrusion Limited

3. Key Management Personnel
- (i) Shri Lalit Kumar Jain
(ii) Shri Dinesh Kumar Jain
(iii) Shri Vijay Kumar Jain
(iv) Shri Rajesh Jain
(v) Smt. Sushila Devi Jain
4. Relative of key Management Personnel
- (i) Shri S.K. Jain (Brother of Shri D.K. Jain)
(ii) Shri Nikhlesh Jain (S/o. Shri D.K. Jain)
(iii) Shri Amit Jain (S/o. Shri V.K. Jain)
(iv) Shri Gagan Jain (S/o. Shri L.K. Jain)
(v) Shri Gautam Jain (S/o. Shri L.K. Jain)
(vi) Smt. Rita Jain (W/o. Shri L.K. Jain)
(vii) Smt. Deepa Jain (W/o. Shri V.K. Jain)

(b) Transactions

(Lac/Rs.)

S. N.	Particulars	Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2007	2006	2007	2006	2007	2006	2007	2006
1.	Sale of goods	-	-	991.13	787.94	-	-	-	-
2.	Purchase of Goods	-	-	73.20	100.48	-	-	-	-
3.	Rent received	-	-	7.07	26.78	-	-	-	-
4.	Rent paid	-	-	7.20	7.20	11.46	11.46	-	-
5.	Professional Charges	-	-	-	-	-	0.50	-	-
6.	Interest received	-	-	-	-	1.12	1.98	-	-
7.	Job work paid	19.51	18.92	1073.88	1161.34	-	-	-	-
8.	Loan from Directors/Others	-	-	-	-	128.25	-	201.77	28.15
9.	Remuneration paid	-	-	-	-	118.37	85.49	28.23	26.35
10.	Interest to Directors/Others	-	-	-	-	13.58	13.58	10.17	17.39
11.	Shares allotted	-	-	-	-	-	820.69	-	550.92
12.	Lifting Charges	3.00	1.25	-	-	-	-	-	-
	Total	22.51	20.17	2152.48	2083.74	272.78	933.70	240.17	622.81
	Balance receivable at the year end	-	-	242.75	11.32	5.36	12.60	-	-
	Balance due at the year end	30.43	35.11	325.30	503.91	128.25	132.95	202.60	273.32

21. 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 Private Limited
b) Country of Incorporation India
c) Proportion of Ownership interest as at March 31, 2007 49%
d) The aggregate of Company's share in the above ventures in:

(Lac/ Rs.)

	2007	2006
ASSETS		
FIXED ASSETS		
Net Fixed Assets	361.55	203.82
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	1100.51	1094.91
Loans and Advances	111.81	42.98
LIABILITIES		
Borrowings	121.50	1.60
Current Liabilities	329.60	278.57
Provisions	45.92	128.56
INCOME		
Sales	3029.10	2626.32
Other Income	3.40	7.28

	2007	2006
EXPENDITURE		
Cost of Materials	1963.06	1585.65
Personnel Expenses	160.19	123.63
Office and Administration Expenses	328.51	245.74
Selling & Distribution Expenses	188.66	123.96
Interest Charges	19.62	8.39
Managerial Remuneration	22.64	15.36
Miscellaneous Expenses written-off	0.05	0.05
Depreciation	43.96	31.36
Wealth Tax	0.20	9.97
Current Tax	150.12	174.04
Deferred Tax	(32.83)	(19.99)
CONTINGENT LIABILITIES	283.00	240.00
CAPITAL COMMITMENTS	11.00	-

- (ii) a) Name of the Venture LPS Bossard Information Systems Private Limited
b) Country of Incorporation India
c) Proportion of Ownership interest as at March 31, 2007 49%
d) The aggregate of Company's share in the above ventures in:

	2007	2006
ASSETS		
FIXED ASSETS		
Net Fixed Assets	0.33	0.44
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	14.27	13.28
Loans and Advances	1.17	0.70
LIABILITIES		
Current Liabilities	0.50	1.29
Provisions	0.65	0.00
INCOME		
Sales	5.88	6.49
Other Income	0.77	0.33
EXPENDITURE		
Personnel Expenses	3.98	2.50
Administration Expenses	1.12	1.00
Managerial Remuneration	0.06	0.06
Miscellaneous Expenses written-off	0.01	0.01
Depreciation	0.11	0.12
Current Tax	0.01	NIL
CONTINGENT LIABILITIES	NIL	NIL
CAPITAL COMMITMENTS	NIL	NIL

22. 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.

23. Provisions are recognized for expenses such as gratuity, income tax, wealth tax, leave encashment and bonus to employees. 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 2006-07.

	2007 Lac/Rs.	2006 Lac/Rs.
The movements in provisions are as under:		
1. Carrying amount as on 01.04.2006	418	247
2. Additional provisions made during the financial year 2006-07 including increase to existing provisions.	587	418
3. Amounts used (incurred and charged against the provisions) during the financial year 2006-07	418	247
4. Unused amounts reversed during the financial year 2006-07	0	0
5. Carrying amounts of provisions as on 31.03.2007	587	418

24. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (as certified by the Chairman and Managing Director)

		2007		2006	
a) Turnover	*Unit	Qty	Lac/Rs.	Qty	Lac/Rs.
Finished Goods					
Machine Screws	Lac/ Nos.	6057	18968	5468	16321
Scrap Materials	M. Tons	3093	374	2805	354
			19342		16675
b) Raw Materials Consumed					
Wire/Wire Rods	M. Tons	15448	6090	12292	4858
Bright Bars	M. Tons	394	182	281	139
Stainless Steel Bars/Wire/Wire Rods	M. Tons	395	591	533	747
		16237	6863	13106	5744
c) Opening Stocks					
Finished Goods	Lac/ Nos.	470	2522	489	2073
Finished Goods in Transit	Lac/ Nos.	5	19	6	24
Semi Finished Goods	Lac/ Nos.	456	901	395	1007
Scrap Materials	M. Tons	161	25	457	88
			3467		3192
Purchases					
Semi Finished Goods	Lac/ Nos.	64	873	189	433
			873		433
Closing Stocks					
Finished Goods	Lac/ Nos.	601	2961	470	2522
Finished Goods in Transit	Lac/ Nos.	3	11	5	19
Semi Finished Goods	Lac/ Nos.	559	1156	456	901
Scrap Materials	M. Tons	316	46	161	25
			4174		3467

d) LICENCED CAPACITY, INSTALLED CAPACITY AND PRODUCTION

# Licenced Capacity	M. Tons	19210	14500
## Installed Capacity	M. Tons	16067	13520
@ Actual Production	M. Tons	12990	10598
Capacity Utilization	Lac/ Nos.	(6225)	(5320)
	%	81	78

Licenced capacity is as per the Industrial Entrepreneur Memorandum filed with SIA, Ministry of Industry, Government of India, New Delhi.

Installed capacity is as certified by the Chairman and Managing Director.

@ Actual production is on the basis of raw materials consumed less scrap material.

e) C.I.F. VALUE OF IMPORTS

Finished Goods/Semi Finished	Lac/ Rs.	92	24
Raw Materials (Wire/Wire rods)	Lac/ Rs.	2001	1936
Tooling Steel, Stores and Spares	Lac/ Rs.	436	240
Capital Goods	Lac/ Rs.	205	482

f) EARNING IN FOREIGN EXCHANGE

F.O.B. value of exports	Lac/ Rs.	*6178	5727
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(*including deemed exports of Rs.1208 lacs (previous year Rs.330 lacs)

g) EXPENDITURE IN FOREIGN CURRENCY

Foreign Traveling	Lac/Rs.	123.57	61.63
Royalty	Lac/Rs.	5.63	3.86
Technical Know-how Fee	Lac/Rs.	13.69	21.87
Books, Membership and other payments	Lac/Rs.	1.38	0.21
Professional and Legal Charges	Lac/Rs.	2.97	2.50
Advances against Capital Goods/Raw Material	Lac/Rs.	93.58	5.23
h) Dividend paid in foreign currency		Nil	Nil

i) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED AND PERCENTAGE THEREOF

	Lac/ Rs.	%	Lac/ Rs.	%
Imported	1975	29	2023	35
Indigenous	4888	71	3721	65
	6863	100	5744	100

25. Balance Sheet Abstract and Company's general business profiles as required under Part IV of Schedule VI of the Companies Act, 1956.

i Registration Details

Registration No.

State Code

Balance Sheet Date Month

Year

ii Capital raised during the year: (Amount in Rs. Thousands)

Public Issue

Right Issue

Bonus Issue

Private Placement

Preferential Issue

Warrants

iii Position of mobilization and deployment of funds: (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds
Paid up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds
Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV Performance of Company: (Amount in Rs. Thousands)

Turnover

				1	9	3	4	2	1	0
--	--	--	--	---	---	---	---	---	---	---

Other Income

								1	8	6	7	4
--	--	--	--	--	--	--	--	---	---	---	---	---

Total Expenditure

				1	8	3	3	0	3	6
--	--	--	--	---	---	---	---	---	---	---

Profit before Tax

				1	1	9	8	4	7
--	--	--	--	---	---	---	---	---	---

Profit/ Loss after Tax

						6	9	1	8	2
--	--	--	--	--	--	---	---	---	---	---

Earnings per Share (Rs.)

								6	.	7	6
--	--	--	--	--	--	--	--	---	---	---	---

Dividend Rate (%)

										1	8
--	--	--	--	--	--	--	--	--	--	---	---

V Generic names of principal products, services of Company

Product Description

Machine Screws

I.T.C. Code

						7	3	1	8	1	5	0	0
--	--	--	--	--	--	---	---	---	---	---	---	---	---

26. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year.
 27. Figures have been rounded off to the nearest rupee.
 28. Schedule 1 to 19 form integral part of Balance Sheet and Profit and Loss Account.

Auditors' Report:-

As per our report attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
 Chartered Accountants

V.P. Bansal
 Partner

L.K. Jain
 Chairman &
 Managing Director

D.K. Jain
 Vice Chairman &
 Managing Director

K.L. Ghorui
 Associate Vice
 President

S.N. Grover
 Company Secretary

Place : NOIDA
 Dated : June 28, 2007

CASH FLOW STATEMENT

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	69181813	52317541
Adjustments for:		
Tax	44949552	35385027
Net profit before tax and extraordinary items	114131365	87702568
Adjustments for:		
Depreciation	80415367	61794284
Deferred payment interest and Technical know-how fee written off	3491904	5171757
Rent and Interest received (Gross)	-3278661	-4892391
Income Tax Refund	-98112	-76761
Dividend Income	-4704038	0
Interest and Financial charges	83924902	71809019
Miscellaneous expenses written off	0	45815
Provisions for Bad and Doubtful Debts	275196	564564
Profit/Loss on sale of assets	654915	379161
Operating profit before working capital changes	274812838	222498016
Adjustments for:		
Trade Payables	37829798	68288912
Trade and other receivables	-56638749	-37236371
Inventories	-159782030	-145995346
Cash generated from operations	96221857	107555211
Interest and financial charges	-83928927	-71762646
Direct Taxes	-15000000	-9312401
Net cash from operating activities	-2707070	26480164
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-147717815	-126366839
Proceeds from Sale of fixed assets	431877	949556
Purchase of investment	0	-3000000
Rent and Interest received (Net of TDS)	2652950	3865799
Dividend Income	4704038	0
Income Tax Refund	98112	76761
Deferred payment interest and Technical know-how fee provided during the year	-856596	-5134266
Net cash used in investing activities	-140687434	-129608989

CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (including share premium)	93078000	200833350
Preferential/Rights issue expenses	-175057	-2173589
Proceeds from long term borrowings	136046633	57616462
Repayment of long term borrowings	-87196626	-59299421
Repayment of short term borrowings	0	-13333334
Proceeds from Directors and others	188634	51984723
Repayment to Directors and others	0	-186329704
Dividend paid	-16954191	-10032225
	124987393	39266262
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-18407110	-63862563
Cash & Cash equivalents (Opening Balance)	-349456858	-285594295
Cash & Cash equivalents (Closing Balance)	-367863968	-349456858

L.K. JAIN
Chairman
& Managing Director

D.K. JAIN
Vice-Chairman
& Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2007. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of even date to the Members of the Company.

Auditors' Report

As per our Report attached

for V.R. Bansal & Associates
Chartered Accountants

V. P. Bansal
Partner

Place : NOIDA
Dated : June 28, 2007

AUDITORS' REPORT

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

We have examined the attached consolidated balance sheet of Lakshmi Precision Screws Limited, Hissar Road, Rohtak, (Haryana) and its subsidiary Indian Fasteners Limited, company's interest in the joint ventures LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited and its associates namely J C Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited as at 31st March, 2007 and the consolidated profit and loss account for the year ended on that date annexed thereto and the consolidated cash flow statements for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not carry out the audit of the financial statements of the subsidiary Indian Fasteners Limited and the Joint ventures LPS Bossard Private Limited, and LPS Bossard Information Systems Private Limited and the associates namely J.C. Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited. The financial statements of the subsidiary have been audited by other auditors whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of such subsidiary are based solely on the report of the other auditor. Similarly the figures of the joint ventures LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited and associates J.C. Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited have been incorporated, based on the their provisional financial statements. The details of assets and revenues in respect of the subsidiary and the proportionate share in the joint ventures are given below:

Name of the company	(Amount in rupees)	
	Total assets	Total revenue
Indian Fasteners Limited	17979194	2288971
LPS Bossard Private Limited	157387209	306532409
LPS Bossard Information Systems Private Limited	1576463	665257

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

We report that, on the basis of the information and explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the subsidiary company and provisional financial statements of the Joint Ventures and associates, the consolidated financial statements read together with the significant accounting policies and notes give a true and fair view in the case of:

- the consolidated balance sheet, of the consolidated state of affairs of the company, its subsidiary, associates and joint ventures as at 31st March, 2007 and
- the consolidated profit and loss account, of the consolidated results of the operations of the company, its subsidiary, associates and joint ventures for the year ended on that date.
- in the case of consolidated cash flow statements, of the consolidated cash flows of the company, its subsidiary, associates and the joint ventures for the period ended on that date.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 28, 2007

V.P. BANSAL
Partner

CONSOLIDATED BALANCE SHEET

Description	Schedule No.	As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
A. SOURCES OF FUNDS						
a) Shareholders' Funds						
Share Capital	1	109416670	23520190	1847490	134784350	125784350
Less: Investment in Joint Venture companies					25367680	25367680
Reserves and Surplus	2	109416670	88399647	-384837	109416670	100416670
		648338876	88399647	-384837	736353695	588858995
		757755545	88399647	-384837	845770355	689275665
b) Loan Funds						
Secured Loans	3	648650295	12149936	0	660800231	580503791
Unsecured Loans	4	40807011	0	0	40807011	40618377
		689457306	12149936	0	701607242	621122168
c) Deferred Tax Liabilities (Net)		21223460	-4229016	0	16994444	24353815
d) Minority Interest		4587680	0	0	4587680	4580559
TOTAL		1473023991	119840757	1462653	1568959721	1339332207
B. APPLICATION OF FUNDS						
a) Fixed Assets						
Gross Block	5	1095998918	50691171	376878	1147066967	943921985
Less : Depreciation		640397899	16101691	343952	656843542	573189082
Net Block		455601019	34589480	32926	490223425	370732903
Add : Capital Work in Progress		826717	1565811	0	2392528	38719906
		456427736	36155291	32926	492615953	409452809
b) Investments	6	39330354	0	0	39330354	38064477
Less: Investment in Joint Venture companies					25367680	25367680
					13962674	12696797
c) Current Assets, Loans and Advances	7					
Inventories		992653263	22328176	0	1014981439	852387115
Sundry Debtors		399605167	77679501	572879	477857547	445367452
Cash and Bank Balances		50642548	9993697	815713	61451957	64950868
Other Current Assets		413807	49695	38429	501931	708744
Loans and Advances		117992656	11180849	116516	129290021	111772683
		1561307441	121231918	1543537	1684082896	1475186862
Less: Current Liabilities and Provisions						
Current Liabilities	8	516556750	32959666	49824	549566240	483077476
Provisions		72191432	4591845	65454	76848531	82281396
Total Current Liabilities		588748182	37551311	115278	626414771	565358872
Net Current Assets		972559259	83680607	1428259	1057668125	909827990
d) Miscellaneous Expenditure	9	4706642	4858	1469	4712969	7354606
TOTAL	19	1473023991	119840757	1462653	1568959721	1339332207
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES						

Auditors' Report:-

As per our report attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

Place : NOIDA

Dated : June 28, 2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2007 (Rs.) (Consolidated)	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2007 (Rs.) Total	Year Ending 31.03.2006 (Rs.) (Consolidated)
A. INCOME						
Sales and Services		2147911967	302909032	588000	2451408999	2112129905
Less: Excise duty		213702359	0	0	213702359	181335357
Net Sales		1934209608	302909032	588000	2237706640	1930794548
Job Work Receipt		1433953	0	0	1433953	2402994
Other Income	10	17276736	340384	77257	17694377	7079736
Deferred Tax liability written back		5717202	3282993	0	9000195	4404949
Share in associates		1265877	0	0	1265877	1397867
		1959903376	306532409	665257	2267101042	1946080094
B. EXPENDITURE						
Materials and Finished Goods	11	703008397	196305969	0	899314366	750206824
Manufacturing	12	506371365	0	0	506371365	467391392
Personnel	13	253119731	16019181	398360	269537272	231022084
Office and Administration	14	114878317	32851482	112492	147842291	124469332
Selling and Distribution	15	84136507	18866315	0	103002822	80405322
Interest and Financial charges	16	83986126	1961710	0	85947836	72720454
Managerial Remuneration	17	11836800	2263800	5880	14106480	10090830
Miscellaneous Expenditure Written off	18	0	4860	1469	6329	52144
Depreciation		81325765	4395720	11434	85732920	65821717
Wealth Tax		95000	19538	0	114538	1027223
Income Tax - Current Tax		46378095	14233520	0	60611615	50786942
- Fringe Benefit Tax		4297811	778465	1420	5077696	4470000
		1889433914	287700560	531055	2177665529	1858464261
C. PROFIT FOR THE YEAR CARRIED DOWN		70469462	18831849	134202	89435513	87615833
D. PROFIT FOR APPROPRIATION						
Balance as per last Balance Sheet		246290241	66228389	-519039	311999591	256167783
Balance as per last Balance Sheet - share in associates		2334766	0	0	2334766	936900
Profit for the year brought down		70469462	18831849	134202	89435513	87615833
		319094469	85060238	-384837	403769870	344720516
Less: Profit of subsidiary company for the year ended 31.03.2007		21772	0	0	21772	45254
Transfer to General Reserve		5200000	0	0	5200000	5248000
Proposed Dividend		19695001	0	0	19695001	19766538
Corporate Dividend Tax		3347165	0	0	3347165	2772257
Balance carried over to Balance Sheet		290830531	85060238	-384837	375505932	316888467
		319094469	85060238	-384837	403769870	344720516
E. EARNING PER SHARE (FACE VALUE RS. 10 PER SHARE)						
- Basic and diluted					8.74	11.05
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	19					

Auditors' Report:-

As per our report attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

Place : NOIDA

Dated : June 28, 2007

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description	Refer Notes	As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
SCHEDULE 1						
SHARE CAPITAL						
Authorised:						
14970000 Equity Shares of Rs. 10/- each		149700000	29400000	3675000	182775000	197775000
Less: Authorised Capital of Joint Ventures		0	0	0	33075000	33075000
30000 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		300000	0	0	149700000	164700000
		150000000	0	0	300000	300000
					165000000	165000000
Issued, Subscribed and Paid Up						
10941667 Equity Shares of Rs.10/- each fully paid up		109416670	23520190	1847490	134784350	125784350
Less: Investment in Joint venture companies		0	0	0	25367680	25367680
(Previous year 10041667 equity shares of Rs. 10/-each fully paid up)		109416670	23520190	1847490	109416670	100416670
SCHEDULE - 2						
RESERVES AND SURPLUS						
<i>Capital Reserve</i>						
As per last Balance Sheet	13931192					
Add: Reserves of subsidiary company till 24.12.1990	239600					
Reserves of associates till 31.03.2006	-1055969	13114823	0	0	13114823	13114823
Security Premium account						
As per last Balance Sheet	234433091					
Add: Received during the year on preferential allotment	84078000					
	318511091					
Less: Preferential allotment expenses	175057	318336034	0	0	318336034	234433091
<i>General Reserve</i>						
As per last Balance Sheet	16233185					
Add: Transferred from Profit and Loss Account	5200000	21433185	3339408	0	24772593	19812964
Reserves of subsidiary company after 24.12.1990		4624303	0	0	4624303	4609652
Profit and Loss Account		290830531	85060238	-384837	375505932	316888467
		648338876	88399647	-384837	736353685	588858995
SCHEDULE - 3						
SECURED LOANS						
From Banks						
Canara Bank, Rohtak						
<i>Working Capital Limits</i>						
Cash Credit Accounts	1	325898278	12149936	0	338048214	252917716
Foreign Bills Purchased Account		52357507	0	0	52357507	75288704
Bills Discount Account		13727163	0	0	13727163	13004966
Cheques Discounted		9528585	0	0	9528585	17500624
Letters of Credit		16016254	0	0	16016254	0
		417527787	12149936	0	429677723	358712010
Canara Bank, Rohtak						
Working Capital Term Loan	2	53821478	0	0	53821478	0
Short Term Loan		40725155	0	0	40725155	0
		94546633	0	0	94546633	0
ICICI Bank Limited, New Delhi						
ICICI Working Capital Demand Loan		0	0	0	0	4000000
ICICI Bank Limited, New Delhi						
<i>Term Loans</i>						
Rupee Currency	3	92628071	0	0	92628071	81267482
		92628071	0	0	92628071	81267482
State Bank of Patiala, New Delhi						
<i>Term Loans</i>						
	4	26646554	0	0	26646554	57690711
		26646554	0	0	26646554	57690711

Description	Refer Notes	As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
From Financial Institutions						
Industrial Development Bank Of India						
Term Loans for Working Capital		0	0	0	0	12000000
		0	0	0	0	12000000
From Others						
ICICI Bank Ltd. Against hypothecation of Motor Cars	6	16761128	0	0	16761128	20395943
Director of Industries, Haryana	7	540123	0	0	540123	8398714
		17301251	0	0	17301251	28794657
Deferred Payment Credits						
Haryana State Industrial Development Corporation		0	0	0	0	2038931
		648650295	12149936	0	660800231	580503791

NOTES:

- Working capital limit from Canara Bank is secured against hypothecation of raw materials, semi-finished goods, finished goods, stores and spares, receivables, both present and future and also secured by pari-passu second charge on all the fixed assets of the Company including plant and machinery, land and building (present and future) and guaranteed by S/Shri L.K.Jain, D. K. Jain, V. K. Jain, Rajesh Jain, Smt. Sushila Devi Jain, Director of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company and Shri Saurabh Jain and Gaurav Jain sons of Shri S.K.Jain, brother of Shri D.K.Jain, Director of the Company and Corporate guarantee of Indian Fasteners Limited, a subsidiary company.

Working capital limits from Canara Bank are further secured by way of equitable mortgage of land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company, agricultural land measuring 4.5 acre situated at Delhi Road in the names of Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company, Shri Saurabh Jain and Shri. Gaurav Jain sons of Shri S.K. Jain, brother of Shri D.K. Jain, Director of the Company and second charge on plots of land (5 nos.) measuring 107464 sq. yards situated at Rohtak owned by the Company.

- Working capital term loan from Canara Bank is secured by way of existing stock of dies and tools of the company and short term loan is secured by way of stock of dies and tools to be purchased out of loan proceeds. The said loans are further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above.
- Term loan from ICICI Bank Ltd. is secured by way of first charge on all the company assets including all moveable and immoveable properties both present and future on pari-passu basis and unconditional and irrevocable personal guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the Company.
- Term loan from State Bank of Patiala is secured by way of first pari-passu charge on fixed assets of the company and personal guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company.
- Working Capital Demand loan / cash credit limit from ICICI Bank Limited is secured by way of first charge on hypothecation of the company's entire stock of raw materials, semi-finished goods, consumable stores and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks, second mortgage and charge on all the company's immoveable properties and fixed assets, both present and future, ranking pari passu with other participating banks with unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and R.K.Jain Directors of the Company.
- Loans from ICICI Bank Ltd. against hypothecation of Motor Cars are under hire purchase scheme and secured by hypothecation of specific assets and on personal guarantees of the Directors of the Company.
- Loan from Director of Industries, Haryana is in respect of interest free loan sanctioned to the Company on conversion of deferred amount of the sales tax which is secured by way of pari-passu second charge on fixed assets alongwith the Canara Bank.
- Loan taken from bank in LPS Bossard Private Limited, Joint Venture company are secured against hypothecation of stock & book debts (both present and future) as primary security and first charge on fixed assets (excluding computer software & vehicle) as collateral security. Charge is further extended to issuance of letter of credit and bank guarantees.
- Term loans and deferred payment credits due within a year are Rs.992 Lacs (Previous year Rs.945 lacs).

Description	As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
SCHEDULE - 4					
UNSECURED LOANS					
Short Term Loans And Advances					
Fixed Deposits (Due within a year Rs.294 lacs (previous year Rs.294))	29400000	0	0	29400000	29400000
Other Loans and Advances*					
From Directors	480176	0	0	480176	480176
From Others	10926835	0	0	10926835	10738201
	40807011	0	0	40807011	40618377

* Other loans and advances are from directors and their relatives and are as per stipulations of lending financial institutions and banks.

SCHEDULE 5
FIXED ASSETS

Sl. No.	Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.04.2006 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2007 Rs.	Up to Last Year Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2007 Rs.	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
1.	Freehold Land	41967109	584952	0	42552061	0	0	0	42552061	41967109	
2.	Factory Building	80897634	90487243	0	171384877	28240699	4964043	0	33204742	138180135	52656935
3.	Leasehold Office Premises										
	Consolidated	553040	0	0	553040	282275	14251	0	296526	256514	270765
	Share in LPSBPL	4666720	2735412	0	7402133	1368853	623329	0	1992182	5409950	3295507
4.	Freehold Office Premises	813362	0	0	813362	364483	22444	0	386927	426435	448879
5.	Plant and Machinery	617695478	71027721	0	688723199	429982468	60843105	0	490825573	197897626	187712637
6.	Effluent Treatment Plant	1172911	191578	0	1364489	1126078	60033	0	1186111	178378	47166
7.	Furniture and Fixtures										
	Consolidated	30571821	4158347	0	34730168	18951737	1758359	0	20710096	14020072	11554806
	Share in LPSBPL	10439010	10561853	0	21000863	1745442	1259183	0	3004625	17996238	8693569
	Share in LPSBISPL										
8.	Electric Installations	19432811	3609957	0	23042768	16405510	1398295	0	17803805	5238963	3027301
9.	Office Equipments										
	Consolidated	17636895	3037058	0	20673953	6727225	1114249	0	7841474	12832479	10974990
	Share in LPSBPL	2701795	855428	19355	3537868	520021	177072	5645	691447	2846421	2181774
	Share in LPSBISPL	5331	0	0	5331	2875	152	0	3027	2304	2456
10.	Computers										
	Consolidated	51414547	4981521	0	56396068	36145484	6760504	0	42905988	13490080	15269062
	Share in LPSBPL	11560050	3440439	5091	14995398	7337630	2012593	2885	9347338	5648060	4114962
	Share in LPSBISPL	371546	0	0	371546	329643	11282	0	340925	30622	41904
11.	Motor Vehicles										
	Consolidated	47464163	9501416	3156708	53808871	21671791	4287269	2069917	23889140	29919731	25792375
	Share in LPSBPL	2838922	915986	0	3754909	742555	323544	0	1066098	2688810	2096367
12.	Weighting Counting Scales	1271503	80732	0	1352235	965340	65084	0	1030424	321811	306161
13.	Fire Extinguishers	557153	46675	0	603828	278974	38129	0	317103	286725	278179
	Total	944031802	206216320	3181154	1147066967	573189083	85732920	2078447	656843542	490223425	370732903
	Add:										
	Capital Work-In-Progress										
	Building	37402212	27757428	64332923	826717	0	0	0	0	826717	
	Plant and Machinery	1317694	1730995	3048689	0	0	0	0	0	0	
	Share in LPSBPL	0	1565811	0	1565811					1565811	
	Total-Current Year	982751708	237270554	70562766	1149459495	573189083	85732920	2078447	656843542	492615953	
	Total-Previous Year	831714940	114450967	2243922	943921985	508064076	65821718	696841	573189082		

NOTES:

1. Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in the case of Plant-II and Indian Fasteners Limited, subsidiary company on straight line method.
2. Depreciation on assets for a value not exceeding Rs.5000/- has been provided @ 100%.
3. The additions in Fixed Assets include Rs.2988625/- (last year Rs.3015674/-) capitalised on account of interest paid to financial institutions in accordance with AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
4. Addition in Plant & Machinery include Rs.11874606/- (last year Rs.9218454/-) capitalised on account of Dies and Tools relating to development of new product and also include Rs.4562/- (last year Rs.5853/-) adjusted on account of fluctuation in foreign exchange rate.
5. Leasehold Office Premises are in respect of office premises at Bangalore.
6. Freehold Office Premises are in respect of office premises at Mumbai and Delhi.

Description		As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
SCHEDULE - 6						
INVESTMENTS						
<i>(Long term, trade, unquoted, at cost)</i>						
Hanumat Wires Udyog Private Limited, Rohtak (Associate Company)						
141800 Equity Shares of Rs.10/- each	1418000					
Add:- Accumulated Income up to 31.03.2006 (including Goodwill Rs. Nil on acquisition)	1065272					
	2483272					
Add:- Share in profit for the year ended 31.03.2007	704290	3187562	0	0	3187562	2483272
J.C. Fasteners Limited, Rohtak (Associate Company)						
700000 Equity Shares of Rs.10/- each	7000000					
Add:- Accumulated Income upto 31.03.2006 (including Goodwill Rs.1386000/- on acquisition)	425297					
	7425297					
Add:- Share in profit for the year ended 31.03.2007	519345	7944642	0	0	7944642	7425297
Lakshmi Extrusion Limited, Rohtak (Associate Company)						
30000 Equity Shares of Rs.100/- each	3000000					
Add:- Accumulated Income upto 31.03.2006 (including Goodwill Rs. 285000/- on acquisition)	-211772					
	2788228					
Add:- Share in profit for the year ended 31.03.2007	42242	2830470	0	0	2830470	2788228
LPS Bossard Private Limited (Joint Venture)						
2352019 Equity Shares of Rs.10/- each		23520190	0	0	23520190	23520190
LPS Bossard Information Systems Private Limited (Joint Venture)						
184749 Equity Shares of Rs.10/- each		1847490	0	0	1847490	1847490
		39330354	0	0	39330354	38064477
Less: Investments in Joint Venture companies					25367680	25367680
					13962674	12696797
SCHEDULE - 7						
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories						
<i>(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Chairman and Managing Director)</i>						
Raw Materials:		181525307	0	0	181525307	191108303
Finished Goods		296095980	23943860	0	320039840	272166692
Less:- Unrealised Profit on Intra Group Transactions		0	-425592	0	-425592	0
Finished Goods in Transit		1077774	0	0	1077774	1912759
Semi Finished Goods		115591349	0	0	115591349	90128299
Consumables Stores, Tools and Spare Parts		84278055	0	0	84278055	276186080
Dies and Tools		278552592	0	0	278552592	0
Packing Materials		30848192	687294	0	31535486	19005612
Stationary in Hand		86830	0	0	86830	98979
Postage and Foreign Stamps		1407	0	0	1407	527
Scrap Materials (at Realisable Value)		4595777	0	0	4595777	2492678
Traded Goods		0	0	0	0	0
Traded Goods (In Transit)		0	0	0	0	0
Less :- Provision for Slow Moving Inventory		0	-1877385	0	-1877385	-712814
		992653263	22328176	0	1014981439	852387115
Sundry Debtors						
<i>(Unsecured- considered good unless otherwise stated)</i>						
Debts outstanding for a period exceeding six months		23788343	15932670	261407	39982420	22313304
Other Debts		376092020	77112041	311472	453515534	430968020
		399880363	93044712	572879	493497954	453281324
Less: Provision for Bad and Doubtful Debts		-275196	-15365211	0	-15640407	7913871
Unrealised Profit on Intra Group Transactions		0	0	0	-1059384	0
		399605167	77679501	572879	476798163	445367452

Description	As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
Cash And Bank Balances					
Cash in hand (includes cheques in hand - Rs.177129/-, previous year Rs. 7591454/-) with Scheduled Banks	858844	17516	157	876517	9827125
In Fixed Deposit Accounts					
Pledged as Margin Money against Bank Guarantees	1907000	1290409	0	3197409	1700000
Pledged as Margin Money against Letters of Credit	25910900	0	0	25910900	20000000
Lien against Public Deposits	4500000	0	0	4500000	5248519
Fixed Deposit Account Non-Lien Account	0	0	725677	725677	7714175
In Current Accounts	10687645	8685772	89879	19463296	19890854
In Cash Credit Account	6231901	0	0	6231901	0
In Dividend Accounts	512385	0	0	512385	536324
In E F C Account (\$ 769.83 Previous year \$769.83)	33873	0	0	33873	33873
	50642548	9993697	815713	61451957	64950868
Other Current Assets					
Interest Accrued on Deposits	413807	49695	38429	501931	708744
	413807	49695	38429	501931	708744
Loans And Advances (unsecured considered good)					
Advances Recoverable in Cash or in Kind or for Value to be Received	70937389	7023626	720	77961735	46539196
Security Deposits	9360825	4157223	1960	13520008	9380023
Balance with Central Excise Department					
Excise Duty	12391588	0	0	12391588	14514476
Service Tax	5452085	0	0	5452085	5560477
Advance Income Tax and TDS	15760237	0	113835	15874072	25942193
Advance Fringe Benefit Tax	3089765	0	0	3089765	6155206
Sales Tax Refund due	1000767	0	0	1000767	3681112
	117992656	11180849	116516	129290021	111772683
	1561307441	121231918	1543537	1683023512	1475186859
SCHEDULE - 8					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities					
Sundry Creditors					
Due to SSI Undertakings	58021254	673931	0	58695185	42940352
Due to other than SSI Undertakings	377596524	31526624	35336	409158484	367660502
Less: Unrealised Profit on Intra Group Transactions	0	0	0	-1059384	0
Advances and Progress Payments from Customers	15367798	0	0	15367798	10505722
Unclaimed Dividend-Equity	757205	0	0	757205	536324
Other Liabilities	24283334	759110	14488	25056933	16761333
Excise Duty Payable	40266134	0	0	40266134	35956757
Interest Accrued but not Due	264501	0	0	264501	271898
ICICI Bank Ltd. Current Account	0	0	0	0	2146365
Canara Bank Current Account	0	0	0	0	6298222
	516556750	32959666	49824	548506856	483077476
Provisions					
Income Tax	45129266	3678979	0	48808245	54742916
Wealth Tax	95000	19538	0	114538	30000
Fringe Benefit Tax	3925000	38853	0	3963853	4470000
Leave Encashment	0	508602	29269	537872	323917
Gratuity	0	345672	36185	381857	175768
Proposed Dividend	19695001	0	0	19695001	19766538
Corporate Dividend Tax	3347165	0	0	3347165	2772257
	72191432	4591645	65454	76848531	82281396
	588748182	37551311	115278	625355387	565358872

Description		As at 31.03.2007 (Rs.) (Consolidated)	As at 31.03.2007 (Rs.) Joint Venture in LPSBPL	As at 31.03.2007 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2007 (Rs.) Total	As at 31.03.2006 (Rs.) (Consolidated)
SCHEDULE - 9						
MISCELLANEOUS EXPENDITURE						
<i>(To the extent not written off or adjusted)</i>						
Interest on deferred payments						
As per last Balance Sheet	3795302					
Add: during the year	565304					
	4360606					
Less: written off	2697039	1663567	0	0	1663567	3795302
Technical know-how fee						
As per last Balance Sheet	3546648					
Add: during the year	291292					
	3837940					
Less: written off	794865	3043075	0	0	3043075	3546648
Preliminary expenses written off		0	4858	1469	6327	12656
		4706642	4858	1469	4712969	7354606
Description		Year Ending 31.03.2007 (Rs.) (Consolidated)	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2007 (Rs.) Total	Year Ending 31.03.2006 (Rs.) (Consolidated)
SCHEDULE- 10						
OTHER INCOME						
Rent		707400	0	0	707400	2678400
(TDS Rs. 147432/- Previous year Rs.586377/-)						
Interest on Fixed Deposits with Banks, Loans and from Customers and Income Tax Refund (TDS Rs. 499712/- Previous year Rs. 443621/-)		2588193	141146	71257	2806596	2416022
Miscellaneous Receipts		2663912	91335	0	2755247	1385975
Dividend Income on long term Trade Investments		4704038	0	0	4704038	0
Profit on Sale of Assets		14335	0	0	14335	12181
Income Tax Refund		98112	0	0	98112	76761
Marketing Support Service		0	107903	0	107903	510108
Excess provision of Income Tax Written Back		1061	0	0	1061	289
Exchange Rate Variation		6499685	0	0	6499685	0
		17276736	340384	77257	17694377	7079736
SCHEDULE-11						
MATERIALS AND FINISHED GOODS						
Raw Materials Consumed						
Opening stocks		191108303	0	0	191108303	129074480
Add: Purchases		657502521	0	0	657502521	621300911
Freight and cartage		19202914	0	0	19202914	14990680
		867513738	0	0	867513738	765366071
Less: Closing stocks		181525307	0	0	181525307	191108303
Raw Materials Consumed		686288431	0	0	686288431	574257768
Add: Opening Stocks						
Finished Goods		252230159	20726402	0	272956561	231681795
Finished Goods in Transit		1912759	0	0	1912759	2374740
Semi-Finished Goods		90128299	0	0	90128299	100731128
Scrap Materials		2492678	0	0	2492678	8776176
		346763895	20726402	0	367490297	343563839
Add: Purchase of Semi-Finished Goods/Finished Goods		87316950	196088534	0	283405484	196954250
		1120369276	216814936	0	1337184212	1114775857
Less: Closing Stocks						
Finished Goods		296095980	22328176	0	318424156	271747878
Finished Goods in Transit		1077774	0	0	1077774	1912759
Semi Finished Goods		115591349	0	0	115591349	90128299
Scrap Materials		4595777	0	0	4595777	2492678
		417360880	22328176	0	439689056	366281614
Add: Stock Obsolescence		0	654638	0	654638	671534
Provision for Slow Moving Inventory		0	1164571	0	1164571	1041048
		703008397	196305969	0	899314366	750206824

Description		Year Ending 31.03.2007 (Rs.) (Consolidated)	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2007 (Rs.) Total	Year Ending 31.03.2006 (Rs.) (Consolidated)
SCHEDULE - 12.						
MANUFACTURING EXPENSES						
Consumable Stores, Spare Parts and Tools		44534094	0	0	44534094	41125063
Dies and Tools		69917623			69917623	58425237
Electricity, Water and Fuel		110001479	0	0	110001479	94764934
Job Work Charges		226060056	0	0	226060056	217267765
Excise Duty on Closing Stock of Finished Goods and Scrap	40266134					
Less: Excise Duty Payable as on 01.04.2006	35956757	4309377	0	0	4309377	6429926
Repairs to Machinery		6481593	0	0	6481593	9271521
Packing Expenses		32949189	0	0	32949189	30138137
Testing Charges		595936	0	0	595936	687683
Generator Hire Charges		2254307	0	0	2254307	220000
Research and Development Expenses		7895832	0	0	7895832	7815114
Technical Know-how Fee		1371879	0	0	1371879	1246012
		506371365	0	0	506371365	467391392
SCHEDULE - 13						
PERSONNEL EXPENSES						
Salaries, Wages and other Amenities		214881314	13825110	398360	229104784	198216815
Bonus		1358320	0	0	1358320	1339857
Co's contribution towards LIC Gratuity Trust		6802103	0	0	6802103	3101095
Co's contribution towards P.F.		10813583	735977	0	11549560	11108109
Co's contribution towards E.S.I.		4240308	0	0	4240308	3786670
Staff Welfare		8326825	735631	0	9062456	7681346
Staff Recruitment and Training		1861946	722462	0	2584408	1801602
Watch and Ward Expenses		4835332	0	0	4835332	3986590
		253119731	16019181	398360	269537272	231022084
SCHEDULE - 14						
OFFICE AND ADMINISTRATION EXPENSES						
Rent		4018772	6524671	11760	10555203	7719168
Rates and Taxes		371398	0	0	371398	355341
Printing and Stationery		6331328	3169470	0	9500798	8050531
Postage, Telephone, Telex and Fax		8250374	2908974	0	11159348	9952454
Traveling and Conveyance		52941020	12638388	44350	65623758	57150352
Vehicle Maintenance		3082773	0	0	3082773	2629148
Legal and Consultancy		9236109	784794	7051	10027954	9794109
Insurance		4058428	175347	0	4233775	3265390
Auditors' Remuneration						
Audit fee		655050	233438	44518	933007	594997
Limited Review		120000	0	0	120000	75000
Out-of Pocket Expenses (including Service Tax)		55962	0	0	55962	49445
Other Matters		0	0	0	0	50000
Repairs to Building		6888217	0	0	6888217	4443708
Floriculture Expenses		1509180	0	0	1509180	1164343
General Repairs		6683122	4304037	0	10987159	7081532
Loss on Sale of Assets		669250	13666	0	682916	456665
Miscellaneous		9677334	1309336	4812	10991483	10615236
Directors Sitting Fee		330000	0	0	330000	360000
Electricity Expenses		0	789361	0	789361	661913
		114878317	32851482	112492	147842291	124469332

Description	Year Ending 31.03.2007 (Rs.) (Consolidated)	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2007 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2007 (Rs.) Total	Year Ending 31.03.2006 (Rs.) (Consolidated)
SCHEDULE - 15					
SELLING AND DISTRIBUTION EXPENSES					
Freight and Cartage	35835948	1988332	0	37824280	32358863
Turnover and Cash Discount	26331975	0	0	26331975	18507275
Advertisement, Publicity and Sales Promotion	6233835	2164900	0	8398735	7810313
Packing Material	0	5415742	0	5415742	4535028
Bad Debts, Liquidated Damages and Short Recoveries	6376289	594954	0	6971243	7350381
Provision for Bad and Doubtful Debts	275196	8702386	0	8977582	5294999
Excise Duty and Sales Tax	9083264	0	0	9083264	4548465
	84136507	18866315	0	103002822	80405322
SCHEDULE - 16					
INTEREST AND FINANCIAL CHARGES					
Interest					
On Fixed Loans	27171935	0	0	27171935	20937635
On Non-Fixed Loans	43678515	826940	0	44505455	37675746
Difference in Exchange	0	316210	0	316210	-100216
Front-End Fee	518923	0	0	518923	600000
Financial Charges	917071	0	0	917071	1306773
Bank Charges	11699682	818560	0	12518242	12300517
	83986126	1961710	0	85947836	72720454
SCHEDULE - 17					
MANAGERIAL REMUNERATION					
Chairman and Managing Director	3945600	0	0	3945600	2849600
Vice Chairman and Managing Director	3945600	2263800	5880	6215280	4391630
Joint Managing Director	3945600	0	0	3945600	2849600
	11836800	2263800	5880	14106480	10090830
SCHEDULE - 18					
MISCELLANEOUS EXPENSES WRITTEN OFF					
Preliminary Expenses Written Off	0	4860	1469	6329	6329
Expenditure towards Increase in Capital	0	0	0	0	45815
	0	4860	1469	6329	52144

SCHEDULE No. 19
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The Accounts have been prepared on historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956 and applicable statutes and to comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

b) Use of Estimates

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

c) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed Assets are further adjusted by the amount of Modvat/Cervat credit availed and VAT credit wherever applicable and fluctuations in the foreign exchange rate.

d) Depreciation

Depreciation on fixed assets have been provided on triple shift basis rates as provided in Schedule XIV of the Companies Act, 1956 on written down value method, except in case of Plant-II which was setup in the year 1993 where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%. Depreciation in subsidiary companies is provided on straight line method on rates as provided in Schedule XIV of the Companies Act, 1956. Further depreciation in Joint Ventures is provided on straight line basis based on rates estimated by the management as follows:-

S.N.	Particulars	LPS Bossard Pvt. Ltd.	LPS Bossard Information Systems Pvt. Ltd.
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.	Vehicle	9.50%	-
7.	Vehicle (Commercial)	11.31%	-
8.	Leasehold Improvements	(over the period of lease)	-

e) Revenue Recognition

Domestic sales are recognized at the point of dispatch of goods to the customers. The sales are accounted for net of trade discount, sales tax and excise duty. Export sales are recognized at the time of clearance of goods and approval from Excise Authorities. Other Income is accounted for on accrual basis. Dividend income is accounted for when the right to receive the payment is established.

f) Foreign Currency Transactions

Foreign currency denominated monetary liabilities incurred for the acquisitions of fixed assets are translated at the exchange rate prevailing on the Balance Sheet date. The net variations arising out of the said transaction are adjusted to the cost of fixed assets. Other monetary assets and liabilities denominated in foreign currency are similarly translated. All exchange gains/ losses other than those relating to fixed assets arising out of such transactions are taken to the Profit and Loss account.

g) Inventories

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

h) Investments

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

i) Retirement Benefits

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India, Contributions to the Provident Fund are accounted for on the basis of relevant fund rules. Provisions are made for the unutilized leaves due to the employees as at the end of the year.

- j) **Research and Development**
Intangible Assets arising from development are not recognized since the asset is not identifiable and future economic benefits from the assets are not probable. Expenditure on research is recognized as an expense when it is incurred. Research and development cost includes salaries and other related costs of personnel, cost of materials and services consumed and other overhead costs related to research and development.
- k) **Borrowing Costs**
Borrowing Cost that are attributable to the acquisition for construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- l) **Excise Duty**
Excise duty has been accounted on the basis of both, payments made in respect of goods cleared as also the provision made for goods lying in the warehouses.
- m) **Miscellaneous Expenditure**
Preliminary expenses are being amortized over a period of ten years. 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.
- n) **Taxes on Income**
Current tax is determined on the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).
- o) **Prior Period Items**
Prior Period Expenses/Income is accounted for under the respective heads. Material items, if any, are disclosed separately by way of note.
- p) **Earnings Per Share**
The earning considered in ascertaining the company's Earning Per Share (EPS) comprises the Net Profit after Tax. The number of shares used in Computing Basic and diluted EPS is weighted average number of shares outstanding during the year. The number of shares and dilutive shares are adjusted for preferential issue of shares.
- q) **Impairment of Fixed Assets**
At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred and where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is generally measured using discounted estimated cash flows. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- r) **Contingent Liabilities and Provisions**
Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the profit and loss account. Contingent gains are not recognized. Provisions are recognized as liability only when they can be measured by using a substantial degree of estimation and where present obligation of the enterprise arise from past events, the settlement of which is expected to result in an outflow of resources embodying economics benefits.

B) CONTINGENT LIABILITIES:

					(Lac/Rs.)	
Sr. No.	Particulars	Consolidated	LPSBPL	LPSBISPL	2007 Total	2006 Total
1	Estimated amount of Capital Contracts remaining to be executed and not provided for (net of advances)	493	11	-	504	140
2	Letters of Credit and guarantees obtained from Bank (Net of margin money)	342	5	-	347	159
3	Liabilities against Legal Undertakings/bonds executed in favour of DGFT on account of Export Obligation undertaken by the Company against Advance and Import Licenses under EPCG Scheme.	833	-	-	833	318
4	Bills Discounted (Secured against hypothecation of fixed assets excluding computer software and vehicles. Further secured against book debts both present and future and 10% margin money)	-	278	-	278	211
5	Income Tax Liability on Account of Appeals Pending with various authorities	101	-	-	101	101
6	Liabilities on Account of Suits filed against the Company in the Labour Court	5	-	-	5	2

C) NOTES

- 1 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
Group Shareholding	:	67.295%

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

Name of the associate Company	Country of Incorporation	Proportion of ownership interest
J.C. Fasteners Limited	India	42.81%
Hanumat Wire Udyog Private Limited	India	21.78%
Lakshmi Extrusion Limited	India	45.00%

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

Sr. No	Name of the Joint Venture	Country of Incorporation	Proportion of interest as on 31 st March, 2007
1	LPS Bossard Private Limited	India	49%
2	LPS Bossard Information Systems Private Limited	India	49%

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 venture are added line by line to the Assets, Liabilities, Income and Expenditure on the basis of their provisional figures.

- 4 Principles of consolidation:

- a. The consolidated financial statements have been prepared based on line-by-line consolidation of the profit and loss account and the balance sheet of the company and its 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 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.	Vehicle	9.50%	-
7.	Vehicle (Commercial)	11.31%	-
8.	Leasehold Improvements	(over the period of lease)	-

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

- c. 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.
- d. 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.

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

g. The consolidated financial statement has been prepared after elimination of unrealized profit of intra group transactions as follows:-

a) Unrealized profit deducted from debtors and corresponding creditors pertaining to intra group transactions.	1059384/-
b) Unrealized profit deducted from inventory pertaining to intra group transactions.	425592/-

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.

h. The consolidated financial statement has been prepared on basis of audited financial statements of subsidiary company and provisional financial statements of joint ventures and associates.

5. Interest and other borrowing costs amounting to Rs.2988625/- (Previous year Rs.3015674/-) have been capitalized to the carrying cost of fixed assets being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its intended commercial use.

6 The break-up of Deferred Tax Assets and Deferred Tax Liabilities is as under: -

(Rs.)

1.	Deferred tax liability	Consolidated	LPSBPL	LPSBISPL	2007 TOTAL	2006 TOTAL
a)	On account of difference in rates and method of depreciation	15826483	1976945	-	17803428	22757468
b)	On account of different treatment of certain payments under I.T. Act,1961	5396977	-	-	5396977	4814773
		21223460	1976945	-	23200405	27572241
2.	Deferred tax assets					
a)	On account of different treatment of certain payments under I.T. Act,1961	-	6205960	-	6205960	3218426
		-	6205960	-	6205960	3218426

Deferred Tax Liability

- at the end of year (net)	21223460	(4229015)	-	16994445	24353815
- for the year (written back)	(5717202)	(3282993)	-	(9000195)	(4404949)

7 Earnings per share – Basic and Diluted

	2007	2006
Profit after tax	89435514	87615833
Weighted number of Equity Shares (No)	*10233996	*7931440
Earning per share	8.74	11.05
Nominal value per share (Rupees)	10.00	10.00

(*) The weighted average numbers of equity shares have been restated for the change in number of equity shares on account of preferential issue during the year.

8 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.

	(Rs. In lacs)	
	2007	2006
Revenue (Net of Excise)		
Revenue-Domestic Market		
Consolidated	13025.54	10900.02
Share in LPSBPL	3029.09	2626.32
Share in LPSBPL	5.88	6.49
Revenue-Overseas Market		
Consolidated	6316.55	5775.12
Share in LPSBPL	-	-
Fixed assets located (including Capital Work-in-progress)		
With in India		
Consolidated	4564.28	3890.26
Share in LPSBPL	361.55	203.82
Share in LPSBISPL	0.33	0.45
Outside India	-	-

9 Related Party Transactions

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

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

- | | |
|---|--|
| 1. Associates | <ul style="list-style-type: none"> (i) Amit Screws Pvt. Ltd. (ii) Hanumat Wire Udyog Pvt. Ltd. (iii) J C Fasteners Ltd. (iv) LPS Bossard Pvt. Ltd. (Joint Venture) (v) LPS Bossard Information System Pvt. Ltd. (Joint Venture) (vi) LPS Fasteners & Wires Pvt. Ltd. (vii) Nav Bharat Industries (viii) Nav Bharat Agencies (ix) Shiv Industries (x) Swadesh Engineering Industries (xi) Sudhir Automotive Industries Pvt. Ltd. (xii) United Engineers (xiii) Universal Enterprises (xiv) Lakshmi Extrusion Ltd. (xv) Bossard Ltd. Fasteners, Switzerland (xvi) Bossard France S.A. (xvii) Bossard Denmark (xviii) Bossard Pte.Ltd. Singapore (xix) Precision Fasteners Corporation |
| 2. Key Management Personnel | <ul style="list-style-type: none"> (i) Shri Lalit Kumar Jain (ii) Shri Dinesh Kumar Jain (iii) Shri Vijay Kumar Jain (iv) Shri Rajesh Jain (v) Smt. Sushila Devi Jain |
| 3. Relative of key Management Personnel | <ul style="list-style-type: none"> (i) Shri S.K.Jain (Brother of Shri D.K.Jain) (ii) Shri Nikhlesh Jain (S/o. Shri D.K. Jain) (iii) Shri Amit Jain (S/o. Shri V.K. Jain) (iv) Shri Gagan Jain (S/o. Shri L.K. Jain) (v) Shri Gautam Jain (S/o. Shri L.K. Jain) (vi) Smt. Rita Jain (W/o. Shri L.K. Jain) (vii) Smt. Deepa Jain (W/o. Shri V.K. Jain) (viii) Ms. Chandni Jain (D/o Shri R K Jain) |

(b) Transactions

(Lac/Rs.)

S. No	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2007	2006	2007	2006	2007	2006
1.	Sale of Goods	1033.61	882.43	-	-	-	-
2.	Purchase of Goods	932.67	710.25	-	-	-	-
3.	Rent Received	7.07	26.78	-	-	-	-
4.	Rent Paid	61.24	39.04	11.46	11.46	2.06	2.06
5.	Professional Charges	6.60	5.88	-	0.50	-	-
6.	Interest Received	-	-	1.12	1.98	-	-
7.	Job Work Paid	1073.88	1161.34	-	-	-	-
8.	Loan from Directors/Others	-	-	128.25	-	205.36	28.16
9.	Remuneration paid	-	-	141.01	100.85	28.23	17.72
10.	Interest to Directors/Others	-	-	13.58	13.58	10.17	17.39
12.	Share Application Money	-	-	-	820.69	-	550.92
13.	Purchase of Capital Goods	5.51	4.65	-	-	-	-
	Total	3120.58	2830.37	297.48	949.07	245.82	616.25
	Balance receivable at the year end	245.28	113.20	5.36	12.60	-	-
	Balance due at the year end	432.53	608.63	135.04	134.84	202.60	273.32

10 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.

11 Provisions are recognized for expenses such as gratuity, income tax, wealth tax, leave encashment and bonus to employees. 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 2006-07.

The movements in provisions are as under:

(Lac/Rs.)

		Consolidated	LPSBPL	LPSBISPL	2007 Total	2006 Total
1)	Carrying amount as on 01.04.06	421	90	-	511	247
2)	Additional provisions made during the financial year 2006-07 including increase to existing provisions	588	46	-	634	506
3)	Amount used (including and charged against the provisions) during the financial year 2006-07	421	90	-	511	247
4)	Unused amounts reversed during the financial year 2006-07	0	0	-	0	0
5)	Carrying amounts of provisions as on 31.03.07	588	46	-	634	506

12 Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year.

13 Figures have been rounded off to the nearest rupee.

14 Schedule 1 to 19 form integral part of Balance Sheet and Profit and Loss Account.

15 The notes of the consolidated financial statements are intended to serve as a means of Informative disclosure and a guide to better understanding of the financial information about the economic activities and the economic resources controlled as a single economic entity. Recognizing this purpose, the company has disclosed only such note from the individual financial statements, which fairly present the needed disclosures. Practical consideration made it desirable to exclude notes to accounts and accounting policies, which, in the opinion of the management, could be better viewed when referred to the individual financial statements.

Auditors' Report:-

As per our report attached

For and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

Place : NOIDA

Dated : June 28, 2007

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	89435514	87615833
Adjustments for:		
Tax	55957840	50851993
Net profit before tax and extraordinary items	144553068	138467826
Adjustments for:		
Depreciation	85732920	65821717
Deferred payment interest and Technical know-how fee written off	3491904	5178086
Rent and Interest received (Gross)	-3513996	-5094422
Income Tax Refund	-98112	-76761
Dividend Income	-4704038	0
Interest and Financial charges	85631625	72720454
Miscellaneous expenses written off	6329	52144
Provisions for Bad and Doubtful Debts	8977582	5294999
Shares in Associates	0	-1397867
Profit/Loss on sale of assets	668581	444484
Operating profit before working capital changes	320745863	281410660
Adjustments for:		
Trade Payables	21375904	102856872
Trade and other receivables	-88757108	-94817948
Inventories	-161938534	-141125573
Cash generated from operations	91426125	148324011
Interest and financial charges	-85635650	-86968844
Tax paid	3508737	-24915601
Net cash from operating activities	9299212	36439566
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-169888941	-137779794
Proceeds from Sale of fixed assets	434127	974671
Purchase of investment	-1265877	-4114718
Shares in Associates	0	1397867
Rent and Interest received (Net of TDS)	2888285	4067830
Dividend Income	4704038	0
Income Tax Refund	98112	76761
Deferred payment interest and Technical know-how fee provided during the year	-856596	-5134266
Net cash used in investing activities	-163886852	-140511649

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (including share premium)	93078000	200833350
Preferential/Rights issue expenses	-175057	-2173589
Proceeds from long term borrowings	1850000	70494619
Repayment of long term borrowings	-1369281	-71481185
Proceeds from short term borrowings	136046633	0
Repayment of short term borrowings	-127196626	-13333334
Proceeds from Directors and others	0	51984723
Repayment to Directors and others	188634	-186329704
Dividend paid	-22317970	-10032225
	80104333	39962655
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-74483307	-64109428
Cash & Cash equivalents (Opening Balance)	-293742459	-269651712
Cash & Cash equivalents (Closing Balance)	-368225766	-333761140

L.K. JAIN
Chairman
& Managing Director

D.K. JAIN
Vice-Chairman
& Managing Director

K.L. Ghorui
Associate Vice
President

S.N. Grover
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2007. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of even date to the Members of the Company.

Auditors' Report

As per our Report attached

for V.R. Bansal & Associates
Chartered Accountants

V. P. Bansal
Partner

Place : NOIDA
Dated : June 28, 2007

STATEMENT PURSUANT TO SECTION 212 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	31 st March, 2007
3.	Date from which it became Subsidiary	24 th 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. alongwith 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 31 st March, 2007	Rs.00.15 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.46.03 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31 st March, 2007	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

Place : Rohtak
Dated : June 28, 2007

Lalit Kumar Jain
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 21st Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2007.

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	22,88,971	20,21,054
Profit before Interest, Depreciation & Taxation	10,98,719	10,91,807
Less: Interest	61,224	92,059
Profit before Depreciation and Taxation	10,37,495	9,99,748
Less: Depreciation	9,10,398	8,79,244
Profit before Taxation	1,27,097	1,20,504
Less: Deferred Tax	0	0
Less: Income Tax	1,05,325	75,250
Net Profit for the year	21,772	45,254

DIVIDEND

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

DIRECTORS

Sh. Sudesh Kumar Jain and Sh. Vijay Kumar Jain, Directors of the Company retire by rotation but being eligible offer themselves for re-appointment.

AUDITORS

The existing auditors M/s. Suresh Chand Singhal, Chartered Accountant 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 in the preparation of the annual accounts for the financial year ended March 31, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (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, 2007 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 : June 25, 2007

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, 2007.

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

	Current Year	Previous Year
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Unit	42357	53111
Total amount (Rs.)	204584	235282
Rate/Unit (Rs.)	4.83	4.43
b) Own Generation		
i) Through Diesel Generator Unit	-	-
Unit per Ltr. of Diesel Oil Cost/Unit.		
ii) Through Steam Turbines	-	-
Generator Units.		
2. Coal (Specify quality and where used)		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
4. Other/Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. CONSUMPTION PER TONNE OF PRODUCTION PRODUCT		
Electricity/Unit	69.07	77.82
Furnace oil	-	-
Coal oil	-	-
Others	-	-

Form B

Disclosure of particulars with respect of absorption research and development (R & D)

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts in brief, made towards technology absorption, adaptation 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 adsorbed?	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 the Board of Directors

Place : Rohtak
Dated : June 25, 2007

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, 2007 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 to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of 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 31.03.2007 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, 2007.
 - ii) In the case of Profit and Loss account of the Profit for the year ended on that date.

for Suresh Chand Singhal
Chartered Accountant

Suresh Chand
Proprietor

Place : Rohtak
Dated : June 25, 2007

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in the paragraph 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 31.03.2007 for a period of more than six months from the date these 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 31.03.2007.
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 31.03.2007.
18. The Company has not granted any loans against pledging of shares or debentures or other securities.
19. The provisions of any special stature applicable to a Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
20. The Company is not dealing in shares and securities.
21. The Company has not given any guarantees for loans taken by other banks/financial institutions.
22. The Company has taken term loan against car during the year and is regular in repayment of principal and interest.
23. The short term funds taken by the Company have not been used for long term investments and vice-versa.
24. The Company has not made any preferential allotment of shares covered under section 301 of the Companies Act, 1956.
25. The Company has not issued any debentures.

26. There is no public issue by the Company during the financial year.
27. As reported by the management, no fraud has been noticed or reported.
28. The Company is not a sick industrial Company within the meaning of clauses (o) of sub-section (1) of Section-3 of the Sick Industries Companies (Special Provisions) Act, 1985.
29. During the course of our examination of the Books of Accounts carried out in accordance with generally accepted audited practices, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.

for Suresh Chand Singhal
Chartered Accountant

Place : Rohtak
Dated : June 25, 2007

Suresh Chand
Proprietor

BALANCE SHEET

Description	Schedule No.	As At 31.03.2007 (Rs.)	As At 31.03.2006 (Rs.)
SOURCES OF FUNDS			
1. Shareholders' Fund			
a) Share Capital	1	7155800	7155800
b) Reserves & Surplus	2	6871683	6849911
		14027483	14005711
c) Deferred Tax Liability (Net)		1466941	1468114
2. Secured Loan	3	2267734	1626726
	Total	17762158	17100551
APPLICATION OF FUNDS			
1. Fixed Assets	4		
a) Gross Block		19679346	17583151
b) Less Depreciation		6010447	5100049
c) Net Block		13668899	12483102
2. Current Assets, Loans & Advances	5		
a) Inventories		12520	10682
b) Sundry Debtors		3042726	3511405
c) Cash & Bank Balances		978729	838704
d) Loans and Advances		276320	695274
		4310295	5056065
Less : Current Liabilities & Provisions	6		
a) Current Liabilities		87770	137366
b) Provisions		129266	301250
		217036	438616
Net Current Assets		4093259	4617449
3. Miscellaneous Expenditure	7	0	0
	Total	17762158	17100551
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	11		

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Chand Singhal
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 : June 25, 2007

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
INCOME			
Job Work Received		1950613	1892253
Discount Received		19192	0
Excess Provision written back		0	120
Interest Received on Income Tax Refund		16932	0
Unclaimed liabilities written back		0	169
Lifter hire receipts		300000	125000
Deferred Tax written back		1173	3512
Excess Provision of Income Tax Written Back		1061	0
	Total	2288971	2021054
EXPENDITURES			
Manufacturing Expenses	8	241106	274758
Personnel Expenses	9	773977	552007
Office and Administrative Expenses	10	175169	102482
Interest and Financial Charges		61224	92059
Depreciation		910398	879244
Income Tax		57514	75250
Fringe Benefit Tax		47811	0
	Total	2267199	1975800
NET PROFIT FOR THE YEAR			
Profit for appropriation		21772	45254
Balance as per last Balance Sheet		6839149	6793895
Profit for the year		21772	45254
		6860921	6839149
APPROPRIATION			
Transfer to General Reserve		0	0
Dividend		0	0
Corporate Dividend Tax		0	0
Balance Carried over to Balance Sheet		6860921	6839149
		6860921	6839149
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	11		

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Chand Singhal
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 : June 25, 2007

Description	As At 31.03.2007 (Rs.)	As At 31.03.2006 (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	7155800	7155800
(out of the above 481550 equity shares of Rs.10/- each held by holding company Lakshmi Precision Screws Limited, Rohtak)	7155800	7155800
SCHEDULE - 2		
RESERVES & SURPLUS		
General Reserve	10762	10762
Profit & Loss Account	6860921	6839149
	6871683	6849911
SCHEDULE - 3		
SECURED LOAN		
ICICI Bank (Car Loan)	2267734	1626726
	2267734	1626726

SCHEDULE-4
FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2006	Addition	Adjustment	Total 31.03.2007	Up to 31.03.2006	For the year	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
1.	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2.	Building (A)	3320556	183597	0	3504153	891589	110907	1002496	2501657	2428967
3.	Building (B)	3833820	0	0	3833820	750862	128050	878912	2954908	3082958
4.	Plant & Machinery	4110903	0	0	4110903	2356591	195268	2551859	1559044	1754312
5.	Fork Lifter	715177	0	0	715177	475594	33971	509565	205612	239583
6.	Electric Fittings	165703	0	0	165703	60689	11715	72404	93299	105014
7.	Furniture Fixture	380325	0	0	380325	77136	24075	101211	279114	303189
8.	Motor Car	3119675	1912598	0	5032273	487588	406412	894000	4138273	2632087
	Total	17583151	2096195	0	19679346	5100049	910398	6010447	13668899	12483102
	Previous Year	15607502	1975649	0	17583151	4220805	879244	5100049	12483102	11386697

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

Description	As At 31.03.2007 (Rs.)	As At 31.03.2006 (Rs.)
SCHEDULE -5		
CURRENT ASSETS, LOANS AND ADVANCES		
A) Inventories (At lower of cost and net realisable value prepared valued and certified by Directors)		
Diesel	12520	10682
	12520	10682
B) Sundry Debtors (Unsecured-considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	1992178	1539420
Other Debts	1050548	1971985
	3042726	3511405
C) Cash and Bank Balances		
Cash in hand	68487	832173
(including cheque in hand Rs. Nil- and previous year Cheques in hand Rs.16,00,000/-)		
In current accounts (with Scheduled Bank)	910242	6531
	978729	838704
D) Loans and Advances (Unsecured Considered good)		
H.S.E.B. Security	128825	128825
Advance recoverable in Cash or in kind or for value to be received	12969	0
Advance Income Tax (T.D.S.)	134526	566449
	276320	695274
	4310295	5056065
SCHEDULE -6		
CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors	0	0
Due to S.S.I. Undertaking	0	0
Due to other than S.S.I. Undertaking	83999	133994
Other Liabilities	3771	3372
	87770	137366
B) Provisions		
Provisions for Income Tax	129266	301250
	217036	438616
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses		
Balance as per last Balance Sheet	0	0
Less: Written off during the year	0	0
	0	0

Description	Year Ending 31.03.2007 (Rs.)	Year Ending 31.03.2006 (Rs.)
SCHEDULE - 8 MANUFACTURING EXPENSES		
Power and Fuel	204584	235282
Fork Lifter Expenses	36522	39476
	241106	274758
SCHEDULE - 9 PERSONNEL EXPENSES		
Wages (Contractors)	619361	475219
Company Contribution to P.F.	33754	26342
Overtime and Incentive	101175	39785
Company Contribution to E.S.I.	19687	10661
	773977	552007
SCHEDULE -10 OFFICE AND ADMINISTRATIVE EXPENSES		
Rates and Taxes	0	3947
Rounding Off	1	0
Telephone Expenses	17451	27404
Travelling & Conveyance	0	40
Legal & Professional charges	14226	8353
Repair to Building	13719	1000
General Repairs	2278	0
Repairs to Machinery	10110	0
General Charges	235	0
Motor Car Expenses	38430	23678
Insurance	73669	33100
Audit Fee	5050	4960
	175169	102482

SCHEDULE - 11

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 realisable value.

5. Deferred tax is recognised, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

B) CONTINGENT LIABILITIES

NIL

C) NOTES

1. In the opinion of Directors Current Assets, Loan and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated and provision for all liabilities have been made.

2. Sundry Debtors include 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.,	3042726	3511405

3. Personnel expenses relate to payment made to Security Agency on account of Security Guard 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:-

	31.03.2007	31.03.2006
Liabilities (on a/c difference in depreciation)	1466941	1468114
Assets	0	0

5. Schedule 1 to 11 form Integral part of Balance Sheet and Profit and Loss Account.

6. Additional Information pursuant to the provision of paragraph 3, 4c and 4d of part II of Schedule VI of the Company Act, 1956 (as certified by the Director)

	Unit	2006-07		2005-06	
		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.	613.287	19.51	682.472	18.92
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	2007 Qty.		2006 Qty	
4. Licenced Capacity Installed Capacity and Production Licence Capacity					
Installed Capacity	M.T.		400		400
Utilised Capacity	M.T.		0		0
Capacity Utilisation	%age		0		0
5. Spare parts and components consumed			NIL		NIL
6. Earning in Foreign Exchange			NIL		NIL
7. Expenditure in Foreign Currency			NIL		NIL

8. Dividend to non resident share holders		NIL	NIL
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
10. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year part of the Balance Sheet and Profit & Loss Account.			

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Chand Singhal
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 : June 25, 2007



**LAKSHMI PRECISION SCREWS LIMITED
ATTENDANCE SLIP**

I hereby record presence at the 38th Annual General Meeting of the Lakshmi Precision Screws Limited at Regd. Office : 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 at 11.30 a.m. on Saturday, the 29th September, 2007.

Full Name of the shareholder _____
(in block letters)

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

Full Name of the Proxy _____

Signature of Shareholder/ Proxy _____

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

* Applicable for investors holding Shares in electronic form.



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

FORM OF PROXY

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

As my/our proxy to vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on Saturday, 29th September, 2007 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/ our hand(s) this _____ day of _____ 2007

Signed by the said _____

Affix Re 1/- Revenue Stamp here

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

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

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

* Applicable for investors holding Shares in electronic form.



LAKSHMI PRECISION SCREWS LTD.

46/1, Mile Stone, Hissar Road, Rohtak - 124001, (Haryana), Tel. : +91-1262-248790, 248289, 249920
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