

Driving Growth

Creating Value

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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 Raṭṭan
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

REGD. OFFICE, FACTORY & CORPORATE OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

BRANCH OFFICES

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

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

40, Rahul Chambers, Kasar Wadi,
Pune - 411 034, Tel.: 020-27145231

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

Raising the bar, always



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 1860 million INR supported by 1100 highly dedicated professionals driven with the zeal to make world class products under the leadership of a dynamic management team. Today we are 2107 million INR company with more than 30% contribution coming from exports.

Our installed capacity is approx. 19000 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 customers' assembly line.

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

Vision

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 Stakeholders,

It gives me immense pleasure to present the 39th Annual Report of your company and share with you my thoughts on your company's performance for the financial year 2007-08.

This has been a turbulent year. The recent failure in the US housing and credit markets have resulted in a slowdown in the US economy. The decline in worldwide GDP has impacted the global financial system, resulting in a significant cut-back in investment flows and the availability of funds. The increase in global steel prices and crude oil has led to inflationary trends. The full impact of these cost increases on steel producers and the consequential higher steel prices to user industries like ours will, however, only be felt in the current year, at which time one might expect some slow-down in economic activity and consumer demand. However, I continue to be very positive on the India's growth story and slowdown in economy is obvious in steps as you move for next orbit.

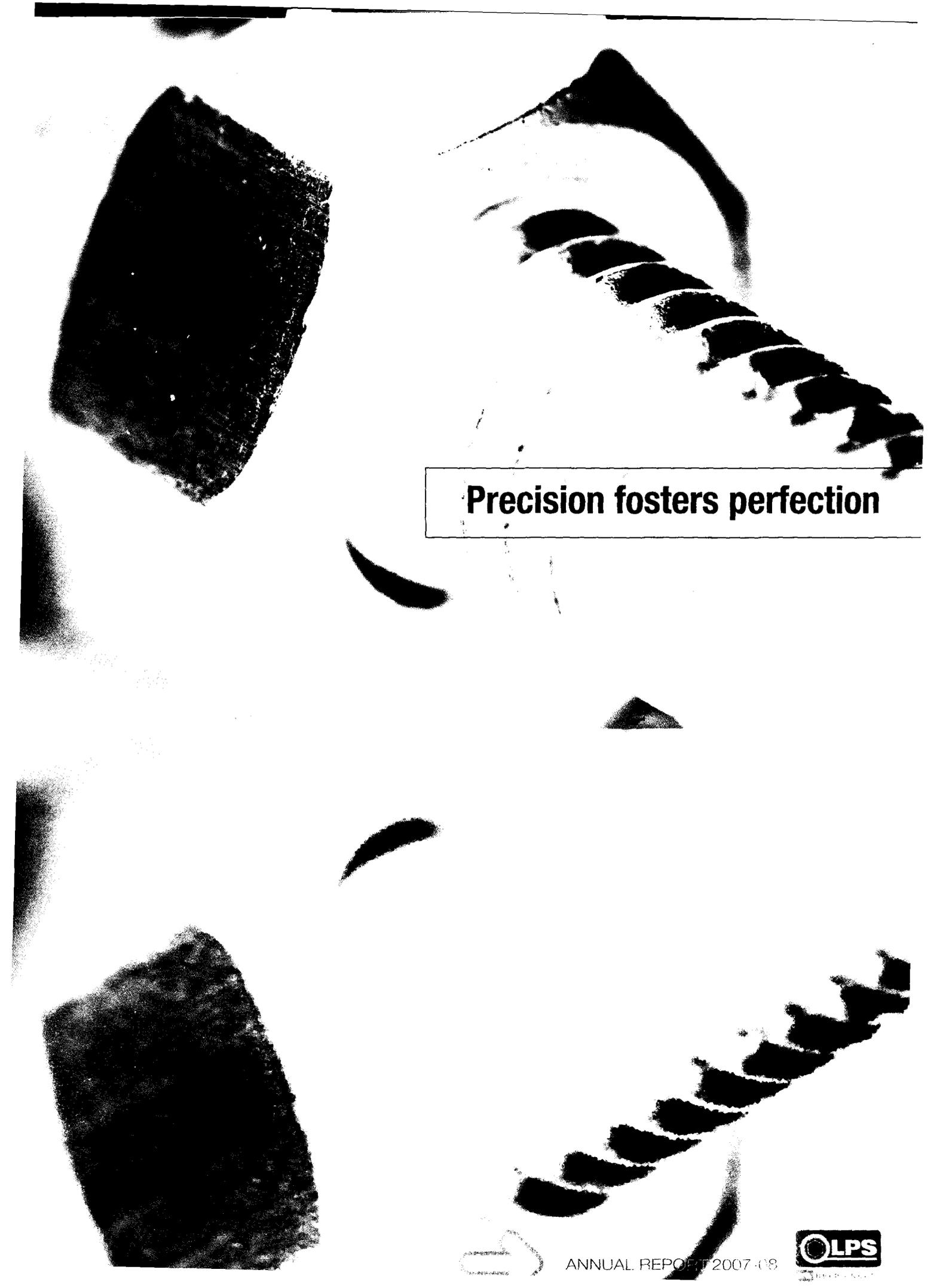
The current environment of much-deserved optimism provides an ideal opportunity to India to move ahead with further reforms that can promote continued and rapid economic development including the automotive component sector. The market is so large and diverse that a large number of players can be absorbed to accommodate buyer needs. The sector not only has global players looking to invest and expand but leading domestic component companies are also pumping in huge sums into expanding operations. Your company is also moving along the global trend and is preparing for huge influx of demand. I am glad to inform you that your company has taken its first step in enhancing its capacity by going into production in its Manesar Plant during the Financial Year 2007-08.

As I had envisaged Financial Year 2007-08 to be better than the previous years, we had been able to outperform the industry in terms of growth achieved, we had been far ahead of our nearest competitors in the segment, despite of the economic slow down worldwide and increase in raw material cost and cost of borrowing due to inflationary pressures. Your company's revenue grew by 7%, PBIDT and PAT rose by 17% & 12% respectively in the financial year 2007-08. The performance in such a difficult year demonstrates the steel resolve of your company's management to march towards its Mission 2010 despite the obstacles on its march. We pose complete belief and faith in our people and continue to look forward to create an industry benchmark for cost effective, international standard production processes and maintaining exceptional customer relationships

I thank the shareholders for their continued belief and support which inspires your company to reach for newer heights. I take this opportunity to thank our bankers and customers who have always urged and pushed us. I would also like to thank all our employees and their families for their invaluable contribution to build your company into a true Indian MNC. During last year some members of LPS family left for their eternal journey, I fondly and proudly remember their contribution in the growth of your company, without their dedication support and contribution, we would not have been celebrating the success today.

Regards,

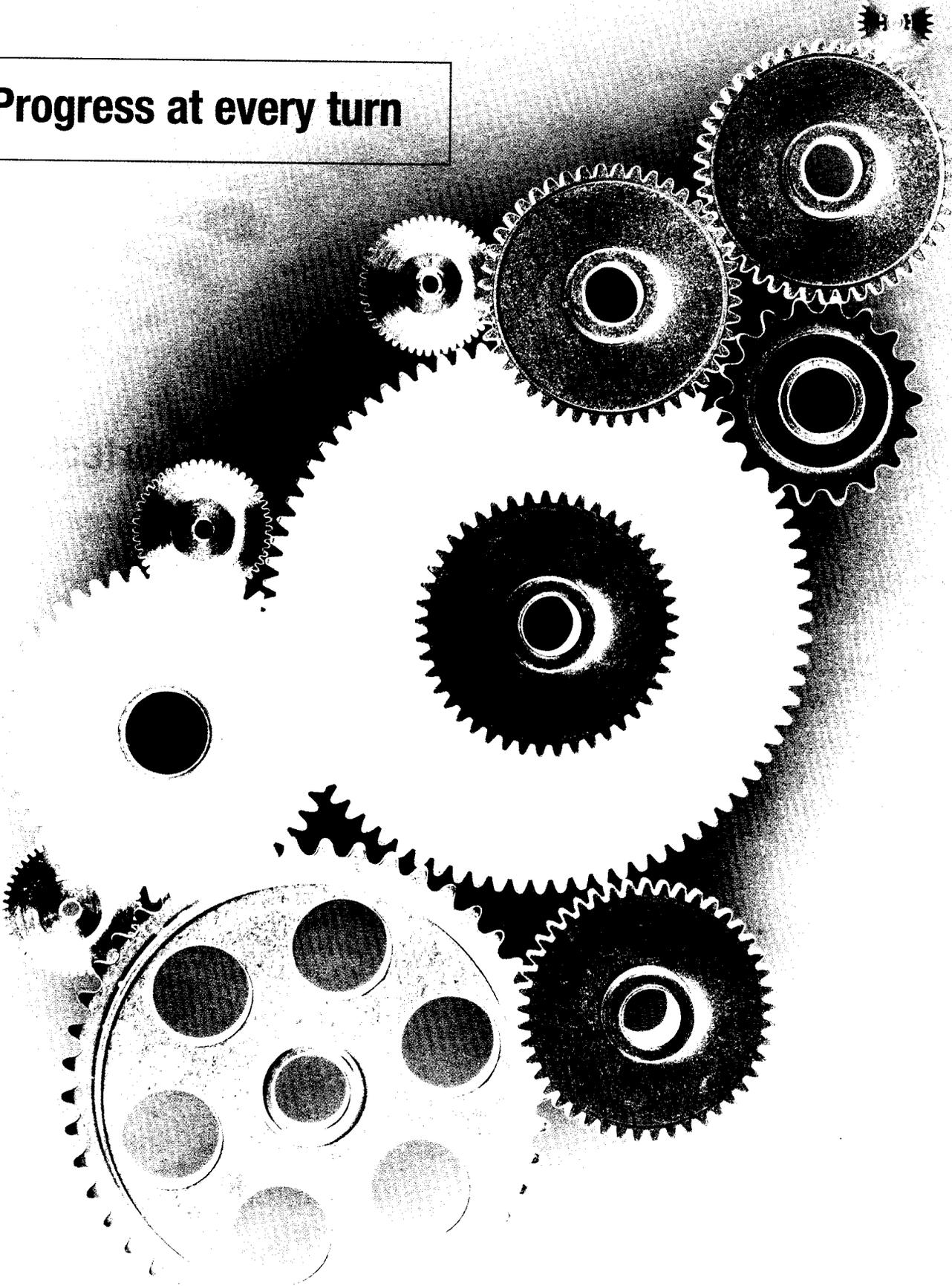
Lalit Kumar Jain



Precision fosters perfection



Progress at every turn



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 DÖRKEN of Germany to provide finishing coatings in Delta Tone and Delta Seal.

EJOT

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

Alliance

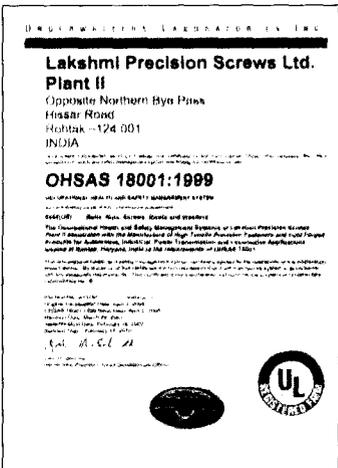
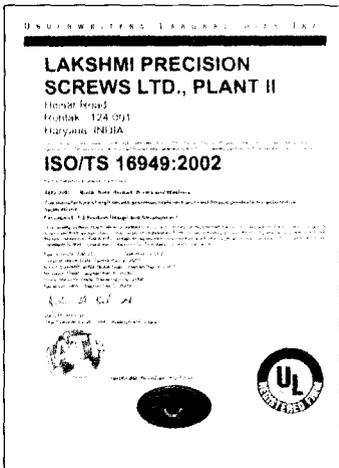
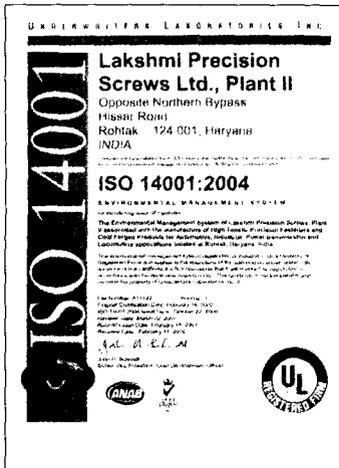
Global Fastener Alliance (GFA)

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

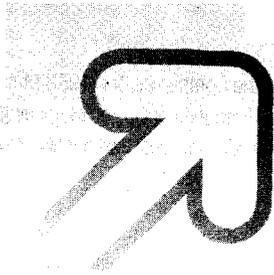
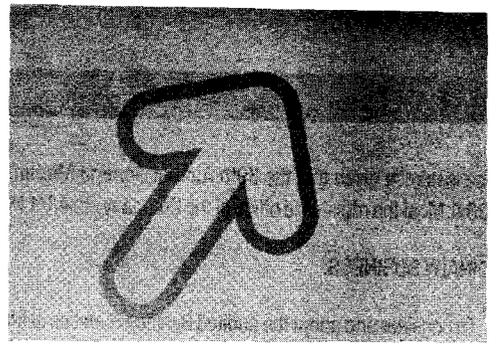
EJOT®

DÖRKEN

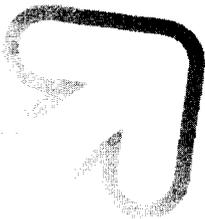


The whole team matters





FINANCIAL HIGHLIGHTS



NOTICE

Notice is hereby given that the 39th Annual General Meeting of the Members of Lakshmi Precision Screws Ltd. will be held on Monday, the September 29, 2008 at 11.30 A.M. at the registered office of the Company i.e. 46/1 Mile Stone, Hissar Road, Rohtak, (Haryana) to transact the following businesses: -

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2008, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended on March 31, 2008.
3. To appoint a Director in place of Mr. Ajay Kumar Chakraborty, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Babulal S. Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 M/s. V.R. Bansal & Associates, Chartered Accountants, Noida, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of ensuing 39th Annual General Meeting until the conclusion of the 40th Annual General Meeting of the Company on such remuneration (including tax audit fees) plus out of pocket expenses as shall be fixed by the Board/ Audit Committee later on."

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and the Articles of Association of the Company and other applicable statutory approval(s), if any and subject to the approval of Central Government, the Company hereby accords its consent to pay remuneration to Mr. Rajesh Jain, Non-executive Director of the Company not exceeding Rs.3,00,000/- (Rs. Three Lacs) per month, for a period of 5 years w.e.f. 01.10.2008, in addition to directors' sitting fee as per Company rules for attending the meeting of Board of Directors or Committees thereof.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to 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. Rajesh 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."

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

"RESOLVED THAT pursuant to the provisions of 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 for the payment of remuneration to Mr. Rahul Jain, a relative of one of the Directors of the Company, for holding the office or place of profit designated as Vice President (Supply Chain) w.e.f. 01.10.2008 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. Rahul 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."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, the Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreements, SEBI (Delisting of Securities) Guidelines, 2003 and such other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to voluntarily delist the equity shares of the Company from Delhi Stock Exchange Limited (DSE).

FURTHER RESOLVED THAT the shares of the Company shall continue to be listed on The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Limited (NSE) and therefore as per the said guidelines issued by the Securities and Exchange Board of India (SEBI), no exit opportunity needs to be given to the shareholders of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may in its own discretion deem necessary, desirable and appropriate in order to give effect to this resolution."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extra-ordinary General Meeting held on 04th January, 2007 and subject to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time for the purposes of the business of the Company upon such terms and conditions with or without security, as the Board of Directors may in its absolute discretion think fit, NOTWITHSTANDING THE FACT THAT money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained/ to be obtained from Company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the Paid up Capital of the Company and its free reserves not set apart for any specific purpose, PROVIDED HOWEVER, THAT the total amount upto which the money or moneys borrowed including the moneys already borrowed shall not exceed the sum of Rs.150 Crores (Rs. One Hundred Fifty Crores only) exclusive of interest thereon at any one time.

FURTHER RESOLVED THAT pursuant to provisions of Section 293(1)(a) of the Companies Act, 1956 the Board of Directors be and is hereby authorized to execute such instruments and documents, if and when necessary by way of Mortgages, Charges, Hypothecation or Pledge or otherwise in respect of the whole or any part of the properties and assets of the Company both present and future to secure the borrowings of moneys as aforesaid with interest, costs and other moneys on such terms and conditions as the Board may think fit from time to time."

By order of the Board of Directors

Place : Rohtak
Dated : July 29, 2008

S.N. Grover
Company Secretary

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself. The proxy need not be a member of the Company. In order to be valid, the duly signed and completed proxy must be received at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Company has already notified closure of Register of Members and Share Transfer Books from Saturday, September 20, 2008 to Monday, September 29, 2008 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
4. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after September 29, 2008 to those members whose names appear on the Company's Register of Members on Friday, September 19, 2008. In respect of the shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. Members may please note that dividend warrants are payable at par at the designated branches of the Bank printed on the reverse of dividend warrants for an initial period of 3 months only. Thereafter, dividend warrants on revalidation are payable only at Rohtak branch. Members are, therefore, advised to encash dividend warrants within the initial validity period.
6. The Company has transferred all unclaimed dividends declared upto the financial year ended March 31, 1995 to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have so far not claimed or collected their dividends declared upto the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, NCT of Delhi and Haryana, Paryavaran Bhawan, 2nd Floor, 'B' Block, CGO Complex, Lodhi Road, New Delhi – 110 003, by making an application in the prescribed form. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the financial year 1995-96 and 1996-97 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, the Company did not declare dividends for the financial year ended March 31, 1998, March 31, 1999, March 31, 2000, March 31, 2001 and March 31, 2003.
7. 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 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF). Members who have not so far en-cashed dividend warrants for the aforesaid year are requested to approach the registered office of the Company for revalidation of the Dividend Warrants immediately. Members are requested to note that no claims shall lie against the Company or IEPF 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 2006-07 will become due for transfer to the IEPF in the year 2009, 2011 to 2014 respectively.

8. 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.

9. Members who hold shares in dematerialized form may kindly note that their bank account details, as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in dematerialized form. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
10. 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.
11. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges on Corporate Governance the information about the Directors proposed to be re-appointed/ appointed is given in the Annexure to the Notice.
12. 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.
13. Members desiring of getting any information/ clarification relating to the accounts of the Company under Reference or about operations of the Company, are requested to write to the Company Secretary at least 7 days before the Meeting to enable the Company to make it available at the Meeting.

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated 29th July, 2008.

Item No. 06

The size of the Company has grown tremendously over the years. Products being manufactured at various locations have substantially increased the activities and operations of the Company. Setting new milestones of growth, LPS is India's second largest fasteners manufacturing company among the top 5 Companies in terms of sales turnover. Management of the Company is committed to ensure future continued growth. Consequently, time devoted and contribution made by the Directors of the Company including Non-executive Directors have increased.

Mr. Rajesh Jain is a B.E. (Tech.) and is associated with the Company since 1980. He has attended various business programmes at IBS Hyderabad and 3 years Owners & President Management Programme (OPM) at Harvard Business School, U.S.A. Mr. Jain is having 28 years experience as an industrialist. He has a wide experience in the field of production, marketing, finance, technology and HRD. He looked after operations of the Company from 1980 to 1990 as the Production Head. Thereafter, Mr. Jain was appointed as Non-executive Promoter Director on the Board of the Company. He has pioneered the exports in LPS and contributed greatly in promotion of ancillary units.

Mr. Jain has contributed immensely as a result of which the Company has not only been able to enter in the export market but has also achieved remarkable position in international market. Mr. Rajesh Jain at present receives only Directors' Sitting Fee for attending the Board Meetings and Committees thereof.

In view of the provisions of Section 309(4) of the Companies Act, 1956, the Remuneration Committee and Board of Directors have, at their meetings held on 31.05.2008 and 13.06.2008 respectively subject to the approval of members and the Central Government, approved the payment of monthly remuneration not exceeding Rs.3,00,000/- (Rupees Three Lacs only) to Mr. Rajesh Jain, Non-executive Director of the Company for a period of 5 years w.e.f. 01.10.2008, in addition to the sitting fees paid for attending the meetings of the Board or Committees thereof and/ or such other remuneration as may be approved by the Central Government.

Since, the Company is having three whole time directors and the payment of proposed remuneration shall exceed one percent of the net profits of the Company, the Company shall have to procure Central Government approval in addition to the approval of the members in the general meeting as required by the provisions of Section 309(4).

The Directors recommend the adoption of the Special Resolution as contained in Item No.06 of the notice.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Director of the Company is concerned or interested in passing of Special Resolution as set out at Item No.06 of the notice convening the Annual General Meeting.

Item No. 07

Mr. Rahul Jain is a B.Tech (Mechanical and Automation) from Amity School of Engineering and Technology, GGSIP University and since July 2007 he is working with Fastenal Shanghai Trading Corporation, a subsidiary of Fastenal Company USA. Fastenal is one of the largest industrial supplies company in North America, with sale of US \$ 2.1 billion. Fastenal sells industrial and construction supplies in a wholesale and retail fashion. Earlier to this Mr. Rahul Jain has been with Grant Thornton, New Delhi as an Analyst from June 2006 to June 2007. He is having wide experience in the field of Supply Chain, Sourcing, Marketing, Sales and Distribution. Considering his educational background, skills attained during extensive training programmes and working experience, it is hoped that the Company shall be benefited immensely by his services particularly in supply chain where company is feeling scarcity of appropriate manpower.

Mr. Rahul Jain is the son of Mr. Rajesh Jain, Director of the Company and his appointment and fixation of 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 recommendation of the Selection Committee, the Board of Directors have, at their meeting held on 13.06.2008 subject to the approval of members and the Central Government, approved the appointment of Mr. Rahul Jain as Vice President (Supply Chain) for a period of five years w.e.f. 01.10.2008 on the payment of remuneration and the terms and conditions as set out below and/ or such other remuneration as may be approved by the Central Government:

Salary and Benefits:

(a) Basic Salary	:	Rs.70,000/- per month (in the scale of Rs.70000-15000-130000)
(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 month 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 appointee 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 appointee shall be in the exclusive employment of the Company and will not hold a place of profit in any other Company.

The Directors recommend the adoption of the Special Resolution as contained in Item No.07 of the notice.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Director of the Company is concerned or interested in passing of Special Resolution as set out at Item No.07 of the notice convening the Annual General Meeting.

Item No. 08

At present the shares of the Company are listed at three Stock Exchanges viz., Bombay Stock Exchange (BSE), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Limited (DSE). Since long, regular and voluminous trading of shares of the Company takes place on the BSE and NSE only. While there has been no trading even for a single equity share on DSE during last about 7 to 8 years, the Company is required to pay annual listing fee and to comply with other listing requirements as per listing agreement executed between the Company and DSE. Virtually, the listing on Delhi Stock Exchange Limited does not bring any benefit to the shareholders. In view of foregoing, the shareholders during the last Annual General Meeting held on 29th September 2007 had suggested that the Company may resort to get the shares delisted from DSE in case the same trend continues. Hence, as a part of the cost reduction measure, it is proposed to voluntarily delist the equity shares of the Company from the DSE.

The provisions for delisting of shares from a Stock Exchange are contained in the SEBI (Delisting of Securities) Guidelines, 2003. As per Regulation 5.1 of above guidelines, a Company may delist from a stock exchange where its securities are listed provided that the securities of the company have been listed for a minimum period of 3 years on that stock exchange and further that an exit opportunity has been given to the investors. However, as per Regulation 5.2 of the abovementioned guidelines, exit opportunity to the shareholders of the Company needs not to be given where the shares of the Company continue to be listed on Stock Exchange(s) having nationwide terminals. With the extensive connectivity of BSE and NSE terminals, investors have an easy access to dealing in the equity shares of the Company throughout the country. The proposed delisting will not have any adverse effect on the investors as the shares will continue to be listed on the BSE and NSE.

The Directors recommend the adoption of the Special Resolution as contained in Item No.08 of the notice.

None of the Directors of the Company is in any way concerned or interested in passing of Special Resolution as set out at Item No.08 of the notice convening the Annual General Meeting.

Item No. 09

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not, except with the consent of the Company in General Meeting, borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in the excess of the aggregate of the Paid up Capital and free reserves of the Company, namely, reserves not set apart for any specific purpose.

At the Extra-ordinary General Meeting of the Company held on 04th January, 2007 the Members had authorized the Board of Directors to borrow for the business of the Company from time to time upto a sum of Rs.100 Crores pursuant to aforesaid section and to create necessary securities on the properties of the Company by way of Mortgages, Charges etc.

In the light of the Company's drive for mobilization of additional funds in the immediate future towards the implementation of organic/organic growth strategies, it is considered expedient to approach the Members to authorize the Board to borrow upto Rs.150 Crores only and to create securities by way of Mortgages, Charges, Hypothecation or Pledge or otherwise in respect of the whole or any part of the properties and assets of the Company both present and future.

The Directors recommend the adoption of the Special Resolution as contained in Item No.09 of the notice.

None of the Directors of the Company is in any way concerned or interested in passing of Special Resolution as set out at Item No.09 of the notice convening the Annual General Meeting.

Inspection of documents

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

By order of the Board of Directors

Place : Rohtak
Dated : July 29, 2008

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	Mr. Ajay Kumar Chakraborty, NEID	Mr. Babulal S. Aggarwal, NEID
Date of Birth	07.04.1945	31.12.1935
Date of Appointment	28.07.2005	19.08.1972
Qualifications	Cost Accountant, Company Secretary and Law Graduate	Graduate
Expertise in specific functional areas	Mr. Chakraborty is having vast experience in the field of banking, finance, marketing research and general administration etc.	Mr. Aggarwal is an industrialist having 50 years of experience in the steel business.
Name of the Companies in which holds Directorship	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Manakshia Ltd. • Vardhman Textiles Ltd. • Shreyans Industries Ltd. 	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Jajodia Steel Mills Pvt. Ltd.
Name of Committee of the Companies in which holds Membership/ Chairmanship	Lakshmi Precision Screws Ltd. - Remuneration Committee (Member) - Audit Committee (Member) - Selection Committee (Chairman) - Committee of Directors (Member) Manakshia Ltd. - Remuneration Committee (Member) - Audit Committee (Member) - Share Transfer and Investors Grievance Committee (Member) - SPO Committee (Member) - Committee of Directors (Member)	Lakshmi Precision Screws Ltd. - Share Transfer and Investors Grievance Committee (Member)
Number of shares held in the Company	NIL	4500

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 39th Annual Report and the Audited Accounts for the financial year ended March 31, 2008.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2008 is summarized below:

(Rs. in Lacs)

Particulars	2007-2008	2006-2007
Net Sales	20701.62	19342.10
Gross Profit before interest, depreciation and tax	3261.96	2784.72
Less: Interest-	1173.26	839.25
Profit before depreciation and tax	2088.70	1945.47
Less: Depreciation	853.35	804.15
Profit before tax	1235.35	1141.32
Less: Provision for tax	463.41	449.50
Net Profit for the year after tax	771.94	691.82
Add: Balance brought forward from previous year	2872.30	2462.90
Amount available for appropriation	3644.24	3154.72
Appropriations		
Transfer to General Reserve	20.00	52.00
Proposed Dividend	131.30	196.95
Corporate Dividend Tax	22.31	33.47
Balance carried over to Balance Sheet	3470.63	2872.30

REVIEW OF OPERATIONS

The Economy of the country witnessed improvement in economic growth. Your Company has once again given satisfactory performance during the financial year 2007-08. The Turnover of your Company has increased by 7% during the financial year under review. The net profit of the Company has also increased by 12% 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 has increased the installed capacity. Your Company continued to follow its philosophy to provide the high quality products at the lowest cost, coupled with excellent customer services. The market is witnessing continues upward trend in the prices of raw materials, crude oil as well as fierce competition. All efforts were made under Total Quality Management, Total Productivity Management and Six Sigma Umbrella to continuously improve the cost, quality, delivery and competitiveness. Your Company's products are well accepted in the market.

DIVIDEND

Your Directors have recommended a dividend of Rs.1.20 per equity share on the 10941667 equity share of Rs.10/- each for the financial year ended March 31, 2008, which, if approved at the ensuing 39th Annual General Meeting, will be paid to (i) all those members whose names appear in the Register of Members as on September 19, 2008 (ii) all those whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Limited. The total appropriation of Rs.153 lacs gives 20% payout on net profit of the Company. The proposed dividend, if approved, shall be subject to the permission of Financial Institutions/ Bank. The dividend payout for the year under review has been formulated in accordance with the Company's policy for payment of dividend linked to the long term performance, keeping in view, the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum.

Your Directors believe that this would increase shareholders' value and eventually lead to a higher return threshold.

FIXED DEPOSIT

The Company has accepted/ renewed the deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. There is no unclaimed or unpaid deposit lying with the Company. As on March 31, 2008, 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 also attached forming part of this annual report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards, AS 21, AS 23 and AS 27, issued by "The Institute of Chartered Accountants of India", the Company has also included as part of this Annual Report, the Audited Consolidated Financial Statements of its subsidiary Company Indian Fasteners Limited, its associate companies J.C. Fasteners Ltd., Hanumat Wire Udyog Pvt. Ltd. & Lakshmi Extrusion Ltd. and its joint ventures LPS Bossard Private Limited & LPS Bossard Information Systems Private Limited for the financial year 2007-08.

DIRECTORS

In terms of Articles of Association of the Company, Mr. Ajay Kumar Chakraborty and Mr. Babulal S. Aggarwal, Directors retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing 39th Annual General Meeting. The Board recommends their reappointment as Directors liable retiring by rotation.

Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the report on Corporate Governance forming part of the Annual Report.

AUDITORS AND AUDITORS' REPORT

M/s. V. R. Bansal & Associates, Chartered Accountants, Noida, Statutory Auditors of the Company, hold office until the conclusion of the ensuing 39th Annual General Meeting and are eligible for re-appointment. Your Directors have also proposed to appoint M/s. V. R. Bansal & Associates as Auditors of the Company, subject to the approval of members at the ensuing 39th Annual General Meeting. The Company has received letter from them to the effect that their appointment/ re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/ re-appointment within the meaning of Section 226 of the said Act. The Board recommends their re-appointment as Auditors of the Company for the financial year 2008-09.

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

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

The particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are provided in the Annexure 'A' to 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 to comply with only 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 that 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 add 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 2007 – 08 brought good outcome for the Company in terms of quality improvement. The Company won various accolades during this year. The Company won the "Runner up award in North West Qualtech Awards 2007 conducted by PTU's Gian Jyoti School of TQM and Entrepreneurship". The company also won a prize in CII Kaizen competition.

The company challenged CII Exim Bank award and F&S Manufacturing excellence award in 2007 and is working for getting the Aero space certification AS 9100 during the current year.

Your company is further strengthening its operations and management techniques through the implementation of "Total Productive Maintenance" (TPM) for improving its operational efficiencies by practicing first 3 pillars of TPM and "Balance Scorecard" for aligning the different company objectives to meet the vision 2010.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure 'B' to the Directors' Report.

LISTING OF SHARES AND FEE

The Company's shares are listed at Delhi Stock Exchange Ltd. (DSE), Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). However, the Company proposes to get its shares delisted from Delhi Stock Exchange in view of no trading taking place since last many years. The Company confirms that it has paid annual listing fee due to the above said Stock Exchanges, for the financial year 2008-09. 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, 2008, 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, 2008 on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's (SEBI) Corporate Governance practices and have implemented all the prescribed major stipulations. Your Company has also decided to implement several best practices though not mandatory at present, as part of good Corporate Governance. 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

Our relations have remained cordial with the employees throughout the year and industrial harmony was maintained. Your Directors would like to place on record their appreciation of the efficient and loyal services rendered by all employees of the Company, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

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.

ACKNOWLEDGEMENTS

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

Your Directors would also like to place on record their deep sense of appreciation for the committed services rendered by all employees and our colleagues at all levels, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

Your 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 29, 2008

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 by connecting shutting down all the power consumption sources like air conditioners, pumps and lights etc. with individual switches and they are being shut down during the idle time.
3. Installation of energy savings CFL lamps in place of conventional filament lamps.
4. Replacement of endo gas generators with methanol system.
5. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
6. Machines and pipelines are being checked to arrest air, oil and water leakages.
7. Zirconium coil heating is implemented instead of electric heater in pickling tanks of plating and phosphating plants.
8. Provided energy saver in street light feeder to save energy cost.
9. 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 is enough natural day light inside.
(B) Street lights are designed in 70 W, instead of conventional 150 or 250 W.
5. Proposal under consideration for hiring services of an agency to suggest further energy conservation.

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

As a result of 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 a consequence of down fall in the International economy and appreciation of rupee against dollar, your Company could achieve only marginal growth in export sales over the previous year though considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits formed part of the initiatives to increase exports. The Company has also made efforts on various other fronts for promotion of Exports like manufacturing of products as per new international quality standards, improvement in the packaging etc. Besides export through distributors, the Company has geared up its efforts in approaching directly to OEMs. Further efforts in the same direction will continue to enable your Company to earn valuable foreign exchange for the country.

(g) Total Foreign exchange used and earned:

Total Foreign exchange earned	:	Rs.6414 Lacs
Total Foreign exchange used	:	Rs.3528 Lacs

for and on behalf of the Board

Place : Rohtak
Dated : July 29, 2008

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2007-2008	2006-2007
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased unit (Kwh in thousand)	11792.56	10292.28
Total amount (Rs. in lacs)	549.70	437.43
Rate/ unit (Rs.)	4.66	4.25
(b) Own generation		
Through diesel generator (unit in thousand)	3586.73	5348.12
Rate, per litre of diesel oil	30.94	31.24
Cost/ unit (Rs.)	8.80	8.94
2. LPG		
Qty./ Tons	346.71	370.38
Total amount (Rs. in lacs)	152.17	130.61
Average Rate/ Kilogram (Rs.)	43.89	35.26
3. Furnace Oil		
Qty./ Litres (in thousand)	1.43	0.23
Total amount (Rs. in lacs)	32.11	3.88
Average Rate/ litre (Rs.)	22.44	16.83
B. Consumption per tone of production		
Product (with details) Unit		
Electricity (Units/ Ton)	1163.60	1204.03
LPG (kg./ Ton)	26.23	28.51
Furnace Oil (litre/ Ton) *	10.83	1.78

* The consumption of Furnace Oil per MT of production was higher side during the financial year 2007-08 because of the generator set being used for generation of power was run by the Furnace oil instead of diesel. Now, the same is being run by diesel.

Form B

Form for disclosure of particulars with respect to absorption:

A. RESEARCH AND DEVELOPMENT (R&D)

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

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

1. Développement of micro screws and special application screws to meet electronic segment & auto sector requirements.
2. Vertical Header introduced in hot forging line & hot forging products developed in higher size bolts and nuts.
3. Chrome 6 free in zinc flake coating process developed and established.
4. New version of existing software taken to analyse stress concentration in highly upset product and analyse product failure in case of highly stressed area.
5. Development and productionisation of self tapping screws rolling process for application of light alloy material and Aluminum Alloys.
6. To gear up tool life and ensure better quality, new concept and latest machineries have been added.
7. Continuous Kaizen activity across the company on raw material processing and specification, resulting in improvement in the tool life, cost saving and higher productivity.
8. Establishment of network connectivity through IT between plants at Rohtak and Manesar.
9. Special coating on Dies and Punches and with the introduction of carbide material in highly consumed tools has resulted in increased productivity and reduction in machine idle time.

b) Future Plan of action:

1. Up gradation of tool design process technology, input raw material quality, Q.A. process and preventive maintenance system and down time reduction to have high efficiency in productivity, aiming growth in the financial year.
2. To bring internal PPM level up to 1500 from 3000.
3. Cost reduction through continuous Kaizen process innovation, waste reduction, conversion of unusable tools into usable tools.
4. System/Quality upgradation throughout company in all areas.
5. Strengthening and upgradation of special process like Heat Treatment and Metal Finishing Section.

6. TPM/TQM/Balanced Score Card Activities.
7. Higher productivity from newly installed machines.
8. Aerospace System Implementation.
9. Enhancement in Trivalent Passivation Capacity.

c) Expenditure on R & D:	(Rs. in lacs)
(1) Capital	00.00
(2) Recurring	51.16
Total	<u>51.16</u>
(3) Total R&D expenditure as a percentage of turnover	0.25%

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

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

NIL

Annexure 'B' to the Directors' Report

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, 2008.

(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	53,97,800	05.12.74	54 34	B. E. Mech.	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	52,19,700	27.12.68	60 40	B. Com	-
03	Mr, Vijay Kumar Jain	Joint Managing Director	52,19,700	05.12.74	51 33	B. A.	-

(ii) Employed for a part of the year and in receipt of remuneration not less than Rs.2 lacs per month

S. N.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Date of Joining	Age/Exp. (in years)	Qualifications	Last employment held
01	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	19,72,800	24.02.74	58 34	B. E. Mech.	-

Notes:

1. Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
2. All the above said appointments are approved by the Central Government for a period of 5 years.
3. Nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
4. The Company did not have an employee either in the whole or part of the year under review who was in receipt of remuneration in the year which, in the aggregate or at the rate which, in the aggregate, was in excess of that drawn by the Managing Director and held by himself or along with his spouse and dependent children, more than 2% of the paid up Equity Shares Capital of the Company.
5. Mr. Vijay Kumar Jain is a relative of Chairman & Managing Director of the Company.
6. Mr. Sudesh Kumar Jain is a relative of Vice 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 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 to maintain high degree of disclosure levels.

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

Company's Values

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

- Customer 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 2007-08, Eight Board Meetings were held on 09.05.2007, 28.06.2007 (2 Nos.), 17.07.2007, 30.07.2007, 26.10.2007, 30.11.2007 and 29.01.2008. 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, 2008 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, 2008 are as follows:

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

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 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, 2008. 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 frame work.

Subsidiary Companies

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

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

Board Committees

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

(3) Audit Committee and composition:

Terms of Reference and composition:

The Audit Committee 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 with the requirements of Section 292A of the Companies Act, 1956 as well as the Clause 49 of the Listing Agreement.

During the year 2007-08 seven Audit Committee meetings were held on 09.05.2007, 28.06.2007, 30.07.2007, 17.09.2007, 29.09.2007, 26.10.2007 and 29.01.2008. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Keshwa Nand Rattan	Chairman	7
Mr. Jamshedji Rustomji Desai	Member	6
Mr. Rajesh Jain	Member	3
Mr. Ajay Kumar Chakraborty	Member	7

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) Corporate Governance and Remuneration Committee

Terms of Reference and Composition:

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

The Company has a Corporate Governance and Remuneration Committee. The Committee consists of four (4) Non-executive Directors, out of which three (3) Directors are Independent Director. Mr. Jamshedji Rustomji Desai, Non-executive Independent Director is the Chairman of the Committee, Mr. Keshwa Nand Rattan, Mr. Rajesh Jain and Mr. Ajay Kumar Chakraborty, are the members of the Committee. The said Committee reviewed the remuneration package of the executive directors during the year under review and subsequently Company obtained the approval of the Board, Shareholders and Central Government for their re-appointments and remuneration packages.

During the year 2007-08, two Corporate Governance and Remuneration Committee meetings were held on 09.05.2007 and 30.07.2007. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Jamshedji Rustomji Desai	Chairman	2
Mr. Keshwa Nand Rattan	Member	2
Mr. Rajesh Jain	Member	2
Mr. Ajay Kumar Chakraborty*	Member	1

* Mr. A.K. Chakraborty was inducted as member of the Committee w.e.f. 30.07.2007.

Mr. S. N. Grover, Company Secretary acts as the Secretary of Corporate Governance and 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 and approved by the Central Government. The remuneration structure comprises of Salary, Allowances, Perquisites and Contribution to Provident Fund. Remuneration of employees largely consists of base remuneration and perquisites.

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

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

Details of remuneration paid in the financial year 2007-2008:

(a) Executive Directors:

Managing Directors/ Joint Managing Director	Salary Rs.	Perquisites Rs.	Retirement Benefits Rs.
Mr. Lalit Kumar Jain	39,40,000	9,85,000	4,72,800
Mr. Dinesh Kumar Jain	38,10,000	9,52,500	4,57,200
Mr. Vijay Kumar Jain	38,10,000	9,52,500	4,57,200
Total	1,15,60,000	28,90,000	13,87,200

(b) Non-executive Directors:

The Non-executive Directors are paid only the sitting fee of Rs.5000/- per Board/ Committee Meeting attended. Details of sitting fee paid during 2007-08 are as under:

Name of the Directors	Rs.
Mr. Rajesh Jain	90000
Mrs. Sushila Devi Jain	40000
Mr. Jamshedji Rustomji Desai	85000
Mr. Keshwa Nand Rattan	90000
Mr. Ajay Kumar Chakraborty	90000
Mr. R. Krishnakumar	15000
Total	410000

(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 followings:

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

The members of the Committee normally meet twice in a month for share transfer and above said purposes. During the year 2007-08 twenty Share Transfer and Investors Grievance Committee meetings were held.

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 one complaint from one of the shareholders. The complaint was attended to promptly and resolved to the satisfaction of the shareholder. The Company endeavors to reply to all complaints received from the shareholders within a period of 10 days. As on March 31, 2008, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The shareholders may email to M/s MCS Ltd. mcscomplaintsdel@mcsdel.com and endorse a copy 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 'ON LINE 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 www.mcsdel.com, and then by clicking on "Investors Services". This way shareholders can register their queries/ grievances or obtain details as required by them. The registered queries/ grievances on the site will be responded by M/s. MCS 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
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
Annual General Meeting	29.09.2007	11.30 A.M.	Regd. Office

8 special resolutions were passed at the Annual General Meeting held on 29.09.2007.

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.20 of Schedule No.18 of the Annual Accounts, which have been entered with its Subsidiary, Associates, Key Managerial Personnel, their relatives and other related parties. During the year, there were no transactions of material nature with the Directors or the Management or its subsidiaries or relatives that had potential conflict with the interest of the Company. The Audit Committee of the Company reviews the related party transactions at its meetings.
- There were neither any non-compliance by the Company on any matters relating to capital markets during the last three years; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any Statutory Authority.
- The Company has Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company, at large.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

CEO/ CFO Certification

The Chairman and Managing Director (CEO) and the AVP (Finance) (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended March 31, 2008.

(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.sebidifor.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 2008-09:

- (i) Annual General Meeting is proposed to be held on Monday, 29th September, 2008 at 11.30 A. M. at the Regd. Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak.
- (ii) Financial calendar (tentative and subject to change):

Financial Reporting for the quarter ending June 30, 2008	End July, 2008
Mailing of Annual Reports to the Members	Starting September, 2008
Annual General Meeting for the year 2007-08	End September, 2008
Financial Reporting for the half-year ending September 30, 2008	End October, 2008
Financial Reporting for the quarter ending December 31, 2008	End January, 2009
Financial Reporting for the year ending March 31, 2009	End June, 2009

(iii) Dates of Book closure: Saturday 20th September, 2008 to Monday, 29th September, 2008. (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 Ltd. (DSE)	-	Stock Code	12010
The National Stock Exchange of India Ltd. (NSE)	-	Stock Code	LAKPRE

The Annual Listing fees for the year 2008-09 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2008-09 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

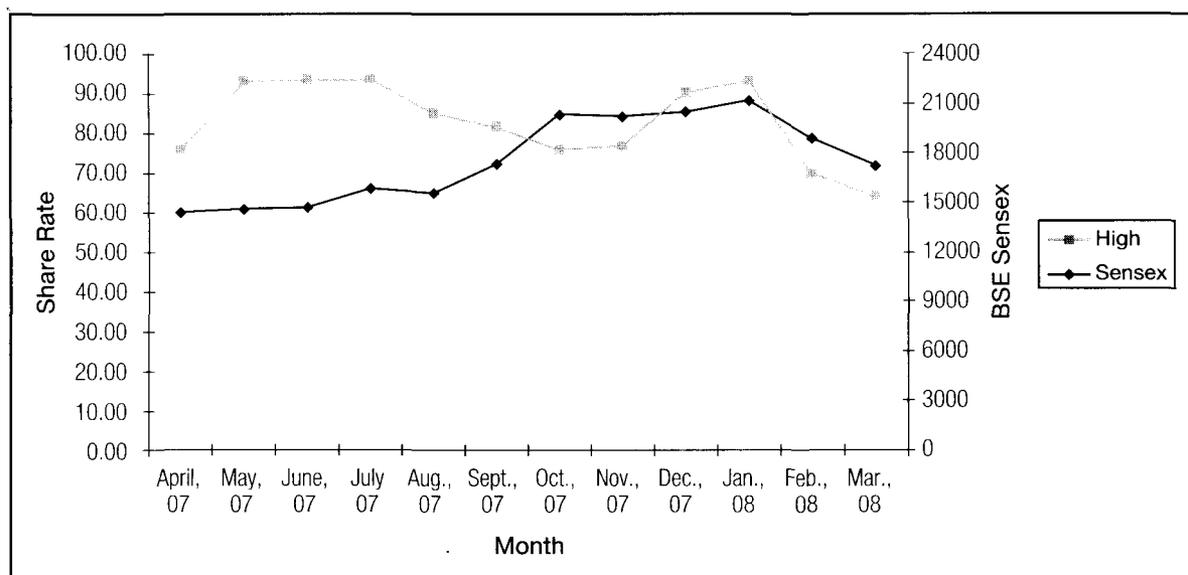
(vi) Market Price Data:

Market Price Data for the financial year 2007-08

Year 2007-08 (Month)	Bombay Stock Exchange Ltd.		
	High (Rs.)	Low (Rs.)	Sensex
Apr. 2007	75.90	66.50	14384
May 2007	92.90	76.00	14576
June 2007	93.60	80.70	14683
July 2007	96.50	80.15	15869
Aug. 2007	84.90	69.10	15542
Sep. 2007	81.70	69.10	17361
Oct. 2007	75.80	65.00	20238
Nov. 2007	76.70	60.00	20204
Dec. 2007	90.00	63.95	20498
Jan. 2008	93.00	53.10	21207
Feb. 2008	69.90	53.25	18895
Mar. 2008	64.00	36.00	17228

(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 shares certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. All the Share Transfers, received are being approved by Share Transfer and Investors Grievance Committee, which normally meets twice in a month.

In compliance with the Clause 47(c) of the Listing Agreement, every 6 months a practicing Company Secretary audits the system of transfer and a compliance certificate to that effect is issued which, in turn, is submitted to the Stock Exchanges. Also, in compliance with the SEBI (Depositories and Participants) Regulations, 1996, for timely dematerialization of the shares of the Company and for reconciliation of share capital of the Company, a quarterly Secretarial Audit is being conducted by a practicing 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, 2008:**

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	7994	88.86	1102319	11023190	10.07
5001 to 10000	520	5.78	418610	4186100	3.83
10001 to 20000	248	2.76	374956	3749560	3.43
20001 to 30000	74	0.82	185437	1854370	1.69
30001 to 40000	33	0.37	117390	1173900	1.07
40001 to 50000	34	0.38	159789	1597890	1.46
50001 to 100000	44	0.49	317033	3170330	2.90
100001 and above	49	0.54	8266133	82661330	75.55
Total	8996	100.00	10941667	109416670	100.00

(xi) **Shareholding Pattern as on 31st March, 2008:**

Particulars of Shareholders	No. of Shareholders	No. of Shareholding	% of Shareholding
Banks & Financial Institutions	7	2425	0.022
Foreign Institutional Investors	3	1250	0.011
NRIs/ OCBs	107	98087	0.897
Mutual Funds	3	900700	8.232
Private Corporate Bodies	275	374556	3.423
Promoters, Directors & Relatives	23	6877290	62.854
Persons acting in concert	2	30733	0.281
General Public	8576	2656626	24.280
Total	8996	10941667	100.000

(xii) **Dematerialization of shares and liquidity:**

As on 31st March, 2008, 35.17% of Company's total paid up capital representing 38,48,175 equity shares of Rs.10/- each were held in dematerialized form [i.e. 32,25,242 shares (29.48%) with NSDL and 6,22,933 shares (5.69%) with CDSL] and balance 64.83% representing 70,93,492 equity shares of Rs.10/- each shares were held in physical form.

The trading in Company's shares is permitted compulsorily in dematerialized form from 26.06.2001 as per notification issued by SEBI. It is advisable that the members who have shares in physical form, may get their shares dematerialized by sending their requests 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,
IMT, Manesar, Gurgaon.

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

(xv) Address for correspondence

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

(xvi) Compliance

The certificate dated 29.07.2008 issued by Auditors of the Company, regarding compliance of 'Corporate Governance', as stipulated under clause 49 of the Listing Agreement is annexed herewith.

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

1. A Committee under the name of Corporate Governance and Remuneration Committee comprising 4 Non-Executive Directors 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 Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2007-08 has been a year of sustained growth for the Indian and global economy as well as for your Company. One of the reasons has been the massive developments and expansion that took place in the automobile sector. The performance of the fasteners industry is linked to the automobile sector. During the year 2007-08, the economy registered an impressive growth of 9.1%. The Union Budget 2008 presented in the Parliament aims at achieving a growth rate of 8-9% 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 the Indian 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 the global and Indian economies are based on solid fundamentals. Much of that growth is taking place both in the service and manufacturing sectors. As a result, demand is increasing in the market. It is good for the nation and your Company because it drives growth on a 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 to India to move ahead with further reforms that can promote continued and rapid economic development. Your Company has a good opportunity in view of the present estimates of the 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 and designing products at lower cost. India's advanced tooling and machining industries have enabled localization of capital equipment and reduced capital cost. The Indian auto component industry has the opportunity to play a major role in the global auto component industry with its existing infrastructure at a lower cost with better quality and short delivery time for supplies to customers. Your Company is committed to supply quality products to its customers not only to compete in the domestic market but in also looking for destinations across the world, especially in Asian and European countries. Moreover, the present policies of the Indian government also encourage the auto component industry of the country.

b) Threats

There are certain weaknesses that the Indian manufacturing industry is confronting which include lack of scale of operation, inadequate and poor quality of infrastructure. These weaknesses are directly or indirectly affecting the performance of the Indian auto component industry. The increase in global steel prices and crude oil has led to double digit inflation in the country. This is putting additional pressure on the consumers which is affecting the demand in the market. Due to this, your Company may have to face stiff competition and cost reduction pressure from customers.

OUTLOOK

The performance of the fasteners industry is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. The current growth of the economy is estimated between 8 to 9%. Developments in the infrastructure and agricultural 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 at a pace aligned to the industry growth and registered a growth of 7% in 2007-08.

It is good to see that all our customers are indicating increased volume in production and new entrants like Suzuki Motorcycles/Tata-Fiat are opting for your Company as a major source for their new models. As such the outlook for the financial year 2008-09 looks promising.

Your Company is enjoying deep penetration in all major OEMs like Maruti Suzuki, Tata Motors, HMT, TVS Motors, John Deere, Mahindra & Mahindra, Volvo, etc. The success in developing 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 continued 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 enhance customer satisfaction and it will have a long-term benefit in helping your Company achieve its goals and scale new heights in the growth path.

RISK AND CONCERNS

Your Company's performance and growth is directly linked with the growth of the Automobile Industries i.e. original equipment manufacturers (OEMs) to whom your Company is also supplying its products. Presently, automobile manufacturers are under pressure due to the opening up of the Indian economy for automobile manufacturers and the removal of global barriers. All major automobile manufacturers are establishing their operations in India either directly or through joint-venture agreements with Indian companies.

Consequently, there is a pressure on the Indian automobile industry in several like sales and margin, stringency in regulations which is driving technology and a shift in global markets. This pressure ultimately shifts to the auto component manufacturers and they will face further competition all around in future.

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 organizational 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 reviews 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. Reports of the Internal Auditor along with replies of the management are placed before the Audit Committee. The scope, coverage, control weaknesses and other relevant issues and updates are shared 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 satisfactory. 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)	
	2008	2007
Net Sales & Other Income	21068	19586
Profit before Interest, Depreciation and Tax	3262	2785

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2007-08 separately.

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

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

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

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

The employee-management relations have remained positive throughout the year. Initiatives are being taken to enhance the productivity of employees. Total employee strength of the Company is about 1100 people employed in manufacturing plants and branch offices 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 I(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, 2008.

for Lakshmi Precision Screws Ltd.

Place : Rohtak
Dated : July 29, 2008

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, 2008 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:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be mis-leading;
 - ii. these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or 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:
 - i. significant changes in the internal controls over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, 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 29, 2008

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, 2008 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 29, 2008

V.P. BANSAL
Partner

AUDITORS' REPORT

To,
The Members of
LAKSHMI PRECISION SCREWS LIMITED

We have audited the attached Balance Sheet of Lakshmi Precision Screws Limited as at 31st March, 2008 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

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, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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, 2008.
 - (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 of the Company for the year ended on that date.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 13, 2008

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 in the earlier years. However, the loan of Rs.540307/- due in the account has been received back during the year, 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 amount and interest is regular as per stipulations.
d) There is no overdue amount of loan given exceeding Rs.1 lac.
e) The Company has taken loan or deposits from 9 parties covered in the register maintained under section 301 of the Companies Act, 1956 and have 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. 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 is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. a) As per our prima facie examination of the register maintained under section 301 of the Act, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
b) In our opinion and according to the information and explanations given to us, 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 2008, concerned for the period of more than six months from the date they become payable. However, the company has not made any provision towards cess payable u/s 441 A of the Companies Act, 1956, since the required notification has not been issued by the Central government in this regard.

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

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Deduction/Claim in respect for export business u/s 80HHC and charging of interest u/s 234B whether on returned/assessed income	290376	A.Y. 1991-92	High Court, Chandigarh
	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	7716673		
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 financial institution/banks except in following cases:-

Name of the Financial Institution/Bank	Nature of Loan	Due Date	Actual Date of Payment	Amount (Rs.)
1. ICICI Bank Limited	Term Loan	15/03/2008	30/05/2008	6950236
2. State Bank of Patiala	Term Loan	15/03/2008	12/06/2008	6663341
3. Canara Bank	Term Loan	25/03/2008	10/04/2008	550000

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 except in case of foreign currency term loan obtained from ICICI Bank Limited, out of which idle funds which are not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The amount of idle funds outstanding as at the year-end amounted to Rs.46080637/-.
17. In our opinion and on the basis of examination of cash flow statement and as per the explanations given to us, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 13, 2008

V.P. BANSAL
Partner

BALANCE SHEET

Description	Schedule No.	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
A. SOURCES OF FUNDS			
a) Shareholders' Funds			
Share Capital	1	109416670	109416670
Reserves and Surplus	2	702763197	640930298
		812179867	750346968
b) Loan Funds			
Secured Loans	3	1013165757	646382561
Unsecured Loans	4	80788070	40807011
		1093953827	687189572
c) Deferred Tax Liabilities (net)		24861745	19756519
TOTAL		1930995439	1457293059
B. APPLICATION OF FUNDS			
a) Fixed Assets			
Gross Block		1232340039	1076319572
Less : Accumulated Depreciation	5	718647794	634387452
Net Block		513692245	441932120
Add : Capital Work in Progress		26090174	826717
		539782419	442758837
b) Investments	6	42236580	41361580
c) Current Assets, Loans and Advances			
Inventories		1160949153	992640743
Sundry Debtors		577401593	399605167
Cash and Bank Balances		104460761	49663819
Other Current Assets		3707885	413807
Loans and Advances		162008036	117716337
		2008527428	1560039873
Less: Current Liabilities and Provisions			
Current Liabilities	8	606448827	519511707
Provisions		56046844	72062166
Total Current Liabilities		662495671	591573873
Net Current Assets		1346031757	968466000
d) Miscellaneous Expenditure	9	2944683	4706642
TOTAL		1930995439	1457293059
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES			
	18		

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 13, 2008

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
A. INCOME			
Gross Sales		2303646831	2147911967
Less: Excise Duty		233485350	213702359
Net Sales		2070161481	1934209608
Job work Receipts		896690	1433953
Other Income	10	35722340	17239550
Deferred Tax liability written back		0	5716029
		2106780511	1958599140
B. EXPENDITURE			
Materials and Finished Goods	11	782790261	703008396
Manufacturing	12	453189913	508370762
Personnel	13	305977039	252345754
Office and Administration	14	128662294	114713258
Selling and Distribution	15	94127990	84136507
Interest and Financial charges	16	117325714	83924902
Managerial Remuneration	17	15837200	11836800
Depreciation		85334527	80415367
Wealth Tax		185400	95000
Income Tax - Current tax		36150604	46320581
- Deferred Tax		5105226	0
- Fringe Benefit Tax		4900000	4250000
		2029586168	1889417327
C. PROFIT FOR THE YEAR CARRIED DOWN		77194343	69181813
D. PROFIT FOR APPROPRIATION			
Balance as per last Balance Sheet		287229887	246290241
Profit for the year brought down		77194343	69181813
		364424230	315472053
Transfer to General Reserve		2000000	5200000
Proposed Dividend		13130000	19695001
Corporate Dividend Tax		2231444	3347165
Balance carried over to Balance Sheet		347062786	287229887
		364424230	315472053
E. EARNING PER SHARE (FACE VALUE RS. 10 PER SHARE)			
- Basic & Diluted		7.06	6.76
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES			
	18		

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 13, 2008

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Refer Notes	As at 31.03.2008 (Rs.)	As at 31.03.2007 (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		109416670	109416670
		109416670	109416670
SCHEDULE. - 2			
RESERVES AND SURPLUS			
Capital Reserve		13931192	13931192
Securities Premium Account		318336034	318336034
General Reserve			
As per last Balance Sheet	21433185		16233185
Add : Transfer from Profit and Loss Account 2000000	2000000	23433185	5200000 21433185
Profit and Loss Account		347062786	287229887
		702763197	640930298
SCHEDULE. - 3			
SECURED LOANS			
From Banks			
Canara Bank, Rohtak			
Cash Credit Accounts	1	470625839	325898277
Foreign Bills Purchased Account		115191660	52357507
Bills Discount Account		35212447	13727163
Cheques Discounted		13661699	9528585
Bills (L/C) Account		0	16016254
Working Capital Term Loan		41708136	53821478
Short Term Loan		27758975	40725155
Term Loan		6120702	0
		710279458	512074419
ICICI Bank Limited, New Delhi			
Cash Credit Account	2	35882273	0
Rupee Currency Term Loan		68139709	92628071
Foreign Currency Term Loan		186260200	0
Against hypothecation of Motor Cars		4815521	14493394
		295097703	107121465
State Bank Of Patiala, New Delhi			
Term Loan	3	6663341	26646554
		6663341	26646554

Description	Refer Notes	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Other Loans			
Director of Industries, Haryana		0	540123
		0	540123
Deferred Payment Credits			
Haryana State Industrial & Infrastructure Development Corporation Limited	4	1125255	0
		1013165757	646382561

NOTES:

- 1(i) 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 (4 nos.) measuring 122520 sq. yards at Rohtak and (2 nos.) industrial plots measuring 5850 sq. meters at Manesar, Gurgaon belonging to the Company.
- (ii) Working capital term loan from Canara Bank is secured by way of hypothecation of existing stocks of dies and tools of the company and short term loan is secured by way of stocks of dies and tools 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.
- (iii) Term loan from Canara Bank is secured by way of first charge on DG set purchased out of loan proceeds and is further secured by way of second charge on fixed assets and other assets of the company given to the bankers against working capital limits and also on personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain, Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.
- 2(i) Cash credit limit from ICICI Bank Limited 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 guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the company.
- (ii) Rupee currency term loan from ICICI Bank Limited 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.
- (iii) Foreign currency term loan from ICICI Bank Limited is secured by way of first pari-passu charge on entire fixed assets of the company both present and future and is further secured by second pari-passu charge by way of hypothecation of the entire stocks of raw material, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, Rajesh Jain, V.K.Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain Director of the Company.
3. 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.
4. Deferred payment credit from Haryana State Industrial & Infrastructure Development Corporation Limited is against Plot No. 153 Sector-3 at IMT Manesar, Gurgaon allotted to the company.
5. Term loans and deferred payment credits due within a year are Rs. 1046 lacs (Previous year Rs.981 lacs).

Description	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
SCHEDULE - 4		
UNSECURED LOANS		
Fixed Deposits	29400000	29400000
{Due within a year Rs.294 lacs (previous year Rs.294 lacs)}		
Short Term Loans And Advances*		
From IndusInd Bank Limited	39981059	0
(Due within a year Rs.399.81 Lacs)		
Other Loans and Advances**		
From Directors	480176	480176
From Others	10926835	10926835
	11407011	11407011
	80788070	40807011
* Short Term Loan from IndusInd Bank Limited is on personal guarantee of Shri L.K.Jain, Chairman and Managing Director of the Company.		
** Other loans and advances are from directors and their relatives as per stipulations of lending financial institutions and banks.		

SCHEDULE-5

FIXED ASSETS

S.No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2007 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2008 Rs.	Up to Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	Up to date Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1	Industrial Land										
	Freehold Land	24845469	0	0	24845469	0	0	0	0	24845469	24845469
	Leasehold Land	15769600	2444851	0	18214451	0	0	0	0	18214451	15769600
2	Factory Buildings	164046904	4110142	0	168157046	31323334	7826479	0	39149813	129007233	132723570
3	Office Premises										
	Freehold Offices	813362	0	0	813362	386927	21322	0	408249	405113	426435
	Leasehold Offices	553040	0	0	553040	296526	12826	0	309352	243688	256514
4	Plant and Machinery	683897119	128775605	156000	812516725	487764226	61379525	148200	548995551	263521173	196132893
5	Effluent Treatment Plant	1364489	0	0	1364489	1186111	49625	0	1235736	128753	178378
6	Furniture and Fixtures	34349843	2186717	0	36536560	20608885	2177384	0	22786269	13750291	13740958
7	Electric Fans and Installations	22877065	8888635	0	31765700	17731401	2446163	0	20177564	11588135	5145664
8	Office Equipments	20401211	1879865	133000	22148076	7841385	1078308	18067	8901626	13246450	12559826
9	Computer and Computer Software	56668810	3428054	0	60096864	42905988	5522926	0	48428914	11667950	13762822
10	Vehicles	48776597	5655020	1307189	53124428	22995143	4545334	895841	26644636	26479792	25781454
11	Weighing Scales	1352235	73579	21436	1404378	1030424	59163	12079	1077508	326870	321811
12	Fire Extinguisher	603828	195616	0	799444	317103	215470	0	532573	266871	286725
	Total	1076319572	157638085	1617625	1232340039	634387452	85334527	1074187	718647794	513692245	441932120
	Add. Capital Work in Progress	826717	25263457	0	26090174	0	0	0	0	26090174	826717
	Total : Current year	1077146289	182901542	1617625	1258430213	634387452	85334527	1074187	718647794	539782419	442758837
	Previous Year	932585182	215099428	70538321	1077146289	556042015	80415367	2069917	634387452		

NOTES:

- Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in the case of Plant-II and Manesar Plants where depreciation has been provided on straight line method.
- Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- The addition in fixed assets include Rs.14270746/- (last year Rs.2988625/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by the Institute of Chartered Accountants of India.
- Addition in Plant and Machinery include Rs.19957780/- (last year Rs.11874606/-) capitalised on account of Dies and Tools relating to development of new product.
- Leasehold, Offices Premises are in respect of office flats at Bangalore.
- Freehold Offices Premises are in respect of office flats at Mumbai and Delhi.
- Additions in Vehicles include Rs. 2702531/- (7 Nos.) in respect of Motorcars purchased from Maruti Udyog Limited on deferred payment basis. The lien in favour of Maruti Udyog Limited has been recorded on registration certificates

Description	As at 31.03.2008 (Rs.)	As at 31.03.2007 (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		
229300 (last year 141800) Equity Shares of Rs.10/- each	2293000	1418000
J.C. Fasteners Limited, Rohtak		
700000 Equity Shares of Rs.10/- each	7000000	7000000
LPS Boßsard 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 Limited, Rohtak		
30000 Equity Shares of Rs.100/- each	3000000	3000000
	42236580	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	95002613	181525307
Raw Materials in transit	34714421	0
Finished goods	349514312	296095980
Finished goods in transit	1894407	1077774
Semi finished goods	181886302	115591349
Consumables stores and Spare Parts	84071720	84265535
Dies and tools	380696781	278552592
Packing materials	27219548	30848192
Stationary in hand	429903	86830
Postage and foreign stamps	616	1407
Scrap materials (at realisable value)	5518530	4595777
	1160949153	992640743
Sundry Debtors		
(Unsecured - considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	33408990	23788343
Other Debts	544096983	376092020
	577505973	399880363
Less: Provision for doubtful debts	104380	275196
	577401593	399605167
Cash and Bank Balances		
Cash and cheques in hand	4912359	790357
(includes Cheques in hand - Rs.4641532/-, Previous Year Rs.177129/-)		
with Scheduled Banks		
In Fixed Deposit Accounts		
Pledged as margin money against bank guarantees	275000	1907000
Pledged as margin money against letter of credits	28400000	25910900
Lien against public deposits	4500000	4500000
No lien account	46013129	0
In cash margin account	7200000	1900000
In Current Accounts	11878222	7632583
In Cash Credit Account	0	6231901
In Dividend Accounts	1251257	757205
in E F C Account (US\$ 769.83 Previous year US\$ 769.83)	33794	33873
	104460761	49663819

Description	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Other Current Assets		
Interest accrued on deposits	2707885	413807
Freight subsidy receivable	1000000	0
	3707885	413807
Loans and Advances (unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	114585152	70924420
Security deposits	11216293	9232000
Balance with Central Excise Department:		
Excise Duty	10897616	12391588
Service Tax	3256531	5452085
Advance Income Tax and TDS	18122526	15625712
Advance Fringe Benefit Tax	3029765	3089765
Vat refund due	900153	1000767
	162008036	117716337
	2008527428	1560039873
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors:		
Due to SSI undertakings	44768335	58021254
Due to other than SSI undertakings	460631953	377512526
Due to subsidiary company	3803811	3042726
Advances and progress payments from customers	20401291	15367798
Unclaimed Dividend	1251257	757205
Other liabilities	28302477	24279563
Excise duty payable	45951263	40266134
Interest accrued but not due	1074286	264501
HDFC Bank Ltd Current Account	73272	0
ICICI Bank Ltd Current Account	190882	0
	606448827	519511707
Provisions		
Income Tax	36000000	45000000
Wealth Tax	185400	95000
Fringe Benefit Tax	4500000	3925000
Proposed Dividend	13130000	19695001
Corporate Dividend Tax	2231444	3347165
	56046844	72062166
	662495671	591573873
SCHEDULE - 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Interest on deferred payments		
As per last Balance Sheet	1663567	
Less: Written off	1420102	
	243465	1663567
Technical knowhow fee		
As per last Balance Sheet	3043075	
Add: Additions during the year	300500	
	3343575	
Less: Written Off	642357	
	2701218	3043075
	2944683	4706642

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
SCHEDULE - 10 OTHER INCOME		
Rent (TDS Rs.Nil previous year Rs.147432/-)	50400	707400
Interest on fixed deposits with banks, loans and from customers (TDS Rs.1324423/- previous year Rs.458507/-)	4416390	2571261
Miscellaneous receipts	5009690	2644720
Dividend Income from long term trade investmtnets	0	4704038
Profit on sale of assets	162774	14335
Income tax refund	0	98112
Exchange rate variation	26083086	6499684
	35722340	17239550
SCHEDULE - 11 MATERIALS AND FINISHED GOODS		
Raw Materials Consumed		
Opening stocks	181525307	191108303
Add : Purchases	672408511	657502521
Freight and cartage	25174374	19202914
	879108192	867813738
Less : Closing stocks	95002613	181525307
Raw materials consumed	784105579	686288431
Add : Opening stocks		
Finished goods	296095980	252230159
Finished goods in transit	1077774	1912759
Semi finished goods	115591349	90128299
Scrap materials	4595777	2492678
	417360880	346763895
Add : Purchases of semi-finished/finished goods	120137352	87316950
	1321603811	1120369276
Less : Closing stocks		
Finished goods	349514312	296095980
Finished goods in transit	1894406	1077774
Semi finished goods	181886302	115591349
Scrap materials	5518530	4595777
	538813550	417360880
	782790261	703008396
SCHEDULE - 12 MANUFACTURING EXPENSES		
Consumable stores and spare parts	42936356	44534094
Dies and tools	47686233	69917623
Electricity, water and fuel	97367680	109796895
Job work charges	198689155	228010669
Excise duty on closing stock of finished goods and scrap material	45951263	40266134
Less : Excise duty payable as on 01.04.2007	<u>40266134</u>	<u>35956757</u>
Repairs to machinery	8192282	6734961
Packing expenses	43300620	32949189
Testing charges	366787	595936
Generator hire charges	2676283	2254307
Research and development expenses	5115999	7895832
Royalty, Technical know-how fee	1173389	1371879
	453189913	508370762

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
SCHEDULE - 13		
PERSONNEL EXPENSES		
Salaries, Wages and other amenities	252136738	214160778
Bonus	11972075	1358320
Co's contribution towards LIC Gratuity Trust	7000000	6802103
Co's contribution towards P.F.	11956861	10779829
Co's contribution towards E.S.I.	5262872	4220621
Staff welfare	9026374	8326825
Staff recruitment and training	3016333	1861946
Watch and ward expenses	5605786	4835332
	305977039	252345754
SCHEDULE - 14		
OFFICE AND ADMINISTRATION EXPENSES		
Rent	4431755	4018772
Rates and taxes	692984	371398
Printing and stationery	7033204	6331328
Postage and telephones	7967584	8232923
Travelling and conveyance	60921676	52941020
Vehicle maintenance	3844878	3044343
Legal and consultancy	16156359	9221883
Insurance	3088652	3984759
Auditors' Remuneration:		
Audit Fee	800000	550000
Tax Audit Fee	100000	100000
Limited Review	150000	120000
Out-of pocket expenses	84045	55962
Repairs to building	6219161	6874498
Floriculture expenses	885563	1509180
General repairs	4368617	6680844
Loss on sale of assets	170777	669250
Miscellaneous	11337039	9677098
Directors' Sitting Fees	410000	330000
	128662294	114713258
SCHEDULE - 15		
SELLING AND DISTRIBUTION EXPENSES		
Freight, insurance and cartage	44717316	35835948
Turnover and cash discount	34381317	26331975
Advertisement, publicity and sales promotion	8974937	6233835
Bad Debts, liquidated damages and short recoveries	930682	6376289
Provision for bad and doubtful debts	104380	275196
Excise duty and sales tax	5019358	9083264
	94127990	84136507

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest		
On fixed loans	39454273	27171935
On non-fixed loans	59620399	43617291
Front-end fee	776295	518923
Financial charges	753944	917071
Bank charges	16720803	11699682
	117325714	83924902
SCHEDULE - 17		
MANAGERIAL REMUNERATION		
Chairman and Managing Director	5397800	3945600
Vice Chairman and Managing Director	5219700	3945600
Joint Managing Director	5219700	3945600
	15837200	11836800

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. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b) 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. Costs of Fixed Assets are further adjusted by the amount of Modvat/ Cenvat credit availed and VAT credit wherever applicable. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

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 and Manesar Plants 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

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rate at the date of transaction.

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 Costs

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

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

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). Fringe Benefit tax is provided in accordance with the provisions of Income Tax Act, 1961.

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.

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	2008	2007
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	256	493
2.	Letter of credit and guarantees obtained from bank (Net of margin money)	606	342
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.	927	833
4.	Income Tax liabilities on account of appeals pending with various authorities.	77	101
5.	Liabilities on account of suits filed against the company in the Labour Court/ESI Corporation.	5	5

C) NOTES

- a) During the year, the company has been sanctioned a 'Foreign Currency Loan' of \$ 66.60 lacs by ICICI Bank Limited out of which the company has availed a sum of \$ 46.60 lacs (Rs.1875 lacs) during the year. The said amount has been utilized towards capital expenditure for the purpose of expansion/extension of the new units of Manesar and at its existing units of the company. A sum of Rs.460.81 lacs is lying unutilized as at the end of the year on this account.

b) Foreign currency loan taken from ICICI Bank Limited as at the end of the year has been translated at the prevailing rate of exchange as on the date of balance sheet. Consequent to realignment of the value of foreign currency loan, the rupee liability of the company has decreased by Rs.13.19 lacs. The said exchange gain of Rs.13.19 lacs has been credited to the profit and loss account.
- In terms of joint venture agreement entered into with Bossard AG, Switzerland on 26.06.1997, the company has invested a sum of Rs.2,35,20,190/- in LPS Bossard Private Limited towards allotment of 23,52,019 Equity Shares of Rs.10/- each and a sum of Rs.18,47,490/- in LPS Bossard Information Systems Private Limited towards allotment of 1,84,749 Equity Shares of Rs.10/- each, towards 49% holding in the aforesaid Companies.
- Fixed deposits from public include a sum of Rs.1,23,50,000/- due to Directors (previous year Rs.1,23,50,000/-).
- The company has capitalized dies and tools amounting to Rs.1,99,57,780/- (last year Rs.1,18,74,606/-) during the year relating to development of new products in Research and Development Division.
- Sundry Debtors includes a sum of Rs.1,50,70,332/- due from LPS Bossard Private Limited, a Joint Venture Company (maximum due during the year Rs.2,91,62,480/-) (previous year due Rs.2,16,20,074/- and maximum due Rs.4,74,18,072/-).
- Advances includes a sum of Rs.32,00,000/- due from Lakshmi Extrusion Limited, an associate company (Maximum due Rs.35,68,912/-) (previous year due Rs.26,54,461/- and maximum due Rs.44,86,552/-).

7. That there was a misappropriation of funds amounting to Rs.1,60,59,342/- 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. SLP filed by the employee before the Hon'ble Supreme Court for grant of anticipatory bail has been dismissed on 02.11.07 by the Hon'ble Court. 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.
8. That the balance of Rs.1,08,97,616/- with central excise department as on 31.03.2008 includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.
9. a) Sundry creditors include:
- Rs.18,11,40,266/- (previous year Rs.19,20,63,745/-) 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.
 - Rs.38,03,811/- (Previous year Rs.30,42,746/-) payable to subsidiary company viz Indian Fasteners Limited.
 - Rs.10,82,200/- payable to Directors of the company (previous year Rs. Nil).
- b) The list of SSIs to whom the Company owes any sum and which is outstanding for more than 30 days is:
- A. K. Auto Components
 - A.B. Finisher
 - Aakash Precision Screws
 - Aarti Precision Products
 - Abhi Industries
 - Adinath Mfrg and Mkt. Company
 - Ajit Engg. Works
 - Akansha Engg. Works
 - Amba Electroplating Industries
 - Amit Auto Industries
 - Amit Screws Pvt. Ltd.
 - ANI Engineers
 - ANZ Engineers.
 - Ankit Auto Industries
 - Associate Blackening
 - AUM Dacro Coating
 - B. D. Engineering Works
 - Badhwar Engineering Works
 - Benco Industries
 - Belz Instrument Pvt. Ltd.
 - Bhagwati Precision Industries
 - Bharat Electroplating Industries
 - Blades India.
 - Bod Ote Metallurgical Services (I) Pvt. Ltd.
 - Chandra Engineering Works
 - Choudhary Enterprises
 - Computer Services Centre.
 - D.A. Fasteners Ind.
 - D. K. Enterprises
 - D. P. Industries
 - Dahiya Engg. Works
 - Deep Precision Industries
 - Diamond Fasteners
 - Diamond Fasteners Tools
 - Divya Automates
 - G.S. Engineering Tools
 - Ganesh Engineering Industries
 - Ganesh Fasteners Tools
 - Gaurav Tools Udyog
 - Geeta Fasteners
 - Govind Enterprises
 - Gupta Auto Industries
 - Hanumat Wire Udyog Pvt. Ltd.
 - Hanwant Fasteners Pvt. Ltd.
 - Harjai Sons
 - Henkel Adhesives Technologies India Pvt. Ltd.
 - India Industrial Products
 - Ionbond Coatings Pvt. Ltd.
 - Jassu Industries
 - K. V. Auto Industries
 - Kapil Auto Engineering
 - Kapoor Auto Industries
 - Kumar Auto Industries
 - Kwality Engineers
 - Kwality Products
 - Lakshmi Machine Tools
 - Laxmi Engg. Works
 - LPS Fasteners & Wires Pvt. Ltd.
 - Lakshmi Extrusions Ltd.
 - M. K. Electro Polisher
 - M.K. Precision Screws Pvt. Ltd.
 - Man Darshak Udyog
 - Man Darshak Tools
 - Mahla Industries
 - Manish Fasteners
 - Manish Tools
 - Manjeet Auto Industries
 - Manish Steel Services
 - Markewell Fasteners
 - M.R.S Industries
 - Nahar Engineering Works
 - Nanak Engineering Works
 - Natraj Automatics
 - Navkar Automotives
 - Navratika Fasteners
 - Nisha Tools
 - Niharika Enterprises
 - Nirmala Job Works
 - Neeraj Tools & Components
 - Om Industries
 - P. S. Industries
 - Panchal Engineering Works
 - Paramjeet Auto Industries
 - Parasnath Auto Industries
 - Pooja Steel Fabricators
 - Pragati Fasteners
 - Precision Machine Tools
 - Premier Auto Industries
 - Push Up Threads Dies Pvt. Ltd.
 - Push Up Tools Udyog Pvt. Ltd.
 - Rajesh Engineering Works
 - Rajesh Enterprises
 - Ram Gopal Industries
 - Raman Auto Industries
 - Rathee Engineering Works.
 - Rishabh Precision Screws
 - Rishi Tools Udyog
 - Reliance Cargo Movers Pvt. Ltd.
 - R.I.Metals Works.
 - R.S. Enterprises
 - S. K. Auto Industries
 - Saini Technofeb
 - Sakshi Enterprises
 - Santosh Industries
 - Sarika Engg. Works
 - Sehgal Fasteners
 - Sehrawat Engineering Works
 - Shakti Fasteners
 - Shakti Tools Udyog
 - Shanti Shakti Engineering Works
 - Shikher Auto Industries
 - Shitla Tools Industries
 - Shiv Industries
 - Shiva Auto Industries
 - Shiv Automotive Industries
 - Shiva Hardwell Industries
 - Singla Precision Screws
 - Shreesh Precision Screws
 - Shri Radha Ballabh Enterprises
 - Shri Aadinath Auto Engineering
 - Sonu Engineering Works (Regd.)
 - Soni Tools
 - Sumit Auto Components
 - Sunil Auto Industries
 - Sunil Engineering Works
 - Supreme Industries
 - Surinder Engineering Works
 - Surya Engineering Works
 - S.P. Ind.
 - Three Bond India Pvt. Ltd.
 - Trimurti Precision
 - Tirupati Engineers
 - Universal Enterprises
 - Vikash Engg. Works
 - Vishwakarma Machine Tools
 - Yogi Industries.
- c) The identification of Micro, Small and Medium Enterprise Suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Management regarding their status. There are no dues to Micro, Small and Medium Enterprise Suppliers as on March 31,2008 and the company is making payment within time as per stipulations.
10. Interest and other borrowing costs amounting to Rs.1,42,70,746/- (previous year Rs. 29,88,625/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use in accordance with (AS-16), "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
11. Dividend @ 12 % 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.
12. 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.3.25 lacs (last year Rs.8.42 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.2.92 lacs (last year Rs.8.41 lacs) has been written off and debited to interest paid during the year.

13. Interest received includes a sum of Rs.43,87,317/- (previous year Rs.24,57,060/-) on bank deposits, Rs. 27,027/- (previous year Rs.1,11,636/-) on loan to a director and Rs.2,048/- (previous year Rs. 2,565/-) received from trade customers and interest paid include Rs.5,68,052/- paid to Managing Directors (previous year Rs.5,66,500/-).
14. Pursuant to the adoption of Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no. G.S.R.739 (E) dated December 7, 2006, as required by Accounting Standard-11 on "The Effect of changes in Foreign Exchange rates", the company has recognized net gain arising on account of foreign exchange fluctuations amounting to Rs.12.44 lacs for the year ended march 31st 2008 in the profit and loss account relating to acquisition of fixed assets. This has resulted in profit before tax for the year increased by Rs.11.45 lacs (net of depreciation).
15. In the opinion of the Management, 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	2008 (In Rs.)	2007 (In Rs.)
1.	Chairman and Managing Director:		
	Salary	39,40,000/-	28,80,000/-
	House Rent Allowance	9,85,000/-	7,20,000/-
	Contribution towards P.F.	4,72,800/-	3,45,600/-
		52,97,800/-	39,45,600/-
2.	Vice Chairman and Managing Director:		
	Salary	38,10,000/-	28,80,000/-
	House Rent Allowance	9,52,500/-	7,20,000/-
	Contribution towards P.F.	4,57,200/-	3,45,600/-
		52,19,700/-	39,45,600/-
3.	Joint Managing Director:		
	Salary	38,10,000/-	28,80,000/-
	House Rent Allowance	9,52,500/-	7,20,000/-
	Contribution towards P.F.	4,57,200/-	3,45,600/-
		52,19,700/-	39,45,600/-
	Total	1,58,37,200/-	1,18,36,800/-

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

(Lac/Rs.)

Particulars	2008	2007
Net Profit as per profit and loss account	771.94	691.82
Add: Income Tax	361.51	463.21
Deferred Tax	51.05	(57.16)
Wealth Tax	1.85	0.95
Fringe Benefit Tax	49.00	42.50
Managerial remuneration	158.37	118.37
Director's sitting fees	4.10	3.30
Depreciation charged to profit and loss account	853.34	804.15
Provision for doubtful debts	1.04	2.75
Loss on sale of Assets	1.71	6.69
	2,253.91	2076.58
Less: Depreciation as per Section 350 of the Companies Act	853.34	804.15
Profit on sale of assets	1.63	0.14
	854.97	804.29
Net Profit as per Section 349 of the Companies Act, 1956	1,398.94	1272.29
Maximum Remuneration payable @ 10% of Net Profit	139.89	127.23

The Company has taken approval of Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letter dated 21st February 2008 in respect of managerial remuneration paid by the company.

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

Particulars	2008 (Rs.)	2007 (Rs.)
Deferred tax liability		
a) on account of difference in rates and method of depreciation	1,23,61,998	1,43,59,542
b) on account of different treatment of certain payments under I.T. Act, 1961	1,24,99,747	53,96,977
	2,48,61,745	1,97,56,519
Deferred tax liability		
- at the end of year (net)	2,48,61,745	1,97,56,519
- for the year	51,05,226	(57,16,029)

18. Earning per share – Basic and Diluted

Profit after tax	Rs.	7,71,94,343	6,91,81,813
Weighted number of Equity Shares	Nos.	1,09,41,667	1,02,33,996
Earning per share	Rs.	7.06	6.76
Nominal Value per share	Rs.	10.00	10.00

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.

	2008	(Rs. in lacs)	2007
Revenue (Net of Excise)			
Revenue-Domestic Market	14338.01		13,025.54
Revenue-Overseas Market	6,363.60		6,316.55
Fixed assets located (Including Capital work-in-progress)			
Within India	5,397.82		4,427.59
Outside India	-		-

20. Related Party Transactions

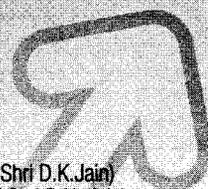
As per Accounting Standard No. 18 issued by the Institute of Chartered Accountants of India, related parties in terms of the said standard are disclosed below: -

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

1. Subsidiary	(i)	Indian Fasteners Limited
2. Associates	(i)	Amit Screws 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.

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 (son of Shri D.K. Jain)
 (iii) Shri Amit Jain (son of Shri V.K. Jain)
 (iv) Shri Gagan Jain (son of Shri L.K. Jain)
 (v) Shri Gautam Jain (son of Shri L.K. Jain)
 (vi) Smt. Rita Jain (wife of Shri L.K. Jain)
 (vii) Smt. Deepa Jain (wife of Shri V.K. Jain)

(b) Transactions

(Lac/Rs.)

Sl. No	Particulars	Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2008	2007	2008	2007	2008	2007	2008	2007
1.	Sale of goods	-	-	680.74	991.13	-	-	-	-
2.	Purchase of goods	-	-	44.37	73.20	-	-	-	-
3.	Rent received	-	-	0.50	7.07	-	-	-	-
4.	Rent paid	-	-	7.20	7.20	12.45	11.46	-	-
5.	Interest received	-	-	-	-	0.27	1.12	-	-
6.	Job work paid	29.85	19.51	882.57	1073.88	-	-	-	-
7.	Loan from Directors/Others	-	-	-	-	123.50	128.25	201.10	201.77
8.	Remuneration paid	-	-	-	-	158.37	118.37	51.41	28.23
9.	Interest to Directors/ Others	-	-	-	-	13.62	13.58	10.20	10.17
10.	Lifting Charges	3.00	3.00	-	-	-	-	-	-
	Total	32.85	22.51	1,615.38		308.21	272.78	262.71	240.17
	Balance receivable at the year end	-	-	182.44		-	5.36	-	-
	Balance due at the year end	38.04	30.43	289.23		139.12	128.25	173.58	202.60

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 Pvt. Ltd.
 b) Country of Incorporation India
 c) Proportion of Ownership interest as at March 31, 2008 49%
 d) The aggregate of Company's share in the above ventures in:

(Lac/ Rs.)

	2008	2007
ASSETS		
FIXED ASSETS		
Net Fixed Assets	399.14	361.55
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	1,116.11	1,100.51
Loans and Advances	59.46	111.81
LIABILITIES		
Borrowings	-	121.50
Current Liabilities	304.80	329.60
Provisions	25.11	45.92
INCOME		
Sales	2,462.18	3,029.10
Other Income	13.41	3.40

	2008	2007
EXPENDITURE		
Cost of Materials	1,538.13	1,963.06
Personnel Expenses	170.52	160.19
Office and Administration Expenses	393.92	328.51
Selling & Distribution Expenses	(15.66)	188.66
Interest and Financial Charges	21.57	19.62
Managerial Remuneration	22.64	22.64
Miscellaneous Expenses written-off	0.05	0.05
Depreciation	52.08	43.96
Wealth Tax	-	0.20
Current Tax	97.47	150.12
Deferred Tax	3.87	(32.83)
CONTINGENT LIABILITIES	114.00	283.00
CAPITAL COMMITMENTS	NIL	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, 2008 49%
d) The aggregate of Company's share in the above ventures in:

	2008	2007
ASSETS		
FIXED ASSETS		
Net Fixed Assets	0.22	0.33
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	14.91	14.27
Loans and Advances	1.92	1.17
LIABILITIES		
Current Liabilities	1.32	0.50
Provisions	0.12	0.65
INCOME		
Sales	5.88	5.88
Other Income	0.55	0.77
EXPENDITURE		
Personnel Expenses	3.66	3.98
Administration Expenses	0.93	1.12
Interest and Financial Charges	0.03	0.00
Managerial Remuneration	0.06	0.06
Miscellaneous Expenses written-off	0.01	0.01
Depreciation	0.11	0.11
Current Tax	0.01	0.01
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 the country 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 2007-08.

	2008 Lac/Rs.	2007 Lac/Rs.
The movements in provisions are as under:		
1. Carrying amount as on 01.04.2007	587	418
2. Additional provisions made during the financial year 2007-08 including increase to existing provisions.	561	587
3. Amounts used (incurred and charged against the provisions) during the financial year 2007-08	587	418
4. Unused amounts reversed during the financial year 2007-08	0	0
5. Carrying amounts of provisions as on 31.03.2008	561	587

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)

		2008		2007	
a) Turnover	Unit	Qty	Lac/Rs.	Qty	Lac/Rs.
Finished Goods					
Machine Screws	Lac/ Nos.	6,466	20,200	6,057	18,968
Scrap Materials	M. Tons	3,547	501	3,093	374
			20,701		19,342
b) Raw Materials Consumed					
Wire/ Wire Rods	M. Tons	15,931	6,389	15,448	6,090
Bright Bars	M. Tons	257	97	394	182
Stainless Steel Bars/Wire/Wire Rods	M. Tons	582	1,355	395	591
		16,770	7,841	16,237	6,863
c) Opening Stocks					
Finished Goods	Lac/ Nos.	601	2,961	470	2,522
Finished Goods in Transit	Lac/ Nos.	3	11	5	19
Semi Finished Goods	Lac/ Nos.	559	1,156	456	901
Scrap Materials	M. Tons	316	46	161	25
			4,174		3,467
Purchases					
Semi Finished Goods	Lac/ Nos.	288	1,201	64	873
			1,201		873
Closing Stocks					
Finished Goods	Lac/ Nos.	603	3,495	601	2,961
Finished Goods in Transit	Lac/ Nos.	4	19	3	11
Semi Finished Goods	Lac/ Nos.	1,177	1,819	559	1,156
Scrap Materials	M. Tons	322	55	316	46
			5,388		4,174

d) LICENCED CAPACITY, INSTALLED CAPACITY AND PRODUCTION

# Licenced Capacity	M. Tons	19,210	19,210
## Installed Capacity	M. Tons	18,996	16,067
@ Actual Production	M. Tons	13,217	12,990
	Lac/ Nos.	(6,798)	(6,225)
Capacity Utilization	%	70	81

Licence 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 Management.

@ 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.	229	92
Raw Materials (Wire/Wire rods)	Lac/ Rs.	1,955	2,001
Tooling Steel, Stores and Spares	Lac/ Rs.	334	436
Capital Goods	Lac/ Rs.	732	205

f) EARNING IN FOREIGN EXCHANGE

F.O.B. value of exports	Lac/ Rs.	*6,414	*6,178
-------------------------	----------	--------	--------

(*including deemed exports of Rs.321 lacs (previous year Rs.1208 lacs)

g) EXPENDITURE IN FOREIGN CURRENCY

Foreign Traveling	Lac/ Rs.	75.63	123.57
Royalty	Lac/ Rs.	5.31	5.63
Technical Know-how Fee	Lac/ Rs.	-	13.69
Books, Membership and other payments	Lac/ Rs.	3.22	1.38
Professional and Legal Charges	Lac/ Rs.	15.00	2.97
Advances against Capital Goods/Raw Material	Lac/ Rs.	178.99	93.58
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	2,465	31	1,975	29
Indigenous	5,376	69	4,888	71
	7,841	100	6,863	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. 4 9 7 7

State Code 0 5

Balance Sheet Date 3 1 Month 0 3

Year 2 0 0 8

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

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

Preferential Issue

N I L

Warrants

N I L

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

Total Liabilities

1 9 3 0 9 9 6

Total Assets

1 9 3 0 9 9 6

Sources of Funds

Paid up Capital

1 0 9 4 1 7

Reserves and Surplus

7 0 2 7 6 3

Secured Loans

1 0 1 3 1 6 6

Unsecured Loans

8 0 7 8 8

Deferred Tax Liability

2 4 8 6 2

Application of Funds

Net Fixed Assets

5 3 9 7 8 2

Investments

4 2 2 3 7

Net Current Assets

1 3 4 6 0 3 2

Misc. Expenditure

2 9 4 5

Accumulated Losses

N I L

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

Turnover

			2	0	7	0	1	6	1
--	--	--	---	---	---	---	---	---	---

Total Expenditure

			1	9	8	3	2	4	5
--	--	--	---	---	---	---	---	---	---

Profit/ Loss after Tax

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

Dividend Rate (%)

								1	2
--	--	--	--	--	--	--	--	---	---

Other Income

						3	6	6	1	9
--	--	--	--	--	--	---	---	---	---	---

Profit before Tax

						1	2	3	5	3	6
--	--	--	--	--	--	---	---	---	---	---	---

Earnings per Share (Rs.)

							7	.	0	6
--	--	--	--	--	--	--	---	---	---	---

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 18 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 13, 2008



Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	77194343	69181813
Adjustments for:		
Tax	46341230	44949552
Net profit before tax and extraordinary items	123535573	114131365
Adjustments for:		
Depreciation	85334527	80415367
Deferred payment interest and Technical know how fee written off	2062459	3491904
Rent and Interest received (Gross)	-4466790	-3278661
Income Tax Refund	0	-98112
Dividend Income	0	-4704038
Interest and Financial charges	117325714	83924902
Provisions for Bad and Doubtful Debts	104380	275196
Profit/Loss on sale of assets (Net)	8003	654915
Operating profit before working capital changes	323903866	274812838
Adjustments for:		
Trade Payables	53387097	37829798
Trade and other receivables	-225486583	-56638749
Inventories	-168308409	-159782030
Cash generated from operations	-16504029	96221857
Interest and financial charges	-116515929	-83928927
Direct Taxes	-16000000	-15000000
Net cash from operating activities	-149019958	-2707070
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-182901542	-147717815
Proceeds from Sale of fixed assets	535436	431877
Purchase of investment	-875000	0
Rent and Interest received (Net of TDS)	3142367	2652951
Dividend Income	0	4704038
Income Tax Refund	0	98112
Deferred payment interest and Technical know how fee provided during the year	-300500	-856596
Net cash used in investing activities	-180399239	-140687433

CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (including share premium)	0	93078000
Preferential issue expenses	0	-175057
Proceeds from short term borrowings	277163858	18815775
Repayment of short term borrowings	-20018941	0
Proceeds from long term borrowings	229867728	136046633
Repayment of long term borrowings	-80248391	-87196626
Proceeds from Directors and others	0	188634
Dividend paid	-22548114	-16954191
	384216140	143803168
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	54796943	408665
Cash & Cash equivalents (Opening Balance)	49663818	49255153
Cash & Cash equivalents (Closing Balance)	104460761	49663818

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 2008. 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 13, 2008

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 company, '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, 2008 and the consolidated profit and loss account for the year ended on that date annexed thereto and the consolidated cash flow statements for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not carry out the audit 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 company 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 is based solely on the report of the other auditors. Similarly the figures of the joint ventures companies and associate companies have been incorporated, based on the their provisional financial statements whose unaudited financial statements as approved by the respective Board of Directors, have been furnished to us, and our reports so far as it relates to the amounts included in respect of such joint ventures and associates is based solely on such approved unaudited 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	18685749	3339706
LPS Bossard Private Limited	157471146	254352375
LPS Bossard Information Systems Private Limited	1705370	643369

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 reports 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, joint ventures and associates as at 31st March, 2008 and
- the consolidated profit and loss account, of the consolidated results of the operations of the company, its subsidiary, joint ventures and associates 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, joint ventures and associates for the period ended on that date.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : June 13, 2008

V.P. BANSAL
Partner

CONSOLIDATED BALANCE SHEET

Description	Schedule No.	As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
A. SOURCES OF FUNDS						
a) Shareholders' Funds	1					
Share Capital		109416670	23520190	1847490	134784350	134784350
Less: Investment in Joint venture companies					25367680	25367680
Reserves and Surplus	2	109416670			109416670	109416670
		711097890	104559154	(286621)	815370422	736353683
		820514560	104559154	(286621)	924787092	845770353
b) Loan Funds	3					
Secured Loans		1015797102	0	0	1015797102	660800232
Unsecured Loans		80788070	0	0	80788070	40807011
	4	1096585172	0	0	1096585172	701607243
c) Deferred Tax Liabilities(net)		26275856	(3599197)	0	22676659	16994444
d) Minority Interest		4598949	0	0	4598949	4587680
TOTAL		1947974537	124480146	1560869	2048647873	1568959721
B. APPLICATION OF FUNDS						
a) Fixed Assets	5					
Gross Block		1254001518	59286251	376878	1313664647	1147066967
Less : Depreciation		726057857	19371848	354592	745784297	656843542
Net Block		527943661	39914403	22286	567880350	490223425
Add : Capital Work in Progress		26090174	0	0	26090174	2392528
	6	554033835	39914403	22286	593970524	492615953
b) Investments		41108282	0	0	41108282	39330354
Less: Investment in Joint venture companies					25367680	25367680
c) Current Assets, Loans and Advances	7				15740602	13962674
Inventories		1160955413	25889674	0	1186845087	1014981440
Sundry Debtors		577401593	75727764	48819	653178176	476798162
Cash and Bank Balances		104700832	9910098	1430806	116041736	61451956
Other Current Assets		3707885	83248	11486	3802619	501931
Loans and Advances		162392228	5945959	191973	168530160	129290020
		2009157951	117556743	1683084	2128397778	1683023509
Less: Unrealised profit on intra group transactions					2256532	1059384
		2009157951	117556743	1683084	2126141246	1681964125
Less: Current Liabilities and Provisions		8				
Current Liabilities	602999912		30479788	132289	633611989	548506857
Provisions	56270299		2511212	12210	58793721	76848531
	659270211		32991000	144500	692405710	625355388
Less: Unrealised profit on intra group transactions				2256532	1059384	
Total Current Liabilities		659270211	32991000	144500	690149178	624296004
Net Current Assets		1349887740	84565743	1538584	1435992067	1057668121
d) Miscellaneous Expenditure	9	2944683	0	0	2944683	4712969
TOTAL	19	1947974537	124480146	1560869	2048647873	1568959721
C. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS						

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 13, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2008 (Rs.) (Consolidated)	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2008 (Rs.) Total	Year Ending 31.03.2007 (Rs.) (Consolidated)
A. INCOME						
Sales and Services		2303646831	246217993	588000	2550452824	2451408999
Less: Excise Duty		233485350	0	0	233485350	213702359
Net Sales		2070161481	246217993	588000	2316967474	2237706640
Job Work Receipt		896690	0	0	896690	1433953
Other Income	10	35724709	1341470	55369	37121548	17694377
Deferred Tax Liabilities written back		52830	0	0	52830	9000195
Share in associates		902928	0	0	902928	1265877
		2107738638	247559463	643369	2355941470	2267101042
B. EXPENDITURE						
Materials and Finished Goods	11	782790261	153813158	0	936603419	899314365
Manufacturing	12	450427959	3846285	0	454274244	506371365
Personnel	13	306615737	17051505	366336	324033577	269537272
Office and Administration	14	128830639	39392197	93167	168316003	147842292
Selling and Distribution	15	94127990	(1566156)	0	92561834	103002821
Interest and Financial charges	16	117679752	2156856	2629	119839237	85947836
Managerial Remuneration	17	15837200	2263800	5880	18106880	14106480
Miscellaneous Expenditure Written off	18	0	4858	1469	6327	6329
Depreciation		86734142	5208047	10640	91952829	85732920
Wealth Tax		185400	0	0	185400	114538
Income Tax - Current Tax		36272604	9065000	0	45337604	60611615
- Deferred Tax		5105226	387100	0	5492326	0
- Fringe Benefit Tax		5000000	681604	796	5682400	5077696
		2029606910	232304254	480916	2262392080	2177665529
C. PROFIT FOR THE YEAR CARRIED DOWN		78131728	15255210	162453	93549390	89435513
D. PROFIT FOR APPROPRIATION						
Balance as per last Balance Sheet		287229887	85964536	(449074)	372745349	311999591
Balance as per last Balance Sheet - share in associates		3600643	0	0	3600643	2334766
Profit for the year brought down		78131728	15255210	162453	93549390	89435513
		368962258	101219745	(286621)	469895382	403769870
Less: Profit of subsidiary company for the year ended 31.03.2008		34458	0	0	34458	21772
Transfer to General Reserve		2000000	0	0	2000000	5200000
Proposed Dividend		13130000	0	0	13130000	19695001
Corporate Dividend Tax		2231444	0	0	2231444	3347165
Balance carried over to Balance Sheet		351566356	101219745	(286621)	452499480	375505932
		368962258	101219745	(286621)	469895382	403769870
E. EARNING PER SHARE (FACE VALUE RS. 10 PER SHARE)						
- Basic and diluted					8.55	8.74
F. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	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 13, 2008

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description	Refer Notes	As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
SCHEDULE 1						
SHARE CAPITAL						
Authorised:						
16470000 Equity Shares of Rs. 10/- each		164700000	29400000	3675000	197775000	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	300000	300000
		165000000	0	0	165000000	165000000
Issued, Subscribed and Paid Up						
10941667 Equity Shares of Rs.10/- each fully paid up		109416670	23520190	1847490	134784350	134784350
Less: Investment in Joint venture companies		0	0	0	25367680	25367680
		109416670	23520190	1847490	109416670	109416670
SCHEDULE - 2						
RESERVES AND SURPLUS						
Capital Reserve						
As per last Balance Sheet	13931192					
Add: Reserves of subsidiary company till 24.12.1990	239600					
Add: Reserves of associates till 31.03.2006	-1055969	13114823	0	0	13114823	13114823
Security Premium account		318336034	0	0	318336034	318336034
General Reserve						
As per last Balance Sheet	21433185					
Add: Transferred from Profit and Loss Account	2000000	23433185	3339408	0	26772593	24772593
Reserves of subsidiary company after 24.12.1990		4647492	0	0	4647492	4624303
Profit and Loss Account		351566356	101219745	(286621)	452499480	375505932
		711097890	104559154	(286621)	815370422	736353683
SCHEDULE - 3						
SECURED LOANS						
From Banks						
Canara Bank, Rohtak						
Working Capital Limits	1					
Cash Credit Accounts		470625838	0	0	470625838	338048214
Foreign Bills Purchased Account		115191660	0	0	115191660	52357507
Bills Discount Account		35212447	0	0	35212447	13727163
Cheques Discounted		13661699	0	0	13661699	9528585
Letter of Credit		0	0	0	0	16016254
Working Capital Term Loan		41708136	0	0	41708136	53821478
Short Term Loan		27758975	0	0	27758975	40725155
Term Loan		6120702	0	0	6120702	0
		710279457	0	0	710279457	524224356
ICICI Bank Ltd. Delhi						
ICICI Working Capital Demand Loan	2	35882273	0	0	35882273	0
Rupee Currency Term Loan		68139709	0	0	68139709	92628071
Foreign Currency Term Loan		186260200	0	0	186260200	0
Against hypothecation of Motor Cars		7446867	0	0	7446867	16761128
		297729049	0	0	297729049	109389199
State Bank of Patiala, New Delhi						
Term Loans	3	6663341	0	0	6663341	26646554
		6663341	0	0	6663341	26646554

Description	Refer Notes	As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
From Others						
Director of Industries, Haryana		0	0	0	0	540123
		0	0	0	0	540123
Deferred Payment Credits						
Haryana State Industrial & Infrastructure Development Corporation Limited	4	1125255	0	0	1125255	0
		1015797102	0	0	1015797102	660800232

NOTES:

1(i) 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 (4 nos.) measuring 122520 sq. yards at Rohtak and (2 nos.) industrial plots measuring 5850 sq. meters at Manesar, Gurgaon belonging to the Company.

(ii) Working capital term loan from Canara Bank is secured by way of hypothecation of existing stocks of dies and tools of the company and short term loan is secured by way of stocks of dies and tools 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.

(iii) Term loan from Canara Bank is secured by way of first charge on DG set purchased out of loan proceeds and is further secured by way of second charge on fixed assets and other assets of the company given to the bankers against working capital limits and also on personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain, Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.

2(i) Cash credit limit from ICICI Bank Limited 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 immovable properties and fixed assets, both present and future, ranking pari-passu with other participating banks and unconditional and irrevocable guarantees of S/Shri L.K. Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the company.

(ii) Rupee currency term loan from ICICI Bank Limited is secured by way of first charge on all the company assets including all moveable and immovable 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.

(iii) Foreign currency term loan from ICICI Bank Limited is secured by way of first pari-passu charge on entire fixed assets of the company both present and future and is further secured by second pari-passu charge by way of hypothecation of the entire stocks of raw material, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, Rajesh Jain, V.K.Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain Director of the Company.

3. 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.

4. Deferred payment credit from Haryana State Industrial & Infrastructure Development Corporation Limited is against Plot No. 153 Sector-3 at IMT Manesar, Gurgaon allotted to the company.

5. Term loans and deferred payment credits due within a year are Rs.1055 Lacs (Previous year Rs.981 lacs).

Description	As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
SCHEDULE - 4					
UNSECURED LOANS					
Fixed Deposits (Due within a year Rs.294 lacs (previous year Rs.294))	29400000	0	0	29400000	29400000
Short Term Loans And Advances*	39981059	0	0	39981059	0
From Indusind Bank Limited (Due within a year Rs.399.81 lacs)					
Other Loans and Advances**					
From Directors	480176	0	0	480176	480176
From Others	10926835	0	0	10926835	10926835
	80788070	0	0	80788070	40807011

* Short Term Loan from Indusind Bank Limited is on personal guarantee of Shri L.K.Jain, Chairman and Managing Director of the Company.

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

SCHEDULE 5 FIXED ASSETS

Sl. No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2007 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2008 Rs.	Up to Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1	Freehold Industrial Land	26782461	0	0	26782461	0	0	0	0	26782461	26782461
2	Leasehold Industrial Land	15769600	2444851	0	18214451	0	0	0	0	18214451	15769600
3	Factory Building	171384877	4110142	0	175495019	33204742	8071568	0	41276310	134218709	138180135
4	Freehold Office Premises	813362	0	0	813362	386927	21322	0	408249	405113	426435
5	Leasehold Office Premises										
	Consolidated	553040	0	0	553040	296526	12826	0	309352	243688	256514
	Share in LPSBPL	7402133	4670157	964479	11107810	1992182	996616	835448	2153351	8954459	5409950
6	Plant and Machinery	688723199	128775605	156000	817342805	490825650	61608764	148200	552286214	265056591	197897626
7	Effluent Treatment Plant	1364489	0	0	1364489	1186111	49625	0	1235736	128753	178378
8	Furniture and Fixtures										
	Consolidated	34730168	2186717	0	36916885	20710096	2201459	0	22911555	14005330	14020072
	Share in LPSBPL	21000863	2265911	553945	22712830	3004625	1397017	350375	4051267	18661564	17996238
	Share in LPSBISPL	0	0	0	0	0	0	0	0	0	0
9	Electric Fans and Installations	23042768	8888635	0	31931403	17803805	2446163	0	20249968	11681435	5238963
10	Office Equipments										
	Consolidated	20401211	1879865	133000	22148076	7841385	1090023	18067	8913341	13234735	12832479
	Share in LPSBPL	3537868	2922061	929094	5530835	691447	250625	274708	667365	4863470	2846421
	Share in LPSBISPL	5331	0	0	5331	3027	152	0	3179	2152	2304
11	Computers and Computer Software										
	Consolidated	56668810	3428054	0	60096864	42905988	5522926	0	48428914	11667950	13490080
	Share in LPSBPL	14995398	1667506	483038	16179867	9347338	2201347	477360	11071325	5108542	5648060
	Share in LPSBISPL	371546	0	0	371546	340925	10488	0	351413	20134	30622
12	Motor Vehicles										
	Consolidated	53808870	7637153	1307189	60138834	23889143	5434832	895841	28428134	31710700	29919731
	Share in LPSBPL	3754909	0	0	3754909	1066098	362442	0	1428541	2326368	2688810
13	Weighting Counting Scales	1352235	73579	21436	1404378	1030424	59163	12079	1077508	326870	321811
14	Fire Extinguishers	603828	195616	0	799444	317103	215470	0	532573	266871	286725
	Total	1147066967	171145853	4548181	1313664646	656843542	91952829	3012078	745784297	567880350	490223425
	Add:										
	Capital Work-In-Progress										
	Consolidated	826717	25263457	0	26090174	0	0	0	0	26090174	
	Total-Current Year	1147893684	196409310	4548181	1339754820	656843542	91952829	3012078	745784297	593970524	
	Total-Previous Year	982751708	232720554	70562766	1149459496	573189083	85732920	2078447	656843682	492615953	

NOTES:

- Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on WDV basis except in the case of Plant-II and Indian Fasteners Limited, subsidiary company on straight line method.
- Depreciation on assets for a value not exceeding Rs. 5000/- has been provided @100%.
- The additions in Fixed Assets include Rs.14270746/- (last year Rs. 2988625/-) 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.
- Addition in Plant & Machinery include Rs.19957780/- (last year 11874606/-) capitalised on account of Dies and Tools relating to development of new product and also include Rs.5853/- (last year Rs.4562/-) adjusted on account of fluctuation in foreign exchange rate.
- Leasehold Office Premises are in respect of office flats at Bangalore..
- Freehold Office Premises are in respect of office flats at Mumbai and Delhi.
- Addition in vehicles include Rs.2702531/- (7 nos.) in respect of Motorcars purchased from Maruti Udyog Limited on deferred payment basis. The lien in favour of Maruti Udyog Limited has been recorded on registration certificates.

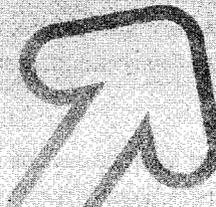
Description		As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
SCHEDULE - 6						
INVESTMENTS						
<i>(Long term, trade, unquoted, at cost)</i>						
Hanumat Wires Udyog Private Limited, Rohtak (Associate Company)						
229300 Equity Shares of Rs.10/- each	2293000					
Add:- Accumulated Income upto 31.03.2007 (including Goodwill Rs. Nil on acquisition)	1769562					
Add:- Share in profit for the year ended 31.03.2008	4062562	4643277	0	0	4643277	3187562
J.C. Fasteners Limited, Rohtak (Associate Company)	580715					
700000 Equity Shares of Rs.10/- each	7000000					
Add:- Accumulated Income upto 31.03.2007 (including Goodwill Rs.1386000/- on acquisition)	7944642					
Add:- Share in profit for the year ended 31.03.2008	267439	8212081	0	0	8212081	7944642
Lakshmi Extrusion Limited, Rohtak (Associate Company)						
30000 Equity Shares of Rs.100/- each	3000000					
Add:- Accumulated Income upto 31.03.2007 (including Goodwill Rs.285000/- on acquisition)	-169530					
Add:- Share in profit for the year ended 31.03.2008	2830470	2885244	0	0	2885244	2830470
LPS Bossard Private Limited (Joint Venture)						
2352019 Equity Shares of Rs.10/- each		23520190	0	0	23520190	23520190
LPS Bossard Information Systems Pvt. Limited (Joint Venture)						
184749 Equity Shares of Rs.10/- each		1847490	0	0	1847490	1847490
		41108282	0	0	41108282	39330354
Less: Investments in Joint Venture companies					25367680	25367680
					15740602	13962674
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:		95002613	0	0	95002613	181525307
Raw Materials in transit		34714421	0	0	34714421	0
Finished goods		349514312	31690786	0	381205098	320039840
Less :- Provision for unrealised profit of intra group transactions		0	-468097	0	-468097	-425592
Finished goods in transit		1894407	0	0	1894407	1077774
Semi finished goods		181886302	0	0	181886302	115591349
Consumables stores, tools and spare parts		84077980	0	0	84077980	84278055
Dies and Tools		380696781	0	0	380696781	278552592
Packing materials		27219548	344294	0	27563842	31535486
Stationary in hand		429903	0	0	429903	86830
Postage and foreign stamps		616	0	0	616	1407
Scrap materials (at realisable value)		5518530	0	0	5518530	4595777
Traded Goods		0	0	0	0	0
Traded Goods (In Transit)		0	0	0	0	0
Less :- Provision for Slow Moving Inventory		0	-5677308	0	-5677308	-1877385
		1160955413	25889674	0	1186845087	1014981440
Sundry Debtors						
(Unsecured- considered good unless otherwise stated)						
Debts outstanding for a period exceeding six months		33408990	8608010	0	42017000	39982420
Other Debts		544096983	75727764	48819	619873566	453515534
		577505973	84335774	48819	661890566	493497954
Less: Provision for Bad and Doubtful Debts		104380	8608010	0	8712390	15640407
		577401593	75727764	48819	653178176	477857547
Less: Unrealised profit on intra group transactions		0	0	0	2256532	1059384
		577401593	75727764	48819	650921644	476798163

Description	As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (Rs.) (Consolidated)
Cash and Bank Balances					
Cash in hand (includes cheques in hand - Rs.4866817/-, previous year Rs.177129/-) with Scheduled Banks	5146721	33633	157	5180511	876517
In Fixed Deposit Accounts					
Pledged as margin money against bank guarantees	275000	0	0	275000	3197409
Pledged as margin money against letter of credits	28400000	0	0	28400000	25910900
Lien against public deposits	4500000	0	0	4500000	4500000
Fixed Deposit Account non-lien account	46013129	4711012	1313394	52037535	725677
In cash margin on letter of credit account	7200000	0	0	7200000	1900000
In Current Accounts	11883931	5165453	117255	17166638	17563296
In Cash Credit Account	0	0	0	0	6231901
In Dividend Accounts	1251257	0	0	1251257	512385
In E F C Account (\$ 769.83 Previous year \$769.83)	30794	0	0	30794	33873
	104700832	9910098	1430806	116041736	61451958
Other Current Assets					
Interest accrued on deposits	2707885	83248	11486	2802619	501931
Freight subsidy Receivable	1000000	0	0	1000000	0
	3707885	83248	11486	3802619	501931
Loans and Advances (unsecured considered good)					
Advances recoverable in cash or in kind or for value to be received	114631566	1643941	3658	116279165	77961735
Security deposits	11345118	4302018	1960	15649096	13520008
Balance with Central Excise Department					
Excise Duty	10897616	0	0	10897616	12391588
Service Tax	3256531	0	0	3256531	5452085
Advance Income Tax and TDS	18331479	0	186355	18517834	15874072
Advance Fringe Benefit Tax	3029765	0	0	3029765	3089765
Vat refund due	900153	0	0	900153	1000767
	162392228	5945959	191973	168530160	129290020
	2009157951	117556743	1683084	2126141246	1683023512
SCHEDULE – 8 CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities					
Sundry Creditors					
Due to SSI undertakings	44768335	29368530	0	74136865	58695185
Due to other than SSI undertakings	460982836	1111258	0	462094094	409158484
Advances and progress payments from customers	20401291	0	0	20401291	15367798
Unclaimed dividend-Equity	1251257	0	0	1251257	757205
Other liabilities	28306490	0	132289	28438779	25056933
Excise duty payable	45951263	0	0	45951263	40266134
Interest accrued but not due	1074286	0	0	1074286	264501
HDFC Bank Ltd. Current Account	73272	0	0	73272	0
ICICI Bank Ltd. Current Account	190882	0	0	190882	0
	602999912	30479788	132289	633611989	549566240
Less: Unrealised profit on intra group transactions	0	0	0	2256532	1059384
	602999912	30479788	132289	631355457	548506856
Provisions					
Income Tax	36223455	1374937	12116	37610508	48808245
Wealth Tax	185400	0	0	185400	114538
Fringe Benefit Tax	4500000	0	94	4500094	3963853
Leave Encashment	0	231665	0	231665	537872
Gratuity	0	172687	0	172687	381857
Provision for Contingency	0	731923	0	731923	0
Proposed Dividend	13130000	0	0	13130000	19695001
Corporate Dividend Tax	2231444	0	0	2231444	3347165
	56270299	2511212	12210	58793721	76848531
	659270211	32991000	144500	690149178	625355387

Description		As at 31.03.2008 (Rs.) (Consolidated)	As at 31.03.2008 (Rs.) Joint Venture in LPSBPL	As at 31.03.2008 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2008 (Rs.) Total	As at 31.03.2007 (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	1663567		0	0	243465	1663567
Less: Written off	1420102	243465				
Technical knowhow fee						
As per last Balance Sheet	3043075					
Add: During the year	300500					
	3343575					
Less: Written off	642357	2701218	0	0	2701218	3043075
Preliminary expenses written off		0	0	0	0	6327
		2944683	0	0	2944683	4712969
Description		Year Ending 31.03.2008 (Rs.) (Consolidated)	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2008 (Rs.) Total	Year Ending 31.03.2007 (Rs.) (Consolidated)
SCHEDULE- 10						
OTHER INCOME						
Rent		50400	0	0	50400	707400
(TDS Rs. 147432/- Previous year Rs.586377/-)						
Interest on fixed deposits with banks, loans and from customers and income tax refund		4416390	90174	0	4506564	2806596
(TDS Rs. 458507/- Previous year Rs. 440215/-)						
Miscellaneous receipts		5009689	28	55369	5065086	2755247
Dividend Income on long term trade investments		0	0	0	0	4704038
Profit on sale of assets		162774	0	0	162774	14335
Income tax refund		0	0	0	0	98112
Exchange rate variation		0	0	0	0	107903
Marketing Support Service Fees		0	1286980	0	1286980	1061
Excess provision of income tax written back		2370	0	0	2370	0
Exchange rate variation		26083086	(35712)	0	26047374	6499685
		35724709	1341470	55369	37121548	17694377
SCHEDULE-11						
MATERIALS AND FINISHED GOODS						
Raw Materials Consumed						
Opening stocks		181525307	0	0	181525307	191108303
Add: Purchases		672408511	0	0	672408511	657502521
Freight and cartage		25174374	0	0	25174374	19202914
		879108192	0	0	879108192	867813738
Less: Closing stocks		95002613	0	0	95002613	181525307
Raw materials consumed		784105579	0	0	784105579	686288431
Add: Opening stocks						
Finished goods		296095980	20726402	0	316822382	272956561
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	20726402	0	438087282	367490297
Add: Purchase of semi-finished goods		120137352	155101817	0	275239169	283405484
		1321603811	175828219	0	1497432030	1337184212
Less: Closing stocks						
Finished goods		349514312	25889674	0	375403986	318424156
Finished goods in transit		1894406	0	0	1894406	1077774
Semi finished goods		181886302	0	0	181886302	115591349
Scrap materials		5518530	0	0	5518530	4595777
		538813550	25889674	0	564703224	439689056
Add: Stock Obsolescence		0	74689	0	74689	654638
Provision for Slow Moving Inventory		0	3799923	0	3799923	1164571
		782790261	153813158	0	936603419	899314366

Description		Year Ending 31.03.2008 (Rs.) (Consolidated)	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2008 (Rs.) Total	Year Ending 31.03.2007 (Rs.) (Consolidated)
SCHEDULE - 12 MANUFACTURING EXPENSES						
Consumable stores, spare parts and tools		42936356	0	0	42936356	44534094
Dies and Tools		47686233	0	0	47686233	69917623
Electricity, water and fuel		97706076	0	0	97706076	110001479
Job work charges		195863541	0	0	195863541	226060056
Excise duty on closing stock of finished goods and scrap	45951263					
Less: Excise duty payable as on 01.04.2007	40266134	5685129	0	0	5685129	4309377
Repairs to machinery		7917546	0	0	7917546	6481593
Packing Expenses		43300620	3846285	0	47146905	32949189
Testing charges		366787	0	0	366787	595936
Generator hire charges		2676283	0	0	2676283	2254307
Research and development expenses		5115999	0	0	5115999	7895832
Technical know-how fee		1173389	0	0	1173389	1371879
		450427959	3846285	0	454274244	506371365
SCHEDULE - 13 PERSONNEL EXPENSES						
Salaries, Wages and other amenities		252737273	14617650	366336	267721259	229104784
Bonus		11972075	0	0	11972075	1358320
Co's contribution towards LIC Gratuity Trust		7000000	0	0	7000000	6802103
Co's contribution towards P.F.		11984376	1182331	0	13166707	11549560
Co's contribution towards E.S.I.		5273520	0	0	5273520	4240308
Staff welfare		9026374	567688	0	9594062	9062456
Staff recruitment and training		3016333	683836	0	3700169	2584408
Watch and ward expenses		5605786	0	0	5605786	4835332
		306615737	17051505	366336	324033577	269537271
SCHEDULE - 14 OFFICE AND ADMINISTRATION EXPENSES						
Rent		4431755	11269135	11760	15712650	10555203
Rates and taxes		696679	0	0	696679	371398
Printing and stationery		7033204	4150160	0	11183364	9500798
Postage, Telephone, Telex and fax		7973094	2829143	685	10802921	11159348
Traveling and conveyance		60921736	12488570	12628	73422934	65623758
Vehicle maintenance		3944928	0	0	3944928	3082773
Legal and consultancy		16166661	740679	4839	16912179	10027954
Insurance		3130281	219017	0	3349298	4233775
Auditors' Remuneration						
Audit fee		907040	233990	55056	1196086	933007
Limited Review		150000	0	0	150000	120000
Out-of pocket expenses (including service tax)		84045	0	0	84045	55962
Repairs to building		6219161	0	0	6219161	6888217
Floriculture expenses		885563	0	0	885563	1509180
General repairs		4368617	4758539	2560	9129716	10987159
Loss on sale of assets		170777	519325	0	690102	682916
Miscellaneous		11337098	1673273	5639	13016010	10991483
Directors sitting fee		410000	0	0	410000	330000
Electricity Expenses		0	510367	0	510367	789361
		128830639	39392197	93167	168316003	147842292

Description	Year Ending 31.03.2008 (Rs.) (Consolidated)	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2008 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2008 (Rs.) Total	Year Ending 31.03.2007 (Rs.) (Consolidated)
SCHEDULE - 15					
SELLING AND DISTRIBUTION EXPENSES					
Freight and cartage	44717316	1995657	0	46712973	37824280
Traveling and Conveyance (Marketing)	0	0	0	0	26331975
Turnover and cash discount	34381317	0	0	34381317	8398735
Advertisement, Publicity and sales promotion	8974937	1943992	0	10918929	5415742
Bad Debts, Liquidated damages and short recoveries	930682	1251395	0	2182077	6971243
Provision for Bad and Doubtful Debts	104380	(6757200)	0	(6652820)	8977582
Excise duty and sales tax	5019358	0	0	5019358	9083264
	94127990	(1566156)	0	92561834	103002821
SCHEDULE - 16					
INTEREST AND FINANCIAL CHARGES					
Interest					
On fixed loans	46678889	0	0	46678889	27171935
On non-fixed loan	52749821	1695088	0	54444909	44505455
Difference in exchange	0	0	0	0	316210
Front-end fee	776295	0	0	776295	518923
Financial charges	753944	0	0	753944	917071
Bank charges	16720803	461768	2629	17185200	12518242
	117679752	2156856	2629	119839237	85947836
SCHEDULE - 17					
MANAGERIAL REMUNERATION					
Chairman and Managing Director	5397800	0	0	5397800	3945600
Vice Chairman and Managing Director	5219700	2263800	5880	7489380	6215280
Joint Managing Director	5219700	0	0	5219700	3945600
	15837200	2263800	5880	18106880	14106480
SCHEDULE - 18					
MISCELLANEOUS EXPENSES WRITTEN OFF					
Preliminary Expenses Written off	0	4858	1469	6327	6329
Expenditure towards increase in capital	0	0	0	0	0
	0	4858	1469	6327	6329



A) SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

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

b) 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. Costs of Fixed Assets are further adjusted by the amount of Modvat/ Cenvat credit availed and VAT credit wherever applicable. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

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 and Manesar Plants and subsidiary company where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%. Further depreciation in Joint Ventures is provided on straight line basis based on rates estimated by the management.

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

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rate at the date of transaction.

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 releasable 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, 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 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 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 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). Fringe Benefit tax is provided in accordance with the provisions of Income Tax Act, 1961.

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.

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.	Particular	Consolidated	LPSBPL	LPSBISPL	2008 Total	2007 Total
1	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	256	-	-	256	504
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	606	13	-	619	347
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.	927	-	-	927	833
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)	-	101	-	101	278
5	Income tax liability on account of applies pending with various authorities	77	-	-	77	101
6.	Liabilities on account of suits filed against the company in the Labour Court	5	-	-	5	5

C) NOTES

1. In accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountant 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 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	22.90%
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: -

Sl.No	Name of the Joint Venture	Country of Incorporation	Proportion of interest as on 31st March, 2008
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:

- 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.
- 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:

Sl.No.	Particulars	Depreciation as per 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	9.5%	-
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.

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

	2008	2007
a) Unrealized profit deducted from debtors and corresponding creditors pertaining to intra group transactions.	2256532/-	1059384/-
b) Unrealized profit deducted from inventory pertaining to intra group transactions.	468097/-	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.

- Interest and other borrowing costs amounting to Rs.1,42,70,746/- (previous year Rs. 29,88,625/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use in accordance with (AS-16), "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
- LPSBPL, Joint Venture Company is a lessee under various operating leases for premises taken on lease. These leasing agreements, which are not non-cancelable, range between 11 months to 60 months generally, or longer, and are usually renewable on mutually agreeable terms. Aggregate rental expenses under operating leases amounted to 2,29,98,234/- (Previous year Rs.1,33,15,655/-) for the year, which has been charged to profit and loss account. There are no restrictions imposed by the lease agreements. Further there are no sub-leases.
- Selling and distribution expenses are net after adjusting provision for bad and doubtful debts written back during the year amounting to Rs.6757200/- in joint venture company LPS Bossard Private Limited.
- The identification of Micro, Small and Medium Enterprise Suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Management regarding their status. There are no dues to Micro, Small and Medium Enterprise Suppliers as on March 31, 2008, since the company is making payment within time as per stipulations.
- The break-up of Deferred Tax Assets and Deferred Tax Liabilities is as under: -

(Rs.)

1.	Deferred tax liability	Consolidated	LPSBPL	LPSBISPL	2008 TOTAL	2007 TOTAL
a)	on account of difference in rates and method of depreciation	13776109	640620	-	14416729	17803428
b)	on account of different treatment of certain payments under I.T. Act, 1961	12499747	-	-	12499747	1976945
		26275856	640620	-	26916476	23200405
2.	Deferred tax assets					
	on account of different treatment of certain payments under I.T. Act, 1961	-	4239817	-	4239817	6205960
		-	4239817	-	4239817	6205960

Deferred Tax Liability

- at the end of year (net)	26275856	(3599197)	-	22676659	16994445
- for the year	5052396	387100	-	5439496	(9000195)

In case of LPSBISPL, a joint venture company, provision for deferred tax asset has not been made in view of absence of virtual certainty at the balance sheet date of realization of carry forward unabsorbed depreciation and losses under the Income Tax Act, 1961.

10. Earnings per share – Basic and Diluted

	2008	2007
Profit after tax	93549389	89435514
Weighted number of Equity Shares (No)	10941667	10233996
Earning per share	8.55	8.74
Nominal value per share (Rupees)	10.00	10.00

11. 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.

	2008	(Rs. In lacs)	2007
Revenue (Net of Excise)			
Revenue-Domestic Market			
Consolidated	19007.72		13025.54
Share in LPSBPL	2462.18		3029.09
Share in LPSBISPL	5.88		5.88
Revenue-Overseas Market			
Consolidated	6363.60		6316.55
Fixed assets located (including capital Work-in-progress)			
With in India			
Consolidated	5540.34		4564.28
Share in LPSBPL	399.14		361.55
Share in LPSBISPL	0.22		0.33
Outside India	-		-

12. Related Party Transactions

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

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

1. Associates

- (i) Amit Screws Pvt. Ltd.
- (ii) Hanumat Wire Udyog Pvt. Ltd.
- (iii) J C Fasteners Ltd.
- (iv) LPS Bossard Pvt. Ltd. (Joint Venture)
- (v) LPS Bossard Information 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

- (i) Shri Lalit Kumar Jain
- (ii) Shri Dinesh Kumar Jain
- (iii) Shri Vijay Kumar Jain
- (iv) Shri Rajesh Jain
- (v) Smt. Sushila Devi Jain

3. Relative of key Management Personnel

- (i) Shri S.K. Jain (brother of Shri D.K. Jain)
- (ii) Shri Nikhlesh Jain (son of Shri D.K. Jain)
- (iii) Shri Amit Jain (son of Shri V.K. Jain)
- (iv) Shri Gagan Jain (son of Shri L.K. Jain)
- (v) Shri Gautam Jain (son of Shri L.K. Jain)
- (vi) Smt. Rita Jain (wife of Shri L.K. Jain)
- (vii) Smt. Deepa Jain (wife of Shri V.K. Jain)
- (viii) Ms. Chandni Jain (daughter of Shri R.K. Jain)

(b) Transactions

(Lac/Rs.)

S.No	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2008	2007	2008	2007	2008	2007
1.	Sale of goods	684.57	1033.61	-	-	-	-
2.	Purchase of goods	654.64	932.67	-	-	-	-
3.	Rent received	0.50	7.07	-	-	-	-
4.	Rent paid	97.36	61.24	12.45	11.46	2.06	2.06
5.	Professional Charges	6.61	6.60	-	-	-	-
6.	Interest received	-	-	0.27	1.12	-	-
7.	Job work paid	885.57	1073.88	-	-	-	-
8.	Loan from Directors/ Others	-	-	-	-	-	205.36
9.	Remuneration paid	-	-	233.21	141.01	51.41	28.23
10.	Interest to Directors/ Others	-	-	13.62	13.58	10.20	10.17
11.	Share Application Money	-	-	-	-	-	-
12.	Purchase of Capital Goods	1.36	5.51	-	-	-	-
	Total	2330.61	3120.58	259.55	297.48	61.61	245.82
	Balance receivable at the year end	182.44	245.28	-	5.36	-	-
	Balance due at the year end	979.28	432.53	161.76	135.04	175.64	202.60

13. 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.

14. 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 2007-08.

The movements in provisions are as under:

(Lac/Rs.)

S. No.		Consolidated	LPSBPL	LPSBISPL	2008 Total	2007 Total
1)	Carrying amount as on 01.04.07	588	46	-	634	511
2)	Additional provisions made during the financial year 2007-08 including increase to existing provisions	562	25	-	587	634
3)	Amount used (including and charged against the provisions) during the financial year 2007-08	588	46	-	634	511
4)	Unused amounts reversed during the financial year 2007-08	0	0	-	0	0
5)	Carrying amounts of provisions as on 31.03.08	562	25	-	587	634

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

16. Figures have been rounded off to the nearest rupee.

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

18. 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 13, 2008

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	93549390	89435514
Adjustments for:		
Tax	56644900	55117554
Net profit before tax and extraordinary items	150194290	144553068
Adjustments for:		
Depreciation	91952829	85732920
Deferred payment interest and Technical know how fee written off	2062459	3491904
Rent and Interest received (Gross)	-4612333	-3513996
Income Tax Refund	0	-98112
Dividend Income	0	-4704038
Interest and Financial charges	119839237	85631625
Misc. Expenses written off	6327	6329
Provisions for Bad and Doubtful Debts	104380	8977582
Profit/Loss on sale of assets (Net)	527328	668581
Operating profit before working capital changes	360074517	320745863
Adjustments for:		
Trade Payables	39304065	21375904
Trade and other receivables	-218760517	-88757108
Inventories	-171438055	-161938534
Cash generated from operations	9180010	91426125
Interest and financial charges	-119029452	-85635650
Direct Taxes	-16395308	3508737
Net cash from operating activities	-126244750	9299212
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-193813546	-169888941
Proceeds from Sale of fixed assets	1008777	434127
Purchase of investment	-1777928	-1265877
Rent and Interest received (Net of TDS)	3287910	2888285
Dividend Income	0	4704038
Income Tax Refund	0	98112
Deferred payment interest and Technical know how fee provided during the year	-300500	-856596
Net cash used in investing activities	-191595287	-163886852

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Description	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (including share premium)	0	93078000
Preferencial issue expenses	0	-175057
Proceeds from short term borrowings	278728558	20665775
Repayment of short term borrowings	-21220029	-1369281
Proceeds from long term borrowings	229867728	136046633
Repayment of long term borrowings	-80248391	-127196626
Repayment of Directors and others	0	188634
Dividend paid	-22548114	-22317970
	384579752	98920108
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	66739715	-55667532
Cash & Cash equivalents (Opening Balance)	49302020	104969552
Cash & Cash equivalents (Closing Balance)	116041735	49302020

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 consolidated cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2008. 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 13, 2008

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	31st March, 2008
3.	Date from which it became Subsidiary	24th December, 1990
4.	Holding Company's interest	Deemed Subsidiary by virtue of section 4(i) of the Companies Act, 1956
	(i) No(s). of shares in the Subsidiary Company held by Lakshmi Precision Screws Ltd. 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 31st March, 2008	Rs.0.23 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.46.17 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2008	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 13, 2008

Lalit Kumar Jain
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 22nd Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2008.

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	33,39,706	22,88,971
Profit before Interest, Depreciation & Taxation	19,94,112	10,98,719
Less: Interest	3,54,038	61,224
Profit before Depreciation and Taxation	16,40,074	10,37,495
Less: Depreciation	13,99,616	9,10,398
Profit before Taxation	2,56,458	1,27,097
Less: Income Tax	2,22,000	1,05,325
Net Profit for the year	34,458	21,772

DIVIDEND

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

DIRECTORS

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

AUDITORS

The existing auditor Mr. Suresh Chand Singhal, Chartered Accountant retires at the conclusion of this Annual General Meeting and is eligible for re-appointment.

FIXED DEPOSITS

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

PARTICULARS U/s 217(2A)

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that the preparation of the annual accounts for the financial year ended March, 31 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended March 31, 2008 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 06, 2008

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, 2008.

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	69486	42357
Total amount (Rs.)	338396	204584
Rate/Unit (Rs.)	4.87	4.83
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	81.48	69.07
Furnace oil	-	-
Coal oil	-	-
Others	-	-

Form B

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts in brief, made towards technology absorption, 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 06, 2008

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, 2008 and also the Profit & Loss account of the Company for the year ended on that date annexed thereto and report that:-

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we give in the annexure a statement on the matters specified in the said order.
3. Further to our comments in the annexure referred to in paragraph 1 above, we report that:-
 - a) We have obtained all the information and explanations which is the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with books of accounts.
 - d) In our opinion, the Balance Sheet and Profit & Loss account comply with the accounting standard referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the information received from the directors and taken on record by the Board of Directors none of the directors is disqualified as on 31.03.2008 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, 2008.
 - 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

Place : Rohtak
Dated : June 06, 2008

Suresh Chand
Proprietor

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 31.03.2008 for a period of more than six months from the date there become payable.
15. To the best of our knowledge and according to the information and explanations given to us, there are no disputed amount of taxes and duties and other statutory dues outstanding as on 31.03.2008.
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 31.03.2008.
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 06, 2008

Suresh Chand
Proprietor

BALANCE SHEET

Description	Schedule No.	As At 31.03.2008 (Rs.)	As At 31.03.2007 (Rs.)
SOURCES OF FUNDS			
1. Shareholders' Fund			
a) Share Capital	1	7155800	7155800
b) Reserves & Surplus	2	6906141	6871683
c) Deferred Tax Liability (Net)		14061941	14027483
1414111		1414111	1466941
2. Secured Loan	3	2631346	2267734
	Total	18107398	17762158
APPLICATION OF FUNDS			
1. Fixed Assets	4		
a) Gross Block		21661479	19679346
b) Less Depreciation		7410063	6010447
c) Net Block		14251416	13668899
2. Current Assets, Loans & Advances	5		
a) Inventories		6260	12520
b) Sundry Debtors		3803810	3042726
c) Cash & Bank Balances		240071	978729
d) Loans and Advances		384192	276320
		4434333	4310295
Less: Current Liabilities & Provisions	6		
a) Current Liabilities		354896	87770
b) Provisions		223455	129266
		578351	217036
Net Current Assets		3855982	4093259
3. Miscellaneous Expenditure	7	0	0
	Total	18107398	17762158
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 06, 2008

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
INCOME			
Job Work Received		2984506	1950613
Discount Received		0	19192
Interest Received on Income Tax Refund		0	16932
Lifter hire receipts		300000	300000
Deffered Tax written back		52830	1173
Excess Provision of Income Tax Written Back		2370	1061
	Total	3339706	2288971
EXPENDITURES			
Manufacturing Expenses	8	522552	241106
Personnel Expenses	9	638698	773977
Office and Administrative Expenses	10	168344	175169
Interest and Financial Charges		354038	61224
Depreciation		1399616	910398
Income Tax		122000	57514
Fringe Benefit Tax		100000	47811
	Total	3305248	2267199
NET PROFIT FOR THE YEAR			
		34458	21772
Profit for appropriation			
Balance as per last Balance Sheet		6860921	6839149
Profit for the year		34458	21772
		6895379	6860921
APPROPRIATION			
Transfer to General Reserve		0	0
Dividend		0	0
Corporate Dividend Tax		0	0
Balance Carried over to Balance Sheet		6895379	6860921
NET CURRENT ASSETS		6895379	6860921
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 06, 2008

Description	As At 31.03.2008 (Rs.)	As At 31.03.2007 (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	6895379	6860921
	6906141	6871683
SCHEDULE - 3		
SECURED LOAN		
ICICI Bank (Car Loan)	2631346	2267734
	2631346	2267734

SCHEDULE-4
FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2007	Addition	Adjustment	Total 31.03.2008	Up to 31.03.2007	For the year	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
1.	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2.	Building (A) 3.34%	3504153	0	0	3504153	1002496	117039	1119535	2384618	2501657
3.	Building (B) 3.34%	3833820	0	0	3833820	878912	128050	1006962	2826858	2954908
4.	Plant & Machinery 4.75%	4110903	0	0	4110903	2551859	195268	2747127	1363776	1559044
5.	Fork Lifter 4.75%	715177	0	0	715177	509565	33971	543536	171641	205612
6.	Electric Fittings 7.07%	165703	0	0	165703	72404	11715	84119	81584	93299
7.	Furniture Fixture 6.33%	380325	0	0	380325	101211	24075	125286	255039	279114
8.	Motor Car 12.77%	5032273	1982133	0	7014406	894000	889498	1783498	5230908	4138273
	Total	19679346	1982133	0	21661479	6010447	1399616	7410063	14251416	13668899
	Previous Year	17583151	2096195	0	19679346	5100049	910398	6010447	13668899	12483102

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

Description	As At 31.03.2008 (Rs.)	As At 31.03.2007 (Rs.)
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
A) Inventories		
(At lower of cost and net releasable value prepared valued and certified by directors)		
Diesel	6260	12520
	6260	12520
B) Sundry Debtors		
(Unsecured -considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	2087525	1992178
Other Debts	1716285	1050548
	3803810	3042726
C) Cash and Bank Balances		
Cash in hand	9077	68487
Cheques/Drafts in hand	225285	0
In current accounts (with scheduled Bank)	5709	910242
	240071	978729
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	46414	12969
Advance Income Tax (T.D.S.)	208953	134526
	384192	276320
	4434333	4310295
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	350883	83999
Other Liabilities	4013	3771
	354896	87770
B) Provisions		
Provisions for Income Tax	223455	129266
	578351	217036
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 31.03.2008 (Rs.)	Year Ending 31.03.2007 (Rs.)
SCHEDULE - 8		
MANUFACTURING EXPENSES		
Power and Fuel	338396	204584
Job Work Paid	158892	0
Fork Lifter Expenses	25264	36522
	522552	241106
SCHEDULE - 9		
PERSONNEL EXPENSES		
Wages (Contractors)	559883	619361
Company Contribution to P.F.	27515	33754
Overtime and incentive	39956	101175
Welfare Fund	696	0
Company Contribution to E.S.I.	10648	19687
	638698	773977
SCHEDULE - 10		
OFFICE AND ADMINISTRATIVE EXPENSES		
Rates and Taxes	3695	0
Rounding Off	0	1
Telephone Expenses	5510	17451
Travelling & Conveyance	60	0
Legal & Professional charges	10302	14226
Repair to Building	0	13719
General Repairs	0	2278
Repairs to Machinery	0	10110
General Charges	58	235
Motor Car Expenses	100050	38430
Insurance	41629	73669
Audit Fee	7040	5050
	168344	175169

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

- 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.
- Sundry Debtors includes 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.,	3803810	3042726

- 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.
- The Break up of deferred tax liability is as under:-

	31.03.2008	31.03.2007
Liabilities (on a/c difference in depreciation)	1414111	1466197
Assets	0	0

- Schedule 1 to 11 form Integral part of Balance Sheet and Profit and Loss Account.
- Additional Information pursuant to the provision of paragraph 3, 4c and 4d of part II of Schedule VI of the Companies Act, 1956 (as certified by the Director)

	Unit	2007-08		2006-07	
		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.	855.857	29.85	613.287	19.51
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		2008 Qty.		2007 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 06, 2008



**LAKSHMI PRECISION SCREWS LIMITED
ATTENDANCE SLIP**

I hereby record presence at the 39th 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 Monday, the 29th September, 2008.

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 39th Annual General Meeting of the Company to be held on Monday, 29th September, 2008 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/ our hand(s) this _____ day of _____ 2008

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.



WE HELP CREATE

LAKSHMI PRECISION SCREWS LTD.

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