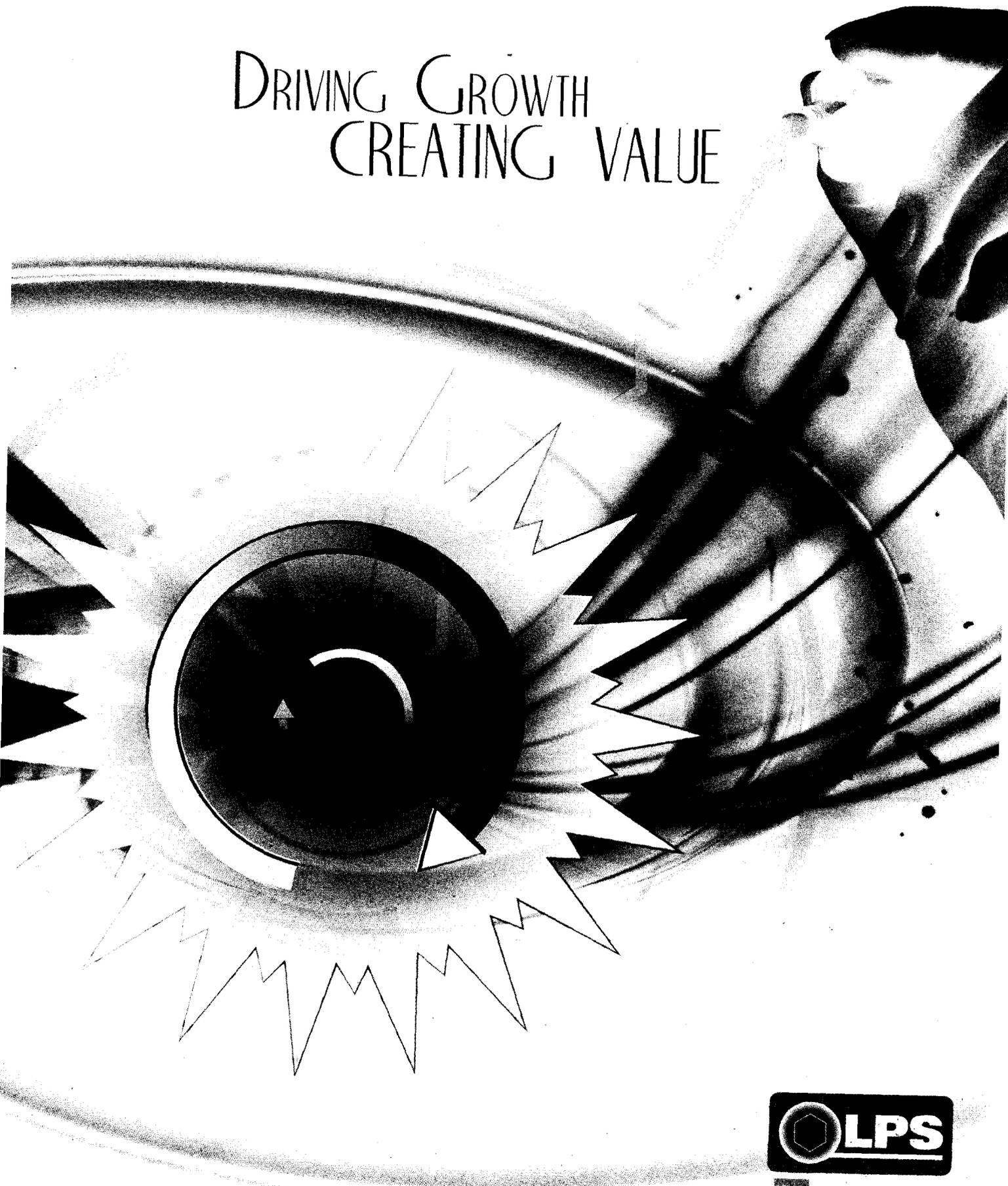


DRIVING GROWTH  
CREATING VALUE



WE HELP CREATE

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# BOARD OF DIRECTORS

Lalit Kumar Jain  
Dinesh Kumar Jain  
Vijay Kumar Jain  
Rajesh Jain  
Sushila Devi Jain  
Jamshedji Rustomji Desai  
Keshwa Nand Rattan  
Ajay Kumar Chakraborty  
Bhupendranath V Bhargava

Chairman & Managing Director  
Vice Chairman & Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Director  
Director  
Director

DY. COMPANY SECRETARY

S.P. Gupta

AUDITORS

V.R. Bansal & Associates  
Chartered Accountants, Noida.

BANKERS

Canara Bank, Rohtak  
Indian Overseas Bank, Rohtak

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.  
F – 65, 1st Floor,  
Okhla Industrial Area, Phase – I,  
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 – 40025861.

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

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

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

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

Taking Growth  
To The Next Level



# CORPORATE PROFILE

At Lakshmi Precision Screws Ltd., fastening technology is our core business and customer service our guiding principle. Headquartered at Rohtak (Haryana), the LPS works comprises of two manufacturing units spread across an area of about 100,000 square meters, just 60 km from New Delhi, the capital of India. With Net Assets of 1998 million INR supported by 1085 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are a 2266 million INR company with more than 27% 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 and 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.

# FROM THE CMD'S DESK



Dear Fellow Shareholders,

It gives me great pleasure to address you through the 40th Annual Report and share with you my thoughts on your Company's performance.

Fiscal year 2008-09 was a challenging year for the Global Economy. The sub prime crisis in USA, accompanied by huge rise in crude oil prices triggered pressures in most parts of the world. As a result fiscal constraints were imposed on money supply, interest rates started rising, resulting in decline in industrial activity and slowdown in the growth of the automotive industry across the world, including India. On account of the rising cost of fuel there was a significant decline in automotive volumes in North America and Europe, particularly in the truck and high fuel consuming class of vehicles. In India, on account of rising interest rates, for the first time since economic reforms started in 1991, the domestic two wheeler market entered a period of de-growth with total two wheeler sales declining during the year. The

increase in cost of raw materials and energy coupled with strengthening interest rates and Indian Rupee vis-à-vis US\$ impacted both sales and profitability of Indian automotive suppliers. Despite the global slowdown, the Indian economy during the year 2008-09 grew at around 6.7% as compared to 9% during 2007-08, making it the second fastest growing economy, after China. When the global economy is stumbling, such a growth may be viewed with positive prospects. All the constituent sectors experienced reduced growth, where the downslide is more prominent is in the case of agriculture and manufacturing sectors.

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. A good monsoon would further brighten the growth prospects. We believe that the current year will be equally challenging. The market conditions will remain under pressure and volatile, growth of the economy is expected to remain above 5.5% during financial year 2009-10. The Company will be affected by the downturn. We at LPS have resolved to meet the same with increased determination to succeed. We are proud of our professional management team and dedicated skilled work force who share our vision and are committed to enhancing value through Reliability, Innovation, Continuous Improvement and Globalization. Our teams are committed to enhance our growth and profitability through the following strategies:

- Continuing our agenda of growth but focusing only on profitable and long term sustainable programs.
- Changing our product mix towards a more complex high value added product range.
- Improving the manufacturing yield of all our products through innovation, engineering and R&D.
- *Aggressively reducing power, fuel and energy costs and consumption across our enterprise.*
- Increasing manpower productivity and efficiency in using the various components of our working capital cycle.

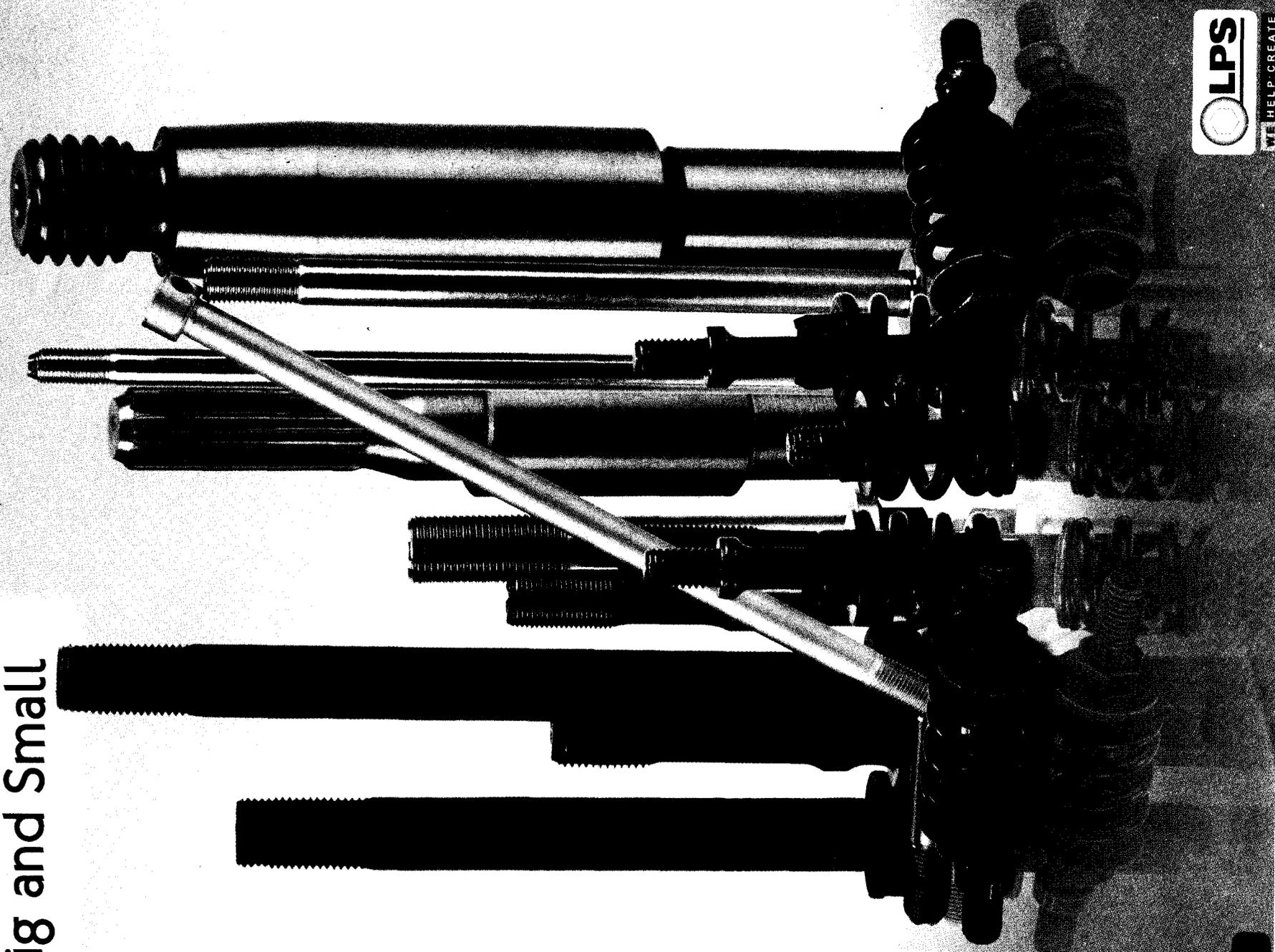
We have been able to out perform the industry in term of growth achieved. We have been far ahead of our nearest competitors in the segment, despite the economic slowdown worldwide and increases in raw material costs and costs of borrowing due to inflationary pressures. Your Company's revenues grew by 8% in financial year 2008-09 but the profits remain under pressure. The economic outlook, which was rather uncertain in the recent past, is getting a bit clearer at present. Presently, we are doing good at the domestic front but are unable to do the same on the export front, since the International business scenario is still not out of the woods. It will take some more time. The performance in such a difficult year demonstrates the steely resolve of your Company's management to march towards its mission 2012 despite the obstacles. We have complete belief and faith in our people and continue to look forward to create an industry benchmark for cost effectiveness, international standard production processes and maintaining exceptional customer relationships.

I thank all the shareholders for the continued support and trust they have shown in the Management, 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 the last year some members of the 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.

With best wishes,

Lalit Kumar Jain

# Integrating Big and Small





Geared To  
Perform

# VENTURES

## JOINT VENTURES

### LPS Bossard Pvt. Ltd.

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

## LICENSING & DISTRIBUTION

### Recoil Business Division of LPS

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

### Acument Global Technologies

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

### Dorken

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

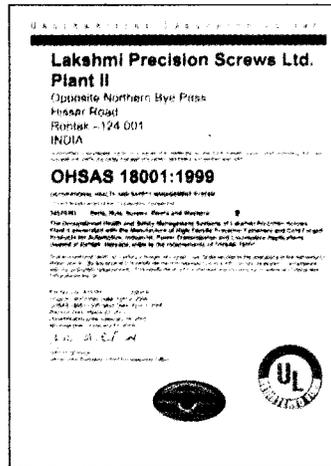
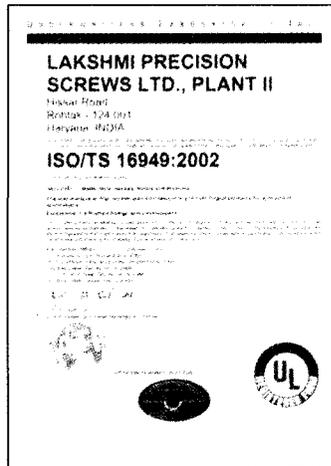
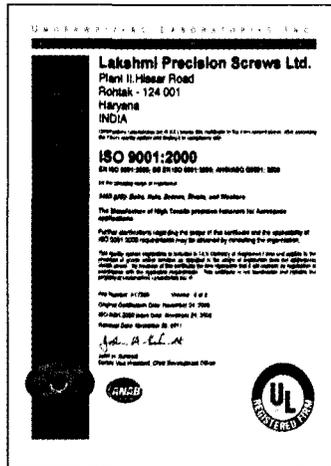
### EJOT

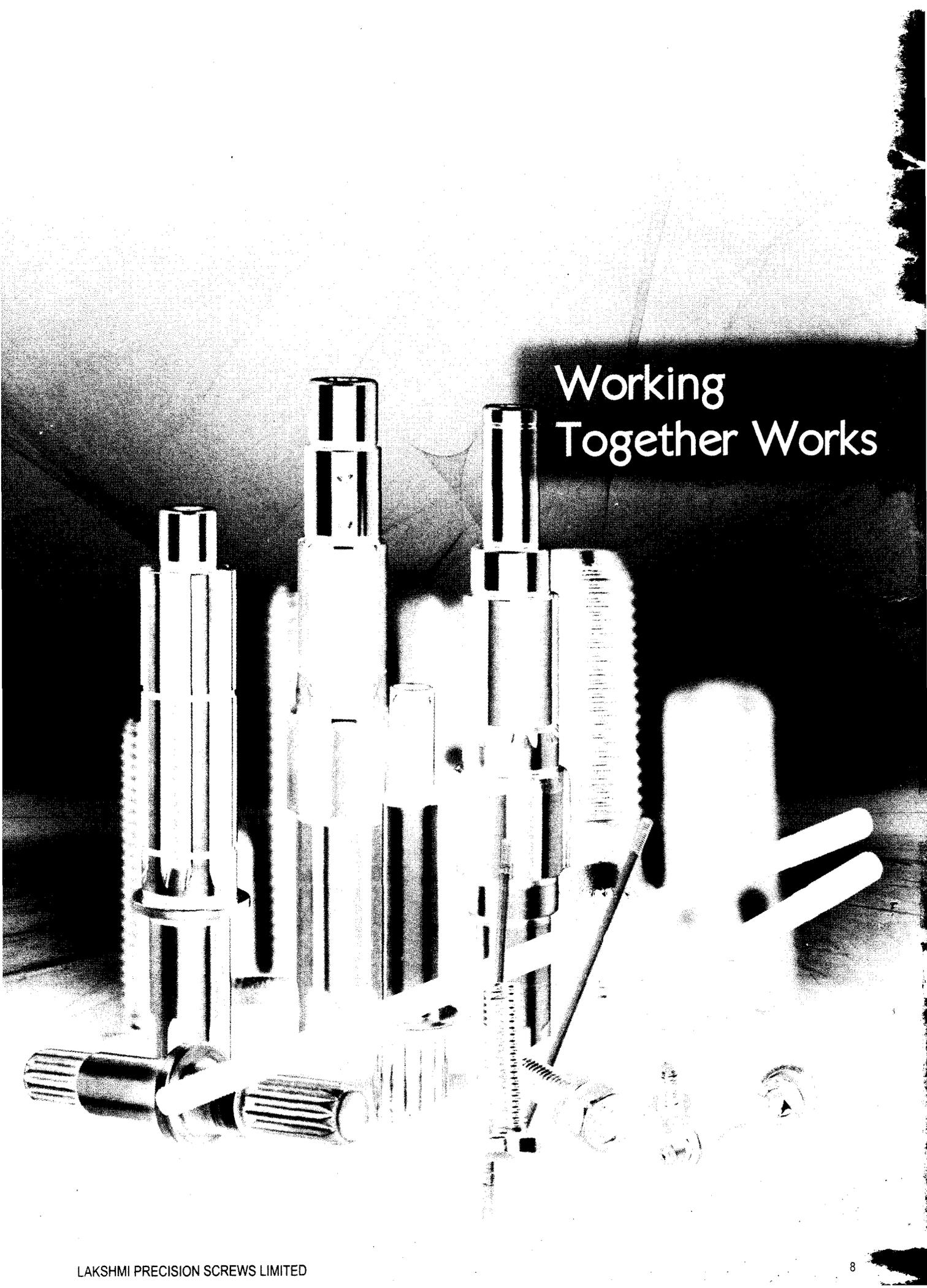
LPS has signed an agreement with EJOT of Germany to manufacture in India the Delta PT® and ALtracs® screws, for thermo plastic & light alloy applications respectively.

## ALLIANCE

### Global Fastener Alliance (GFA)

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





Working  
Together Works

## NOTICE

Notice is hereby given that the **40<sup>th</sup> Annual General Meeting** of the Members of **Lakshmi Precision Screws Ltd.** will be held on **Wednesday, the September 30, 2009 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, 2009, 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, 2009.
3. To appoint a Director in place of Mr. Rajesh Jain, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Keshwa Nand Rattan, 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 40th Annual General Meeting until the conclusion of the 41st 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 Ordinary Resolution:

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

By order of the Board of Directors

Place : **Rohtak**  
Dated : **July 29, 2009**

**S.P. Gupta**  
**Dy. 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 19, 2009 to Wednesday, September 30, 2009 (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 30, 2009 to those members whose names appear on the Company's Register of Members on Friday, September 18, 2009. 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, 2<sup>nd</sup> 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 to 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 2007-08 will become due for transfer to the IEPF in the year 2009, 2011 to 2015 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. to 2.30 P.M. except the date on which the same will be placed in the Board Meeting for compliance of Section 301 of the Companies Act, 1956.
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/ Dy. 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, 2009.

#### **Item No. 06**

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

Your Directors commend the resolution for approval of the members.

#### **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, 2009

S.P. Gupta  
Dy. 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**

<b>Particulars</b>	<b>Mr. Rajesh Jain, NED</b>	<b>Mr. Keshwa Nand Rattan, NEID</b>	<b>Mr. Bhupendranath Vidyanath Bhargava, NEID</b>
Date of Birth	June 28, 1958	December 01, 1942	April 16, 1936
Date of Appointment	September 28, 1990	April 28, 2001	June 09, 2009
Qualifications	B. E. Technical	B.Sc., M.I.E. and Post Graduate Diploma in Project Management.	Post Graduate and LLB
Expertise in specific functional areas	Mr. Rajesh Jain is having 29 years experience as an industrialist. He has a wide experience in the filed of marketing, finance, technology and HRD. He has attended various business programmes at IBS Hyderabad and 3 years Owners & President Management Programme (OPM) at Harvard Business School, U.S.A. He has pioneered the exports in LPS and contributed greatly in promotion of ancillary units. Mr. Rajesh Jain is looking after brand management of the Company.	Mr. Keshwa Nand Rattan has 41 years of varied experience in mass production precision industries at various levels including Shop Floor Management, Industrial Engineering, Project Planning & Implementation and General Management.	Mr. Bhupendranath Vidyanath Bhargava is having more than 40 years experience in finance and banking. He has been associated with CRISIL since 1992, and has been Chairman from May 1999 until July, 2008. He is also Chairman of CRISIL's Rating Committee. He was associated with ICICI Limited for three decades, and retired as Vice Chairman and Managing Director in 1996. He was associated with the Tariff Commission of India and the Indian Investment Centre, New York.
Name of the Companies in which holds Directorship	<ul style="list-style-type: none"> <li>• Lakshmi Precision Screws Ltd.</li> <li>• Indian Fasteners Ltd.</li> <li>• Sudhir Automotive Ind. Pvt. Ltd.</li> <li>• LPS Fasteners &amp; Wires Pvt. Ltd.</li> <li>• Amit Screws Pvt. Ltd.</li> <li>• J.C. Fasteners Ltd.</li> <li>• LPS Bossard Pvt. Ltd.</li> <li>• LPS Bossard Information Systems Pvt. Ltd.</li> <li>• LVR Holding Ltd.</li> </ul>	Lakshmi Precision Screws Ltd.	<ul style="list-style-type: none"> <li>• Lakshmi Precision Screws Ltd.</li> <li>• CRISIL Ltd.</li> <li>• Excel Crop Care Ltd.</li> <li>• Grasim Industries Ltd.</li> <li>• ICICI Lombard General Insurance Company Ltd.</li> <li>• J.K. Lakshmi Cement Ltd.</li> <li>• National Commodity &amp; Derivatives Exchange Ltd.</li> <li>• SI Group – India Ltd.</li> <li>• Supreme Industries Ltd.</li> <li>• L&amp;T Infrastructure Finance Co. Ltd.</li> <li>• Grasim Bhiwani Textiles Ltd.</li> </ul>
Name of Committee of the Companies in which holds Membership/ Chairmanship	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> <li>- Share Transfer &amp; Investors Grievance Committee (Chairman)</li> <li>- Audit Committee (Member)</li> <li>- Remuneration Committee (Member)</li> <li>- Committee of Directors (Member)</li> </ul>	<p>Lakshmi Precision Screws Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> <li>- Remuneration Committee (Member)</li> <li>- Selection Committee (Member)</li> </ul>	<p>CRISIL Ltd.</p> <ul style="list-style-type: none"> <li>- Remuneration Committee (Chairman)</li> <li>- Audit Committee (Member)</li> <li>- Shareholders Grievance Committee (Chairman)</li> </ul> <p>Excel Crop Care Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> <li>- Remuneration Committee (Member)</li> </ul> <p>Grasim Industries Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> <li>- Finance Committee (Member)</li> </ul> <p>J.K. Lakshmi Cement Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> </ul> <p>National Commodity &amp; Derivatives Exchange Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> <li>- Nomination Committee (Member)</li> </ul> <p>SI Group – India Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> <li>- Shareholders Grievance Committee (Member)</li> </ul> <p>Supreme Industries Ltd.</p> <ul style="list-style-type: none"> <li>- Remuneration Committee (Member)</li> </ul> <p>L&amp;T Infrastructure Finance Co. Ltd.</p> <ul style="list-style-type: none"> <li>- Investment and Credit Committee (Chairman)</li> </ul> <p>Grasim Bhiwani Textiles Ltd.</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> </ul>
Number of shares held in the Company	14,43,804	500	5,000
Relationship with Other Director(s)	Related to the Directors	Not related to any Director	Not related to any Director

# DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company has the pleasure of presenting its 40<sup>th</sup> Annual Report and the Audited Accounts for the financial year ended March 31, 2009.

## FINANCIAL RESULTS AND APPROPRIATIONS

The performance of the Company for the financial year ended March 31, 2009 is summarized below:

Particulars	2008-2009	2007-2008
	(Rs. in Lacs)	
<b>Net Sales</b>	22400.74	20701.62
Gross Profit before interest, depreciation and tax	3215.08	3261.96
<b>Less: Interest</b>	1630.54	1173.26
Profit before depreciation and tax	1584.54	2088.70
<b>Less: Depreciation</b>	929.82	853.35
Profit before tax	654.72	1235.35
<b>Less: Provision for tax</b>	304.64	463.41
<b>Net Profit for the year after tax</b>	350.08	771.94
<b>Add: Balance brought forward from previous year</b>	3470.63	2872.30
Amount available for appropriation	3820.71	3644.24
<b>Appropriations</b>		
Transfer to General Reserve	0.00	20.00
Proposed Dividend	65.65	131.30
Corporate Dividend Tax	11.16	22.31
Balance carried over to Balance Sheet	3743.90	3470.63

## REVIEW OF OPERATIONS

During the year, the economy of the country witnessed slow down in economic growth due to global meltdown. However, your Company has once again given satisfactory performance in terms of turnover during the financial year 2008-09 under the current environment. The Turnover of your Company has increased by approx 8% during the financial year under review. The net profit of the Company remains under pressure 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, your Company had already increased the installed capacity but due to global recessionary trends could not fully utilize that. 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 fierce competition and continued downward trend in the prices of raw materials and crude oil. All efforts were made under Total Quality Management, Total Productivity Management and Six Sigma Umbrella to continuously improve the cost, quality, delivery and competitiveness. Your Company's products are well accepted in the market. In brief, all customers of the Company are on growth path and Company is confident to meet their increased demand. The volume growth is expected to be in the region of 10% for 2009-10.

## DIVIDEND

In spite of the challenging conditions and to keep up company's policy of sharing the profits with its stakeholders, the Board is pleased to recommend a dividend of Re.0.60 per equity share on the 10941667 equity share of Rs.10/- each for the financial year ended March 31, 2009, which, if approved at the ensuing 40<sup>th</sup> Annual General Meeting, will be paid to (i) all those members whose names appear in the Register of Members as on September 18, 2009 (ii) all those members 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.76.81 lacs gives 22% 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, 2009, 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 forms part of the Company's Annual Report. A statement pursuant to Section 212(1)(e) of the Companies Act, 1956 is also attached forming part of this annual report.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards, AS 21, AS 23 and AS 27, issued by "The Institute of Chartered Accountants of India", the Company has also included as part of this Annual Report, the Audited Consolidated Financial Statements of its subsidiary Company Indian Fasteners Limited, its associate companies J.C. Fasteners Ltd., Hanumat Wire Udyog Pvt. Ltd. & Lakshmi Extrusion Ltd. and its joint ventures LPS Bossard Private Limited & LPS Bossard Information Systems Private Limited for the financial year 2008-09.

## BOARD OF DIRECTORS

In terms of Articles of Association of the Company, Mr. Rajesh Jain and Mr. Keshwa Nand Rattan, Directors retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing 40<sup>th</sup> Annual General Meeting. The Board recommends their re-appointment as Director liable retiring by rotation. The Board also deeply regret the sad demise of Mr. Babulal S. Aggarwal, Director of the Company, who passed away on 29<sup>th</sup> September, 2008. Mr. Aggarwal was associated with the Company since 1972 and provided valuable strength and support during his tenure as the Director of the Company. Mr. Bhupendranath Vidyanath Bhargava is appointed as Additional Director of the Company w.e.f. 09<sup>th</sup> June, 2009. The Board welcomes the newly appointed Director and hope for a fruitful association in future.

Brief resume of the Directors proposed to be re-appointed/appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the 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 40<sup>th</sup> 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 40<sup>th</sup> 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 2009-10.

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.

## DISCLOSURE REGARDING 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.

## SAFETY, HEALTH AND ENVIRONMENT

Sound environmental, health and safety management and total legal compliance are an integral part of the Company's business practices. For all manufacturing facilities, which require environmental/safety consents/authorization/license such as Air, Water and Hazardous waste, LPG, Diesel, proper authorization from respective Government Authorities have been obtained and are in compliances. Company is having a system to monitor the new acts/ rules, amendments, notifications to ensure on time compliance. Effectiveness of these initiatives are monitored and reviewed through planned audits and management reviews. Your Company has a track record of proactively fulfilling regulatory requirements. There is not a single violation of any type, since inception in 1996. Your Company has already crossed the milestone of being accredited ISO 14001:2004 and OHSAS 18001:1999.

## CONTRIBUTION TO EXCHEQUER

Corresponding to the increase in turnover, there is a decrease in contribution made to exchequer through taxes due to softening of excise duty. 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 2008-09 brought good outcome for the Company in terms of quality improvement. The Company won various accolades during this year. The Company won the **"Business excellence award from CII (Confederation of Indian Industries)**.

The company upgraded its quality management system to aerospace quality standards and certified to **AS9100** Standard.

The company is further strengthening its operations and management techniques through the implementation of **"Balanced score card"** for aligning the different company objectives to meet the vision 2012.

## DISCLOSURE REGARDING REMUNERATION OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

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 The Delhi Stock Exchange Ltd. (DSE), Bombay Stock Exchanges Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). However, the Company has filed delisting application 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 2009-10. 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, 2009, 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, 2009 on a 'going concern' basis.

## CORPORATE GOVERNANCE

Your Company is committed to adopting the best practices in the area 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

The employer – employee relations remained cordial at all the plants of the Company and peaceful throughout the year. During the year, measures for training, development, safety of the employees and environmental awareness received the top priority of the Management. Existing employees are continuously being imparted 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

The Board of Directors of your Company express its 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, 2009**

**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 stabilizer 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 meltdown in the globally economy and depreciation of rupee against dollar, your Company could not maintain the level of 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.6099 Lacs
Total Foreign exchange used	:	Rs.3660 Lacs

for and on behalf of the Board

Place : Rohtak  
Dated : July 29, 2009

Lalit Kumar Jain  
Chairman & Managing Director



## Form A

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

Particulars	2008-2009	2007-2008
<b>A. Power &amp; Fuel consumption</b>		
<b>1. Electricity</b>		
(a) Purchased		
unit (Kwh in thousand)	11711.84	11792.56
Total amount (Rs. in lacs)	523.52	549.70
Rate/ unit (Rs.)	4.47	4.66
(b) Own generation		
Through diesel generator (unit in thousand)	2705.04	3586.73
Rate per litre of diesel oil	33.07	30.94
Cost/ unit (Rs.)	9.44	8.80
<b>2. LPG</b>		
Qty./ Tons	278.82	346.71
Total amount (Rs. in lacs)	145.27	152.17
Average Rate/ Kilogram (Rs.)	52.10	43.89
<b>3. Furnace Oil</b>		
Qty./ Litres (in thousand)	-	1.43
Total amount (Rs. in lacs)	-	32.11
Average Rate/ litre (Rs.)	-	22.44
<b>B. Consumption per tone of production</b>		
Product (with details) Unit		
Electricity (Units/ Ton)	1159.57	1163.60
LPG (kg./ Ton)	22.43	26.23
Furnace Oil (litre/ Ton)	-	10.83

## 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. Development 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 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 given tremendous life and increase productivity, 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.

<b>c) Expenditure on R &amp; D:</b>	<b>(Rs. in lacs)</b>
(1) Capital	59.18
(2) Recurring	51.44
Total	<u>110.62</u>
(3) Total R&D expenditure as a percentage of turnover	0.49%

## 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 joiners.
8. New concept of Long Bolt Rolling Machine introduced for high productivity.
9. Company has started developing more and more components/shafts through cold forging process.
10. Company has saved lacs of rupees through process innovation and process modification.
11. With the development of shafts/components/parts for auto industry, Company's image has been widely appreciated by customers.

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

NIL

## Annexure 'B' to the Directors' Report

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, 2009.

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

Sr. No.	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	8220000	05.12.74	55 35	B. E. Mech.	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	7891200	27.12.68	61 41	B. Com	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	7891200	05.12.74	52 34	B. A.	-
04	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	2630400	24.02.74	59 35	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 the relative of Chairman & Managing Director of the Company.
6. Mr. Sudesh Kumar Jain is a relative of Vice Chairman & Managing Director of the Company.

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

#### Disclosure of Information to Investors

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

### (2) Board of Directors

#### Composition and category of Directors

During the year Board of the Company consists of ten Directors which comprises three Executive Directors, seven Non Executive Directors out of whom five are independent 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 2008-09, Six Board Meetings were held on 23.05.2008, 13.06.2008 (2 Nos.), 29.07.2008, 30.10.2008, and 24.01.2009. 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, 2009 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 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 Memberships	Committee Chairmanships
1.	Mr. Lalit Kumar Jain	ED (CMD)	5	Yes	5	1	1
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	6	Yes	3	1	Nil
3.	Mr. Vijay Kumar Jain	ED (JMD)	5	Yes	3	1	Nil
4.	Mr. Rajesh Jain	NED	4	No	8	3	1
5.	Mrs. Sushila Devi Jain	NED	6	No	Nil	Nil	Nil
6.	Mr. Jamshedji Rustomji Desai	NEID	6	No	1	2	1
7.	Mr. Babulal S. Aggarwal *	NEID	0	No	1	1	Nil
8.	Mr. Keshwa Nand Rattan	NEID	4	Yes	Nil	2	1
9.	Mr. Ajay Kumar Chakraborty	NEID	6	Yes	3	8	1
10.	Mr. R. Krishnakumar **	NEID	5	No	2	Nil	Nil
11.	Mr. Bhupendranath Vidyanath Bhargava	NEID	0	No	11	10	5

\* Mr. Babulal S. Aggarwal expired on 29.09.2008 on the day of AGM. In this AGM reappointment of Mr. Aggarwal was due which was not carried.

\*\* ICICI Bank Ltd. withdrawn nomination of Mr. R. Krishnakumar from the Directorship of the Company.

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](http://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, 2009. 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:**

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

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 2008-09, Five Audit Committee meetings were held on 23.05.2008, 13.06.2008, 29.07.2008, 30.10.2008 and 24.01.2009. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Keshwa Nand Rattan	Chairman	4
Mr. Jamshedji Rustomji Desai	Member	5
Mr. Rajesh Jain	Member	4
Mr. Ajay Kumar Chakraborty	Member	5

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 till 20.10.2008 and thereafter, Mr. Subir Kumar Banerjee, AVP (Strategic Finance) & Company Secretary appointed in his place w.e.f. 01.01.2009 who acted 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 2008-09, one Corporate Governance and Remuneration Committee meetings were held on 31.05.2008. The attendance of Members during the meeting was as follows:

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

Mr. A.K. Chakraborty presided the Chair in the absence of Mr. J.R. Desai. Mr. S.N. Grover, Company Secretary acts as the Secretary of the Corporate Governance and Remuneration Committee.

##### Remuneration policy

The Non-Executive Directors are getting only sitting fees for attending the meetings of the Board and/ or Committees.

The payment of remuneration to Executive Directors is governed by the respective resolutions passed by the Meetings of Committees/ Board/ Shareholders 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 2008-2009:

### (a) Executive Directors:

Managing Directors / Joint Managing Director	Salary (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	6000000	1500000	720000
Mr. Dinesh Kumar Jain	5760000	1440000	691200
Mr. Vijay Kumar Jain	5760000	1440000	691200
Total	17520000	4380000	2102400

### (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 2008-09 are as under:

Name of the Directors	Rs.
Mr. Rajesh Jain	80000
Mrs. Sushila Devi Jain	30000
Mr. Jamshedji Rustomji Desai	55000
Mr. Babulal S. Aggarwal	0
Mr. Keshwa Nand Rattan	50000
Mr. Ajay Kumar Chakraborty	70000
Mr. R. Krishnakumar	25000
Total	310000

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

Name of the Directors	No. of Shares
Mr. Rajesh Jain	1443804
Mrs. Sushila Devi Jain	310415
Mr. Jamshedji Rustomji Desai	2204
Mr. Babulal S. Aggarwal	4500
Mr. Keshwa Nand Rattan	500
Mr. Ajay Kumar Chakraborty	NIL
Mr. R. Krishnakumar	NIL

### (5) Share Transfer and Investors Grievance Committee:

#### Terms of Reference and composition:

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

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

The members of the Committee normally meet twice in a month for share transfer and other said purposes. During the year 2008-09, seventeen 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 till 20.10.2008 and there after, Mr. Subir Kumar Banerjee, AVP (Strategic Finance) & Company Secretary appointed in his place w.e.f. 01.01.2009 who acted as the Secretary of the Share Transfer and Investors Grievance Committee meeting.

During the year, the Company has not received any complaint from the shareholders. The Company endeavors to reply to all complaints received from the shareholders within a period of 10 days. As on March 31, 2009, 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](mailto:mcscomplaintsdel@mcsdel.com) and endorse a copy to Compliance Officer at the email id [complianceofficer@lpsboi.com](mailto: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 lodging in on the site of MCS Limited [www.mcsdel.com](http://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
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
Annual General Meeting	29.09.2008	11.30.A.M	Regd. Office

4 special resolutions were passed at the Annual General Meeting held on 29.09.2008.

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.22 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 in its meetings.
- There were neither any non-compliance by the Company on any matters relating to capital markets during the last three years; nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any Statutory Authority.
- The Company has Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company, at large.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

#### CEO/ CFO Certification

The Chairman and Managing Director (CEO) and the AVP (Finance) (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended March 31, 2009.

#### (8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express, Business Lines (English) and Jansatta (Hindi). The quarterly shareholding pattern and quarterly/ half-yearly/ yearly results are also placed on the Company's website <http://www.lpsindia.com> under the head of 'Financial Info' for the purpose of household of the 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 <http://www.sebiedifar.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 2009-10:

- (i) Annual General Meeting is proposed to be held on Wednesday, 30<sup>th</sup> September, 2009 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, 2009	End July, 2009
Mailing of Annual Reports to the Members	Starting September, 2009
Annual General Meeting for the year 2008-09	End September, 2009
Financial Reporting for the half-year ending September 30, 2009	End October, 2009
Financial Reporting for the quarter ending December 31, 2009	End January, 2010
Financial Reporting for the year ending March 31, 2010	End June, 2010

(iii) Dates of Book closure: Saturday 19<sup>th</sup> September, 2009 to Wednesday, 30<sup>th</sup> September, 2009. (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 2009-10 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2009-10 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

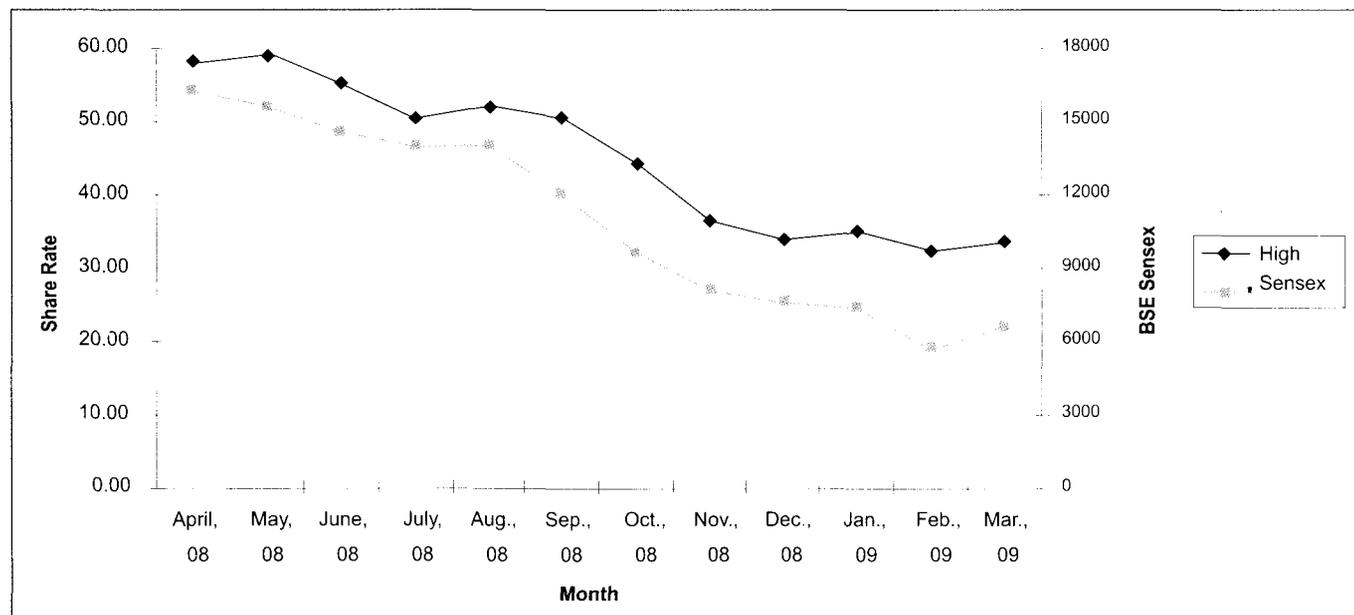
(vi) **Market Price Data:**

Market Price Data for the financial year 2008-09

Year 2008-09	Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Sensex
Apr. – 2008	54.05	43.00	17481
May – 2008	52.00	43.50	17736
Jun. – 2008	48.45	35.10	16633
Jul. – 2008	46.60	32.10	15130
Aug. – 2008	46.70	35.35	15580
Sep. – 2008	40.25	28.05	15107
Oct. – 2008	32.00	22.05	13204
Nov. – 2008	27.00	21.00	10945
Dec. – 2008	25.40	20.75	10189
Jan. – 2009	24.50	15.10	10470
Feb. – 2009	19.00	18.00	9725
Mar. – 2009	21.95	16.40	10127

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

Index Comparison – LPS Share Price Vs BSE Sensex



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

M/s. MCS Ltd.  
F- 65, First Floor, Phase – I,  
Okhla Industrial Area, New Delhi – 110 020.  
Tel: +91-11-41406149  
Fax: +91-11-41709881  
E-mail: 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 31<sup>st</sup> March, 2009:**

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	7904	88.94	1099611	10996110	10.05
5001 to 10000	508	5.71	404036	4040360	3.69
10001 to 20000	242	2.72	366927	3669270	3.35
20001 to 30000	79	0.89	198598	1985980	1.82
30001 to 40000	30	0.34	105016	1050160	0.96
40001 to 50000	31	0.35	144979	1449790	1.33
50001 to 100000	45	0.51	322086	3220860	2.94
100001 and above	48	0.54	8300414	83004140	75.86
<b>Total</b>	<b>8887</b>	<b>100.00</b>	<b>10941667</b>	<b>109416670</b>	<b>100.00</b>

**(xi) Shareholding Pattern as on 31<sup>st</sup> March, 2009:**

Particulars of Shareholders	No. of Shareholders	No. of Shares	% of Shareholding
Banks & Financial Institutions	6	1925	0.018
Foreign Institutional Investors	3	1250	0.011
NRIs/ OCBs	107	75480	0.690
Mutual Funds	3	900700	8.232
Private Corporate Bodies	208	312458	2.856
Promoters, Directors & Relatives	23	6877290	62.854
Persons acting in concert	2	30733	0.281
General Public	8535	2741831	25.058
<b>Total</b>	<b>8887</b>	<b>10941667</b>	<b>100.000</b>

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

As on 31<sup>st</sup> March, 2009, 35.28% of Company's total paid up capital representing 38,60,583 equity shares of Rs.10/- each were held in dematerialized form [i.e. 32,77,995 shares (29.96%) with NSDL and 5,82,588 shares (5.32%) with CDSL] and balance 64.72% representing 70,81,084 equity shares of Rs.10/- each shares were held in physical form.

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

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

**(xiv) Plant Locations:**

**Plant – I:**

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

**Plant – II:**

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

**Plant – III:**

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

**Plant – IV:**

Lakshmi Precision Screws Ltd.  
15<sup>th</sup> 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 : spgupta@lpsboi.com

**(xvi) Compliance:**

The certificate dated 29.07.2009 issued by Auditors of the Company, regarding compliance of 'Corporate Governance', as stipulated under clause 49 of the Listing Agreement is annexed herewith.

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

1. A Committee under the name of Corporate Governance and Remuneration Committee comprising 4 Non-Executive Directors are functional for reviewing and deciding the Company's policy on specific remuneration packages for Executive Directors.
2. Shareholders rights: The quarterly/ half-yearly/annual financial results are published in two newspapers of English and Hindi languages and hosted on the Company's website 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

During the large part of the financial year 2008-09, the economy of the country witnessed slow down in economic growth due to global meltdown. The year 2008-09 has been a year of pull down pressure on the growth of the Indian and global economy as well as for your Company. The performance of the fasteners industry is linked to the automobile sector. During the year 2008-09, the automobile sector suffered worst due to global meltdown and higher rate of interest. As per the revised estimates of the Central Statistical Organization (CSO), growth momentum of the domestic economy is at around 6.7% during 2008-09 as compared to 9% during 2007-08. When the global economy is stumbled, such a growth may be viewed with positive prospectus. All the constituent sectors experienced reduced growth, where the downslide is more prominent in case of agriculture and manufacturing sector. Currently, there is some revival in the domestic economy.

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. The Company views the future with cautious optimism. A stable Government at the centre will help improve market sentiment. The industry has been trying to impress upon the Government the need for excise relief. Industry also wants easier and cheaper credit, which will drive automobile sales. Long term improvement in road infrastructure will go a long way in helping the automobile industry. Lower inflation will also help reduce the cost of funds to the Company. Stable rupee rates, commodity prices and reduced import duties will help in managing manufacturing cost. A recovery has been seen in the first few months of the financial year 2009-10. As such, your Company has a good opportunity in view of the present estimates of the future development of the industry.

### b) Threats

There are certain weaknesses that the Indian manufacturing industry is confronting which includes 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. Moreover, in the midst of this slowdown, the Wholesale Price Index (WPI) depreciated sharply from its intra-year peak of 12.91% on August 02, 2008 to 0.26% by March 28, 2009, mainly due to softening of prices of mineral oils and basic metals that together accounted for 83% of the decline. The slackening economic activities, commodity prices including oil and raw material, came down and thereby eased the pressure on price rise. All major automobile manufacturers are establishing their operations in India either directly or through joint-venture agreements with Indian companies. It is against this backdrop that the Indian automobile industry has to face two major challenges viz. competing with global OEMs in the Indian market and enhancing global presence. Due to this, your Company may have to face stiff competition and cost reduction pressure from customers.

## FUTURE OUTLOOK

The economic outlook, which was rather uncertain in recent past, is getting a bit clearer at present. Ample signals in the form of decline in exports, narrowed capital inflows, lower remittances, depressed capital market conditions, tighter funding conditions and higher delinquencies, signify continued dominance of pull down pressure in the short run. Stimulating fiscal measures are in the right direction to rekindle the growth prospectus. Controlled inflation, attractive domestic saving, lowering rate of interest and low oil prices are some of the positive factors, which would fuel investment in the economy. Though gradual, an efficient push is warranted to ignite the growth momentum and break the downslide of the business cycle. In this context, emphasis on infrastructure needs to be reinforced and implemented on priority basis. A good monsoon would further brighten the growth prospectus. Though market conditions would remain under pressure and volatile, growth of the economy is expected to remain above 5.5% during financial year 2009-10. Such growth momentum and the revival plan would bestow sufficient platform to your Company in order to enlarge their growth.

The performance of the fastener industry is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. 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 ahead of the industry growth and registered a growth of 8% in 2008-09.

It is good to see that all our customers are indicating increased volume in production and new entrants are opting for your Company as a major source for their new models. As such, the outlook for the financial year 2009-10 is looking good.

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. In the age of competitive 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. Their reports and 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)	
	2009	2008
Net Sales & Other Income	22661	21068
Profit before Interest, Depreciation and Tax	3215	3262

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2008-09, separately.

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

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

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

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

The employee-management relations have remained positive throughout the year. Initiatives are being taken to enhance the productivity of employees. Total employee strength of the Company is about 1085 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, 2009.

for **Lakshmi Precision Screws Ltd.**

Place : **Rohtak**  
Dated : **July 29, 2009**

**Lalit Kumar Jain**  
**Chairman & Managing Director**

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 31<sup>st</sup> March, 2009 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, 2009**

**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, 2009 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, 2009**

**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 31<sup>st</sup> March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order 2004 issued by the Central Government 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 except AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India;
- v) on the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 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 subject to Note No.11 with regard to provision of gratuity liability and non furnishing of information as required by AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India and read together with other 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 31<sup>st</sup> March, 2009.
  - 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 27, 2009**

**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 not granted any unsecured loan to any company, firm and other parties covered in the register maintained under section 301 of the Act. Therefore the clauses 3(a), (b) (c) and (d) are not applicable to the company.  
e) The Company has taken deposits from 8 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs.32940311/- as on the date of the balance sheet.  
f) In our opinion the terms and conditions on which such loans have been taken are not prima facie prejudicial to the interests of the Company.  
g) In our opinion, the repayment of deposits and interest thereon is regular as per stipulated terms. Other loans and advances from directors and their relatives amounting to Rs.11407011/- as on the balance sheet date are as per stipulations of lending financial institutions and banks.
4. In our opinion, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. a) As per our prima facie examination of the register maintained under section 301 of the Act, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.  
b) In our opinion and according to the information and explanations given to us, each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has accepted deposits from the public. In our opinion, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed thereunder, or any other relevant provisions of the Act, where applicable, have been complied with. Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal has not passed any order in respect of public deposits accepted by the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. With regard to the applicability of the cost records prescribed u/s 209(1)(d) of the Companies Act, 1956, the Central Government has issued a notification dated April 24, 2001 whereby the cost accounting records (Engineering Industries) Rules 1984 have been amended to include in its appendix all types of 'automotive parts and accessories'. As per the information and explanations given to us by the company, the products of the company has 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 except with some minor delays. There are no arrears of outstanding statutory dues as at 31<sup>st</sup> March 2009, concerned for a period of more than six months from the date they become payable. However, the company has not made any provision towards cess payable u/s 441 A of the Companies Act, 1956, since the required notification has not been issued by the Central Government in this regard.

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

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	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
	<b>TOTAL</b>	<b>7716673</b>		
Industrial Dispute Act, 1947	Recovery of money due from employer	239980	1999 to 2002	Labour Court, Rohtak
	<b>TOTAL</b>	<b>239980</b>		
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
	<b>TOTAL</b>	<b>220537</b>		

10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. In our opinion and according to explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank except in the case of devolvement of letter credits amounting to Rs.40422694/- which were due for payment to Canara Bank in the month of March 2009. The same have been regularized by the company by 28<sup>th</sup> April, 2009. Further in case of term loans taken by Company, there has been minor delays in making repayments as under:

Name of Financial Institution/Bank	Nature of Loan	Due Date	Actual Date of Payment	Amount (Rs.)
ICICI Bank Limited	Term Loan	19.03.2009	20.03.2009	8779750
ICICI Bank Limited	Term Loan	19.03.2009	26.03.2009	2549000
ICICI Bank Limited	Term Loan	19.03.2009	30.03.2009	5527440
Canara Bank	Term Loan	25.03.2009	02.04.2009	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 fund 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.117.51 lacs.
17. In our opinion and on the basis of examination of cash flow statement and as per the explanations given to us, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. According to information and explanation given to us, no fraud on or by the Company has been noticed reported during the year.

for V.R. Bansal & Associates  
Chartered Accountants

Place : NOIDA  
Dated : June 27, 2009

V.P. Bansal  
Partner



## BALANCE SHEET

Description	Schedule No.	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>A. SOURCES OF FUNDS</b>			
a) Shareholders' Funds			
Share Capital	1	109416670	109416670
Reserves and Surplus	2	717644691	702763197
		827061361	812179867
b) Loan Funds			
Secured Loans	3	1152748888	1013165757
Unsecured Loans	4	40207011	80788070
		1192955899	1093953827
c) Deferred Tax Liabilities (net)			
		33694039	24861745
TOTAL		2053711299	1930995439
<b>B. APPLICATION OF FUNDS</b>			
a) Fixed Assets			
Gross Block		1432492961	1232340039
Less : Accumulated Depreciation	5	811608324	718647794
Net Block		620884637	513692245
Add : Capital Work in Progress		10427782	26090174
		631312419	539782419
b) Investments			
	6	42736580	42236580
c) Current Assets, Loans and Advances			
Inventories		1291519714	1160949153
Sundry Debtors		516714004	577401593
Cash and Bank Balances		67623199	104460761
Other Current Assets		26719140	3707885
Loans and Advances		164839756	162008036
		2067415813	2008527428
Less: Current Liabilities and Provisions			
Current Liabilities	8	663112970	606448827
Provisions		27092422	56046844
Total Current Liabilities		690205392	662495671
Net Current Assets		1377210421	1346031757
d) Miscellaneous Expenditure			
	9	2451878	2944683
TOTAL		2053711299	1930995439
<b>C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITES AND NOTES</b>			
	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.K. Banerjee  
AVP (SF) &  
Company Secretary

Place : NOIDA  
Dated : June 27, 2009

# PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>A. INCOME</b>			
Gross Sales		2506331624	2303646831
Less: Excise Duty		266258050	233485350
Net Sales		2240073574	2070161481
Job work Receipts		1072135	896690
Other Income	10	24956191	35722340
		<b>2266101900</b>	<b>2106780511</b>
<b>B. EXPENDITURE</b>			
Materials and Finished Goods	11	958397155	782790261
Manufacturing	12	396636999	453189913
Personnel	13	330969232	305977039
Office and Administration	14	139310972	128662294
Selling and Distribution	15	103850777	94127990
Interest and Financial charges	16	163053959	117325714
Managerial Remuneration	17	24002400	15837200
Depreciation		92981689	85334527
		<b>2209203183</b>	<b>1983244938</b>
Profit before Tax and prior period item		56898717	123535573
Add:- Prior period items (Note No.10)		8572976	0
Profit before Tax		65471693	123535573
Tax Expenses			
- Current Tax		15419817	36150604
- Deferred Tax		8832294	5105226
- Fringe Benefit Tax		6000000	4900000
- Wealth Tax		211700	185400
		<b>35007882</b>	<b>77194343</b>
<b>C. PROFIT FOR THE YEAR CARRIED DOWN</b>			
<b>D. PROFIT FOR APPROPRIATION</b>			
Balance as per last Balance Sheet		347062786	287229887
Profit for the year brought down		35007882	77194343
		<b>382070668</b>	<b>364424230</b>
Transfer to General Reserve		0	2000000
Proposed Dividend		6565000	13130000
Corporate Dividend Tax		1115722	2231444
Balance carried over to Balance Sheet		374389946	347062786
		<b>382070668</b>	<b>364424230</b>
<b>E. EARNING PER SHARE (Face Value Rs. 10 per share)</b>			
- Basic & Diluted		3.20	7.06
<b>F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>	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.K. Banerjee  
**AVP (SF) &  
Company Secretary**

Place : NOIDA  
Dated : June 27, 2009

## SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Refer Notes	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised:</b>			
14970000 - Equity Shares of Rs. 10/- each		149700000	149700000
30000 - 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		300000	300000
		<b>150000000</b>	<b>150000000</b>
<b>Issued, Subscribed And Paid Up</b>			
10941667 - Equity Shares of Rs.10/- each fully paid up		109416670	109416670
		<b>109416670</b>	<b>109416670</b>
<b>SCHEDULE - 2</b>			
<b>RESERVES AND SURPLUS</b>			
Capital Reserve		13931192	13931192
Securities Premium Account		318336034	318336034
General Reserve			
As per last Balance Sheet	23433185		21433185
Add : Transfer from Profit and Loss Account	0		2000000
	<b>23433185</b>		<b>23433185</b>
Less : Foreign Exchange Variation for the year 2007-2008 capitalised	1318800	22114385	0
		<b>(11126866)</b>	<b>0</b>
Foreign Currency Monetary Item Translation Difference Account			
Profit and Loss Account		374389946	347062786
		<b>717644691</b>	<b>702763197</b>
<b>SCHEDULE - 3</b>			
<b>SECURED LOANS</b>			
<b>From Banks</b>			
<b>Canara Bank, Rohtak</b>			
	1		
Cash Credit Accounts		397909815	470625839
Foreign Bills Purchased Account		92086638	115191660
Bills Discount Account		27370802	35212447
Cheques Discounted		9158061	13661699
Bills (L/C) Account		40422694	0
Working Capital Term Loan		29384681	41708136
Short Term Loan		16115053	27758975
Term Loan		3981408	6120702
		<b>616429152</b>	<b>710279458</b>
<b>Indian Overseas Bank, Rohtak</b>			
	1		
Cash Credit Accounts		139424899	0
Foreign Bills Purchased Account		30397658	0
Bills Discount Account		1177858	0
		<b>171000415</b>	<b>0</b>
<b>ICICI Bank Limited, New Delhi</b>			
	2		
Cash Credit Account		34552001	35882273
Rupee Currency Term Loan		36539703	68139709
Foreign Currency Term Loan		272804850	186260200
Against hypothecation of Motor Cars		7075410	4815521
		<b>350971964</b>	<b>295097703</b>

Description	Refer Notes	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>State Bank of Patiala, New Delhi</b> Term Loan		0	6663341
		0	6663341
<b>IDBI Bank Ltd</b> Cash Credit Account/Short Term Loan	3	12595970	0
		12595970	0
<b>State Bank of India, Rohtak</b> Against hypothecation of Motor Cars		488044	0
		488044	0
<b>Deferred Payment Credits</b> Haryana State Industrial & Infrastructure Development Corporation Limited	4	1263343	1125255
		1263343	1125255
		1152748888	1013165757

**NOTES:**

- (i) Working capital limits from Canara Bank and Indian Overseas Bank are in consortium in the ratio of 70% & 30% respectively. The limits from consortium banks are secured by way of first charge against hypothecation of stocks and book debts (present and future) and second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by 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 consortium banks are further secured by way of equitable mortgage of

  - Land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company.
  - Agricultural land measuring 4.6125 acres 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.
  - Pari-passu charge on entire fixed assets of the company acquired/to be acquired out of term loan of USD 6.66 Million (Approximately Rs. 29.30 Crores) availed from ICICI Bank.

(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 stock 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 and Rajesh Jain, Directors of the company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the company.
- (i) Cash credit limit from ICICI Bank Limited is secured by first charge by way of hypothecation of 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 bank 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 Ltd. is secured by way of first charge on all the company assets including all moveable and immoveable properties both present and future on pari-passu basis and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company.

(iii) Foreign Currency term loan from ICICI Bank Ltd. 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 materials, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future 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 and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the company.
- Cash Credit /Short term loan from IDBI Bank is secured by way of subservient charge on entire current and movable fixed assets of the company and guaranteed by Shri L.K. Jain, Chairman and Managing Director of the company.
- Deferred payment credit from Haryana State Industrial & Infrastructure Development Corporation Limited is secured against Plot No. 153, Sector-3 allotted to the company at IMT Manesar, Gurgaon.
- Term loans and deferred payment credits due within a year are Rs.1576 lacs (Previous year Rs.1046 lacs).

Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
<b>Fixed Deposits</b>	28800000	29400000
{Due within a year Rs.288 lacs (previous year Rs.294 lacs)}		
<b>Short Term Loans And Advances</b>		
From IndusInd Bank Limited	0	39981059
<b>Other Loans and Advances*</b>		
From Directors	480176	480176
From Others	10926835	10926835
	11407011	11407011
	40207011	80788070

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

**SCHEDULE-5**  
**FIXED ASSETS**

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2008 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2009 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.	
1	Industrial Land											
	Freehold Land	24845469	0	0	24845469	0	0	0	0	24845469	24845469	
	Leasehold Land	18214451	183965	0	18398416	0	0	0	0	18398416	18214451	
2	Factory Buildings	168157046	12891032	0	181048078	39149813	7608499	0	46758312	134289763	129007233	
3	Office Premises											
	Freehold Offices	813362	0	0	813362	408249	20256	0	428505	384857	405113	
	Leasehold Offices	553040	0	0	553040	309352	12184	0	321536	231504	243688	
4	Plant and Machinery	812516725	170069717	0	982586442	548995551	71048716	0	620044269	362542171	263521172	
5	Effluent Treatment Plant	1364489	0	0	1364489	1235736	35819	0	1271555	92934	128753	
6	Furniture and Fixtures	36536560	1038787	0	37577408	22786269	1695990	0	24482259	13095150	13750291	
7	Electric Fans and Installations	31765700	2454504	0	34220204	20177564	1975507	0	22153071	12067133	11588136	
8	Office Equipments	22148076	1455805	106200	23497681	8901627	1032210	21158	9912679	13585002	13246449	
9	Computer and Computer Software	60096864	3076364	0	63173227	48428914	4364325	0	52793239	10379988	11667950	
10	Vehicles	53124429	9049977	0	62174406	26644638	5095326	0	31739964	30434442	26479791	
11	Weighing Scales	1404378	12440	0	1416814	1077508	40171	0	1117679	299139	326870	
12	Fire Extinguisher	799444	24481	0	823925	532573	52686	0	585259	238666	266871	
	<b>Total</b>	1232340039	200259122	106200	1432492961	718647794	92981688	21158	811608324	620884637	513692245	
	Add: Capital Work in Progress:											
	Building	26090174	11185873	26848267	10427782	0	0	0	0	10427782	26090174	
	Interest & Financial Charges	11777949	5926833	12891032	4813750	0	0	0	0	4813750	11777949	
	Plant & Machinery	11005353	3057180	8448503	5614032	0	0	0	0	5614032	11005353	
		3306872	2201860	5508732	0	0	0	0	0	0	3306872	
	<b>Total : Current year</b>	1258430213	211444995	26954467	1442920743	718647794	92981688	21158	811608324	631312419	539782419	
	<b>Previous Year</b>	1077146289	182901542	1617625	1258430213	634387452	85334527	1074187	718647794			

**NOTES:**

- 1 Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in the case of Plant-II and Manesar Plants where depreciation has been provided on straight line method.
- 2 Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- 3 The addition in fixed assets include Rs.6816544/- (last year Rs.14270746/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by the Institute of Chartered Accountants of India.
- 4 Addition in Plant and Machinery include Rs.25919461/- (last year Rs.19957780/-) capitalised on account of Dies and Tools relating to development of new product.
- 5 Leasehold Offices Premises are in respect of office flats at Bangalore.
- 6 Freehold Offices Premises are in respect of office flats at Mumbai and Delhi.

Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS</b>		
(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		
279300 (last year 229300) Equity Shares of Rs.10/- each	2793000	2293000
J.C. Fasteners Limited, Rohtak		
700000 Equity Shares of Rs.10/- each	7000000	7000000
LPS Bossard Private Limited (Joint Venture)		
2352019 Equity Shares of Rs.10/- each	23520190	23520190
LPS Bossard Information Systems Private Limited (Joint Venture)		
184749 Equity Shares of Rs.10/- each	1847490	1847490
Lakshmi Extrusion Ltd, Rohtak		
30000 Equity Shares of Rs.100/- each	3000000	3000000
	<b>42736580</b>	<b>42236580</b>
<b>SCHEDULE - 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>		
(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Chairman and Managing Director)		
Raw Materials	55546287	95002613
Raw Materials in transit	0	34714421
Finished goods	411252156	349514312
Finished goods in transit	1954686	1894407
Semi finished goods	198934152	181886302
Consumables stores and Spare Parts	115888036	84071720
Dies and tools	473741059	380696781
Packing materials	27334056	27219548
Stationary in hand	416957	429903
Postage and foreign stamps	200	616
Scrap materials (at realisable value)	6452125	5518530
	<b>1291519714</b>	<b>1160949153</b>
<b>Sundry Debtors</b>		
(Unsecured - considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	86475612	33408990
Other Debts	431088392	544096983
	<b>517564004</b>	<b>577505973</b>
Less: Provision for doubtful debts	850000	104380
	<b>516714004</b>	<b>577401593</b>
<b>Cash and Bank Balances</b>		
Cash and cheques in hand	714594	4912359
(includes Cheques in hand - Rs.310120/-, Previous Year Rs.4641532/-) with Scheduled Banks		.
In Fixed Deposit Accounts		
Pledged as margin money against bank guarantees	300000	275000
Pledged as margin money against letter of credits	29632000	28400000
Lien against public deposits	4500000	4500000
No lien account	11554143	46013129
In Cash Margin Accounts	3907667	7200000
In Current Accounts	15398874	11878222
In Dividend Accounts	1581389	1251257
In E E F C Account (US\$ 769.83 Previous year US\$ 769.83)	34532	30794
	<b>67623199</b>	<b>104460761</b>

Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>Other Current Assets</b>		
Interest accrued on deposits	2312694	2707885
Freight Subsidy receivable	2000000	1000000
Export incentive receivable	17185583	0
DEPB Licence in hand	5220863	0
	<b>26719140</b>	<b>3707885</b>
<b>Loans and Advances</b>		
(unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	123244652	114585152
Security deposits	11105427	11216293
Balance with Central Excise Department:		
Excise Duty	14149987	10897616
Service Tax	1527390	3256531
Advance Income Tax and TDS	11025540	18122526
Advance Fringe Benefit Tax	2115000	3029765
VAT refund due	1671760	900153
	<b>164839756</b>	<b>162008036</b>
	<b>2067415814</b>	<b>2008527428</b>
<b>SCHEDULE - 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors:		
Due to micro and small enterprises	5398	0
Due to other than micro and small enterprises	530666647	505400288
Due to subsidiary company	4356202	3803811
Advances and progress payments from customers	62517556	20401291
Unclaimed dividend	1581389	1251257
Other liabilities	32462350	28302477
Excise duty payable	29215273	45951263
Interest accrued but not due	1936632	1074286
Current Account with Banks (Credit Balances)	371523	264154
	<b>663112970</b>	<b>606448827</b>
<b>Provisions</b>		
Income Tax	13200000	36000000
Wealth Tax	211700	185400
Fringe Benefit Tax	6000000	4500000
Proposed Dividend	6565000	13130000
Corporate Dividend Tax	1115722	2231444
	<b>27092422</b>	<b>56046844</b>
	<b>690205392</b>	<b>662495671</b>
<b>SCHEDULE - 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Interest on deferred payments		
As per last Balance Sheet	243465	1663567
Add: Addition during the year	1132839	0
	<b>1376304</b>	<b>1663567</b>
Less: Written Off	686141	1420102
	<b>690163</b>	<b>243465</b>
Technical knowhow fee		
As per last Balance Sheet	2701218	3043075
Add: Addition during the year	0	300500
	<b>2701218</b>	<b>3343575</b>
Less: Written Off	939503	642357
	<b>1761715</b>	<b>2701218</b>
	<b>2451878</b>	<b>2944683</b>

Description	Year Ending 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>SCHEDULE - 10</b>		
<b>OTHER INCOME</b>		
Rent	50400	50400
Interest on fixed deposits with banks, loans and from customers (TDS Rs. 982725/- previous year Rs.1324423/-)	2873431	4416390
Miscellaneous receipts	2531574	5009690
Exchange rate variation	0	26083086
Profit on sale of assets	0	162774
Excess provision for FBT written back	185000	0
Bad debts recovered	1135631	0
Export Incentives	18180155	0
	24956191	35722340
<b>SCHEDULE - 11</b>		
<b>MATERIALS AND FINISHED GOODS</b>		
<b>Raw Materials Consumed</b>		
Opening stocks	95002613	181525307
Add : Purchases	859921081	672408511
Freight and cartage	20992904	25174374
	975916598	879108192
Less : Closing stocks	55546287	95002613
Raw materials consumed	920370311	784105579
Add : Opening stocks		
Finished goods	349514312	296095980
Finished goods in transit	1894406	1077774
Semi finished goods	181886302	115591349
Scrap materials	5518530	4595777
	538813550	417360880
Add : Purchases of semi-finished/finished goods	117806414	120137352
	1576990274	1321603811
Less : Closing stocks		
Finished goods	411252156	349514312
Finished goods in transit	1954686	1894406
Semi finished goods	198934152	181886302
Scrap materials	6452125	5518530
	618593119	538813550
	958397155	782790261
<b>SCHEDULE - 12</b>		
<b>MANUFACTURING EXPENSES</b>		
Consumable stores and spare parts	25814642	42936356
Dies and tools	27698936	47686233
Electricity, water and fuel	100552976	97367680
Job work charges	197709680	198689155
Excise duty on closing stock of finished goods and scrap material	29215273	45951263
Less : Excise duty payable as on 01.04.2008	45951263	
	(16735990)	40266134
Repairs to machinery	11084554	8192282
Packing expenses	42179985	43300620
Testing charges	447593	366787
Generator hire charges	1194825	2676283
Research and development expenses	5144174	5115999
Royalty, Technical know-how fee	1545624	1173389
	396636999	453189913

Description	Year Ending 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>SCHEDULE - 13</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries,Wages and other amenities	280403262	252136738
Bonus	11997489	11972075
Co's contribution towards LIC Gratuity Trust	3000000	7000000
Co's contribution towards P.F.	12575552	11956861
Co's contribution towards E.S.I.	4426185	5262872
Staff welfare	9889144	9026374
Staff recruitment and training	1414788	3016333
Watch and ward expenses	7262812	5605786
	<b>330969232</b>	<b>305977039</b>
<b>SCHEDULE - 14</b>		
<b>OFFICE AND ADMINISTRATION EXPENSES</b>		
Rent	4945468	4431755
Rates and taxes	451983	692984
Printing and stationery	6331915	7033204
Postage, telephone,telex and fax	8534267	7967584
Travelling and conveyance	69703852	60921676
Vehicle maintenance	3629888	3844878
Legal and consultancy	14080642	16156359
Insurance	2765709	3088652
Auditors' Remuneration:		
Audit fee	900000	800000
Tax Audit Fee	100000	100000
Limited Review	180000	150000
Out-of pocket expenses	73947	84045
Repairs to building	5382377	6219161
Floriculture expenses	1111932	885563
General repairs	10413593	4368617
Loss on sale of assets	68879	170777
Miscellaneous	10326520	11337039
Directors' Sitting Fees	310000	410000
	<b>139310972</b>	<b>128662294</b>
<b>SCHEDULE - 15</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Freight, insurance and cartage	49330984	44717316
Turnover and cash discount	36462416	34381317
Advertisement,Publicity and sales promotion	9809870	8974937
Bad Debts,Liquidated damages and short recoveries	2901843	930682
Provision for bad and doubtful debts	850000	104380
Excise duty and sales tax	4495664	5019358
	<b>103850777</b>	<b>94127990</b>

Description	Year Ending 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>SCHEDULE - 16</b> <b>INTEREST AND FINANCIAL CHARGES</b> Interest On fixed loans On non-fixed loans Front-end fee Financial charges Exchange rate variation Bank charges	33590420 87487468 2715176 746424 15188012 23326459 163053959	39454273 59620399 776295 753944 0 16720803 117325714
<b>SCHEDULE - 17</b> <b>MANAGERIAL REMUNERATION</b> Chairman and Managing Director Vice Chairman and Managing Director Joint Managing Director	8220000 7891200 7891200 24002400	5397800 5219700 5219700 15837200

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

**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.)	
S.No	Particulars	2009	2008
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	26	256
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	174	606
3.	Liabilities against legal undertakings/ bonds executed in favour of DGFT on account of export obligation undertaken by the Company against advance/ import licences under EPCG Scheme.	478	927
4.	Income Tax liabilities on account of appeals pending with various authorities.	77	77
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 ICICI Bank Limited, Singapore has disbursed a foreign currency loan of \$20 lacs (Rs.799 lacs) previous year \$ 46.60 lacs i.e Rs.1875 lacs). The said amount has been utilized towards capital expenditure for the purpose of expansion/extension of the new units at Manesar, Haryana and at existing units of the company. A sum of Rs.117.51 lacs is lying unutilized as at the end of the year on this account.

b) Foreign currency loan from ICICI Bank Limited as at the end of the year has been translated at the prevailing rate of exchange as on the date of balance sheet. Consequent to realignment of the value of foreign currency loan, the rupee liability of the company has increased by Rs.331.75 lacs. Out of the said exchange loss a sum of Rs.220.48 lacs has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.111.27 lacs has been debited to the Foreign Currency Monetary Item Translation Difference Account in accordance with Accounting Standard 11 (AS-11) as amended vide notification no.G.S.R 225 (E) dated 31.03.2009 issued by the Ministry of Corporate Affairs.
- In terms of joint venture agreement entered into with Bossard AG, Switzerland on 26.06.1997, the company has invested a sum of Rs.23520190/- in LPS Bossard Private Limited towards allotment of 2352019 Equity Shares of Rs.10/- each and a sum of Rs.1847490/- in LPS Bossard Information Systems Private Limited towards allotment of 184749 Equity Shares of Rs.10/- each, towards 49% holding in the aforesaid Companies.
- Fixed deposits from public include a sum of Rs.12350000/- due to Directors (previous year Rs.12350000/-).
- The company has capitalized dies and tools amounting to Rs.25919461/- (last year Rs.19957780/-) relating to development of new tools and dies during the year.
- Sundry Debtors includes a sum of Rs.24250387/- due from LPS Bossard Private Limited, a Joint Venture Company (maximum due during the year Rs.37788652/-) (previous year due Rs.15070332/- and maximum due Rs.29162480/-).
- Advances includes a sum of Rs.4687727/- due from Lakshmi Extrusion Limited, an associate company (Maximum due Rs.4815723/-) (previous year due Rs.3200000/- and maximum due Rs.3568912/-).
- That there was a misappropriation of funds amounting to Rs.16059342/- by an employee of the company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. Police challan is awaited. 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.
- That the balance of Rs.14149987/- with central excise department as on 31.03.2009 includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.
- a) Sundry creditors include:

  - Rs.230943507/- (previous year Rs.181140266 /-) 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.4356202/- (Previous year Rs.3803811/-) payable to subsidiary company viz Indian Fasteners Limited.
  - Rs.1260200/- payable to Directors of the company (previous year Rs.1082200/-).

- b) Information required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006/MSMED Act) for the year ended 31<sup>st</sup> March, 2009. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Sr.No.	Particulars	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (c) below:	Rs. 5398	NIL
2.	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises Development Act, 2006 alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	NIL	NIL
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
5.	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

- c) Vender-wise Outstanding Principle Amount

N.R. Industries

Year ended 31st March 2009	Year ended 31st March 2008
Rs.5398	NIL

10. Prior period items include a sum of Rs.8572976/- credited to the profit and loss account on account of DEPB entitlement for the financial year 2007-2008.
11. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below:

#### Defined Contribution Plan

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

	(Amount in Rs.)	
	2008-09	2007-08
Employer's Contribution to Provident Fund	4292427	3920351
Employer's Contribution to Pension Scheme	8283125	8036510

#### Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

In respect of Financial year 2008-09, the company has made payment of Rs.30,00,000/- towards gratuity payable for the year. The actuarial valuation certificate as certified by an actuary has not been received and the short fall, if any, in the provision of Gratuity shall be provided on receipt of actuarial valuation certificate as aforesaid.

12. Interest and other borrowing costs amounting to Rs.6816544/- (previous year Rs.14270746/-) 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.
13. Pursuant to Notification no: G.S.R 225(E) dated 31<sup>st</sup> March, 2009 issued by the Ministry of Corporate Affairs, the company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange loss of Rs.3.63 crore arising on aforesaid long term foreign currency monetary items, a sum of Rs.2.41 crores has been added to the cost of fixed assets and a sum Rs.1.11 crores has been transferred to Foreign Monetary Items Translation Difference account and Rs.0.11 crore has been transferred to profit and loss account in accordance with the revised treatment.

14. Foreign currency exposures not hedged by the company.

(Amount in Rs.)

Particulars	2009	2008
<b>Payables</b>		
Payable on imports	140741224	161041876
<b>Receivables</b>		
Sundry Debtors	195591881	237148658
Advance to Suppliers	6240108	17898920

15. Confirmations from debtors and creditors and parties to whom loans and advance have been made are being obtained on a periodical basis. In respect of accounts under reconciliation necessary entries will be passed on reconciliation of these accounts.
16. Interest received includes a sum of Rs.2873279/- (previous year Rs.4387317/-) on bank deposits and Rs.152 (previous year Rs.2048/-) received from trade customers and interest paid include Rs.1358500/- paid to Managing Directors (previous year Rs.568052/-).
17. In the opinion of the Managing Directors and the Joint Managing Director, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for all known liabilities have been made.
18. a) **The break-up of managerial remuneration is as under: -**

Sr. No.	Particulars	2009 (In Rs.)	2008 (In Rs.)
1	<b>Chairman and Managing Director:</b>		
	Salary	60,00,000	39,40,000
	House Rent Allowance	15,00,000	9,85,000
	Contribution towards P.F.	7,20,000	4,72,800
		82,20,000	53,97,800
2	<b>Vice Chairman and Managing Director:</b>		
	Salary	57,60,000	38,10,000
	House Rent Allowance	14,40,000	9,52,500
	Contribution towards P.F.	6,91,200	4,57,200
		78,91,200	52,19,700
3	<b>Joint Managing Director:</b>		
	Salary	57,60,000	38,10,000
	House Rent Allowance	14,40,000	9,52,500
	Contribution towards P.F.	6,91,200	4,57,200
		78,91,200	52,19,700
	<b>Total</b>	<b>2,40,02,400</b>	<b>1,58,37,200</b>

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

(Lac/Rs.)

	2009	2008
Net Profit as per profit and loss account	350.08	771.94
Add: Income Tax	154.20	361.51
Deferred Tax	88.32	51.05
Wealth Tax	2.12	1.85
Fringe Benefit Tax	60.00	49.00
Managerial remuneration	240.02	158.37
Directors' sitting fees	3.10	4.10
Depreciation charged to profit and loss account	929.82	853.34
Provision for doubtful debts	8.50	1.04
Loss on sale of Assets	0.69	1.71
	1836.85	2253.91
Less: Depreciation as per Sec. 350 of the Companies Act	929.82	853.34
Profit on sale of assets	0.00	1.63
	929.82	854.97
Net Profit as per Section 349 of the Companies Act, 1956	907.03	1398.94
Maximum Remuneration payable @ 10% of Net Profit	90.70	139.89

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 21<sup>st</sup> February 2008 in respect of managerial remuneration paid by the company.

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

Particulars	2009 (Rs.)	2008 (Rs.)
Deferred tax liability		
a) on account of difference in rates and method of depreciation	19276970	12361998
b) on account of different treatment of certain payments under I.T. Act, 1961	14417069	12499747
	33694039	24861745
Deferred tax liability		
- at the end of year (net)	33694039	24861745
- for the year	8832294	5105226

20. Earning per share – Basic and Diluted

Numerator for earning per shares			
Profit before taxation and Prior period items	Rs.	56898717	123535573
Provision for deferred tax, income tax, wealth tax and FBT	Rs.	30463811	46341230
Adjustment to net earning :			
Prior period Adjustment	Rs.	8572976	-
Profit after taxation and Prior period items	Rs.	35007882	77194343
Denominator for earning per share weighted number of equity shares outstanding during the period	Nos.	10941667	10941667
Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each)	Rs.	3.20	7.06

21. Segment Reporting

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

Primary-Business Segment

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

Secondary-Geographical Segment

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

	(Rs. in lacs)	
	2009	2008
Revenue (Net of Excise)		
Domestic Market	16403.25	14338.01
Overseas Market	5997.49	6363.60
Fixed assets located (Including Capital work-in-progress)		
Within India	6313.12	5397.82
Outside India	-	-

22. 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 Systems 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) Transaction

(Lac/Rs)

S.No.	Particulars	Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2009	2008	2009	2008	2009	2008	2009	2008
1.	Sale of Goods								
	LPS Bossard Pvt. Ltd	-	-	903.25	680.74	-	-	-	-
2.	Purchase of Goods								
	LPS Bossard Pvt. Ltd	-	-	0.00	0.68	-	-	-	-
	Nav Bharat Agencies	-	-	7.94	5.00	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	-	-	17.72	38.69	-	-	-	-
	Total	0.00	0.00	25.66	44.37	0.00	0.00	0.00	0.00
3.	Rent received								
	LPS Fasteners & Wires Pvt. Ltd.	-	-	0.50	0.50	-	-	-	-
4.	Rent paid								
	Nav Bharat Industries	-	-	7.20	7.20	-	-	-	-
	Sushila Devi Jain	-	-	-	-	15.42	12.45	-	-
	Total	0.00	0.00	7.20	7.20	15.42	12.45	0.00	0.00
5.	Interest received								
	Sushila Devi Jain	-	-	-	-	-	0.27	-	-
6.	Jobwork paid								
	Amit Screws Pvt. Ltd	-	-	6.26	9.51	-	-	-	-
	Hanumat Wire Udyog Pvt. Ltd	-	-	178.43	198.57	-	-	-	-
	Indian Fasteners Limited	23.20	29.85	-	-	-	-	-	-
	J.C. Fasteners Ltd.	-	-	272.46	168.25	-	-	-	-
	Lakshmi Extrusion Ltd.	-	-	73.31	66.01	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	-	-	72.67	75.00	-	-	-	-
	Nav Bharat Industries	-	-	9.06	0.81	-	-	-	-
	Shiv Industries	-	-	2.59	0.00	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	-	-	255.75	273.35	-	-	-	-
	United Engineers	-	-	11.17	0.00	-	-	-	-
	Universal Enterprises	-	-	37.45	91.07	-	-	-	-
	Total	23.20	29.85	919.15	882.57	0.00	0.00	0.00	0.00
7.	Remuneration paid								
	L.K. Jain	-	-	-	-	82.20	53.98	-	-
	D.K. Jain	-	-	-	-	78.91	52.20	-	-
	V.K. Jain	-	-	-	-	78.91	52.20	-	-
	S.K. Jain	-	-	-	-	-	-	26.30	18.00
	Gagan Jain	-	-	-	-	-	-	14.82	8.35
	Gautam Jain	-	-	-	-	-	-	14.82	8.35
	Gaurav Jain	-	-	-	-	-	-	14.82	0.00
	Nikhlesh Jain	-	-	-	-	-	-	14.82	8.35
	Amit Jain	-	-	-	-	-	-	14.82	8.35
	Total	0.00	0.00	0.00	0.00	240.02	158.37	100.42	51.41
8.	Interest to Directors/Others								
	L.K. Jain	-	-	-	-	2.39	2.40	-	-
	Rajesh Jain	-	-	-	-	7.92	7.94	-	-
	V.K. Jain	-	-	-	-	3.27	3.28	-	-
	Gagan Jain	-	-	-	-	-	-	2.72	2.73
	Gautam Jain	-	-	-	-	-	-	2.80	2.81
	Gaurav Jain	-	-	-	-	-	-	4.59	0.00
	Amit Jain	-	-	-	-	-	-	4.65	4.66
	Saurabh Jain	-	-	-	-	-	-	3.33	0.00
	Total	0.00	0.00	0.00	0.00	13.59	13.62	18.10	10.20
9.	Lifting Charges	3.00	3.00	-	-	-	-	-	-
	Grand Total	26.20	32.85	1855.77	1615.39	269.03	184.71	118.51	61.61
10.	Balance Receivable	-	-	257.38	182.44	-	-	-	-
11.	Balance Payable	43.56	38.04	389.79	289.23	140.90	139.12	175.84	173.58

23. 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, 2009 49%  
 d) The aggregate of Company's share in the above ventures in:

(Lac/ Rs.)

	2009	2008
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Net Fixed Assets	372.34	399.14
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Current Assets	1449.92	1116.11
Loans and Advances	64.25	59.46
<b>LIABILITIES</b>		
Borrowings	114.05	-
Current Liabilities	362.56	304.80
Provisions	12.36	25.11
<b>INCOME</b>		
Sales	2389.22	2462.18
Other Income	32.25	13.41
<b>EXPENDITURE</b>		
Cost of Materials	1538.81	1538.13
Manufacturing Expenses	44.23	38.46
Personnel Expenses	187.19	170.52
Administration Expenses	372.70	393.92
Selling and Distribution Expenses	47.99	(15.66)
Interest and Financial Charges	12.09	21.57
Managerial Remuneration	22.64	22.64
Miscellaneous Expenses Written off	-	0.05
Depreciation	58.38	52.08
Wealth Tax	-	-
Current Tax	54.74	97.47
Deferred tax	(1.09)	3.87
<b>CONTINGENT LIABILITIES</b>	149.00	114.00
<b>CAPITAL COMMITMENTS</b>	NIL	NIL

- (ii) a) Name of the Venture LPS Bossard Information Systems Pvt. Ltd.  
 b) Country of Incorporation India  
 c) Proportion of Ownership interest as at March 31, 2009 49%  
 d) The aggregate of Company's share in the above ventures in:

	2009	2008
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Net Fixed Assets	0.12	0.22
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Current Assets	17.91	14.91
Loans and Advances	2.91	1.92
<b>LIABILITIES</b>		
Current Liabilities	2.11	1.32
Provisions	0.18	0.12
<b>INCOME</b>		
Sales	5.88	5.88
Other Income	1.12	0.55
<b>EXPENDITURE</b>		
Personnel Expenses	5.53	3.66
Administration Expenses	1.13	0.93
Interest and Financial Charges	-	0.03
Managerial Remuneration	-	0.06
Miscellaneous Expenses Written off	-	0.01
Depreciation	0.11	0.11
Current Tax	0.01	0.01
<b>CONTINGENT LIABILITIES</b>	NIL	NIL
<b>CAPITAL COMMITMENTS</b>	NIL	NIL

24. In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1<sup>st</sup> 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.
25. 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 2008-09.

	2009 (Lac/Rs.)	2008 (Lac/Rs.)
The movements in provisions are as under:		
1. Carrying amount as on 01.04.2008	561	587
2. Additional provisions made during the financial year 2008-09 including increase to existing provisions	416	561
3. Amounts used (incurred and charged against the provisions) during the financial year 2008-09	559	587
4. Unused amounts reversed during the financial year 2008-09	2	0
5. Carrying amounts of provisions as on 31.03.2009	416	561

26. 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)

	Unit	2009		2008	
		Qty	Lac/Rs.	Qty	Lac/Rs.
<b>a) Turnover</b>					
Finished Goods					
Machine Screws	Lac/Nos.	5952	21841	6466	20200
Scrap Materials	M. Tons	3236	560	3547	501
			22401		20701
<b>b) Raw Materials Consumed</b>					
Wire/ Wire Rods	M. Tons	15195	8314	15931	6389
Bright Bars	M. Tons	155	99	257	97
Stainless Steel Bars/ Wire/ Wire Rods	M. Tons	370	791	582	1355
		15720	9204	16770	7841
<b>c) Opening Stocks</b>					
Finished Goods	Lac/Nos.	603	3495	601	2961
Finished Goods in Transit	Lac/Nos.	4	19	3	11
Semi finished Goods	Lac/Nos.	1177	1819	559	1156
Scrap Materials	M. Tons	322	55	316	46
			5388		4174
Purchases					
Semi-finished Goods	Lac/Nos.	282	1178	288	1201
			1178		1201
Closing Stocks					
Finished Goods	Lac/Nos.	678	4112	603	3495
Finished Goods in Transit	Lac/Nos.	4	20	4	19
Semi finished Goods	Lac/Nos.	1120	1989	1177	1819
Scrap Materials	M. Tons	373	65	322	55
			6186		5388

**d) Licenced Capacity, Installed Capacity and Production**

# Licenced Capacity	M. Tons	19210	19210
## Installed Capacity	M. Tons	18996	18996
@ Actual Production	M. Tons	12433	13217
	(Lac/ Nos.)	(5689)	(6798)
Capacity Utilization	%	65	70

# 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 Chairman and Managing Director.

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

**e) C.I.F. Value of Imports**

Finished Goods/Semi Finished	Lac/ Rs.	373	229
Raw Material (Wire/ Wire rods)	Lac/ Rs.	1960	1955
Tooling Steel, Stores and Spares	Lac/ Rs.	226	334
Capital Goods	Lac/ Rs.	899	732

**f) Earning in Foreign Exchange**

F.O.B. value of exports	Lac/ Rs.	*6099	*6414
-------------------------	----------	-------	-------

(\*including deemed exports of Rs.1212 Lacs (previous year Rs.321 Lacs )

**g) Expenditure in Foreign Currency**

Foreign Travelling	Lac/ Rs.	111.96	75.63
Royalty	Lac/ Rs.	5.80	5.31
Books, Membership and other payments	Lac/ Rs.	2.29	3.22
Professional and Legal Charges	Lac/ Rs.	19.27	15.00
Advances against Capital Goods/Raw Materials	Lac/Rs.	62.40	178.99
<b>h) Dividend paid in foreign currency</b>		Nil	Nil

**i) Value of Imported and Indigenous Raw Materials, Spare Parts and Components Consumed and Percentage thereof.**

	Lac/ Rs.	%	Lac/ Rs.	%
Imported	2293	25	2465	31
Indigenous	6911	75	5376	69
	9204	100	7841	100

27. 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  9

**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

2 0 5 3 7 1 1

Total Assets

2 0 5 3 7 1 1

Sources of Funds

Paid up Capital

1 0 9 4 1 7

Reserves and Surplus

7 1 7 6 4 4

Secured Loans

1 1 5 2 7 4 9

Unsecured Loans

4 0 2 0 7

Deferred Tax Liability

3 3 6 9 4

Application of Funds

Net Fixed Assets

6 3 1 3 1 2

Investments  

						4	2	7	3	7
--	--	--	--	--	--	---	---	---	---	---

Misc. Expenditure  

							2	4	5	2
--	--	--	--	--	--	--	---	---	---	---

Net Current Assets  

							1	3	7	7	2	1	0
--	--	--	--	--	--	--	---	---	---	---	---	---	---

Accumulated Losses  

													N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

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

Turnover  

						2	2	4	0	0	7	4
--	--	--	--	--	--	---	---	---	---	---	---	---

Total Expenditure  

						2	2	0	9	2	0	3
--	--	--	--	--	--	---	---	---	---	---	---	---

Profit/ Loss after Tax  

							3	5	0	0	8
--	--	--	--	--	--	--	---	---	---	---	---

Dividend Rate (%)  

															6
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---

Other Income  

								2	6	0	2	8
--	--	--	--	--	--	--	--	---	---	---	---	---

Profit before Tax  

								5	6	8	9	9
--	--	--	--	--	--	--	--	---	---	---	---	---

Earnings per Share (Rs.)  

									3	.	2	0
--	--	--	--	--	--	--	--	--	---	---	---	---

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
--	--	--	--	--	--	--	---	---	---	---	---	---	---	---

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

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

30. 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.K. Banerjee  
**AVP (SF) &  
 Company Secretary**

Place : **NOIDA**  
 Dated : **June 27, 2009**

## CASH FLOW STATEMENT

Description	Year Ending March 31,2009 (Rs.)	Year Ending March 31,2008 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	35007882	77194343
Adjustments for:		
Tax	30463811	46341230
Net profit before tax and extraordinary items	65471693	123535573
Adjustments for:		
Depreciation	92981689	85334527
Deferred payment interest and Technical know how fee written off	1625644	2062459
Rent and Interest received (Gross)	(2923831)	(4466790)
Interest and Financial charges	163053959	117325714
Provisions for Bad and Doubtful Debts	850000	104380
Profit/Loss on sale of assets (Net)	68879	8003
Reduction in Reserves, due to change in accounting policy	(12445666)	0
Operating profit before working capital changes	308682367	323903866
Adjustments for:		
Trade Payables	23487173	53387104
Trade and other receivables	34844614	(225486583)
Inventories	(130570561)	(168308409)
Cash generated from operations	236443593	(16504022)
Interest and financial charges	(162191613)	(116515929)
Direct Taxes	(10000000)	(16000000)
Net cash from operating activities	64251980	(149019951)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(185326057)	(182901549)
Proceeds from Sale of fixed assets	16160	535435
Purchase of investment	(500000)	(875000)
Rent and Interest received (Net of TDS)	1941106	3142367
Deferred payment interest and Technical know how fee provided during the year	(1132839)	(300500)
Net cash used in investing activities	(185001630)	(180399247)

## CASH FLOW STATEMENT (CONTD.)

Description	Year Ending March 31, 2009 (Rs.)	Year Ending March 31, 2008 (Rs.)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	224019079	277163859
Repayment of short term borrowings	(149477660)	(20018941)
Proceeds from long term borrowings	141338903	229867728
Repayment of long term borrowings	(116278249)	(80248391)
Repayment to Directors and others	(600000)	0
Dividend paid	(15089985)	(22548114)
	<b>83912088</b>	<b>384216141</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(36837562)</b>	<b>54796943</b>
Cash & Cash equivalents (Opening Balance)	104460761	49663819
Cash & Cash equivalents (Closing Balance)	67623199	104460761

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

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

K.L. Ghorui  
**Associate Vice  
President**

S.K. Banerjee  
**AVP (SF) &  
Company Secretary**

### AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2009. 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 27, 2009**

# 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 31<sup>st</sup> March, 2009 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 company '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 figures of the subsidiary company, 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:

(Amount in rupees)

Name of the Company	Total Assets	Total Revenue
Indian Fasteners Limited	17682547	2732862
LPS Bossard Private Limited	182226293	242146832
LPS Bossard Information Systems Private Limited	1802800	700035

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, associates and Joint Ventures, the consolidated financial statements, subject to Note No.10 with regard to provision for gratuity and non furnishing of information as required by AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India and read together with the significant accounting policies and other notes give a true and fair view in the case of:

- the consolidated balance sheet, of the consolidated state of affairs of the company, its subsidiary, associates and joint ventures as at 31<sup>st</sup> March, 2009 and
- the consolidated profit and loss account, of the consolidated results of the operations of the company, its subsidiary, associates and Joint ventures for the year ended on that date.
- in the case of consolidated cash flow statements, of the consolidated cash flows of the company, its subsidiary, associates and the joint ventures for the period ended on that date.

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

Place : **NOIDA**

Dated : **June 27, 2009**

**V.P. Bansal**  
Partner

# CONSOLIDATED BALANCE SHEET

Description	Schedule No.	As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>A. SOURCES OF FUNDS</b>						
a) Shareholders' Funds						
Share Capital	1	109416670	23520190	1847490	134784350	134784350
Less: Investment in Joint venture companies					25367680	25367680
		109416670			109416670	109416670
Reserves and Surplus	2	726300102	111988859	(273764)	838015196	815370422
		835716772	111988859	(273764)	947431866	924787092
b) Loan Funds						
Secured Loans	3	1154847389	11404689	0	1166252078	1015797102
Unsecured Loans	4	40207011	0	0	40207011	80788070
		1195054400	11404689	0	1206459089	1096585172
c) Deferred Tax Liabilities(net)		34995736	(2179177)	0	32816559	22676659
d) Minority Interest		4613692	0	0	4613692	4598949
<b>TOTAL</b>		<b>2070380600</b>	<b>144734560</b>	<b>1573726</b>	<b>2191321206</b>	<b>2048647875</b>
<b>B. APPLICATION OF FUNDS</b>						
a) Fixed Assets						
Gross Block		1454154440	61500640	376878	1516031958	1313664647
Less: Depreciation	5	820424245	24266045	365232	845055521	745784297
Net Block		633730195	37234596	11646	670976437	567880350
Add: Capital Work in Progress		10427782	0	0	10427782	26090174
		644157977	37234596	11646	681404219	593970524
b) Investments	6	41898659	0	0	41898659	41108282
Less: Investment in Joint venture companies					25367680	25367680
					16530979	15740602
c) Current Assets, Loans and Advances	7					
Inventories		1291531632	31892196	0	1323423828	1186845087
Sundry Debtors		516714004	93657810	0	610371814	653178176
Cash and Bank Balances		67855901	12808765	1455288	82119954	116041735
Other Current Assets		26719140	207943	44537	26971620	3802619
Loans and Advances		165075922	6424984	291329	171792234	168530160
		2067896599	144991697	1791154	2214679450	2128397777
Less: Unrealised profit on intra group transactions					1188269	2256532
		2067896599	144991697	1791154	2213491181	2126141245
Less: Current Liabilities and Provisions						
Current Liabilities	8	658792098	36255841	210943	695258882	633611989
Provisions		27232422	1235892	18130	28486444	58793721
		686024520	37491733	229073	723745326	692405710
Less: Unrealised profit on intra group transactions		0	0	0	1188269	2256532
Total Current Liabilities		686024520	37491733	229073	722557057	690149178
Net Current Assets		1381872079	107499964	1562081	1490934124	1435992067
d) Miscellaneous Expenditure	9	2451878	0	0	2451878	2944683
<b>TOTAL</b>	19	<b>2070380600</b>	<b>144734560</b>	<b>1573727</b>	<b>2191321206</b>	<b>2048647875</b>
<b>C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>						

## 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.K. Banerjee  
AVP (SF) &  
Company Secretary

Place : NOIDA  
Dated : June 27, 2009

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2009 (Rs.) (Consolidated)	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2009 (Rs.) Total	Year Ending 31.03.2008 (Rs.) (Consolidated)
<b>A. INCOME</b>						
Sales and Services		2506331624	238921982	588000	2745841606	2550452824
Less: Excise Duty		266258050	0	0	266258050	233485350
Net Sales		2240073574	238921982	588000	2479583556	2316967474
Job Work Receipt		1072135	0	0	1072135	896690
Other Income	10	24956191	3224850	112035	28293076	37121548
Deferred Tax Liabilities written back		112414	0	0	112414	52830
Share in associates		290377	0	0	290377	902928
		2266504691	242146832	700035	2509351558	2355941470
<b>B. EXPENDITURE</b>						
Materials and Finished Goods	11	958397154	153880998	0	1112278152	936603419
Manufacturing	12	394284461	4423330	0	398707791	454274244
Personnel	13	331108645	20983205	552843	352644694	324033578
Office and Administration	14	139621863	37269983	112585	177004431	168316003
Selling and Distribution	15	103850777	4798917	0	108649694	92561834
Interest and Financial charges	16	163349169	1208565	0	164557734	119839237
Managerial Remuneration	17	24002400	0	0	24002400	18106880
Miscellaneous Expenditure Written off	18	0	0	0	0	6327
Depreciation		94387547	5838377	10640	100236564	91952829
		2209002016	228403377	676068	2438081461	2205694351
Profit before tax and prior period items		57502675	13743455	23966	71270097	150247119
Add:-Prior period items (Note Ref. No.9)		8572976	0	0	8572976	0
Profit before tax		66075651	13743455	23966	79843073	150247119
Tax Expenses - Current tax		15593315	5473790	991	21068096	45337604
- Deferred tax		8832294	(109555)	0	8722739	5492326
- Fringe benefit tax		6095000	970078	0	7065078	5682400
- Wealth tax		211700	0	0	211700	185400
<b>C. PROFIT FOR THE YEAR CARRIED DOWN</b>		35343342	7409143	22975	42775460	93549390
<b>D. PROFIT FOR APPROPRIATION</b>						
Balance as per last Balance Sheet		347062786	101240307	(296739)	448006354	372745349
Balance as per last Balance Sheet - share in associates		4503571	0	0	4503571	3600643
Profit for the year brought down		35343342	7409143	22975	42775460	93549390
		386909699	108649450	(273764)	495285385	469895382
Less: Profit of subsidiary company for the year ended 31.03.2009		45078	0	0	45078	34458
Transfer to General Reserve		0	0	0	0	2000000
Proposed Dividend		6565000	0	0	6565000	13130000
Corporate Dividend Tax		1115722	0	0	1115722	2231444
Balance carried over to Balance Sheet		379183899	108649450	(273764)	487559585	452499480
		386909699	108649450	(273764)	495285385	469895382
<b>E. EARNING PER SHARE (FACE VALUE RS.10 PER SHARE)</b>						
- Basic and diluted					3.91	8.55
<b>F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>	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.K. Banerjee  
AVP (SF) &  
Company Secretary

Place : NOIDA  
Dated : June 27, 2009

# SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description	Refer Notes	As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE 1</b>						
<b>SHARE CAPITAL</b>						
<b>Authorised:</b>						
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	164700000	164700000
		165000000	0	0	300000	300000
					165000000	165000000
<b>Issued, Subscribed and Paid Up</b>						
10041667 Equity Shares of Rs. 10/- each fully paid up		109416670	23520190	1847490	134784350	134784350
Less: Investment in Joint venture companies		0	0	0	25387680	25387680
		109416670	23520190	1847490	109416670	109416670
<b>SCHEDULE - 2</b>						
<b>RESERVES AND SURPLUS</b>						
<b>Capital Reserve</b>						
As per last Balance Sheet	13931192					
Add: Reserves of subsidiary company till 24.12.1990	239600					
Add: Reserves of associates till 31.03.2007	(1055969)	13114823	0	0	13114823	13114823
<b>Security Premium account</b>						
General Reserve		318336034	0	0	318336034	318336034
<b>As per last Balance Sheet</b>						
Less: Foreign Exchange Variation for the year 2007-08	23433185					
Capitalised	1318800	22114385	3339408	0	25453793	2672593
Reserves of subsidiary company after 24.12.1990		4677827			4677827	4647492
Foreign Currency Monetary Item Translation Difference A/c		(11126866)	0	0	(11126866)	0
Profit and Loss Account		379183899	108649450	(273764)	487559585	452499480
		726300102	111988859	(273764)	838015197	815370422
<b>SCHEDULE - 3</b>						
<b>SECURED LOANS</b>						
<b>From Banks</b>						
<b>Canara Bank, Rohtak</b>						
Working Capital Limits	1					
Cash Credit Accounts		397909815	11404689	0	409314504	470625838
Foreign Bills Purchased Account		92086638	0	0	92086638	115191660
Bills Discount Account		27370802	0	0	27370802	35212447
Cheques Discounted		9158061	0	0	9158061	13661699
Bills (L/C) Account		40422693	0	0	40422693	0
Working Capital Term Loan		29384681	0	0	29384681	41708136
Short Term Loan		16115053	0	0	16115053	27758975
Term Loan		3981408	0	0	3981408	6120702
		616429151	11404689	0	627833840	710279457
<b>Indian Overseas Bank, Rohtak</b>						
Cash Credit Accounts	1	139424899	0	0	139424899	0
Foreign Bills Purchased Account		30397658	0	0	30397658	0
Bills Discount Account		1177858	0	0	1177858	0
		171000415	0	0	171000415	0
<b>ICICI Bank Ltd. Delhi</b>						
ICICI Working Capital Demand Loan	2	34552001	0	0	34552001	35882273
Rupee Currency Term Loan		36539703	0	0	36539703	68139709
Foreign Currency Term Loan		272804850	0	0	272804850	186260200
Against hypothecation of Motor Cars		9173912	0	0	9173912	7446867
		353070466	0	0	353070466	297729049
<b>State Bank of Patiala, New Delhi</b>						
Term Loans		0	0	0	0	6663341
		0	0	0	0	6663341

Description	Refer Notes	As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>IDBI Bank Ltd.</b>	3					
Cash credit account / Short Term Loans		12595970	0	0	12595970	0
		12595970	0	0	12595970	0
<b>State Bank of India, Rohtak</b>						
Against hypothecation of Motor Cars		488044	0	0	488044	0
		488044	0	0	488044	0
<b>Deferred Payment Credits</b>	4					
Haryana State Industrial & Infrastructure Development Corporation Limited		1263343	0	0	1263343	1125255
		1154847389	11404689	0	1166252078	1015797102

**NOTES:**

1. (i) Working capital limit from Canara Bank and Indian Overseas Bank are in consortium in the ratio of 70% & 30% respectively. The limites from consortium banks are secured by way of first charge against hypothecation of stocks and book debts (present and future) and second charge on fixed assets of the Company consisting land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by S/Shri L.K.Jain, D.K. Jain, V.K. Jain, Rajesh Jain, Director of the Company and Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company.  
Working capital limits from consortium banks are further secured by way of equitable mortgage of
  - (i) Land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company
  - (ii) Agriculture land measuring 4.6125 acres 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
  - (iii) Paripassu charge on entire fixed assets of the company acquired/to be acquired out of term loan of USD 6.66 Million (Approximately Rs.29.30 Crores) availed from ICICI Bank
- (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 stock 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) Working capital term loan from Canara Bank in joint venture company, LPSBPL is secured by way of stock and book debts (both present and future) as primary security and first charge on fixed assets (excluding computer software and vehicle) as collateral security.
- (iv) 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 stock 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 movable 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 way of second pari-passu charge by way of hypothecation of the entire stocks of raw material, semi-finished and finished goods, consumable 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, V.K.Jain and Rajesh Jain, Directors of the company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.
3. Cash Credit / Short term loan from IDBI Bank is secured by way of subservient charge on entire current and movable fixed assets of the company and guaranteed by Shri L.K.Jain, Chairman and Managing Director of the company.
4. Deferred payment credit from Haryana State Industrial & Infrastructure Development Corporation Limited is secured against Plot No.153, Sector 3 allotted to the company at IMT Manesar, Gurgaon.
5. Term loans and deferred payment credits due within a year are Rs.1576 Lacs (Previous year Rs.1055 lacs).

Description	As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 4 UNSECURED LOANS</b>					
<b>Fixed Deposits</b> {Due within a year Rs.288 lacs (previous year Rs.294)}	28800000	0	0	28800000	29400000
<b>Short Term Loans And Advances</b> From IndusInd Bank Limited {Due within a year Rs.399.81 lacs}	0	0	0	0	39981059
<b>Other Loans and Advances*</b> From Directors	480176	0	0	480176	480176
From Others	10926835	0	0	10926835	10926835
	40207011	0	0	40207011	80788070

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

## SCHEDULE 5 FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As At 01.04.2008 Rs.	Additions Rs.	Adjustment /Sales Rs.	As At 31.03.2009 Rs.	Upto Last year Rs.	For the Year Rs.	Adjustment /Sales Rs.	As At 31.03.2009 Rs.	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
1	Freehold Industrial Land	26782461	0	0	26782461	0	0	0	26782461	26782461	26782461
2	Leasehold Industrial Land	18214451	183965	0	18398416	0	0	0	18398416	18214451	18214451
3	Factory Building	175495019	12891032	0	188386051	41276310	7853588	0	49129898	139256153	134218709
4	Freehold Office Premises	813362	0	0	813362	408249	20256	0	428505	384857	405113
5	Leasehold Office Premises										
	Consolidated	553040	0	0	553040	309352	12184	0	321536	231504	243688
	Share in LPSBPL	11107810	0	0	11107810	2437360	1606756	0	4044116	7063694	8954459
6	Plant and Machinery	817342805	170659804	0	988002610	552286214	71277954	0	623564168	364438442	265056591
7	Effluent Treatment Plant	1364489	0	0	1364489	1235736	35819	0	1271555	92934	128753
8	Furniture and Fixtures										
	Consolidated	36916885	1038787	0	37955672	22911555	1720065	0	24631620	13324052	14005330
	Share in LPSBPL	22712830	487363	0	23200193	4051267	1401697	0	5452964	17747229	18661564
	Share in LPSBISPL	0	0	0	0	0	0	0	0	0	0
9	Electric Fans and Installations	31931403	2454504	0	34385907	20261683	1975507	0	22237190	12148717	11681435
10	Office Equipments										
	Consolidated	22148076	1455805	106200	23497681	8901627	1043925	21161	9924391	13573290	13234735
	Share in LPSBPL	5530835	152089	0	5682924	667365	276852	0	944217	4738707	4863470
	Share in LPSBISPL	5331	0	0	5331	3179	152	0	3331	2000	2152
11	Computers and Computer Software										
	Consolidated	60096864	3076359	0	63173223	48428914	4364325	0	52793239	10379984	11667950
	Share in LPSBPL	16179867	1958873	0	18138740	11071325	2116169	0	13187494	4951245	5108542
	Share in LPSBISPL	371546	0	0	371546	351413	10488	0	361901	9646	20134
12	Motor Vehicles										
	Consolidated	60138835	9049977	0	69188812	28428136	5991066	0	34419202	34769610	31710699
	Share in LPSBPL	3754909	1949337	2333272	3370974	1428541	436903	1228190	637253	2733720	2326368
13	Weighting Counting Scales	1404378	12440	0	1416818	1077508	40171	0	1117679	299139	326870
14	Fire Extinguishers	799444	24481	0	823925	532573	52686	0	585259	238666	266871
	<b>Total</b>	<b>1313664647</b>	<b>204806783</b>	<b>2439472</b>	<b>1516031958</b>	<b>746068306</b>	<b>100236565</b>	<b>1249351</b>	<b>845055521</b>	<b>670976438</b>	<b>567880350</b>
	Add:										
	Capital Work-In-Progress										
	Consolidated	26090174	26271152	41933544	10427762	0	0	0	0	10427762	
	Share in LPSBPL	0	0	0	0	0	0	0	0	0	
	<b>Total-Current Year</b>	<b>1339754821</b>	<b>231077935</b>	<b>44373016</b>	<b>1520459740</b>	<b>746068306</b>	<b>100236565</b>	<b>1249351</b>	<b>845055521</b>	<b>681404219</b>	
	Total-Previous Year	1147893684	196409310	4548181	1339754820	656843542	91952829	3012078	745764297	598670524	

### 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 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.6816544/- (last year Rs.14270746/-) 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.25919461/- (last year Rs.19957780/-) capitalised on account of Dies and Tools relating to development of new product.
- Leashold Office Premises are in respect of office flats at Bangalore.
- Freehold Office Premises are in respect of office flats at Mumbai and Delhi.

Description		As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 6</b>						
<b>INVESTMENTS</b>						
<b>(Long term, trade, unquoted, at cost)</b>						
Hanumat Wires Udyog Private Limited, Rohtak (Associate Company)						
279300	Equity Shares of Rs.10/- each	2793000				
Add:-	Accumulated Income upto 31.03.2008 (including Goodwill Rs. Nil on acquisition)	2350277				
Add:-	Share in profit for the year ended 31.03.09	5143277				
		78477	5221754	0	0	5221754
J.C. Fasteners Limited, Rohtak (Associate Company)						
700000	Equity Shares of Rs.10/- each	7000000				
Add:-	Accumulated Income upto 31.03.2008 (including Goodwill Rs.1386000/- on acquisition)	1212081				
Add:-	Share in profit for the year ended 31.03.09	8212081				
		159801	8371882	0	0	8371882
Lakshmi Extrusion Limited, Rohtak (Associate Company)						
30000	Equity Shares of Rs.100/- each	3000000				
Add:-	Accumulated Income upto 31.03.2008 (including Goodwill Rs. 285000/- on acquisition)	(114756)				
Add:-	Share in profit for the year ended 31.03.09	2885244				
		52099	2937343	0	0	2937343
LPS Bossard Private Limited (Joint Venture)						
2352019	Equity Shares of Rs.10/- each		23520190	0	0	23520190
LPS Bossard Information Systems Private Limited (Joint Venture)						
184749	Equity Shares of Rs.10/- each		1847490	0	0	1847490
			41898659	0	0	41898659
Less: Investments in Joint Venture companies						
					25367680	25367680
					16530979	15740602
<b>SCHEDULE - 7</b>						
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>						
<b>Inventories</b>						
(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Chairman and Managing Director)						
Raw Materials:		55546287	0	0	55546287	95002613
Raw Materials in transit		0	0	0	0	34714421
Finished goods		411252156	39586890	0	450555362	381205098
Less:- Unrealised Profit on intra group transactions		0	(283684)	0	0	(468097)
Finished goods in transit		1954686	0	0	1954686	1894407
Semi finished goods		198934152	0	0	198934152	181886302
Consumables stores, tools and spare parts		115899955	0	0	115899955	84077980
Dies and Tools		473741059	0	0	473741059	380696781
Packing materials		27334055	0	0	27334055	27563842
Stationary in hand		416957	0	0	416957	429903
Postage and foreign stamps		200	0	0	200	616
Scrap materials (at realisable value)		6452125	0	0	6452125	5518530
Less :- Provision for Slow Moving Inventory		0	(7411010)	0	(7411010)	(5677308)
		1291531632	31892196	0	1323423828	1186845087
<b>Sundry Debtors</b>						
(Unsecured- considered good unless otherwise stated)						
Debts outstanding for a period exceeding six months		87477540	6085961	0	93563501	42017000
Other Debts		430086464	93657810	0	523744274	619873566
		517564004	99743770	0	617307774	661890566
Less: Provision for Bad and Doubtful Debts		850000	6085961	0	6935961	8712390
		516714004	93657810	0	610371814	653178176
Less: Unrealised profit on intra group transactions		0	0	0	1188269	2256532
		516714004	93657810	0	609183545	650921644

Description	As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>Cash and Bank Balances</b>					
Cash in hand (includes cheques in hand - Rs.4641532/-, previous year Rs.4866827/-) with Scheduled Banks	1004606	28158	2745	1035509	5180511
In Fixed Deposit Accounts					
Pledged as margin money against bank guarantees	300000	0	0	300000	275000
Pledged as margin money against letter of credits	29632000	0	0	29632000	28400000
Lien against public deposits	4500000	0	0	4500000	4500000
Fixed Deposit (non-lien account)	11554143	8631012	1363520	21548675	52037535
In cash margin on letter of credit account	3907667	0	0	3907667	7200000
In Current Accounts	15341564	4149595	89023	19580182	17166638
In Dividend Accounts	1581389	0	0	1581389	1251257
In E E F C Account (\$ 769.83 Previous year \$769.83)	34532	0	0	34532	30794
	67855901	12808765	1455288	82119954	116041735
<b>Other Current Assets</b>					
Interest accrued on deposits	2312694	207943	44537	2565174	2802619
Freight subsidy receivable	2000000	0	0	2000000	1000000
Export incentive receivable	17185583	0	0	17185583	0
DEPB Licence in hand	5220863	0	0	5220863	0
	26719140	207943	44537	26971620	3802619
<b>Loans and Advances</b>					
(unsecured considered good)					
Advances recoverable in cash or in kind or for value to be received	123269953	1792864	4277	125067094	116279165
Security deposits	11234252	4632120	1960	15868332	15649096
Balance with Central Excise Department					
Excise Duty	14149987	0	0	14149987	10897616
Service Tax	1527390	0	0	1527390	3256531
Advance Income Tax and TDS	11107580	0	285092	11392672	18517834
Advance Fringe Benefit Tax	2115000	0	0	2115000	3029765
VAT refund due	1671760	0	0	1671760	900153
	165075922	6424984	291329	171792234	168530160
	2067896599	144991697	1791154	2213491161	2126141246
<b>SCHEDULE - 8</b>					
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
<b>Current Liabilities</b>					
Sundry Creditors					
Due to micro and small enterprises	5398	0	0	5398	74136865
Due to other than micro and small enterprises	530701778	35304190	144531	566150499	462094094
Advances and progress payments from customers	62517556	0	0	62517556	20401291
Unclaimed dividend-Equity	1581389	0	0	1581389	1251257
Other liabilities	32462549	951652	66411	33480612	28438779
Excise duty payable	29215273	0	0	29215273	45951263
Interest accrued but not due	1936632	0	0	1936632	1074286
ICICI Bank Ltd. Current Account	0	0	0	0	73272
HDFC Bank Ltd. Current Account	0	0	0	0	190882
Current Accounts with Banks (Credit Balances)	371523	0	0	371523	0
	658792098	36255841	210943	695258882	633611989
Less: Unrealised profit on intra group transactions	0	0	0	1188269	2256532
	658792098	36255841	210943	694070613	631355457
<b>Provisions</b>					
Income Tax	13340000	890219	18130	14248349	37610508
Wealth Tax	211700	0	0	211700	185400
Fringe Benefit Tax	6000000	0	0	6000000	4500094
Leave Encashment	0	0	0	0	231665
Gratuity	0	0	0	0	172687
Provision of contingency	0	345672	0	345672	731923
Proposed Dividend	6565000	0	0	6565000	13130000
Corporate Dividend Tax	1115722	0	0	1115722	2231444
	27232422	1235892	18130	28486444	58793721
	686024520	37491733	229073	72557057	690149178

Description		As at 31.03.2009 (Rs.) (Consolidated)	As at 31.03.2009 (Rs.) Joint Venture in LPSBPL	As at 31.03.2009 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2009 (Rs.) Total	As at 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 9</b>						
<b>MISCELLANEOUS EXPENDITURE</b>						
<i>(To the extent not written off or adjusted)</i>						
Interest on deferred payments						
As per last Balance Sheet	243465					
Add: During the year	1132839					
	1376304					
Less: Written off	686141	690163	0	0	690163	243465
Technical knowhow fee						
As per last Balance Sheet	2701218					
Add: During the year	0					
	2701218					
Less: Written off	939503	1761715	0	0	1761715	2701218
		2451878	0	0	2451878	2944683
Description		Year Ending 31.03.2009 (Rs.) (Consolidated)	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2009 (Rs.) Total	Year Ending 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 10</b>						
<b>OTHER INCOME</b>						
Rent		50400	0	0	50400	50400
Interest on fixed deposits with banks, loans and from customers and income tax refund (TDS Rs.982725/- Previous year Rs.1324423/-)		2873431	509431	0	3382862	4506564
Miscellaneous receipts		2531574	0	112035	2643609	5065086
Profit on sale of assets		0	0	0	0	162774
Export Incentive		18180155	0	0	18180155	0
Marketing Support Service		0	3770786	0	3770786	1286980
Excess provision of income tax written back		185000	0	0	185000	2370
Bad debts recovered		1135631	0	0	1135631	26047374
Exchange rate variation		0	(1055367)	0	(1055367)	0
		24956191	3224850	112035	28293076	37121548
<b>SCHEDULE - 11</b>						
<b>MATERIALS AND FINISHED GOODS</b>						
<b>Raw Materials Consumed</b>						
Opening stocks		95002613	0	0	95002613	181525307
Add: Purchases		859921081	0	0	859921081	672408511
Freight and cartage		20992904	0	0	20992904	25174374
		975916598	0	0	975916598	879108192
Less: Closing stocks		55546287	0	0	55546287	95002613
Raw materials consumed		920370311	0	0	920370311	784105579
Add: Opening stocks						
Finished goods		349514312	26731891	0	376246203	316822382
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	26731891	0	565545441	438087282
Add: Purchase of semi-finished goods		117806414	155670530	0	273476944	275239169
		1576990275	182402422	0	1759392697	1497432030
Less: Closing stocks						
Finished goods		411252156	31892196	0	443144352	375403986
Finished goods in transit		1954686	0	0	1954686	1894406
Semi finished goods		198934152	0	0	198934152	181886302
Scrap materials		6452125	0	0	6452125	5518530
		618593119	31892196	0	650485315	564703224
Add: Stock Obsolescence		0	1468467	0	1468467	74689
Provision for Slow Moving Inventory		0	1902306	0	1902306	3799923
		958397154	153880998	0	1112278152	936603419

Description		Year Ending 31.03.2009 (Rs.) (Consolidated)	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2009 (Rs.) Total	Year Ending 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 12</b>						
<b>MANUFACTURING EXPENSES</b>						
Consumable stores, spare parts and tools		25814642	0	0	25814642	42936356
Dies and Tools		27698936	0	0	27698936	47686233
Electricity, water and fuel		100801958	0	0	100801958	97706076
Job work charges		195389232	0	0	195389232	195863541
Excise duty on closing stock of finished goods and scrap	29215273					
Less: Excise duty payable as on 01.04.2008	45951263	(16735990)	0	0	(16735990)	5685129
Repairs to machinery		10803482	0	0	10803482	7917546
Packing Expenses		42179986	4423330	0	46603316	47146905
Testing charges		447593	0	0	447593	366787
Generator hire charges		1194825	0	0	1194825	2676283
Research and development expenses		5144174	0	0	5144174	5115999
Royalty, Technical know-how fee		1545623	0	0	1545623	1173389
		394284461	4423330	0	398707791	454274244
<b>SCHEDULE - 13</b>						
<b>PERSONNEL EXPENSES</b>						
Salaries, Wages and other amenities		280524710	16179605	546963	297251278	267721259
Bonus		11997489	0	0	11997489	11972075
Co's contribution towards LIC Gratuity Trust		3000000	0	0	3000000	7000000
Co's contribution towards P.F.		12588508	1473303	0	14061811	13166707
Co's contribution towards E.S.I.		4431196	0	0	4431196	5273520
Staff welfare		9889143	655654	0	10544797	9594062
Staff recruitment and training		1414788	410843	0	1825631	3700169
Watch and ward expenses		7262812	0	0	7262812	5605786
Managing Director remuneration		0	2263800	5880	2269680	0
		331108646	20983205	552843	352644694	324033577
<b>SCHEDULE - 14</b>						
<b>OFFICE AND ADMINISTRATION EXPENSES</b>						
Rent		4945468	13069888	11760	18027116	15712650
Rates and taxes		451983	0	0	451983	696679
Printing and stationery		6332545	3208946	0	9541491	11183364
Postage, Telephone, Telex and fax		8534267	2578647	0	11112914	10802921
Travelling and conveyance		69703871	10333590	16694	80054155	73422934
Vehicle maintenance		3792769	0	0	3792769	3944928
Legal and consultancy		14094439	533177	18283	14645900	16912179
Insurance		2893274	265519	0	3158793	3349298
Auditors' Remuneration						
Audit fee		906000	316148	60760	1282908	1196086
Tax Audit Fees		100000	0	0	100000	0
Limited Review		180000	0	0	180000	150000
Out of pocket expenses (including service tax)		73947	0	0	73947	84045
Repairs to building		5382377	0	0	5382377	6219161
Floriculture expenses		1111932	0	0	1111932	885563
General repairs		10413593	4609972	2560	15026126	9129716
Loss on sale of assets		68879	659546	0	728425	690102
Miscellaneous		10326520	929604	2527	11258650	13016010
Directors sitting fee		310000	0	0	310000	410000
Electricity Expenses		0	764945	0	764945	510367
		139621863	37269983	112585	177004431	168316003

Description	Year Ending 31.03.2009 (Rs.) (Consolidated)	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2009 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2009 (Rs.) Total	Year Ending 31.03.2008 (Rs.) (Consolidated)
<b>SCHEDULE - 15</b>					
<b>SELLING AND DISTRIBUTION EXPENSES</b>					
Freight and cartage	49330984	2011262	0	51342246	46712973
Turnover and cash discount	36462416	0	0	36462416	34381317
Advertisement, Publicity and sales promotion	9809870	3120267	0	12930137	10918929
Bad Debts, Liquidated damages and short recoveries	2901843	2189438	0	5091281	2182077
Provision for Bad and Doubtful Debts	850000	(2522050)	0	(1672050)	(6652820)
Excise duty and sales tax	4495664	0	0	4495664	5019358
	103850777	4798917	0	108649694	92561834
<b>SCHEDULE - 16</b>					
<b>INTEREST AND FINANCIAL CHARGES</b>					
Interest					
On fixed loans	33590419	0	0	33590419	46678889
On non-fixed loan	87782679	888541	0	88671220	54444909
Difference in exchange	15188012	0	0	15188012	0
Front-end fee	2715176	0	0	2715176	776295
Financial charges	746424	0	0	746424	753944
Bank charges	23326459	320025	0	23646484	17185200
	163349169	1208565	0	164557734	119839237
<b>SCHEDULE - 17</b>					
<b>MANAGERIAL REMUNERATION</b>					
Chairman and Managing Director	8220000	0	0	8220000	5397800
Vice Chairman and Managing Director	7891200	0	0	7891200	7489380
Joint Managing Director	7891200	0	0	7891200	5219700
	24002400	0	0	24002400	18106880
<b>SCHEDULE - 18</b>					
<b>MISCELLANEOUS EXPENSES WRITTEN OFF</b>					
Preliminary Expenses Written off	0	0	0	0	6327
Expenditure towards increase in capital	0	0	0	0	0
	0	0	0	0	6327

**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 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 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. However in case of the parent company, exchange variation arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and are depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period.

**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 ventures 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.	Particulars	Consolidated	LPSBPL	LPSBISPL	2009 Total	2008 Total
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	26	-	-	26	256
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	174	21	-	195	619
3.	Liabilities against legal undertakings/ bonds executed in favour of DGFT on account of export obligation undertaken by the Company against advance/ import licences under EPCG Scheme.	478	-	-	478	927
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)	-	114	-	114	101
5.	Income tax liability on account of applies pending with various authorities	77	14	-	91	77
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	25.36%
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 Systems 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 31 <sup>st</sup> March, 2009
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 Systems Private Limited which are jointly controlled entities with Bossard AG, Switzerland, have been accounted for as per the proportionate consolidation method as prescribed by AS-27 on 'Financial Reporting of Interest in Joint Ventures' issued by the Institute of Chartered Accountants of India. For this purpose the proportionate share of the joint venture are added line by line to the assets, liabilities, income and expenditure on the basis of their provisional figures.

4. Principles of consolidation:

- a. The consolidated financial statements have been prepared based on line-by-line consolidation of the profit and loss account and the balance sheet of the company and its subsidiary after eliminating intra group balances and unrealized profits/losses if any on intra group transactions.
- b. Reporting of joint ventures has been prepared using uniform accounting policies except as following:
- (i) in case of charge of depreciation on fixed assets in case of joint ventures where depreciation is charged on SLM basis at the following rates:

Sl.No.	Particulars	Depreciation as per SLM basis in LPS Bossard Private Limited	Depreciation as per SLM basis in LPS Bossard Information Systems Private Limited
1.	Computer Hardware	20%	20%
2.	Computer Software	33%	33%
3.	Office Equipments	5%	5%
4.	Warehousing Racks	5%	-
5.	Furniture and Fixtures	10%	-
6.	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.

- (ii) The Parent company has adopted the revised accounting treatment in respect of exchange rate variation arising on long term foreign currency monetary items pursuant to Notification no: G.S.R 225(E) dated 31<sup>st</sup> march, 2009 issued by the Ministry of Corporate Affairs. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange loss of Rs.3.63 crore arising on aforesaid long term foreign currency monetary items, a sum of Rs.2.41 crores has been added to the cost of fixed assets and a sum Rs.1.11 crores has been transferred to Foreign Monetary Items Translation Difference account and Rs.0.11 crore has been transferred to

profit and loss account in accordance with the revised treatment. The subsidiary company, associates and joint ventures continue to adopt the treatment of foreign exchange rate variation as per earlier years.

- c. Minority interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- d. In case of associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India. The same has been done on the basis of provisional financial statements of the associate companies.
- e. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates profit and loss account and through its reserves for the balance, based on available information.
- f. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- g. The consolidated financial statement have been prepared after elimination of unrealized profit of intra group transactions as follows:-

	2009 (Rs.)	2008 (Rs.)
a) Unrealized profit deducted from debtors and corresponding creditors pertaining to intra group transactions.	1188269	2256532
b) Unrealized profit deducted from inventory pertaining to intra group transactions.	283684	468097

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.

5. Interest and other borrowing costs amounting to Rs.6816544/- (previous year Rs.14270746/-) 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.
6. 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 Rs.12703232/- (Previous year Rs.11269135/-) 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.
7. Selling and distribution expenses are net after adjusting provision for bad and doubtful debts written back during the year amounting to Rs.2522050/- (previous year Rs.6757200/-) in joint venture company LPS Bossard Private Limited.
8. a) Information required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006/MSMED Act) for the year ended 31<sup>st</sup> March, 2009. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Sr.No.	Particulars	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (b) below:	Rs. 5398	NIL
2.	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises Development Act, 2006 alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	NIL	NIL
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
5.	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

b) Vender-wise Outstanding Principle Amount	<b>Year ended 31st March 2009 Rs.5398</b>	Year ended 31st March 2008 NIL
N.R. Industries		

9. Prior period items include a sum of Rs.8572976/- credited to the profit and loss account on account of DEPB entitlement for the financial year 2007-2008.

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

**Defined Contribution Plan**

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

	(Amount in Rs.)	
	2008-09	2007-08
Employer's Contribution to Provident Fund	4292427	3920351
Employer's Contribution to Pension Scheme	8283125	8036510

**Defined Benefit Plan**

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

In respect of Financial year 2008-09, the company has made payment of Rs.3000000/- towards gratuity payable for the year. The actuarial valuation certificate as certified by an actuary has not been received and the short fall, if any, in the provision of Gratuity shall be provided on receipt of actuarial valuation certificate as aforesaid.

11. Break-up of deferred tax assets and deferred tax liabilities is as under: -

Particulars	Consolidated	LPS BPL	LPS BISPL	(Rs.)	
				2009 TOTAL	2008 TOTAL
<b>1. Deferred tax liability</b>					
a) on account of difference in rates and method of depreciation	20578667	2408443	-	22987110	14416729
b) on account of different treatment of certain payments under I.T. Act, 1961	14417069	-	-	14417069	12499747
	34995736	2408443	-	37404171	26916476
<b>2. Deferred tax assets</b>					
on account of different treatment of certain payments under I.T. Act,1961	-	4587620	-	4587620	4239817
	-	4587620	-	4587620	4239817

**Deferred tax liability**

- at the end of year (net)	34995736	(2179177)	-	32816559	22676659
- for the year	8719880	(109555)	-	8610325	5439496

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.

12. Earnings per share – Basic and Diluted

Numerator for earning per shares			
Profit before taxation and Prior period items	Rs.	71270097	150247119
Provision for deferred tax, income tax, wealth tax and FBT	Rs.	37067613	56697730
Adjustment to net earning :			
Prior period Adjustment	Rs.	8572967	-
Profit after taxation and Prior period items	Rs.	42775460	93549389
Denominator for earning per share weighted number of equity shares outstanding during the period	Nos.	10941667	10941667
Earning per share-Basic and Diluted (Rs. per equity share of Rs.10/- each)	Rs.	3.91	8.55

13. Segment Reporting

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

**Primary-Business Segment**

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

## Secondary-Geographical Segment

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

(Rs. In lacs)

	2009	2008
Revenue (Net of Excise)		
Revenue-Domestic Market		
Consolidated	16403.25	19007.72
Share in LPSBPL	2389.25	2462.18
Share in LPSBISPL	5.88	5.88
Revenue-Overseas Market		
Consolidated	5997.49	6363.60
Fixed assets located (including capital Work-in-progress)		
With in India		
Consolidated	6441.58	5540.34
Share in LPSBPL	372.35	399.14
Share in LPSBISPL	0.12	0.22
Outside India	-	-

## 14. Related Party Transactions

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

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

#### 1. Associates

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

(Lac/Rs.)

S.No.	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2009	2008	2009	2008	2009	2008
1.	Sale of Goods						
	LPS Bossard Pvt. Ltd	993.25	680.74	-	-	-	-
	Lakshmi Precision Screws Ltd.	2.18	0.27	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	29.09	3.55	-	-	-	-
	Total	934.52	684.57	-	-	-	-
2.	Purchase of Goods						
	LPS Bossard Pvt. Ltd	0.00	0.68	-	-	-	-
	Lakshmi Precision Screws Ltd.	425.03	330.71	-	-	-	-
	J.C. Fasteners Ltd.	3.81	3.68	-	-	-	-
	Nav Bharat Agencies	7.94	5.00	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	17.72	38.69	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	64.86	138.66	-	-	-	-
	Universal Enterprises	84.43	25.60	-	-	-	-
	Lakshmi Extrusion Ltd.	24.94	18.62	-	-	-	-
	Bossard Ltd. Fasteners Switzerland	76.01	78.29	-	-	-	-
	Bossard France S.A.	3.50	3.14	-	-	-	-
	Bossard Pte. Ltd. Singapore	0.88	3.65	-	-	-	-
	Precision Fasteners Corporation	6.17	9.28	-	-	-	-
	Total	715.11	656.00	-	-	-	-
3.	Rent received						
	LPS Fasteners & Wires Pvt. Ltd.	0.50	0.50	-	-	-	-
4.	Rent paid						
	Nav Bharat Industries	7.20	7.20	-	-	-	-
	Sushila Devi Jain	-	-	15.42	12.45	-	-
	Chandni Jain	-	-	-	-	2.06	2.06
	Universal Precision Screws	111.97	90.16	-	-	-	-
	Total	119.17	97.36	15.42	12.45	2.06	2.06
5.	Interest received						
	Sushila Devi Jain	-	-	-	0.27	-	-
6.	Jobwork paid						
	Amit Screws Pvt. Ltd	6.26	9.51	-	-	-	-
	Hanumat Wire Udyog Pvt. Ltd	178.43	198.57	-	-	-	-
	Indian Fasteners Limited	-	-	-	-	-	-
	J.C. Fasteners Ltd.	272.46	168.25	-	-	-	-
	Lakshmi Extrusion Ltd.	73.31	66.01	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	72.67	75.00	-	-	-	-
	Nav Bharat Industries	9.06	0.81	-	-	-	-
	Shiv Industries	2.59	0.00	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	255.75	273.35	-	-	-	-
	United Engineers	11.17	0.00	-	-	-	-
	Universal Enterprises	37.45	91.07	-	-	-	-
	Total	919.15	882.57	0.00	0.00	0.00	0.00
7.	Remuneration paid						
	L.K. Jain	-	-	82.20	53.98	-	-
	D.K. Jain	-	-	78.91	52.20	-	-
	V.K. Jain	-	-	78.91	52.20	-	-
	Rajesh Jain	-	-	22.64	22.64	-	-
	S.K. Jain	-	-	-	-	26.30	18.00
	Gagan Jain	-	-	-	-	14.82	8.35
	Gautam Jain	-	-	-	-	14.82	8.35
	Gaurav Jain	-	-	-	-	14.82	0.00
	Nikhlesh Jain	-	-	-	-	14.82	8.35
	Amit Jain	-	-	-	-	14.82	8.35
	Total	0.00	0.00	262.66	181.01	100.42	51.41
8.	Interest to Directors/Others						
	L.K. Jain	-	-	2.39	2.40	-	-
	Rajesh Jain	-	-	7.92	7.94	-	-
	V.K. Jain	-	-	3.27	3.28	-	-
	Gagan Jain	-	-	-	-	2.72	2.73
	Gautam Jain	-	-	-	-	2.80	2.81
	Gaurav Jain	-	-	-	-	4.59	0.00
	Amit Jain	-	-	-	-	4.65	4.66
	Saurabh Jain	-	-	-	-	3.33	0.00
	Total	0.00	0.00	13.59	13.62	18.10	10.20
9.	Professional Charges						
	LPS Bossard Information Systems Pvt. Ltd.	6.59	6.61	-	-	-	-
	Grand Total	2695.04	2330.61	291.67	207.35	120.57	63.67
10.	Balance Receivable	387.32	182.44	-	-	-	-
11.	Balance Payable	349.79	979.28	141.92	161.76	175.84	175.64

15. In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1<sup>st</sup> 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.
16. 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 2008-09.

The movements in provisions are as under:

(Lac/Rs.)

Sr. No.	Particulars	Consolidated	LPSBPL	LPSBISPL	2009 Total	2008 Total
1.	Carrying amount as on 01.04.08.	561	25	-	586	634
2.	Additional provisions made during the financial year 2008-09 including increase to existing provisions.	416	12	-	428	587
3.	Amount used (including and charged against the provisions) during the financial year 2008-09.	559	25	-	584	634
4.	Unused amounts reversed during the financial year 2008-09.	2	0	-	2	0
5.	Carrying amounts of provisions as on 31.03.09.	416	12	-	428	587

17. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year.
18. Figures have been rounded off to the nearest rupee.
19. Schedule 1 to 19 form integral part of Balance Sheet and Profit and Loss Account.
20. 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.K. Banerjee  
AVP (SF) &  
Company Secretary

Place : NOIDA  
Dated : June 27, 2009

## CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ending March 31, 2009 (Rs.)	Year Ending March 31, 2008 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	42775454	93549390
Adjustments for:		
Tax	36955199	56644900
Net profit before tax and extraordinary items	77510836	150194290
Adjustments for:		
Depreciation	100236568	91952829
Deferred payment interest and Technical know how fee written off	1625644	2062459
Rent and Interest received (Gross)	(3545297)	(4612333)
Income Tax Refund	0	0
Dividend Income	0	0
Interest and Financial charges	164557735	119839237
Misc. Expenses written off	0	6327
Provisions for Bad and Doubtful Debts	850000	104380
Profit/Loss on sale of assets (Net)	728425	527328
Reduction in Reserves, due to change in accounting policy	(12445666)	0
Operating profit before working capital changes	329518246	360074517
Adjustments for:		
Trade Payables	(45932862)	39304065
Trade and other receivables	84047115	(218760517)
Inventories	(135736526)	(171438055)
Cash generated from operations	231895974	9180010
Interest and financial charges	(163695389)	(119029452)
Direct Taxes	(10367132)	(16395308)
Net cash from operating activities	57833453	(126244750)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(189873712)	(193813546)
Proceeds from Sale of fixed assets	461695	100877
Purchase of investment	(790377)	(1777928)
Rent and Interest received (Net of TDS)	2562572	3287910
Dividend Income	0	0
Income Tax Refund	0	0
Deferred payment interest and Technical know how fee provided during the year	(1132839)	(300500)
Net cash used in investing activities	(188772661)	(191595287)

## CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Description	Year Ending March 31,2009 (Rs.)	Year Ending March 31,2008 (Rs.)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital (including share premium)	0	0
Preferential issue expenses	0	0
Proceeds from short term borrowings	235423768	278728558
Repayment of short term borrowings	(150010505)	(21220029)
Proceeds from long term borrowings	141338903	229867728
Repayment of long term borrowings	(116278249)	(80248391)
Proceeds from Directors and others	0	0
Repayment to Directors and others	(600000)	0
Dividend paid	(15089985)	(22548114)
	<b>94783932</b>	<b>384579752</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(33935459)</b>	<b>66739715</b>
Cash & Cash equivalents (Opening Balance)	116055414	49302020
Cash & Cash equivalents (Closing Balance)	82119955	116041735

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

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

K.L. Ghorui  
**Associate Vice  
President**

S.K. Banerjee  
**AVP (SF) &  
Company Secretary**

### AUDITORS' CERTIFICATE

We have examined the above consolidated cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2009. 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 27, 2009**

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

1.	Name of Subsidiary Company.	INDIAN FASTENERS LTD.
2.	Financial year of the Subsidiary Company ended on	31 <sup>st</sup> March, 2009
3.	Date from which it became Subsidiary	24 <sup>th</sup> December, 1990
4.	Holding Company's interest	Deemed Subsidiary by virtue of section 4(i) of the Companies Act, 1956
	(i) No(s). of shares in the Subsidiary Company held by Lakshmi Precision Screws Ltd. along with its nominee at the above date.	481550
	(ii) Extent of holding.	67.30%
5.	The net aggregate amount of profit/ (losses) of the Subsidiary Company so far as it concerns to the members of Lakshmi Precision Screws Ltd.	
	(i) Not dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31 <sup>st</sup> March, 2009	Rs.0.17 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.46.40 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31 <sup>st</sup> March, 2009	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 27, 2009**

**Lalit Kumar Jain**  
Chairman & Managing Director

# DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 23rd Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2009.

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	2732862	3339706
Profit before interest, Depreciation & Taxation	2044201	2010112
Less: Interest	295211	354038
Profit before Depreciation and Taxation	1748990	1656074
Less: Depreciation	1405858	1399616
Profit before Taxation	343132	256458
Less: Income Tax	318498	222000
Net Profit for the year	24634	34458

## DIVIDEND

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

## DIRECTORS

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

## AUDITORS

The existing auditor M/s.Suresh Chand Singhal, Chartered Accountants retires at the conclusion of this Annual General Meeting and are eligible for re-appointment.

## FIXED DEPOSITS

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

## PARTICULARS U/s 217(2A)

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

## DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that the preparation of the annual accounts for the financial year ended March, 31 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudents so as to give a true and fair view of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended March 31, 2009 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

Place : Rohtak  
Dated : June 26, 2009

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, 2009.

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

Particulars	Current Year	Previous Year
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
<b>a) Purchased</b>		
Unit	51126	69486
Total amount (Rs.)	248982	338396
Rate/Unit (Rs.)	4.87	4.87
<b>b) Own Generation</b>		
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>B. CONSUMPTION PER TONNE OF PRODUCTION PRODUCT</b>		
Electricity/Unit		
Furnace oil	71.61	81.48
Coal oil		-
Others		-

## Form B

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

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

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

### FOREIGN EXCHANGE EARNED AND OUTGO

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

for and on behalf of the Board

Place : **Rohtak**  
Dated : **June 26, 2009**

**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 31<sup>st</sup> March, 2009 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 31.03.2009 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, 2009.
    - 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 26, 2009**

**Suresh Chand**  
**Proprietor**



## ANNEXURE TO THE AUDITOR'S REPORT

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

1. The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the period, and no discrepancies have been noticed on such verification.
2. The company is having a procedure of verifying fixed assets at reasonable intervals and based on such verification it has been reported that company has not noticed any discrepancies.
3. The company has not disposed off any fixed assets during the year.
4. The stock of Raw Material, Finished Goods, Spare parts, and Consumable Goods have been physically verified at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of Stock followed by the Management are reasonable and adequate in relation to size of the company and the nature of its business.
6. The company has maintained proper records of inventory and no material discrepancies were noticed on such verification between the physical records and book records.
7. The company has not taken/granted any loans secured or unsecured from Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. According to the information and explanations given to us, there are no Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
8. *Clause iii(b), (c) and (d) of the order are not applicable to the Company.*
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
10. *Clause v(a) and (b) of the order are not applicable to the Company.*
11. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public to which the *provision of section 58A and 58AA of the Companies Act, 1956 are applicable.*
12. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
14. According to the records of the company examined by us, there were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as at 31.03.2009 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 31.03.2009.
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 31.03.2009.
18. The Company not granted any loans against pledging of shares or debentures or other securities.
19. The provisions of any special stature applicable to a Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
20. The Company is not dealing in shares and securities.

21. The Company has not given any guarantees for loans taken by other banks/financial institutions.
22. The Company has taken term loan against car during the year and is regular in repayment of principal and interest.
23. The short term funds taken by the Company have not been used for long term investments and vice-versa.
24. The Company has not made any preferential allotment of shares covered under section 301 of the Companies Act, 1956.
25. The Company has not issued any debentures.
26. There is no public issue by the Company during the financial year.
27. As reported by the management, no fraud has been noticed or reported.
28. The Company is not a sick industrial Company within the meaning of clauses(o) of sub section (1) of Section-3 of the Sick Industries Companies (Special Provisions) Act, 1985.
29. During the course of our examination of the Books of Accounts carried out in accordance with generally accepted audited practices, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.

for **Suresh Chand Singhal**  
**Chartered Accountant**

Place : **Rohtak**  
Dated : **June 26, 2009**

**Suresh Chand**  
**Proprietor**



## BALANCE SHEET

Description	Schedule No.	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Fund</b>			
a) Share Capital	1	7155800	7155800
b) Reserves & Surplus	2	6930775	6906141
		14086575	14061941
c) Deferred Tax Liability (Net)		1301697	1414111
<b>2. Secured Loan</b>	3	2098501	2631346
	Total	17486773	18107398
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	4		
a) Gross Block		21661479	21661479
b) Less Depreciation		8815921	7410063
c) Net Block		12845558	14251416
<b>2. Current Assets, Loans &amp; Advances</b>	5		
a) Inventories		11920	6260
b) Sundry Debtors		4356202	3803810
c) Cash & Bank Balances		232702	240071
d) Loans and Advances		340721	384192
		4941545	4434333
<b>Less: Current Liabilities &amp; Provisions</b>	6		
a) Current Liabilities		35330	354896
b) Provisions		265000	223455
		300330	578351
<b>Net Current Assets</b>		4641215	3855982
<b>3. Miscellaneous Expenditure</b>	7	0	0
	Total	17486773	18107398
<b>SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>	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 26, 2009**

## PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>INCOME</b>			
Job Work Received		2320448	2984506
Lifter hire receipts		300000	300000
Deferred Tax written back		112414	52830
Excess Provision of Income Tax Written Back		0	2370
Total		2732862	3339706
<b>EXPENDITURES</b>			
Manufacturing Expenses	8	267910	522552
Personnel Expenses	9	139415	638698
Office and Administrative Expenses	10	281336	168344
Interest and Financial Charges		295211	354038
Depreciation		1405858	1399616
Income Tax		228498	122000
Fringe Benefit Tax		90000	100000
Total		2708228	3305248
<b>NET PROFIT FOR THE YEAR</b>			
		24634	34458
Profit for appropriation			
Balance as per last Balance Sheet		6895379	6860921
Profit for the year		24634	34458
		6920013	6895379
<b>APPROPRIATION</b>			
Transfer to General Reserve		0	0
Dividend		0	0
Corporate Dividend Tax		0	0
Balance Carried over to Balance Sheet		6920013	6895379
		6920013	6895379
<b>SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES</b>			
	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 26, 2009**



## SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
1500000 Equity Shares of Rs.10/- each	15000000	15000000
<b>Issued, Subscribed and Paid Up</b>		
715580 Equity Shares of Rs.10/- each (out of the above 481550 equity shares of Rs.10/- each held by holding company Lakshmi Precision Screws Limited, Rohtak)	7155800	7155800
	7155800	7155800
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve	10762	10762
Profit & Loss Account	6920013	6895379
	6930775	6906141
<b>SCHEDULE - 3</b>		
<b>SECURED LOAN</b>		
ICICI Bank (Car Loan)	2098501	2631346
	2098501	2631346

### SCHEDULE - 4 FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2008	Addition	Adjustment	Total 31.03.2009	Upto 31.03.2008	For the year	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2	Building (A)	3504153	0	0	3504153	1119535	117039	1236574	2267579	2384618
3	Building (B)	3833820	0	0	3833820	1006962	128050	1135012	2698808	2826858
4	Plant & Machinery	4110903	0	0	4110903	2747127	195268	2942395	1168508	1363776
5	Fork Lifter	715177	0	0	715177	543536	33971	577507	137670	171641
6	Electric Fittings	165703	0	0	165703	84119	11715	95834	69869	81584
7	Furniture Fixture	380325	0	0	380325	125286	24075	149361	230964	255039
8	Motor Car	7014406	0	0	7014406	1783498	895740	2679238	4335168	5230908
	Total	21661479	0	0	21661479	7410063	1405858	8815921	12845558	14251416
	Previous Year	19679346	1982133	0	21661479	6010447	1399616	7410063	14251416	13668899

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

Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 5</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A) Inventories</b>		
(At lower of cost and net releasable value prepared valued and certified by directors)		
Diesel	11920	6260
	11920	6260
<b>B) Sundry Debtors</b>		
(Unsecured -considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	3089453	2087525
Other Debts	1266749	1716285
	4356202	3803810
<b>C) Cash and Bank Balances</b>		
Cash in hand	30609	9077
Cheques/Drafts in hand	259403	225285
In current accounts (with scheduled Bank)	-57310	5709
	232702	240071
<b>D) Loans and Advances</b>		
(Unsecured Considered good)		
H.S.E.B.Security	128825	128825
Advance recoverable in Cash or in kind or for value to be received	54856	46414
Advance Income Tax (T.D.S.)	157040	208953
	340721	384192
	4941545	4434333
<b>SCHEDULE - 6</b>		
<b>CURRENT LAIBILITIES &amp; PROVISIONS</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors	0	0
Due to S.S.I. Undertaking	0	0
Due to other than S.S.I. Undertaking	35131	350883
Other Liabilities	199	4013
	35330	354896
<b>B) Provisions</b>		
Provisions for Income Tax	265000	223455
	300330	578351
<b>SCHEDULE - 7</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(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 31.03.2009 (Rs.)	Year Ending 31.03.2008 (Rs.)
<b>SCHEDULE - 8</b>		
<b>MANUFACTURING EXPENSES</b>		
Power and Fuel	248982	338396
Job Work Paid	0	158892
Fork Lifter Expenses	18928	25264
	<b>267910</b>	<b>522552</b>
<b>SCHEDULE - 9</b>		
<b>PERSONNEL EXPENSES</b>		
Wages (Contractors)	113866	559883
Company Contribution to P.F.	12876	27515
Overtime and incentive	7582	39956
Welfare Fund	80	696
Company Contribution to E.S.I.	5011	10648
	<b>139415</b>	<b>638698</b>
<b>SCHEDULE - 10</b>		
<b>OFFICE AND ADMINISTRATIVE EXPENSES</b>		
Rates and Taxes	0	3695
Telephone Expenses	0	5510
Travelling & Conveyance	20	60
Legal & Professional charges	13797	10302
Printing & Stationery	630	0
General Repairs	0	0
Repairs to Machinery	0	0
General Charges	0	58
Motor Car Expenses	162881	100050
Insurance	98009	41629
Audit Fee	6000	7040
	<b>281336</b>	<b>168344</b>

SCHEDULE - 11

**SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES**

A) SIGNIFICANT ACCOUNTING POLICIES

1. 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.
2. 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.
3. 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.5000/- has been provided @100%.
4. Inventories  
Inventories are valued at lower of cost and net realisable value.
5. Deferred tax is recognised, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

B) CONTINGENT LIABILITIES

NIL

C) NOTES

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

Name of the Company	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Lakshmi Precision Screws Ltd.,	4356202	3803810

3. Personnel expenses relate to payment made to Security Agency on account of Security Guard supplied to the company. There is no staff on the pay roll of the company.

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

	31.03.2009	31.03.2008
Liabilities (on a/c difference in depreciation)	1301697	1414111
Assets	0	0

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

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

	Unit	2008-09		2007-08	
		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.	713.984	23.20	855.857	29.85
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		2009 Qty.		2008 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



	Unit		2009 Qty.		2008 Qty.
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

7. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year and 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 26, 2009**



LAKSHMI PRECISION SCREWS LIMITED

ATTENDANCE SLIP

I hereby record presence at the 40th 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 Wednesday, the 30th September, 2009.

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 40th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2009 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Signed by the said \_\_\_\_\_

Affix  
Re 1/-  
Revenue  
Stamp  
here

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

Signature of the Proxyholder(s)  
(1) \_\_\_\_\_  
(2) \_\_\_\_\_

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

\* Applicable for investors holding Shares in electronic form.



 HELP CREATE

**LAKSHMI PRECISION SCREWS LTD.**

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