

DRIVING GROWTH CREATING VALUE



WE HELP CREATE



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BOARD OF DIRECTORS

Shri Lalit Kumar Jain
Chairman & Managing Director

Shri Dinesh Kumar Jain
Vice Chairman & Managing Director

Shri Vijay Kumar Jain
Joint Managing Director

Shri Rajesh Jain
Director

Smt. Sushila Devi Jain
Director

Shri Jamshed Rustomji Desai
Director

Shri Ajay Kumar Chakraborty
Director

Shri Bhupendranath Vidyanath Bhargava
Director

Shri Bhagwan Das Narang
Director

Shri Keshwa Nand Rattan
Director

COMPANY SECRETARY

Shri Naveen Kakkar

STATUTORY AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s. MCS Ltd.
F – 65, 1st Floor,
Okhla Industrial Area, Phase – I,
New Delhi – 110 020.
Tel: 011 – 41406149.

BANKERS

Canara Bank, Rohtak.
Indian Overseas Bank, Rohtak.
IDBI Bank Limited, New Delhi.

REGD. OFFICE & FACTORY

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

CORPORATE OFFICE

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

BRANCH OFFICES

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

153-Wing-A, Mittal Tower,
Nariman Point,
Mumbai – 400 021.
Tel: 022 – 40025861.

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

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

40, Rahul Chamber,
Kasar Wadi,
Pune – 411 034.
Tel: 020 – 27145231.



**ATTENTION TO THE
MINUTEST DETAIL.**

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 2380 million INR supported by 1145 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are a 3136 million INR Company with approx. 17% contribution coming from exports.

Our installed capacity is 23146 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 STATEMENT

'LPS Vision is to provide world class fastening solutions and components for our customers through competitive pricing, performance, superior quality, safety & environmental care'.

MISSION STATEMENT

'Creating value for our customers and shareholders, we will use our expertise to create fastening solutions, and components of superior quality with safety and environmental care for our esteemed customers in selected segments.

At LPS we will work with energy, passion and respect for the individuals'.

INTEGRATING BIG AND SMALL



FROM THE CMD'S DESK

Dear Shareholders,



It is my privilege to communicate with you at the end of another successful year of your company. The financial year 2010-11 was one in which both the world as well as the Indian economy showed resilience. While the global economy rebounded amidst fears of a double-dip recession, the Indian economy surged ahead on the back of its strong fundamentals. There were and are concerns that cannot be ignored: high inflation and shortage of liquidity in India; the aftermath of the dreadful earthquake and tsunami in Japan .

While there is still some nervousness about the global economy, India seems firmly set on the growth path. Consumer demand is strong, exports are rising and investment is picking up. Most important, the macrofundamentals of our economy are sound despite factors like high inflation. The road ahead for FY 2011-12 is not devoid of obstacles; some immediate ones being the surging inflation in raw material prices which is putting pressure on margins, and the uncertainties prevailing in the global economy, but your Company has always risen above challenges; driven by its resilience, foresight and strategic direction and I am sure this year will be no different.

The financial performance of the Company during the year is highlighted as below:

Your Company's turnover and other income reached to Rs. 31362 lacs as on 31st March, 2011 resulting in an increase of over 36% as against Rs. 22980 lacs as on 31st March, 2010.

Gross profit for the Company was Rs.5013 lacs as on 31st March, 2011 resulting in an increase of 38% as against Rs.3632 lacs as on 31st March, 2010.

Net profit stood at Rs.888 lacs at the end of the year resulting in an increase of over 68% as against Rs.528 lacs for the previous year.

A dividend @ 15% (previous year @ 10%) has been recommended by the Board of Directors for the year 2010-11, if approved by the members at their forthcoming Annual General Meeting. The total outflow will be to the tune of Rs.190.75 lacs inclusive of corporate dividend tax.

Success of any business enterprise can only be possible because of its employees and people who put in unrelenting efforts to rise to excellence. I would like to reiterate that your Company's employees are its greatest asset and it is entirely due to their hard work, perseverance, commitment and dedication that your Company has been able to deliver superior growth and value creation with every passing year. I sincerely thank all our shareholders, customers, business partners, bankers, government and statutory authorities for the continued support and faith reposed in your Company.

I would like to assure you that your Company would continue to remain committed to deliver strong growth and enhance shareholder and customer value in every possible way we can .

Thanking you once again for your continuous support.

Lalit Kumar Jain
Chairman & Managing Director

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.

Dorcen

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**

INSPIRING GROWTH, FOSTERING INITIATIVE

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the Members of Lakshmi Precision Screws Ltd. will be held on Thursday, the September 29, 2011 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, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2011.
3. To appoint a Director in place of Mr. Ajay Kumar Chakraborty, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Keshwa Nand Rattan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 M/s. V.R. Bansal & Associates, Chartered Accountants, Noida, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of ensuing 42nd Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company on such remuneration (including tax audit fees) plus out of pocket expenses as shall be fixed by the Audit Committee/ Board later on.”

SPECIAL BUSINESS:

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting held on 29th September, 2008 and subject to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time for the purposes of the business of the Company upon such terms and conditions with or without security, as the Board of Directors may in its absolute discretion think fit, NOTWITHSTANDING THE FACT THAT money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained/ to be obtained from Company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the Paid up Capital of the Company and its free reserves not set apart for any specific purpose, PROVIDED HOWEVER, THAT the total amount upto which the money or moneys borrowed including the moneys already borrowed shall not exceed the sum of Rs.200 Crores (Rs. Two Hundred Crores only) exclusive of interest thereon at any one time.

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

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

“RESOLVED THAT in modification of earlier resolution passed by the Members in their Annual General Meeting held on 29.09.2007 and pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the revised remuneration package of Mr. Lalit Kumar Jain, Chairman and Managing Director of the Company be and is hereby approved for remaining period of Central Government approval i.e. 01.01.2011 to 31.12.2012 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to file the necessary documents/ returns with the Central Government, Company Law Board, Ministry of Corporate Affairs and to do all such acts and things as may be deemed necessary in this regard.”

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

“RESOLVED THAT in modification of earlier resolution passed by the Members in their Annual General Meeting held on 29.09.2007 and pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the revised remuneration package of Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director of the Company be and is hereby approved for remaining period of Central Government

approval i.e. 01.01.2011 to 31.12.2012 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

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

"RESOLVED THAT in modification of earlier resolution passed by the Members in their Annual General Meeting held on 29.09.2007 and pursuant to the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the revised remuneration package of Mr. Vijay Kumar Jain, Joint Managing Director of the Company be and is hereby approved for remaining period of Central Government approval i.e. 01.01.2011 to 31.12.2012 on the terms and conditions as approved by the Remuneration Committee and the Board of Directors of the Company and otherwise as set out in the Explanatory Statement which is Annexed to the Notice convening the Annual General Meeting.

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

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

By order of the Board
for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : August 08, 2011

Naveen Kakkar
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE DULY SIGNED AND COMPLETED PROXY MUST BE RECEIVED 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 at item No. 6 to 9 to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 22, 2011 to Thursday, September 29, 2011 (both days inclusive) in connection with the ensuing Annual General Meeting and for purpose of determining the entitlement of dividend, if any, declared by the Company.
4. The dividend on Equity Shares, if declared at the Meeting, will be paid to those members whose names appear on the Company's Register of Members on Wednesday, September 21, 2011. In respect of the shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
5. Members may please note that dividend warrants are payable at par at the designated branches of the Canara 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 of the Bank. Members are, therefore, advised to encash dividend warrants within the initial validity period.
6. The Company has transferred all unclaimed dividends declared upto the financial year ended March 31, 1995 to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have so far not claimed or collected their dividends declared upto the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, NCT of Delhi and Haryana, Paryavaran Bhawan, 2nd Floor, 'B' Block, CGO Complex, Lodhi Road, New Delhi – 110 003, by making an application in the prescribed form. Pursuant to the provisions of Section 205A(5) and 205(c) of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of the Investors) Rules, any dividend transferred by the Company to unpaid dividend account and remaining unpaid for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called the Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid/ unclaimed dividend for the financial year 2003-04 shall become transferable to the fund on 24.09.2011, followed by the transfers of the amounts of unpaid/ unclaimed dividends for the subsequent years. No claim shall lie thereafter against the funds or the Company in respect of such amounts transferred. Members are therefore requested to verify their records and send claims, if any, for the relevant years from 2003-04 onwards, before the respective amounts become due for transfer to the fund. The following are the details of the dividends declared by the Company and respective due dates for claiming by the Members:

Dividend Year	Date of declaration of dividend	Last date for claim
2003-04	25.09.2004	24.09.2011
2004-05	29.09.2005	28.09.2012
2005-06	29.09.2006	28.09.2013
2006-07	29.09.2007	28.09.2014
2007-08	29.09.2008	28.09.2015
2008-09	30.09.2009	29.09.2016
2009-10	29.09.2010	28.09.2017

Those Members who have not so far claimed their dividend for the above financial years from 2003-04 to 2009-10 are requested to make their claims to the Company for obtaining duplicate dividend warrants.

7. Members are requested to notify immediately any change of address
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
 - ii) To the Company's Registrar, MCS Ltd. in respect of their physical share folios, if any, quoting their folio number.
8. Members who hold shares in the physical form and wish to make/change in nomination in respect of their shareholding in the Company, as permitted pursuant to the provisions of Section 109A of the Companies Act, 1956, may do so by submitting to the Company the prescribed Form 2B.
9. Corporate Members are requested to send a duly certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
10. Members who hold shares in dematerialized form may kindly note that their bank account details, as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in dematerialized form. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
11. Register of Contract will be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.30 A.M. to 2.30 P.M. except the date on which the same will be placed in the Board Meeting for compliance of Section 301 of the Companies Act, 1956.
12. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges on Corporate Governance the information about the Directors proposed to be re-appointed/ appointed is given in the Annexure to the Notice.
13. Pursuant to the directions of the Securities and Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory dematerialized form. Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent.
14. Members desiring of getting any information/ clarification relating to the accounts of the Company under reference or about operations of the Company, are requested to write to the Company Secretary at least 7 days before the Meeting to enable the Company to make it available at the Meeting.

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated August 08, 2011.

Item No. 06

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

At the Annual General Meeting of the Company held on 29th September, 2008 the Members had authorized the Board of Directors to borrow for the business of the Company from time to time upto a sum of Rs.150 Crores pursuant to aforesaid section and to create necessary securities on the properties of the Company by way of Mortgages, Charges etc.

In the light of the Company's drive for mobilization of additional funds in the immediate future towards the implementation of organic/organic growth strategies, it is considered expedient to approach the Members to authorize the Board to borrow upto Rs.200 Crores only and to create securities by way of Mortgages, Charges, Hypothecation or Pledge or otherwise in respect of the whole or any part of the properties and assets of the Company both present and future.

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

None of the Directors of the Company is in any way concerned or interested in passing of Ordinary Resolution as set out at Item No.06 of the notice convening the Annual General Meeting.

Item No. 07 to 09

The Company has three Whole Time Executive Directors namely Mr. Lalit Kumar Jain, Chairman and Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director. They were reappointed by the members in their Annual General Meeting held on 29.09.2007 for a period of 5 years i.e. 01.01.2008 to 31.12.2012 on a remuneration package as may be approved by the Central Government. The Company has received the approval of Central Government for payment of remuneration for a period of 5 years i.e. 01.01.2008 to 31.12.2012 vide its letters no.12/926/2007-CL.VII dated 21.02.2008, no.12/1063/2007-CL.VII dated 21.02.2008 and no.12/1064/2007-CL.VII dated 21.02.2008 respectively. Accordingly, their term of appointment and remuneration are effective up to 31.12.2012.

Presently, Mr. Lalit Kumar Jain, Chairman & Managing Director is drawing remuneration package of Rs.5.00 lacs per month, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director each are drawing remuneration package of Rs.4.80 lacs per month plus perquisites and allowances.

The annual turnover of the Company crossed Rs.300 crores and achieved a profit before tax of Rs.8.88 crores registering a growth of 68.50% during the financial year 2010-11 as on 31.03.2011. The job responsibilities of Whole Time Executive Directors have also considerably increased. The Company has fixed the target of turnover of Rs.400 crores for the financial year 2011-12 and Rs.475 crores for the financial year 2012-13. In order to achieve the planned growth of the Company and considering background, outstanding contribution and achievements, it is proposed to approve the revision in the remuneration package of Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director for remaining period of Central Government approval i.e. 01.01.2011 to 31.12.2012. The Company will obtain prior approval of the Central Government.

The Remuneration Committee as well as the Board of Directors at their meetings held on 08.08.2011 have approved revision in the remuneration package of Mr. Lalit Kumar Jain as Chairman & Managing Director, Mr. Dinesh Kumar Jain as Vice Chairman & Managing Director and Mr. Vijay Kumar Jain as Joint Managing Director of the Company subject to the approval of members and the Central Government, for remaining period of Central Government approval i.e. 01.01.2011 to 31.12.2012 on a remuneration to be paid individually and severally as per details given below:

1. Basic Salary

(a)	Mr. Lalit Kumar Jain	:	Rs.9,25,000 per month
(b)	Mr. Dinesh Kumar Jain	:	Rs.8,50,000 per month
(c)	Mr. Vijay Kumar Jain	:	Rs.8,50,000 per month

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

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

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

- (ii) **Medical Reimbursement:** Expenditure incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession:** For self and family in a year in accordance with the rules of the Company.
- (iv) **Club Fees:** Subject to maximum of two clubs, this will not include admission and life membership fee.
- (v) **Personal Accident Insurance:** Premium not to exceed Rs.10000/- per annum.
- (vi) **Children's Education Allowance:** Children studying in or outside India, an allowance entitled to a maximum of Rs.5000/- per month per child or actual expenses incurred whichever is less. Such allowance is admissible for two children only.
- (vii) **Car:** Facility of car with driver to be used for the business of the Company.
- (viii) **Telephone:** Free telephone facility at Residence at Company's cost.

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

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

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

3. OTHER BENEFITS

- (i) The Chairman and Managing Director, Vice Chairman and Managing Director and Joint Managing Director shall also be entitled to such other benefits, schemes, privileges and amenities as are granted to senior executives of the Company in accordance with the Company's practices, rules and regulations in force from time to time.
- (ii) Further they will be reimbursed various expenses incurred in the interest of the business of the Company like entertainment and traveling expenses.

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

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

Inspection of documents

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

By order of the Board
for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : August 08, 2011

Naveen Kakkar
Company Secretary

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

Particulars	Mr. Ajay Kumar Chakraborty, NEID	Mr. Keshwa Nand Rattan, NEID
Date of Birth	April 07, 1945	December 01, 1942
Date of Appointment	July 28, 2005	April 28, 2001
Qualifications	Cost Accountant, Company Secretary and Law Graduate	B.Sc., M.I.E. and Post Graduate Diploma in Project Management.
Expertise in specific functional areas	Mr. Chakraborty is having vast experience in the field of banking, finance, marketing research and general administration etc.	Mr. Keshwa Nand Rattan is having vast experience in mass production precision industries at various levels including Shop Floor Management, Industrial Engineering, Project Planning & Implementation and General Management.
Name of the other Companies in which holds Directorship	<ul style="list-style-type: none"> • Lakshmi Precision Screws Ltd. • Manaksia Ltd. • Shreyans Industries Ltd. 	Lakshmi Precision Screws Ltd.
Name of Committee of the other Companies in which holds Membership/ Chairmanship	Lakshmi Precision Screws Ltd. - Remuneration Committee (Member) - Audit Committee (Member) - Selection Committee (Chairman) - Committee of Directors (Member) Manaksia Ltd. - Audit Committee (Chairman) - Remuneration Committee (Member) Shreyans Industries Ltd. - Audit Committee (Member)	Lakshmi Precision Screws Ltd. - Audit Committee (Chairman) - Remuneration Committee (Member) - Selection Committee (Member)
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	NIL	500
Relationship with Other Director(s)	Not related to any Director	Not related to any Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 42nd Annual Report together with Audited Accounts of the Company for the financial year ended on March 31, 2011.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2011 is summarized as below:

(Rs. in Lacs)

Particulars	2010-2011	2009-2010
Net Sales	30597.40	22797.73
Gross Profit before interest, depreciation and tax	5013.41	3632.02
Less: Interest	1834.66	1534.28
Profit before depreciation and tax	3178.75	2097.74
Less: Depreciation	1811.68	1239.08
Profit before tax	1367.07	858.66
Less: Provision for tax	479.05	331.05
Net Profit for the year after tax	888.02	527.61
Add: Balance brought forward from previous year	4143.50	3743.90
Amount available for appropriation	5031.52	4271.51
Appropriations		
Transfer to General Reserve	45.00	0.00
Proposed Dividend	164.13	109.42
Corporate Dividend Tax	26.62	18.60
Balance carried over to Balance Sheet	4795.77	4143.50

OPERATIONS

During the financial year 2010-11 your Company has achieved turnover of Rs.30597 lacs (Previous year Rs.22798 lacs), recording an growth of 34%. During the year net profit of the Company has increased to Rs.888.02 lacs from Rs.527.61 lacs, recording an increase of 68% over the previous year.

Supply of fasteners to replacement and original equipment segments, wherein your Company holds a key position, continue to be the area of focus of your Company. In order to meet the increased demand, your Company has sufficient installed capacity. Your Company continue to follow its philosophy to provide the high quality products at the lowest cost, coupled with excellent customer services. The market is witnessing fierce competition. All efforts were made under Total Quality Management, Total Productivity Management and Six Sigma Umbrella to continuously improve the cost, quality, delivery and competitiveness. Your Company's products are well accepted in the market. In brief, all customers of the Company are on growth path and Company is confident to meet their increased demand. The volume growth in domestic market is expected to be in the region of 35% for 2011-12.

DIVIDEND

Your Directors have recommend an enhanced dividend of Rs.1.50 per equity share (previous year Re. 1.00 per equity share) for the financial year ended on March 31, 2011 aggregating to Rs.190.75 lacs inclusive of corporate dividend tax. The dividend, if approved by the members shall be paid to the eligible members within the stipulated time period.

FIXED DEPOSITS

The Company has accepted/ renewed the deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. There is no unclaimed or unpaid deposit lying with the Company. As on March 31, 2011, there were no overdue deposits of the Company.

SUBSIDIARY COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards, AS 21, AS 23 and AS 27, issued by "The Institute of Chartered Accountants of India", the Company has also included as part of this Annual Report, the Audited Consolidated Financial Statements of its subsidiary Company Indian Fasteners Limited, its associate companies J.C. Fasteners Ltd., Hanumat Wire Udyog Pvt. Ltd., Lakshmi Extrusion Ltd. and its joint ventures LPS Bossard Private Limited & LPS Bossard Information Systems Private Limited for the financial year 2010-11.

DIRECTORS

Pursuant to Article 133 of the Articles of Association of the Company, Mr. Ajay Kumar Chakraborty and Mr. Keshwa Nand Rattan, Directors retiring by rotation and being eligible, offer themselves for re-appointment at the forthcoming 42nd Annual General Meeting. The Board recommends their reappointment as Director liable retiring by rotation.

Brief resume of the Directors proposed to be re-appointed/ appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Explanatory Statement attached to the notice of the forthcoming Annual General Meeting of the Company.

AUDITORS AND AUDITORS' REPORT

M/s. V.R. Bansal & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Company has received from them an eligible certificate under Section 224(1B) of the Companies Act, 1956 and a copy of certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The Board of Directors commends their re-appointment.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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

The particulars relating to energy conservation, technology absorption, research & development, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 are given in the Annexure 'A' to this Report.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

You Company continue with its policy to maintain sound environmental, health and safety management and total applicable legal compliance are an integral part of the Company's business practices.

QUALITY MANAGEMENT SYSTEM

- a) Company has been continuing its efforts towards ongoing implementation and stabilization of TQM practices through total employee involvement.
- b) Company has retained the accreditation of its Quality Health and Safety Management Systems in line with ISO 9001:2008, TS 16949:2002, ISO 14001:2004 and OHSAS 18001:2007.
- c) Company has also retained the accreditation of its quality systems for Aviation Industries requirements in line with AS 9100B, NADCAP for Heat treatment facility and NABL certification for the Laboratory and Standard Room.

Benefits derived as a result from the above efforts are continuous improvement in productivity, quality, delivery and cost.

Customer focused approach

Company is open in receiving customer view points and welcomes them to visit the premises. A number of esteemed OEM customers visited the Company site to see our process and system. They appreciated Company's efforts in maintaining and continuously upgrading the process and systems.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees are given in the Annexure 'B' forming part of this Report.

LISTING AND CONFORMATION OF FEE

The securities of your Company are listed at The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). The Annual Listing fees for the year 2011-12 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2011-12 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the Company are compulsorily tradable in dematerialized form.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- a. followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
- b. selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit/ loss of your Company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- d. prepared the Annual Accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The report on Corporate Governance stipulated under Clause 49 for the Listing Agreement attached in Annexure 'C' and forming part of this Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached in this annual report and forming part of this Annual Report.

The Ministry of Corporate Affairs has released draft Corporate Governance Voluntary Guidelines, 2009 and Corporate Social Responsibility Guidelines, 2009. Your Company is in the process of implementation of the same.

HUMAN RESOURCE DEVELOPMENT

Your Company's Human Resource Management focus continues to be in making available a talent pool, for meeting challenges in the competitive market place, which is increasingly becoming tougher. Development plans have been drawn up for key managers to shoulder higher responsibilities as well as to increase their job effectiveness. Your Company always encourages young personnel with their ideas and views. Management is easily accessible to the employees and their problems are attended to promptly. The employer – employee relations remained cordial at all the plants of the Company and peaceful throughout the year.

APPRECIATION

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

Your Directors also place on record their deep sense of appreciation for the committed services rendered by all employees and our colleagues at all levels, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible. Your Directors also appreciate and value the contribution made by every member of the LPS family across the world.

Your support as shareholders is greatly valued.

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

for and on behalf of the Board of Directors

Place : New Delhi

Dated : August 08, 2011

Lalit Kumar Jain
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURES OF THE BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

(a) Energy conservation measures taken:

The Company has taken the following measures towards the conservation of energy:

1. New industrial shed for plating plant has been designed in this way that there is enough natural daylight inside. Energy saving wind driven turbo exhaust fans are provided on the roof.
2. 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.
3. 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.
4. Installation of energy savings CFL lamps in place of conventional filament lamps.
5. Replacement of ENDO-GAS generators with methanol system.
6. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
7. Machines and pipelines are being checked to arrest air, oil and water leakages.
8. Provided energy saver in street light feeder to save energy cost.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy.

The following proposals for reduction of consumption of energy are under implementation.

1. Installation of automatic 100 KVA voltage stabilizer at the lighting feeder.
2. Initiative being taken to install 300 KVAR APFC Panel 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:

Due to improvement in the globally economy and appreciation of rupee against dollar, your Company is able to increase 46% 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 the 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.5119 Lacs
Total Foreign exchange used	:	Rs.5873 Lacs

for and on behalf of the Board of Directors

Place : New Delhi
Dated : August 08, 2011

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2010-2011	2009-2010
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
unit (Kwh in thousand)	16147.15	12110.87
Total amount (Rs. in lacs)	762.38	536.57
Rate/ unit (Rs.)	4.72	4.43
(b) Own generation		
Through diesel generator (unit in thousand)	5161.19	3290.39
Rate per litre of diesel oil	35.59	31.55
Cost/ unit (Rs.)	10.64	9.53
2. LPG		
Qty./ Tons	261.00	362.61
Total amount (Rs. in lacs)	138.70	157.84
Average Rate/ Kilogram (Rs.)	53.14	43.53
3. Furnace Oil		
Qty./ Litres (in thousand)	-	-
Total amount (Rs. in lacs)	-	-
Average Rate/ litre (Rs.)	-	-
B. Consumption per tone of production		
Product (with details) Unit		
Electricity (Units/ Ton)	1112.82	1115.79
LPG (kg./ Ton)	13.63	26.27
Furnace Oil (litre/ Ton)	-	-

Form B

Form for disclosure of particulars with respect to absorption:

A. RESEARCH AND DEVELOPMENT (R&D)

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

The Company has its own 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. Alternator and stator motor shaft of four wheeler to tier one supplier developed thereby competency and motivation increased.
2. Zinc Nickel Plating process established to serve more number of new customers demand.
3. Usage of Annealed R/M to improve tool life and reduction in process rejection.
4. New concept product (Pole Shunt/ Cam Brake) vertical press components developed in horizontal progressive M/c to enhance productivity.
5. Socket forming in die side of shaft developed and could eliminate vendor operation/ less cycle time / more business.
6. Process established for special grade material like Inco Alloy A286 and Precipitation hardening.
7. Special threaded fastener developed PT Thread/ Altraces Thread/ High Low Thread/ Self Tapping/ Gimlet Point Thread.
8. Notching Process to Cam Brake developed through Split Die Route. This increased productivity and the bottleneck in production.
9. Fillet Rolling Process establishment completed which impact compressive strength on Engine Fastener neck to get proper fatigue strength.
10. Lot of machining components developed which will bring business growth.
11. Introduction of quick scope and combination gauge in quality department provided to supply defect free product to customer on high value parts.

b) Future Plan of action:

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

8. Aerospace System Implementation.	
9. Enhancement in Trivalent Passivation Capacity.	
c) Expenditure on R & D:	(Rs. in lacs)
(1) Capital	201.95
(2) Recurring	92.61
Total	<u>294.56</u>
(3) Total R&D expenditure as a percentage of turnover	0.96%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

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

NIL

Annexure 'B' to the Directors' Report

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the financial year ended March 31, 2011.

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Date of Joining	Age/ Exp. (in years)	Qualifications	% of Shares holding	Last employment held
01	Mr. Lalit Kumar Jain	Chairman & Managing Director	82,20,000	05.12.74	57 37	B. E. Mech.	10.60	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	78,91,200	27.12.68	63 43	B. Com.	2.30	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	78,91,200	05.12.74	54 36	B. A.	10.35	-
04	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	26,30,400	24.02.74	61 37	B.E. Mech.	0.94	-
05	Mr. Rajesh jain	Non-Executive Director	36,00,000	28.09.90	53 31	B.E. Tech.	13.08	-

Notes:

1. Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
2. Except Mr. Rajesh Jain all the above said appointments are approved by the Central Government for a period of 5 years. The remuneration of Mr. Rajesh Jain, Non-Executive Director is approved by the Central Government for a period of 3 years.
3. The nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
4. The Company did not have an employee either in the whole or part of the year under review who was in receipt of remuneration in the year which, in the aggregate or at the rate which, in the aggregate, was in excess of that drawn by the Managing Director and held by himself or along with his spouse and dependent children, more than 2% of the paid up Equity Shares Capital of the Company.
5. Mr. Vijay Kumar Jain and Mr. Rajesh Jain are the relative of Chairman & Managing Director of the Company.
6. Mr. Sudesh Kumar Jain is a relative of Vice Chairman & Managing Director of the Company.
7. There is no other employee employed during the financial year drawing remuneration of more than Rs.5 lacs p.m.

REPORT ON CORPORATE GOVERNANCE

(1) Company's philosophy

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

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

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

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

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

Company's Values

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

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

Disclosure of Information to Investors

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

(2) Board of Directors

Composition and category of Directors

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

During the financial year 2010-11, Five Board Meetings were held on 27.05.2010, (2 Nos.), 11.08.2010, 30.10.2010 and 12.02.2011. 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, 2011 have been made by the Directors. Also, none of the Directors on the Board holds the office of Director in more than 15 companies.

The composition of Board of Directors, their attendance at the Board Meetings held during the year, at the last Annual General Meeting and also number of directorships and chairmanships/ memberships of committees of each director held in various companies are as follows:

Sr. No.	Name of Director	Category	Attendance Record		No. of other Directorship#	No. of Membership(s)/ Chairmanship(s) of Board Committee in other Companies*
			Board Meetings	Last AGM		
1.	Mr. Lalit Kumar Jain	ED (CMD)	5	No	5	1 (as Member)
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	5	Yes	3	1 (as Member)
3.	Mr. Vijay Kumar Jain	ED (JMD)	4	Yes	3	Nil
4.	Mr. Rajesh Jain	NED	3	No	8	2 (including 1 as Chairman)
5.	Mrs. Sushila Devi Jain	NED	4	No	Nil	Nil
6.	Mr. Jamshed Rustomji Desai	NEID	5	No	1	2 (as Member)
7.	Mr. Keshwa Nand Rattan	NEID	5	Yes	Nil	1 (as Chairman)
8.	Mr. Ajay Kumar Chakraborty	NEID	5	Yes	2	3 (including 1 as Chairman)
9.	Mr. Bhupendranath Vidyannath Bhargava	NEID	5	No	10	9 (including 5 as Chairman)
10.	Mr. Bhagwan Das Narang	NEID	5	No	13	1 (as Member)

* Board Committee for this purpose includes Audit Committee and Share Transfer and Investors Grievance Committee (including Board Committees of Lakshmi Precision Screws Ltd.).

including all public limited companies, whether listed or not, private and foreign companies.

CMD	-	Chairman and Managing Director
VCMD	-	Vice Chairman and Managing Director
JMD	-	Joint Managing Director
ED	-	Executive Director
NEID	-	Non Executive Independent Director

Terms of reference to the Board of Directors

Apart from placing the statutory information before the Board Members, it is the policy of the Company to regularly place the information/ matter involving major decisions like Annual Budget, Joint Ventures and Technology Collaboration, Investments, Quarterly Results, Minutes of Meeting of Audit Committee(s) and other Committee(s) of the Board and other material information. The Board also periodically reviews the compliance reports of all laws applicable to the Company. The required information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board for discussion and consideration.

Disclosures regarding Appointment/ Re-appointment of Directors.

Mr. Ajay Kumar Chakraborty and Mr. Keshwa Nand Rattan, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The particulars of Directors being appointed and re-appointed are given in the Explanatory Statement attached to the notice of the forthcoming Annual General Meeting of the Company.

Code of Conduct and Compliance

The Code of Conduct applicable to all Board Members and Senior Management Personnel of the Company has been laid down by the Board and is hosted on the website of the Company www.lpsindia.com. All the Board Members and Senior Management Personnel of the Company have affirmed the compliance of Code of Conduct for the financial year ended March 31, 2011. A declaration to this effect, duly signed by the Chairman and Managing Director (CEO) is given in the Annual Report.

Insider Trading

Presently, the Company's shares are listed at the National Stock Exchange and Bombay Stock Exchange. With the intention of preventing insider dealing in the securities of the Company, the Company has formulated an "Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" in accordance with the terms of the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992 as amended.

Risk Management

In terms of the requirements of Clause 49 of Listing Agreement, the Company has laid down procedures to inform Board members about the Risk Assessment and Minimization Procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined frame work.

Subsidiary Companies

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

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

Board Committees

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

(3) Audit Committee and composition:

Terms of Reference and composition:

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

During the year 2010-11 Four Audit Committee meetings were held on 27.05.2010, 11.08.2010, 30.10.2010 and 12.02.2011. The attendance of Members during these meetings was as follows:

Name of Member	Category	No. of Meetings attended
Mr. Keshwa Nand Rattan	Chairman	4
Mr. Jamshed Rustomji Desai	Member	4
Mr. Rajesh Jain	Member	3
Mr. Ajay Kumar Chakraborty	Member	4
Mr. Bhagwan Das Narang *	Member	0

* Appointed as member of the Committee in the Board Meeting held on 12.02.2011.

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.

Company Secretary acts as the Secretary of the Audit Committee.

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

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

Role of Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions

- g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

(4) Corporate Governance and Remuneration Committee

Terms of Reference and Composition:

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

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

During the year 2010-11, one Corporate Governance and Remuneration Committee meeting was held on 11.08.2010. The attendance of Members during the meeting was as follows:

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

Company Secretary acts as the Secretary of Corporate Governance and Remuneration Committee.

Remuneration policy

Except Mr. Rajesh Jain all the Non-Executive Directors are getting only sitting fees for attending the meetings of the Board and/ or Committees.

The payment of remuneration to Executive Directors is governed by the respective resolutions passed by the Meetings of Committees/ Board/ Members and approved by the Central Government. The remuneration structure comprises of Salary, Allowances, Perquisites and Contribution to Provident Fund. Remuneration of employees largely consists of base remuneration and perquisites.

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

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

Details of remuneration paid in the financial year 2010-2011:

(a) Executive Directors:

Managing Directors / Joint Managing Director	Salary (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Mr. Lalit Kumar Jain	60,00,000	15,00,000	7,20,000
Mr. Dinesh Kumar Jain	57,60,000	14,40,000	6,91,200
Mr. Vijay Kumar Jain	57,60,000	14,40,000	6,91,200
Total	1,75,20,000	43,80,000	21,02,400

(b) Non-executive Directors:

Except Mr. Rajesh Jain all the Non-executive Directors are paid only the sitting fee of Rs.5000/- per Board/ Committee Meeting attended:

Name of the Directors	Rs.
Mr. Rajesh Jain *	3635000
Mrs. Sushila Devi Jain	20000
Mr. Jamshed Rustomji Desai	50000
Mr. Keshwa Nand Rattan	50000
Mr. Ajay Kumar Chakraborty	50000
Mr. Bhupendranath Vidyathath Bhargava	25000
Mr. Bhagwan Das Narang	25000
Total	3855000

* The payment of Mr. Rajesh Jain, Non-executive Director is comprising of Rs.36,00,000 as remuneration and Rs.35,000 as sitting fees. The said payment is approved by the members of the Company in its Annual General Meeting held on 29th September, 2010 and also by the Central Government vide its letter no.A96200837/2/2010-CL.VII dated 31.12.2010.

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

Name of the Directors	No. of Shares
Mr. Rajesh Jain	1430804
Mrs. Sushila Devi Jain	310415
Mr. Jamshed Rustomji Desai	2204
Mr. Keshwa Nand Rattan	500
Mr. Ajay Kumar Chakraborty	NIL
Mr. Bhupendranath Vidyathath Bhargava	5000
Mr. Bhagwan Das Narang	NIL

(5) Share Transfer and Investors Grievance Committee:

Terms of Reference and composition:

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

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

The members of the Committee normally meet twice in a month for share transfer and other said purposes. During the year 2010-11, fifteen Share

Transfer and Investors Grievance Committee meetings were held.

Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

During the year, the Company has received seven complaints of Members from SEBI and Stock Exchanges. The Company endeavors to reply and resolved all the complaints received from the SEBI/ Stock Exchanges/ Members within a period of 10 days. As on March 31, 2011, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The members may email to M/s MCS Ltd. admin@mcsdel.com and endorse a copy to Compliance Officer at the email id complianceofficer@lpsboi.com for early response of their queries.

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

(6) Annual General Meetings:

(a) Details of last three Annual General Meetings of the Company are given below:

Meetings	Date	Time	Venue	No. of Special Resolution (s) Passed
Annual General Meeting	29.09.2008	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	Four 1) Approve the remuneration of Mr. Rajesh Jain, Non Executive Director of the Company. 2) Approve the Appointment of Mr. Rahul Jain, Vice President (Supply Chain) and his remuneration. 3) Approve the delisting of Securities of the Company from Delhi Stock Exchange. 4) Approve the authority to borrow and creation of charge/ mortgage under Section 293(1)(d) and 293 (1)(a)
Annual General Meeting	30.09.2009	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	NIL
Annual General Meeting	29.09.2010	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	One Approve the remuneration of Mr. Rajesh Jain, Non Executive Director of the Company.

(b) No special resolution requiring postal balloting as recommended under Clause 49 of the Listing Agreement is placed for shareholders' approval at this meeting.

(c) No special resolution was passed through postal ballot at the last Annual General Meeting held on 29th September, 2010.

(7) DISCLOSURES

- The Company has disclosed the transactions with related parties in Note No.25 of Schedule No.17 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, 2011.

(8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express, Business Lines (English) and Jansatta (Hindi). The quarterly shareholding pattern, quarterly/ half-yearly/ yearly results and Corporate Governance Compliance Report 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 Members. As the Company publishes the Audited Annual Results within a stipulated period of 60 days from the close of financial year i.e. March 31, 2011, as permitted under the listing Agreement of the Stock Exchanges, the Unaudited Results for the last quarter of the financial year are not published. 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 2011-12:

(i) Annual General Meeting is proposed to be held on Thursday, 29th September, 2011 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, 2011	Mid of August, 2011
Mailing of Annual Reports to the Members	Starting of September, 2011
Annual General Meeting for the year 2010-11	End of September, 2011
Financial Reporting for the half-year ending Sept. 30, 2011	Mid of November, 2011
Financial Reporting for the quarter ending December 31, 2011	Mid of February, 2012
Financial Reporting for the year ending March 31, 2012	End of May, 2012

(iii) Dates of Book closure: Thursday 22nd September, 2011 to Thursday, 29th September, 2011. (both days inclusive)

(iv) Dividend payment date: Dividend @ 15% on equity shares capital was recommended on 30th May, 2011 and subject to the approval from the members at the Annual General Meeting, will be paid on 29th September, 2011 onwards.

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

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

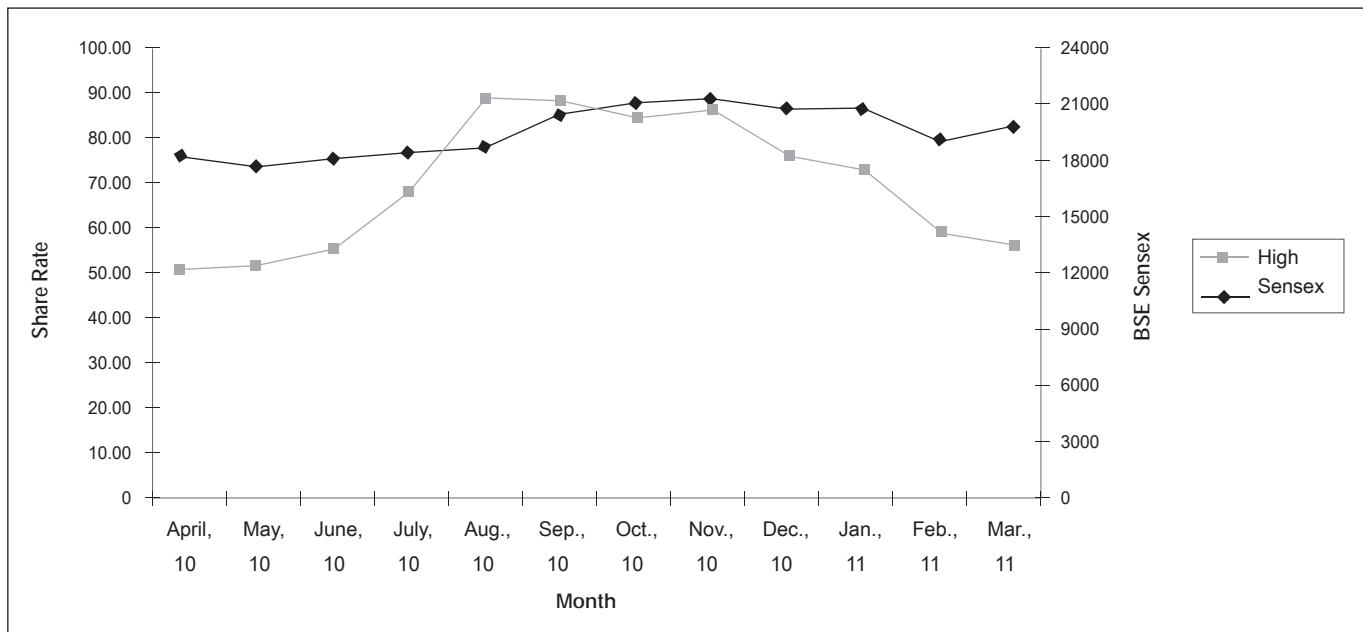
The Annual Listing fees for the year 2011-12 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2011-12 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(vi) Market Price Data:

Market Price Data for the financial year 2010-11

Year	National Stock Exchange		Bombay Stock Exchange		
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	Sensex
2010-11 (Month)					
Apr. – 2010	57.85	36.00	49.50	38.55	18048
May – 2010	48.00	40.25	50.80	40.75	17537
Jun. – 2010	59.75	40.15	53.65	44.30	17920
Jul. – 2010	69.90	50.50	66.45	51.60	18238
Aug. – 2010	89.00	58.10	87.75	56.00	18475
Sep. – 2010	88.50	74.20	87.00	71.90	20268
Oct. – 2010	83.00	71.15	83.25	71.25	20855
Nov. – 2010	81.80	57.00	85.00	56.20	21109
Dec. – 2010	73.90	55.40	74.70	58.10	20552
Jan. – 2011	68.65	50.20	71.80	52.25	20665
Feb. – 2011	58.00	42.00	57.95	42.05	18691
Mar. – 2011	55.00	41.40	54.65	40.00	19575

(vii) Performance of share price of the Company in comparison to the BSE Sensex:
Index Comparison – LPS Share Price Vs BSE Sensex



(viii) Particulars of Registrar and Share Transfer Agent:

M/s. MCS Ltd.
F- 65, First Floor, Phase – I,
Okhla Industrial Area, New Delhi – 110 020.
Tel: +91-11-41406149
Fax: +91-11-41709881
E-mail: admin@mcsdel.com

M/s. MCS Ltd., New Delhi, has been appointed w.e.f. 31.03.2003 as the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

(ix) Share Transfer System:

The Shares of the Company are traded in the compulsory demat mode for all investors. The shares sent for transfer in physical form are registered within a (if in order and complete in all respects) and the shares certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. All the Share Transfers, received are being approved by Share Transfer and Investors Grievance Committee, which normally meets twice in a month.

In compliance with the Clause 47(c) of the Listing Agreement, every 6 months a practicing Company Secretary audits the system of transfer and a compliance certificate to that effect is issued which, in turn, is submitted to the Stock Exchanges. Also, in compliance with the SEBI (Depositories and Participants) Regulations, 1996, for timely dematerialization of the shares of the Company and for reconciliation of share capital of the Company, a quarterly Reconciliation of Share Capital Audit is being conducted by a practicing Company Secretary and the Reconciliation of Share Capital Audit is issued which, in turn, is submitted to the Stock Exchanges. The above said compliance certificate and Reconciliation of Share Capital Audit are also placed before the Board from time to time for their noting.

International Securities Identification Number : INE651C01018
(Demat ISIN Code for NSDL & CDSL)

(x) Distribution of shareholding as on 31st March, 2011:

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	6901	88.96	916863	9168630	8.38
5001 to 10000	408	5.29	328000	3280000	3.00
10001 to 20000	209	2.69	318287	3182870	2.91
20001 to 30000	68	0.88	169704	1697040	1.55
30001 to 40000	31	0.40	109709	1097090	1.00
40001 to 50000	30	0.39	138524	1385240	1.27
50001 to 100000	52	0.67	384235	3842350	3.51
100001 and above	56	0.72	8576345	85763450	78.38
Total	7755	100.00	10941667	109416670	100.00

(xi) Shareholding Pattern as on 31st March, 2011:

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	73	47342	0.432
Mutual Funds	3	900700	8.232
Private Corporate Bodies	201	445943	4.076
Promoters, Directors & Relatives	23	6878991	62.870
Persons acting in concert	2	30733	0.281
General Public	7444	2634783	24.080
Total	7755	10941667	100.000

(xii) Dematerialization of shares and liquidity:

As on 31st March, 2011, 46.94% of Company's total paid up capital representing 51,35,432 equity shares of Rs.10/- each were held in dematerialized form [i.e. 42,44,204 shares (38.79%) with NSDL and 8,91,228 shares (8.15%) with CDSL] and balance 53.06% representing 58,06,235 equity shares of Rs.10/- each shares were held in physical form.

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

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

(xiv) Plant Locations:

Plant – I:

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

Plant – III:

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

Plant – II:

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

Plant – IV:

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

(xv) Address for correspondence:

The Company Secretary
Lakshmi Precision Screws Ltd. P-II
Opp. Northern Bye Pass, Hissar Road, Rohtak – 124 001.
Tel : +91-1262-2499920 Fax: +91-1262-248297 E-mail: nkakkar@lpsboi.com

(xvi) Compliance:

The certificate dated 30.05.2011 issued by Auditors of the Company, regarding compliance of 'Corporate Governance', as stipulated under clause 49 of the Listing Agreement is annexed herewith.

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

1. A Committee under the name of Corporate Governance and Remuneration Committee comprising 4 Non-Executive Directors are functional for reviewing and deciding the Company's policy on specific remuneration packages for Executive Directors.
2. Shareholders rights: The quarterly/ half-yearly/ annual financial results are published in two newspapers of English and Hindi languages and hosted on the Company's website. The same is also communicated to the stock exchanges within the stipulated time period.
3. The Company has Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

The performance of the fastener industry is closely linked to growth of the automobile industry in India. As your company is engaged in the business of manufacturing of all types of fasteners to OEM's, retail and Exports markets.

The trend in the Automobile industry for the last two years are given below:

DOMESTIC SALE TRENDS :

Category	2010-11	2009-10	INCREASE %
Passenger Vehicles	2,520,421	1,951,333	29.16
Commercial Vehicles	676,408	532,721	26.97
Three Wheelers	526,022	440,392	19.44
Two Wheelers	11,790,305	9,370,951	25.82
Grand Total	15,513,156	12,295,397	26.17

(SOURCE : SLAM)

EXPORT SALE TRENDS :

Category	2010-11	2009-10	INCREASE %
Passenger Vehicles	453,479	446,145	1.64
Commercial Vehicles	76,297	45,009	69.51
Three Wheelers	269,967	173,214	55.86
Two Wheelers	1,539,590	1,140,058	35.04
Grand Total	2,339,333	1,804,426	29.64

(SOURCE : SIAM)

From the above data, it can be concluded that Automobile Industry in India had booked in last year growth of approx 26% & 30% in domestic & exports business respectively. 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 their 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. Increase in demand of all types of vehicles are primarily triggered by two factors namely a) Increase in disposable incomes b) liberal policies of government of India related to automobiles industry in India. Based on these growth trends in Automobiles Industry, it can be concluded that future of fasteners industry has good opportunity in view of the present growth environment.

b) Threats

There are certain weaknesses that the Indian manufacturing industry is confronting which includes lack of scale of operations, inadequate and poor quality of infrastructure.

These weaknesses are directly or indirectly affecting the performance of the Indian auto component industry. A stable Government at centre also improves the market sentiment by giving the excise relief to the industry. With this the Industry also wants easier and cheaper credit, which will drive automobile sales.

Higher inflation will also increase the cost of funds to the Company. Further rising input cost and power cost is another area of concern which would consequently keep pressure on profit margins.

FUTURE OUTLOOK

With a democratically elected Government in place and relatively stable government, Company expects continuation of the same economic and industrial policies. Meanwhile the Government at the centre is focusing on building basic infrastructure (roads, express ways etc.) which will also drive the demand for automobile. The global economy also treading the recovery path and the future of the domestic and international markets seems positive in medium term. 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 positively expecting to improve its performance. Your Company is also growing with the industry growth. 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 2011-12 is looking promising.

We are pleased to inform you that your Company is enjoying deep penetration in all major OEMs like Maruti Suzuki, Tata Motors, HMTI, 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. It will have a long-term benefit in helping your Company to 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 on the growth path. The Company also faces challenges with regard to increasing competition, fast changing technology, reducing life cycle of new vehicles, increased cost of raw materials, competitive market conditions, sustaining cost efficiencies brought into the system and planning capacity expansions in the wake of changing demand patterns. Risk Management is reviewed by the Company's Management on a regular basis in addition to monitoring for any new risks that may arise due to changes in the external or business environments. While the possibility of a negative impact due to one or more of such risks cannot be totally ruled out, the Company proactively takes conscious and reasonable steps, making efforts to mitigate the significant risks that may affect it. The Company may also face the challenges posed by the World Economic crisis leading to a loss of export business, an uncertain forex scenario could increase raw material costs and uncertain commodity prices which are mostly linked to the global demand and supply positions. Your company has well defined Risk Management Strategy which is reviewed by the Audit Committee on regular basis for mitigating risk factors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with the size and nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management, and documented policies, guidelines and procedures. The internal control is design to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. The significant finding of the Internal Audit Team is reported to the Audit Committee on quarterly basis in the form of Executive summary and appropriate remedial measures are taken.

FINANCIAL REVIEW

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)	
	2011	2010
Net Sales & Other Income	31362	22980
Profit before Interest, Depreciation and Tax	5013	3632

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2010-11, 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 1145 people employed in manufacturing plants and branch offices across the Country. The team of employees consists of people who are experts in their respective and allied fields.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations, interest cost and other factors. All stakeholders should bear the above in mind.

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

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

I, Lalit Kumar Jain, Chairman & Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2010-11.

for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : May 30, 2011

Lalit Kumar Jain
Chairman & Managing Director (CEO)

CERTIFICATION BY CEO & CFO

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

Ref.: Certification by CEO/ CFO for the financial year 2010-11.

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Lakshmi Precision Screws Ltd., to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year 2010-11 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee, wherever applicable, the following:
- significant changes in internal controls over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : May 30, 2011

Lalit Kumar Jain
Chairman & Managing Director (CEO)

Kanai Lal 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, 2011 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 : May 30, 2011

V.P. Bansal
Partner

AUDITORS' REPORT

To,
The Members of
LAKSHMI PRECISION SCREWS LIMITED

We have audited the attached Balance Sheet of Lakshmi Precision Screws Limited as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of audit have been received from the branches not visited by us;
- iii) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 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 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 provision 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 the Note No. 14 of Schedule 17 with regard to non provision of gratuity liability and leave encashment in accordance with the provisions of 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 31st March, 2011.
 - (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
Registration No.-016534 N

Place : NOIDA
Dated : May 30, 2011

V.P. Bansal
Partner
M No. 8843



WE HELP CREATE

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. In our opinion, the frequency of physical verification is reasonable 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, semi finished goods 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. In respect of stocks of consumable stores, spare parts and dies and tools, as explained to us, the management is taking necessary steps for physical verification of these items during the year.
b) In our opinion, the procedures of physical verification of inventory of finished goods, semi finished goods and raw materials followed by the management are 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 of finished goods, semi finished goods and raw materials as compared to book records were not material, however, the same have been properly dealt within 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 10 parties covered in the register maintained under section 301 of the Companies Act, 1956 and having an outstanding balance of Rs 6,03,74,136 /- 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. The Company has taken interest free loans and advances from directors, their relatives and a Company amounting to Rs. 4,87,74,136/- as on the balance sheet date.
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 the 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. The Company has also taken a legal opinion regarding applicability of Cost Records according to which, the said records are not applicable to the Company. 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 however with some delays. There are no arrears of outstanding statutory dues as at 31st March 2011, 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
Income Tax Act, 1961	Determination of book profit before or after depreciation	5426222	A.Y. 1990-91	High Court, Chandigarh
Income Tax Act, 1961	Expenses allowable under various heads viz Bonus and insurance	2000075	A.Y. 1990-91	High Court, Chandigarh
	TOTAL	7716673		
Industrial Dispute Act, 1947	Recovery of money due from employer	239980	1999 to 2002	Labour Court, Rohtak
	TOTAL	239980		
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	17714	April 1995 to March 1996	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	29044	April 2000 to March 2001	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	173779	April 2002 to March 2003	ESI Court, Rohtak
	TOTAL	220537		

10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank except some delays in making repayment of foreign currency term loan aggregating to Rs.2,28,28,801/- (USD 533000) to ICICI Bank Ltd. for a period from 6 days to 45 days.
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 term loan obtained from IDBI Bank Limited, out of which idle fund which are not required for immediate utilization have been gainfully invested in liquid investment payable on demand. The amount of idle funds outstanding as at the year end amounted to Rs. 144.98 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
Registration No.-016534 N

Place : NOIDA
Dated : May 30, 2011

V.P. Bansal
Partner
M No. 8843

BALANCE SHEET

Description	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
A. SOURCES OF FUNDS			
a) Shareholders' Funds			
Share Capital	1	109416670	109416670
Reserves and Surplus	2	836307546	765626043
		945724216	875042713
b) Loan Funds			
Secured Loans	3	1380782856	1138543850
Unsecured Loans	4	77574136	60062540
		1458356992	1198606390
c) Deferred Tax Liabilities (net)		33318380	18225301
TOTAL		2437399588	2091874404
B. APPLICATION OF FUNDS			
a) Fixed Assets			
Gross Block		2022446314	1525269470
Less : Accumulated Depreciation	5	1115199989	935481354
Net Block		907246325	589788116
Add : Capital Work in Progress		11169891	5180067
		918416216	594968183
b) Investments	6	42736580	42736580
c) Current Assets, Loans and Advances	7		
Inventories		1737238628	1547848227
Sundry Debtors		632878197	535351092
Cash and Bank Balances		90982535	97168124
Other Current Assets		47485224	19854055
Loans and Advances		204341669	159588113
		2712926253	2359809611
Less: Current Liabilities and Provisions			
Current Liabilities	8	1201183856	860365803
Provisions		39184218	47003381
Total Current Liabilities		1240368074	907369184
Net Current Assets		1472558179	1452440427
d) Miscellaneous Expenditure	9	3688611	1729214
TOTAL		2437399588	2091874404
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITES AND NOTES	17		

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
A INCOME			
Gross Sales		3323348712	2455478321
Less: Excise Duty		263608841	175705713
Net Sales		3059739871	2279772608
Job Work Receipts		11815445	2182565
Other Income	10	64681710	16112363
		3136237026	2298067536
B EXPENDITURE			
Materials and Finished Goods	11	1283875526	862975363
Manufacturing	12	542656212	440424710
Personnel	13	463100972	377383352
Office and Administration	14	165177206	114207952
Selling and Distribution	15	163434848	112594950
Interest and Financial Charges	16	183465670	153427947
Managerial Remuneration		27602400	27602400
Depreciation	5	181168040	123908470
		3010480874	2212525144
Profit before Tax and Prior Period Item		125756152	85542392
Add:- Prior Period Items (Note No.13)		10950637	323747
Profit before Tax		136706789	85866139
Tax Expenses			
- Current Tax		38010000	48401999
- Income Tax relating to earlier year		(5457802)	0
- Deferred Tax		15093079	(15468738)
- Wealth Tax		260000	171571
C PROFIT FOR THE YEAR CARRIED DOWN		88801512	52761307
D PROFIT FOR APPROPRIATION			
Balance as per last Balance Sheet		414350050	374389946
Profit for the year brought down		88801512	52761307
		503151562	427151253
Transfer to General Reserve		4500000	0
Proposed Dividend		16412501	10941667
Corporate Dividend Tax		2662518	1859536
Balance carried over to Balance Sheet		479576543	414350050
		503151562	427151253
E. EARNING PER SHARE (Face Value Rs. 10 per share)			
- Basic & Diluted		8.12	4.82
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	17		

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Refer Notes	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 1			
SHARE CAPITAL			
Authorised:			
14970000 - Equity Shares of Rs. 10/- each		149700000	149700000
30000 - 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		300000	300000
		150000000	150000000
Issued, Subscribed And Paid Up			
10941667 - Equity Shares of Rs.10/- each fully paid up		109416670	109416670
		109416670	109416670
SCHEDULE - 2			
RESERVES AND SURPLUS			
Capital Reserve		13931192	13931192
Securities Premium Account		318336034	318336034
General Reserve			
As per last Balance Sheet	22114385		
Add : Transfer from Profit and Loss Account	4500000		
	26614385	26614385	22114385
Foreign Currency Monetary Item Translation Difference Account			
As per last Balance Sheet	(3105618)		
Add : Foreign Currency Exchange during the year	94767		
	(3010851)		
Less : Amortized during the year Profit and Loss Account	860243	(2150608)	(3105618)
		479576543	414350050
		836307546	765626043
SCHEDULE - 3			
SECURED LOANS			
From Banks:			
Working Capital Loans	1	874368643	793660621
Working Capital Term Loan	2	5871448	17625747
Rupee Currency Term Loans	2	283236525	98119414
Short Term Loan	2	29410526	25125206
Foreign Currency Term Loan	3	145949273	193468518
Vehicle Loans (Against hypothecation of Motors Cars)		21961396	7859299
		1360797811	1135858805
From Others:			
Vehicle Loans (Against hypothecation of Motors Cars)		17300000	0
		17300000	0
Deferred Payment Credits:			
From Haryana State Industrial and Infrastructure Development Corporation Limited	4	2685045	2685045
		2685045	2685045
		1380782856	1138543850

Notes:

- 1 (i) The Working Capital limits from consortium banks are secured by way of pari passu first charge against hypothecation of entire chargeable current assets i.e stock and book debts (present and future) of the Company and pari passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets (present and future) and guaranteed by some of Directors of the Company and their relatives.
- Working capital limits from consortium banks are further secured by way of equitable mortgage of
- (i) Land and Building situated at Rohtak in the name of Director of the Company, and
- (ii) Land and Building situated at Mauza Kharawar, Tehsil Sampla, Distt. Rohtak in the names of relatives of the Directors of the Company.
- (iii) Cash Credit/Short Term Loan limits 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 some of Directors of the Company.
- 2 (i) Working capital term loan, short term loan and term loan from Canara Bank are secured by way of hypothecation of entire chargeable current assets (present and future) of the Company and further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above and personal guarantee of some of Directors of the Company and their relatives.
- (ii) The Company has been sanctioned fresh term loan of Rs.10.50 crores by the Canara bank which is secured by way of pari passu first charge with other consortium members on existing tools and dies worth Rs.25 crores and further secured by way of collateral securities as applicable to working capital limits as mentioned in para 1 above .
- (iii) Term loan from IDBI is secured by way of first pari-passu charge on the entire fixed assets of Company and guaranteed by one of the Directors of the Company.
- (iv) Term Loan from Indian Overseas Bank is secured by way of first charge on machinery purchased out of the said loan.
- 3 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 some of the Directors of the Company and their relatives.
- 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.1625 lacs (Previous year Rs.1610 lacs).

Description	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 4		
UNSECURED LOANS		
Fixed Deposits	28800000	28800000
{Due within a year Rs.288 lacs (previous year Rs.288 lacs)}		
Other Loans and Advances		
From Directors*	15072050	9560454
From Companies	10000000	0
From Others*	23702086	21702086
	48774136	31262540
	77574136	60062540

*under stipulations of lending financial institutions and banks.

SCHEDULE-5
FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2010 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2011 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1	Industrial Land:										
	Freehold Land	29541018	0	365731	29175287	0	0	0	0	29175287	29541018
	Leasehold Land	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	185981540	12855665	0	198837205	53900369	7512324	0	61412693	137424512	132081171
3	Office Premises:										
	Freehold offices	813362	0	0	813362	447749	18281	0	466030	347332	365613
	Leasehold Offices	553040	0	0	553040	333149	10995	0	344144	208896	219891
4	Plant and Machinery	1048572833	444845472	187783	1493230522	718853724	151562243	0	870415967	622814555	329719109
5	Furnitures and Fixtures	39509524	1888692	0	41398216	26470044	2096790	0	28566834	12831382	13039480
6	Electric fans and Installations	34513314	5476950	0	39990264	24000546	1267448	0	25267994	14722270	10512768
7	Office Equipments	24045623	1495754	0	25541377	11041145	1208194	0	12249339	13292038	13004478
8	Computer and Computer software	72766468	2896392	0	75662860	61393886	9432932	0	70826818	4836042	11372582
9	Vehicles	68278042	30589115	2390652	96476505	37202899	7920191	1449405	43673685	52802820	31075143
10	Weighing Scales	1457215	51830	0	1509045	1160659	50958	0	1211617	297428	296556
11	Fire Extinguishers	839079	21139	0	860218	677184	87684	0	764868	95350	161895
	Total	1525269470	500121009	2944166	2022446314	935481354	181168040	1449405	1115199989	907246322	589788115
	Add: Capital Work in Progress:	5180065	7976096	1986271	11169890	0	0	0	0	11169890	5180067
	Total : Current year	1530449535	508097105	4930437	2033616204	935481354	181168040	1449405	1115199989	918416212	594968182
	Previous Year	1442920743	111704319	24175521	1530449537	811608324	123908470	35442	935481354	594968183	631312419

Notes:

- 1 Depreciation has been provided on rates as per Schedule XIV of the Companies Act, 1956 on W.D.V basis except in case of Plant-II, Manesar Plants and Recoil Business Division 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.15912144/- (last year Rs.11556381/-) capitalised on account of borrowing costs in accordance with AS-16 Borrowing cost issued by Institute of Chartered Accountants of India.
- 4 Leasehold Offices Premises are in respect of office flats at Bangalore.
- 5 Freehold Offices Premises are in respect of office flats at Mumbai and Delhi.
- 6 A sum of Rs.187783/- on account of exchange gain realised during the year has been adjusted in Plant and Machinery in accordance with notification no G.S.R. 225(E) dated 31.03.2009 as amended vide notification dated 11.05.2011, issued by Ministry of Corporate Affairs.

Description	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 6		
INVESTMENTS		
(Long term, trade, unquoted, at cost)		
Indian Fasteners Limited, Rohtak (Subsidiary Company)		
441550 Equity Shares of Rs.10/- each	4415500	4415500
40000 Equity Shares of Rs.4.01 per Share	160400	160400
Hanumat Wires Udyog Private Limited, Rohtak (Associate Company)		
279300 Equity Shares of Rs.10/- each	2793000	2793000
J.C. Fasteners Limited, Rohtak (Associate Company)		
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 (Associate Company)		
30000 Equity Shares of Rs.100/- each	3000000	3000000
	42736580	42736580
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Management)		
Raw Materials	289220664	205127226
Raw Materials in transit	47926633	44424459
Finished goods	373658376	422292550
Finished goods in transit	3252077	4532757
Semi finished goods	437868336	216430647
Consumables stores and Spare Parts	240496507	172473786
Dies and tools	303034449	447771058
Packing materials	33272341	27777356
Stationary in hand	390848	482700
Postage and foreign stamps	3070	457
Scrap materials (at realisable value)	8115327	6535231
	1737238628	1547848227
Sundry Debtors		
(Unsecured-considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered good	31443795	43795433
Considered doubtful	607221	950000
	32051016	44745433
Less: Provision for doubtful debts	607221	950000
	31443795	43795433
Other Debts- considered good	601434402	491555659
	632878197	535351092
Cash and Bank Balances		
Cash and cheques in hand	2280549	739238
(includes cheques in hand - Rs.326126/-, Previous Year Rs.310120/-) with Scheduled Banks		
In Fixed Deposit Accounts		
Pledged as margin money against bank guarantees	725000	125000
Pledged as margin money against letter of credits	55679260	44151872
Lien against public deposits	5856267	5506609
No lien account	400000	10306421
In Current Accounts	23889215	34593268
In Dividend Accounts	2117871	1710966
In E E F C Account (US\$ 769.83 Previous year US\$ 769.83)	34373	34750
	90982535	97168124

Description	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
Other Current Assets		
Interest accrued on deposits	540745	1749141
Freight Subsidy receivable	1000000	1000000
Export incentive receivable	44494935	14381952
DEPB Licence in hand	1449544	2722962
	47485224	19854055
Loans and Advances		
(unsecured-considered good)		
Advances recoverable in cash or in kind or for value to be received	165030607	124873502
Security deposits	11500977	11316527
Balance with Central Excise Department:		
Excise Duty	23335811	14335107
Service Tax	3247518	1571928
Vat refund due	1226756	7491049
	204341669	159588113
	2712926253	2359809611
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	91782556	47689348
Sundry Creditors:		
Due to micro and small enterprises	250829	10403
Due to other than micro and small enterprises	890653643	632674709
Due to subsidiary company	3731492	3407816
Advances and progress payments from customers	106103709	78320359
Unclaimed Dividend *	2117871	1710966
Other liabilities	72087881	58704840
Excise duty payable	32334578	36945535
Interest accrued but not due	2121297	901827
	1201183856	860365803
*Investor Protection and Education Fund is being credited by the amount of unclaimed dividend after seven years from the due date.		
Provisions		
Income Tax (Net of Advance Tax & TDS)	19849199	34030607
Wealth Tax	260000	171571
Proposed Dividend	16412501	10941667
Corporate Dividend Tax	2662518	1859536
	39184218	47003381
	1240368074	907369184
SCHEDULE - 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Interest on deferred payments		
As per last Balance Sheet	202510	
Add: Addition during the year	204320	
	406830	
Less: Written Off	233019	
	173811	202510
Technical knowhow fee		
As per last Balance Sheet	1526704	
Add: Addition during the year	3091699	
	4618403	
Less: Written Off	1103603	
	3514800	1526704
	3688611	1729214

Description	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
SCHEDULE - 10		
OTHER INCOME		
Export Incentives	32671545	11096038
Rent	50400	50400
Interest on fixed deposits with banks, loans and from customers (TDS Rs. 485672/- previous year Rs.469393/-)	4471185	3350948
Exchange rate variation (net)	18644400	0
Dividend from long term trade investments	4704038	0
Profit on sale of assets	25088	7942
Excess provisions no longer required written back	2666278	0
Miscellaneous receipts	1448776	1607035
	64681710	16112363
SCHEDULE - 11		
MATERIALS AND FINISHED GOODS		
RAW MATERIALS CONSUMED		
Opening stocks	205127226	55546287
Add : Purchases	1307990749	904870117
Freight and cartage	39770370	17816296
	1552888345	978232700
Job charges	51542364	36038444
	1604430709	1014271144
Less : Closing stocks	289220664	205127226
Raw materials consumed	1315210045	809143918
Add : Opening stocks		
Finished goods	422292550	411252156
Finished goods in transit	4532757	1954686
Semi finished goods	216430647	198934152
Scrap materials	6535231	6452125
	649791185	618593119
Add : Purchases - Semi-finished goods	136957023	70795100
- Finished goods	9422346	6504149
	2111380599	1505036286
Less : Closing stocks		
Finished goods	373658376	422292550
Finished goods in transit	3252077	4532757
Semi finished goods	437868336	216430647
Scrap materials	8115327	6535231
	822894116	649791185
	1288486483	855245101
Add : Excise duty on increase/(decrease) in finished goods and scrap materials	(4610957)	7730262
	1283875526	862975363
SCHEDULE - 12		
MANUFACTURING EXPENSES		
Electricity,water and fuel	168942731	123709644
Job work charges	239665961	153002809
Packing expenses	42851330	39814326
Consumable stores and spare parts	45722664	54204814
Dies and tools	26465420	51136288
Repairs to machinery	4533108	9524536
Research and development expenses	9260606	2662771
Royalty, Technical know-how fee	2383041	1646255
Other manufacturing expenses	2831351	4723267
	542656212	440424710

Description	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
SCHEDULE - 13		
PERSONNEL EXPENSES		
Salaries,Wages,Bonus and other amenities	407337184	337778706
Co's contribution towards LIC Gratuity Trust	11004535	5932159
Co's contribution towards P.F.	13475258	12803824
Co's contribution towards E.S.I.	7160603	2520753
Staff welfare	10004488	9390405
Staff recruitment and training	1998245	637651
Watch and ward expenses	12120659	8319854
	463100972	377383352
SCHEDULE - 14		
OFFICE AND ADMINISTRATION EXPENSES		
Rent	5508024	5418495
Rates and taxes	819189	556187
Printing and stationary	4481208	4335206
Postage and telephone	8633849	7763148
Travelling and conveyance	86584366	55226759
Vehicle maintenance	4503408	3586247
Legal and consultancy	19057402	13984961
Insurance	3779752	2315844
Auditors' Remuneration:		
Audit fee	1100000	1000000
Tax Audit Fee	100000	100000
Limited Review	300000	180000
Out-of pocket expenses	110088	96551
Repairs to building	7081602	4634811
General repairs	9933472	7469049
Loss on sale of assets	299334	0
Miscellaneous	12630512	7235694
Directors' Sitting Fee	255000	305000
	165177206	114207952
SCHEDULE - 15		
SELLING AND DISTRIBUTION EXPENSES		
Freight, insurance and cartage	75828119	46522451
Turnover and cash discount	42656118	40712834
Advertisement,publicity and sales promotion	22604101	16901477
Bad Debts,liquidated damages and short recoveries	12840862	3479061
Provision for bad and doubtful debts	607221	100000
Excise duty and sales tax	8898427	4879127
	163434848	112594950
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest		
On fixed loans	20025701	33257550
On non-fixed loans	109481349	83759833
Financial charges	3668614	3940187
Exchange rate fluctuation (net)	0	2470320
Bank charges and Front end fee	50290006	30000057
	183465670	153427947

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 assumptions 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. Intangibles Assets are stated at historical cost and represents computer software required for internal use and these are recognized as assets if it is probable that future economic benefits attributable to such will flow to the Company and the cost of assets can be measured reliably.

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

f) Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange difference arising on the settlement of monetary item during the year is recognized as an income or expense. 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) Government Grants/Subsidies

Government grants available to the Company are recognized in accounts:

- (i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- (ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

Grants related to revenue are deducted in reporting the related expense.

h) 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 than the price-list and finished goods have been valued at 55% less than 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. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value.

i) 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.

j) Retirement Benefits

a) Gratuity and Provident Fund

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. The Company makes contribution to statutory provident fund in accordance with Employee Provident Fund and Miscellaneous Provisions Act, 1952 which is defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

- b) Leave encashment
Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value required to be paid or value of benefits expected to be availed by the employees as per Company rules.
- k) 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.
- l) 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.
- m) 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.
- n) 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.
- o) 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 and expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).
- p) Prior Period Items
Prior Period Expenses/Income is shown as prior items in profit and loss account as provision of AS-5 "Net Profit or Loss for the period, prior period items and changes in accounting policies" issued by the Institute of Chartered Accountants of India.
- q) Earnings Per Share
The earnings considered in ascertaining the Company's earning per Share (EPS) comprise the net profit after tax. Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- r) 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.
- s) 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	2010-11	2009-10
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	396	452
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	1097	590
3.	Liabilities against legal undertakings/ bonds executed in favour of DGFT on account of export obligation undertaken by the Company against Advance/Import licenses under EPCG Scheme.	532	441
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 :

1. The Company has following subsidiary as on 31.03.2011.

Name of Subsidiary:	Indian Fasteners Limited
Country of Incorporation:	India
Date of control:	24.12.1990
Nature:	Subsidiary Company
Extent of control:	67.295%

2. a) IDBI Bank Limited has disbursed a term loan of Rs.1935.74 lacs as on the date of Balance Sheet against the sanctioned amount of Rs.2000 lacs to be utilized towards capital expenditure at the existing units of the Company. The same has been utilized for the purpose for which it was sanctioned and a sum of Rs.144.98 lacs is lying unutilized as at the end of the year on this account.
- b) The Company has been sanctioned a term loan of Rs.1500 lacs by the Canara Bank and IDBI Bank Limited in consortium in the ratio of 70:30 respectively to be utilized for working capital requirements, out of which Canara Bank has disbursed of a sum of Rs.1050 lacs. The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.
- c) 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 decreased by Rs.6.36 lacs. Out of the said exchange gain, a sum of Rs.4.23 lacs has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.2.13 lacs has been credited to the Foreign Currency Monetary Item Translation Difference Account in accordance with Accounting Standard 11 (AS-11) as amended vide notification no.G.S.R 225 (E) dated 31.03.2009 and further amended by notification dated 11.05.11 issued by the Ministry of Corporate Affairs.

3. In terms of joint venture agreement entered into with Bossard AG, Switzerland on 26.06.1997, the Company has invested a sum of Rs.2,35,20,190/- in LPS Bossard Private Limited towards allotment of 23,52,019 Equity Shares of Rs.10/- each and a sum of Rs.18,47,490/- in LPS Bossard Information Systems Private Limited towards allotment of 1,84,749 Equity Shares of Rs.10/- each, towards 49% holding in the aforesaid Companies.

4. Fixed deposits from public include a sum of Rs.1,23,50,000/- due to Directors (previous year Rs.1,23,50,000/-).

5. There is a change in accounting policy with regard to accounting treatment of Dies and Tools. A sum of Rs.25,02,30,200/- has been capitalized from inventories representing dies and tools having a useful life of more than three years and depreciation has been charged accordingly.

The Company has adopted the policy of providing depreciation on aforesaid tools and dies capitalized, with a view to provide more appropriate and reliable information. Due to such change profit for the year ended 31st March, 2011 is lower by Rs.1,61,849/-.The said change in policy is not likely to have a material impact in future periods.

6. The Company has capitalized dies and tools amounting to Rs.3,00,39,429/- (Previous year Rs.2,15,71,784/-) relating to dies and tools purchased/ manufactured during the year.

7. Sundry Debtors include a sum of Rs.1,28,38,653/- due from LPS Bossard Private Limited, a Joint Venture Company (maximum due during the year Rs.2,43,37,892/-) (previous year due Rs.1,53,31,641/- and maximum due Rs.3,43,75,355/-).

8. a) Advances recoverable in cash or in kind or for value to be received, include a sum of Rs.69,96,685/- due from Lakshmi Extrusion Limited, an associate Company (Maximum due Rs.89,93,709/-) (previous year due Rs.44,96,073/- and maximum due Rs.57,82,621/-).

b) Advances recoverable in cash or in kind or for value to be received, includes a sum of Rs.3,77,488/- due from J.C Fasteners Limited, an associate Company (Maximum due Rs.3,77,448/-) (previous year due Rs.nil and maximum due Rs.nil).

9. That there was a misappropriation of funds amounting to Rs.1,60,59,342/- by an employee of the Company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. The hearing was conducted on 02.05.2011 in the Court of Chief Judicial Magistrate, Rohtak for the purpose of checking of challan (police report file) and framing of charges against the employee. The next hearing is due on 07.07.2011 in the court of Chief Judicial Magistrate. The Company had also filed a civil suit for recovery before the Delhi High Court on 13.09.2006. The aforesaid amount has been debited to concerned employee and shown under loans and advances. No provision for the same has been made since the Company expects to recover the entire amount.

10. That the balance of Rs.2,33,35,811/- with central excise department as on 31.03.2011 includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.

11. The Company has made a provision of Excise duty amounting Rs.3,23,34,578/- (Previous Year Rs.3,69,45,535/-) payable on stocks of Finished and Scrap material. Excise duty is considered as an element of cost at the time of manufacture of goods.

12. a) Sundry creditors include:

i) Rs.23,65,92,783/- (previous year Rs.23,21,07,035/-) on account of letter of credits on 180 days' sight issued by Canara Bank, which are not due for payment on the date of Balance Sheet.

ii) Rs.6,53,01,093/- (previous year Rs.6,90,54,674/-) on account of letter of credits on 180 days' sight issued by Indian Overseas Bank, which are not due for payment on the date of Balance Sheet.

iii) Rs.37,31,492/- (previous year Rs.34,07,816/-) payable to Indian Fasteners Ltd., a subsidiary Company.

iv) Rs.1,75,186/- payable to Directors of the Company (previous year Rs.1,75,186/-).

b) Other liabilities include Rs.9,02,200/- (previous year Rs.10,57,200/-) payable to directors on account of salaries.

c) Information required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006/MSMED Act for the year ended 31st March, 2011. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr. No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (d)] below	Rs. 2,50,829/-	Rs. 10,403/-
2.	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro Small and Medium enterprises Development Act, 2006.	NIL	NIL
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
5.	The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

d) Vender-wise Outstanding Principal Amount

Sr. No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1.	N.R. Industries	Rs. 56,158/-	Rs.10,403/-
2.	Truththread Gauges & Tools Pvt. Ltd.	Rs. 14,673/-	NIL
3.	Anand Electro Projects Pvt. Ltd.	Rs.1,79,998/-	NIL
		Rs.2,50,829/-	Rs.10,403/-

13. Prior period items represents a sum of Rs.40,12,186/- and Rs.69,38,451/- credited to the profit and loss account on account of FPS (Focus Product Scheme) entitlement in terms of Para 3.15 of Foreign Trade Policy 2009-14 for the financial years 2008-09 and 2009-10 respectively. The same has been ascertained and provided during the year.

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

Defined Contribution Plan

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

	(Amount in Rs.)	
	2010-11	2009-10
Employer's Contribution to Provident Fund	43,21,007	60,57,067
Employer's Contribution to Pension Scheme	91,54,251	67,46,757
Employer's Contribution to Employee State Insurance	71,60,603	25,20,753

Defined Benefit Plan

a) The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). During the year ended 31st March, 2011, the Company has provided a gratuity liability of Rs.55,41,719/- and paid a sum of Rs.54,62,816/- to the Life Insurance Corporation of India and debited a sum of Rs.1,10,04,535/- to the Profit and Loss account.

The Company has provided the gratuity liability of Rs.25,41,719/- in respect of Plant II and Manesar Unit on the basis of actuarial valuation certificate, while the gratuity liability in respect of other units has been provided at Rs.30 lacs on estimate basis. The disclosure as required by Accounting Standard 15, 'Employee Benefits' issued by the Institute of Chartered Accountants of India in respect of Plant II and Manesar Unit is as follows:

(Amount in Rs.)

Sr. No	Particulars	Year ended 31st March 2011
1.	Components of Employer Expenses	
	Current Service Cost	18,36,838
	Interest Cost	9,80,978
	Expected return on plan assets	(8,13,429)
	Actuarial (gain)/loss	5,37,332
	Total expense/(gain) recognized in the Profit and Loss	25,41,719

2.	Net asset/(liability) recognized in Balance Sheet Present value of obligation as at end of the year Fair value of plan assets as at beginning of the year Asset/(liability) recognized in the Balance Sheet	1,52,24,074 1,19,56,370 (32,67,704)
3.	Change in Defined Benefit Obligation during the year ended as on 31.03.11 Present value of obligation as at beginning of the year Current service cost Interest cost Actuarial (gain)/loss Benefit paid Present value of obligation as at end of the year	1,22,62,226 18,36,838 9,80,978 5,37,332 (3,93,300) 1,52,24,074
4.	Change in the Fair value of Plan assets Fair value of plan assets as at beginning of the year Actual return on plan assets Actuarial gain/(loss) Actual Company contribution Benefits paid Fair value of plan assets as at end of the year	54,45,644 8,13,429 60,90,597 (3,93,300) 1,19,56,370
5.	Actuarial Assumptions Discount rate (per annum) Expected rate of return on assets (per annum) Salary escalation rate	8% 8% 7%

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for the plan assets management.

The disclosure requirement in respect of other plants as required by Accounting Standard 15, 'Employee Benefits' has not been given and the shortfall in the gratuity liability (if any), will be provided on receipt of actuarial valuation certificate.

- b) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date. The shortfall in liability, if any, on ascertainment of liability by an independent actuary, will be provided for on the basis of actuarial valuation certificate when obtained.

15. Interest and other borrowing costs amounting to Rs.1,59,12,144/- (previous year Rs.1,15,56,381/-) 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.
16. Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and 11th May, 2011 issued by the Ministry of Corporate Affairs, the Company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account., and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange gain of Rs.2.83 lacs arising on aforesaid long term foreign currency monetary items, a sum of Rs.1.88 lacs has been deducted to the cost of fixed assets and a sum Rs.0.95 lacs has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.8.60 lacs has been amortized in profit and loss account in accordance with the remaining period of the long term liability.

17. Foreign currency exposures not hedged by the Company are as follows:-

(Amount in Rs.)

Particulars	2010-11	2009-10
Payables		
Payable on imports	21,02,17,390	13,70,46,276
External Commercial Borrowing from ICICI Bank, Singapore	3,59,76,738	4,81,86,950
Receivables		
Sundry Debtors	18,38,21,677	13,30,30,398
Advance to Suppliers	2,22,99,392	2,10,71,670

18. 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.
19. Interest received includes a sum of Rs.44,64,504/- (previous year Rs.33,49,119/-) on bank deposits and Rs.6,681/- (previous year Rs.1829/-) received from trade customers and interest paid include Rs.13,58,500/- paid to Directors (previous year Rs.13,58,500/-).
20. In the opinion of the Management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for all known liabilities have been made.
21. a) The break-up of managerial remuneration is as under: -

Sr. No	Particulars	2010 -11 (In Rs.)	2009 -10 (In Rs.)
1.	Chairman and Managing Director:		
	Salary	60,00,000	60,00,000
	House Rent Allowance	15,00,000	15,00,000
	Contribution towards P.F.	7,20,000	7,20,000
		82,20,000	82,20,000
2.	Vice Chairman and Managing Director:		
	Salary	57,60,000	57,60,000
	House Rent Allowance	14,40,000	14,40,000
	Contribution towards P.F.	6,91,200	6,91,200
		78,91,200	78,91,200
3.	Joint Managing Director:		
	Salary	57,60,000	57,60,000
	House Rent Allowance	14,40,000	14,40,000
	Contribution towards P.F.	6,91,200	6,91,200
		78,91,200	78,91,200
4.	Non-Executive Director:		
	Salary	36,00,000	36,00,000
		36,00,000	36,00,000
	Total	2,76,02,400	2,76,02,400

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

(Lac/Rs.)

	2010-11	2009-10
Net Profit as per profit and loss account	888.01	527.61
Add : Income Tax	380.10	484.02
Deferred Tax	150.93	(154.68)
Wealth Tax	2.60	1.72
Managerial remuneration	276.02	294.02
Director's sitting fees	2.55	3.05
Depreciation charged to profit and loss account	1811.68	1239.08
Provision for doubtful debts	6.07	1.00
Loss on sale of Assets	2.99	0.00
	3520.95	2395.82

	2010-11	2009-10
Less : Dep. as per Sec.350 of the Companies Act	1811.68	1239.08
Profit on sale of assets	0.25	0.00
Excess provision for Income Tax	54.57	0.00
Excess provision for Bad debts	9.50	0.00
	1876.00	1239.08
Net Profit as per Section 349 of Companies Act, 1956	1644.95	1156.74
Maximum Remuneration payable @ 10% of Net Profit	164.50	115.67

The remuneration has been paid in terms of sanction from Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide their letters dated 21st February 2008 and 26th May 2009.

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

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Deferred tax liability		
a) on account of difference in rates and method of depreciation	NIL	73,13,986
b) on account of different treatment of certain payments under Income Tax Act, 1961	3,63,35,836	1,09,11,315
Total	3,63,35,836	1,82,25,301
Deferred Tax Assets:		
a) on account of difference in rates and method of depreciation	30,17,456	NIL
Total	30,17,456	NIL
Deferred tax liability		
- at the end of year (net)	3,33,18,380	1,82,25,301
- at the year	1,50,93,079	(1,54,68,738)

23. Earning per share- Basic and Diluted

Particulars		2010-11	2009-10
Numerator for earning per shares			
Profit before taxation and prior period items	Rs.	12,57,56,151	8,55,42,392
Less: Tax Expenses	Rs.	4,79,05,277	3,31,04,832
Adjustment to net earning :			
Add: Prior period adjustment	Rs.	1,09,50,637	3,23,747
Profit after taxation and prior period items	Rs.	8,88,01,511	5,27,61,307
Denominator for earning per share			
Weighted number of equity shares	Nos.	1,09,41,667	1,09,41,667
Outstanding during the period			
Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each)	Rs.	8.12	4.82

24. 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)	
	2010-11	2009-10
Revenue (Net of Excise)		
Domestic Market	25,522.71	19,328.50
Overseas Market	5,074.69	3,469.23
Fixed assets located (including Capital work-in-progress)		
Within India	9,184.16	5,949.68
Outside India	-	-

25. 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) | Lakshmi Extrusion Ltd. |
| | (vii) | LPS Fasteners & Wires Pvt. Ltd. |
| | (viii) | Nav Bharat Industries |
| | (ix) | Nav Bharat Agencies |
| | (x) | Shiv Industries |
| | (xi) | Swadesh Engineering Industries |
| | (xii) | Sudhir Automotive Industries Pvt. Ltd. |
| | (xiii) | United Engineers |
| | (xiv) | Universal Enterprises |
| 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) | Shri Rahul Jain (Son of Shri R.K. Jain) |
| | (vii) | Smt. Charul Jain (Wife of Shri Amit Jain) |
| | (viii) | Smt. Rita Jain (Wife of Shri L.K. Jain) |
| | (ix) | 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	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1.	Sale of Goods								
	LPS Bossard Pvt. Ltd.	-	-	1082.56	909.17	-	-	-	-
2.	Jobwork receipts								
	Lakshmi Extrusion Ltd.	-	-	-	3.83	-	-	-	-
3.	Purchase of Goods								
	Nav Bharat Agencies	-	-	4.15	9.89	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	-	-	-	3.09	-	-	-	-
	Total	-	-	4.15	12.98	-	-	-	-
4.	Rent received								
	LPS Fasteners & Wires Pvt. Ltd.	-	-	0.50	0.50	-	-	-	-
5.	Rent paid								
	Nav Bharat Industries	-	-	8.40	8.40	-	-	-	-
	Sushila Devi Jain	-	-	-	-	21.18	21.18	-	-
	Total	-	-	8.40	8.40	21.18	21.18	-	-
6.	Interest received								
		-	-	-	-	-	-	-	-

7.	Jobwork paid								
	Amit Screws Pvt. Ltd.	-	-	-	1.17	-	-	-	-
	Hanumant Wire Udyog Pvt. Ltd.	-	-	486.50	266.53	-	-	-	-
	Indian Fasteners Ltd.	15.98	-	-	-	-	-	-	-
	J.C. Fasteners Ltd.	-	-	89.91	160.59	-	-	-	-
	Lakshmi Extrusion Ltd.	-	-	3.58	56.46	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	-	-	100.00	75.00	-	-	-	-
	Nav Bharat Industries	-	-	38.97	36.67	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	-	-	185.19	142.10	-	-	-	-
	United Engineers	-	-	1.02	29.65	-	-	-	-
	Universal Enterprises	-	-	88.36	24.47	-	-	-	-
	Total	15.98	-	993.53	792.64	-	-	-	-
8.	Unsecured Loan								
	Loans Accepted								
	L.K. Jain	-	-	-	-	36.00	17.50	-	-
	V.K. Jain	-	-	-	-	-	17.50	-	-
	R.K. Jain	-	-	-	-	15.39	55.80	-	-
	D.K. Jain	-	-	-	-	39.73	-	-	-
	Nikhlesh Jain	-	-	-	-	-	-	37.73	28.75
	Gautam Jain	-	-	-	-	-	-	92.50	79.00
	Total	-	-	-	-	91.12	90.80	130.23	107.75
	Loans Repaid								
	L.K. Jain	-	-	-	-	36.00	-	-	-
	Nikhlesh Jain	-	-	-	-	-	-	37.73	-
	Gautam Jain	-	-	-	-	-	-	72.50	-
	Total	-	-	-	-	36.00	-	110.23	-
9.	Remuneration paid								
	L.K. Jain	-	-	-	-	82.20	82.20	-	-
	D.K. Jain	-	-	-	-	78.91	78.91	-	-
	V.K. Jain	-	-	-	-	78.91	78.91	-	-
	Rajesh Jain	-	-	-	-	36.00	5400	-	-
	S.K. Jain	-	-	-	-	-	-	26.30	24.37
	Gagan Jain	-	-	-	-	-	-	19.35	17.31
	Gautam Jain	-	-	-	-	-	-	19.35	17.31
	Nikhlesh Jain	-	-	-	-	-	-	19.61	16.65
	Amit Jain	-	-	-	-	-	-	19.35	17.31
	Saurabh Jain	-	-	-	-	-	-	19.38	16.45
	Rahul Jain	-	-	-	-	-	-	16.65	15.03
	Total	-	-	-	-	276.02	294.02	139.99	124.43
10.	Interest to Directors/Others								
	L.K. Jain	-	-	-	-	2.39	2.39	-	-
	Rajesh Jain	-	-	-	-	7.92	7.92	-	-
	V.K. Jain	-	-	-	-	3.27	3.27	-	-
	Gagan Jain	-	-	-	-	-	-	2.72	2.72
	Gautam Jain	-	-	-	-	-	-	2.80	2.80
	Gaurav Jain	-	-	-	-	-	-	4.59	4.59
	Amit Jain	-	-	-	-	-	-	4.65	4.65
	Saurabh Jain	-	-	-	-	-	-	3.33	3.33
	Total	-	-	-	-	13.58	13.58	18.09	18.09
11.	Lifting Charges paid								
	Indian Fasteners Ltd.	-	3.00	-	-	-	-	-	-
	Grand Total	15.98	3.00	2089.14	1727.52	437.90	419.58	398.54	250.27
12.	Balance receivable	-	-	202.13	198.28	-	-	-	-
13.	Balance payable	37.31	34.08	481.49	521.60	283.04	231.43	407.88	398.09

26. 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, 2011 | 49% |

d) The aggregate of Company's share in the above ventures in:

(Lac/ Rs.)

	2011	2010
ASSETS		
FIXED ASSETS		
Net Fixed Assets	326.74	348.02
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	2223.36	1846.48
Loans and Advances	125.35	49.64
LIABILITIES		
Borrowings	239.28	258.00
Current Liabilities	565.72	420.31
Provisions	82.00	52.75
INCOME		
Sales	4549.90	3156.78
Other Income	1.47	31.72
EXPENDITURE		
Cost of Materials	2938.62	2038.97
Manufacturing Expenses	56.36	54.00
Personnel Expenses	359.22	236.71
Administration Expenses	459.53	405.41
Selling and Distribution Expenses	134.08	93.96
Interest & Financial Charges	38.31	7.62
Managerial Remuneration	28.33	22.64
Depreciation	56.50	56.78
Current Tax	169.88	100.72
Deferred tax	(32.96)	3.66
CONTINGENT LIABILITIES	29.00	133.00
CAPITAL COMMITMENTS	-	-

- (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, 2011 49%
d) The aggregate of Company's share in the above ventures in:

	2011	2010
ASSETS		
FIXED ASSETS		
Net Fixed Assets	0.02	0.04
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	19.04	16.27
Loans and Advances	0.05	0.03
LIABILITIES		
Current Liabilities	1.26	1.31
Provisions	(3.05)	(3.03)
INCOME		
Sales	5.88	5.88
Other Income	1.08	1.20
EXPENDITURE		
Personnel Expenses	2.46	3.34
Administration Expenses	0.79	1.17
Interest and Financial Charges	-	-
Managerial Remuneration	0.06	0.06
Depreciation	0.02	0.08
Current Tax	0.58	0.00
CONTINGENT LIABILITIES	-	-
CAPITAL COMMITMENTS	-	-

27. In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1st day of April, 2004, the Company has assessed the potential generation of economic benefits from its business units as on the balance sheet date and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.
28. 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 2010-11.

	2011 (Lac/Rs)	2010 (Lac/Rs)
The movements in provisions are as under:		
1. Carrying amount as on 01.04.2010		
Income Tax	465.00	132.00
Wealth Tax	1.72	2.12
Fringe Benefit Tax	-	60.00
Bonus	85.67	83.88
Leave encashment	75.76	63.00
Gratuity	50.00	75.00
Total	678.15	416.00
2. Additional provisions made during the financial year 2010-11 including increase to existing provisions		
Income Tax	380.10	465.00
Wealth Tax	2.60	1.72
Bonus	84.26	85.67
Leave encashment	38.39	67.61
Gratuity	55.42	50.00
Total	564.67	670.00
3. Amounts used (incurred and charged against the provisions) during the financial year 2010-11		
Income Tax	410.42	132.00
Wealth Tax	1.72	2.12
Fringe Benefit Tax	0.00	60.00
Bonus	85.67	83.88
Leave encashment	28.45	54.85
Gratuity	33.26	75.00
Total	559.52	407.85
4. Unused amounts reversed during the financial year 2010-11		
Income Tax	54.58	0.00
Wealth Tax	0.00	0.00
Bonus	0.00	0.00
Leave encashment	0.00	0.00
Gratuity	16.74	0.00
Total	71.32	0.00
5. Carrying amounts of provisions as on 31.03.2011		
Income Tax	380.10	465.00
Wealth Tax	2.60	1.72
Bonus	84.26	85.67
Leave encashment	85.70	75.76
Gratuity	55.42	50.00
Total	611.98	678.15

29. The Company has proposed dividend for the year @15% on its equity capital and the provision for corporate dividend tax including surcharge and education cess thereon has been made in accordance with Finance Act, 2011. The said amount is not subject to tax deducted at source (TDS).

30. 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	2011		2010	
		Qty	Lac/Rs.	Qty	Lac/Rs.
a) Turnover					
Finished Goods					
Machine Screws	Lac/Nos.	8,619	29,829	6,678	22,248
Scrap Materials	M. Tons	4,644	769	3,435	550
			30,598		22,798
b) Raw Materials Consumed					
Wire/ Wire Rods	M. Tons	23,761	12,955	16,868	7,872
Stainless Steel/ Bars	M. Tons	121	197	171	219
		23,882	13,152	17,039	8,091
c) Opening Stocks					
Finished Goods	Lac/Nos.	558	4,223	678	4,112
Finished Goods in Transit	Lac/Nos.	9	45	4	20
Semi finished Goods	Lac/Nos.	1,195	2,165	1,120	1,989
Scrap Materials	M. Tons	370	65	373	65
			6,498		6,186
d) Purchases					
Semi-finished Goods	Lac/Nos.	657	1,464	507	773
			1,464		773
e) Closing Stocks					
Finished Goods	Lac/Nos.	603	3,736	558	4,223
Finished Goods in Transit	Lac/Nos.	8	33	9	45
Semi finished Goods	Lac/Nos.	1,694	4,379	1,195	2,165
Scrap Materials	M. Tons	460	81	370	65
			8,229		6,498

f) Licenced Capacity, Installed Capacity and Production

# Licenced Capacity	M. Tons		
## Installed Capacity	M. Tons	23,146	18,996
@ Actual Production	M. Tons	19,148	13,606
	(Lac/ Nos.)	(8,505)	(6,131)
Capacity Utilization	%	83	72

Not required for the industry.

Installed capacity is as certified by the management.

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

g) C.I.F. Value of Imports

		2010-11	2009-10
Finished Goods/Semi Finished	Lac/ Rs.	515	293
Raw Material (Wire/ Wire rods)	Lac/ Rs.	3,281	1,633
Tooling Steel, Stores and Spares	Lac/ Rs.	458	60
Capital Goods	Lac/ Rs.	1,241	125

h) Earning in Foreign Exchange

F.O.B. value of exports	Lac/ Rs.	* 5,119	* 3,353
-------------------------	----------	---------	---------

(*including deemed exports of Rs.Nil Lacs (previous year Rs.540.14 Lacs)

i) Expenditure in Foreign Currency

Foreign Traveling	Lac/ Rs.	151.06	94.09
Royalty	Lac/ Rs.	12.80	14.11
Books, Membership and other Payments	Lac/ Rs.	0.95	0.69
Advances against Raw Materials and Capital contract	Lac/ Rs.	213.52	210.99
j) Dividend paid in foreign currency		Nil	Nil

k) Value of Imported and Indigenous Raw Materials, Spare Parts and Components Consumed and Percentage thereof

	Lac/ Rs.	%	Lac/ Rs.	%
Imported	3,600	27	1,509	19
Indigenous	9,552	73	6,582	81
	13,152	100	8,091	100

31. 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 Month Year

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

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

Total Liabilities

2 4 3 7 4 0 0

Total Assets

2 4 3 7 4 0 0

Sources of Funds

Paid up Capital

1 0 9 4 1 7

Reserves and Surplus

8 3 6 3 0 8

Secured Loans

1 3 8 0 7 8 3

Unsecured Loans

7 7 5 7 4

Deferred Tax Liability

3 3 3 1 8

Application of Funds

Net Fixed Assets

9 1 8 4 1 6

Investments

4 2 7 3 7

Net Current Assets

1 4 7 2 5 5 8

Misc. Expenditure

3 6 8 9

Accumulated Losses

N I L

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

Turnover

3 0 5 9 7 4 0

Other Income

7 6 4 9 7

Total Expenditure

2 9 9 9 5 3 0

Profit before Tax

1 3 6 7 0 7

Profit/ Loss after Tax

8 8 8 0 2

Earnings per Share (Rs.)

8 . 1 2

Dividend Rate %

1 5

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

32. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year.
33. Figures have been rounded off to the nearest rupee.
34. Schedule 1 to 17 form integral part of Balance Sheet and Profit and Loss Account.

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

CASH FLOW STATEMENT

Description	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	88801511	52761307
Adjustments for:		
Tax (including deferred tax and Wealth Tax)	53363079	33104832
Net profit before tax and extraordinary items	142164590	85866139
Adjustments for:		
Depreciation	181168041	123908470
Interest and Technical know how fee written off	1336622	1320300
Rent and Interest received (Gross)	(4521585)	(3401348)
Unrealised exchange gain	(10381819)	535246
Dividend Income	(4704038)	0
Interest and Financial charges	185026520	164775118
Provisions for Bad and Doubtful Debts	607221	100000
Profit/Loss on sale of assets (Net)	274246	(7942)
Reduction in Reserve due to change in accounting policy*	955010	8021248
Operating profit before working capital changes	491924808	381117231
Adjustments for:		
Trade Payables	327793422	183459322
Trade and other receivables	(182841151)	(13770565)
Inventories	(189390403)	(256328511)
Cash generated from operations	447486676	294477477
Interest and financial charges	(183807050)	(165809923)
Direct Taxes Paid	(17270000)	(12000000)
Net cash from operating activities	246409626	116667554
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(506110834)	(87582794)
Proceeds from Sale of fixed assets	1032731	26500
Rent and Interest received (net of TDS)	3630684	2931955
Dividend Income	4704038	0
Interest and Technical know how fee provided during the year	(3296019)	(597636)
Net cash used in investing activities	(500039400)	(85221975)

*Pursuant to change in accounting policy in accordance with notification no:G.S.R.(E) dated 31st March, 2009 in respect of foreign exchange variation on long term foreign currency items.

CASH FLOW STATEMENT (CONTD.)

Description	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	363491357	210694988
Repayment of long term borrowings	(121252351)	(224900026)
Proceeds from Directors and others	17511596	19855529
Dividend paid	(12306417)	(7551145)
	247444185	(1900654)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6185589)	29544925
Cash and Cash equivalents (Opening Balance)	97168124	67623199
Cash and Cash equivalents (Closing Balance)	90982535	97168124

Note:-

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

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

AUDITORS' REPORT

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

We have examined the attached consolidated balance sheet of Lakshmi Precision Screws Limited, Hissar Road, Rohtak, (Haryana) and its subsidiary 'Indian Fasteners Limited', Company's interest in the joint ventures 'LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited and its associates namely J C Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited as at 31st March, 2011 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 audit the financial statements of the subsidiary company, Indian Fasteners Limited, whose financial statements reflect total assets (net) of Rs.15928629/- as at March 31, 2011, total revenues of Rs.2419549/- and net cash outflows amounting to Rs.276198/- for the year ended on the date. These financial statements and other financial information has been audited by other auditors whose report have been furnished to us, and our opinion is based solely on the report of other auditors.

We did not carry out the audit of the financial statements of 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 joint ventures companies and associate companies have been incorporated, based on their provisional financial statements whose un-audited 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 un-audited financial statements. The details of assets and revenues in respect of the proportionate share in the joint ventures are given below:

(Amount in rupees)

Name of the Company	Total Assets	Total Revenue
LPS Bossard Private Limited	26,75,44,730	45,51,37,572
LPS Bossard Information Systems Private Limited	19,10,932	6,95,686

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 consideration of report of auditors on separate financial statements of subsidiary company and provisional financial statements of the Joint ventures and associates, the consolidated financial statements, subject to Note No. 10 of Schedule 17 with regard to non provision of gratuity liability and leave encashment in accordance with AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India and read together with other notes thereon give a true and fair view in the case of:

- the consolidated balance sheet, of the consolidated state of affairs of the Company, its subsidiary, associates and joint ventures as at 31st March, 2011 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
Registration No. 016534 N

Place : NOIDA
Dated : May 30, 2011

V.P. Bansal
Partner
M. No. 8843

CONSOLIDATED BALANCE SHEET

Description	Schedule No.	As at 31.03.2011 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) Joint Venture in LPSBPL	As at 31.03.2011 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2011 (Rs.) Total	As at 31.03.2011 (Rs.) (Consolidated)
A. SOURCES OF FUNDS						
a) Shareholders' Funds						
Share Capital	1	109416670	23520191	1847491	134784352	134784352
Less: Investment in Joint venture companies					25367682	25367682
Reserves and Surplus	2	109416670	160446245	250487	109416670	109416670
		843487733	160446245	250487	1004184465	903310667
		952904403	160446245	250487	1113601135	1012727337
b) Loan Funds						
Secured Loans	3	1381545827	23927759	0	1405473586	1165816543
Unsecured Loans	4	77574136	0	0	77574136	60062540
		1459119963	23927759	0	1483047722	1225879083
c) Deferred Tax Liabilities(net)		34287103	(5121683)	(8132)	29157288	17401098
d) Minority Interest		4633668	0	0	4633668	4621369
TOTAL		2450945137	202772511	2089847	2630439813	2260628887
B. APPLICATION OF FUNDS						
a) Fixed Assets						
Gross Block	5	2044107793	57655113	376878	2102139783	1612032755
Less: Depreciation		1126827626	24981654	375182	1152184462	975999290
Net Block		917280167	32673459	1695	949955321	636033466
Add: Capital Work in Progress		11169891	0	0	11169891	5180067
		928450058	32673459	1695	961125212	641213533
b) Investments	6	40382338	0	0	40382338	41185002
Less: Investment in Joint venture companies					25367680	25367680
					15014658	15817322
c) Current Assets, Loans and Advances	7					
Inventories		1737238628	75892629	0	1813131257	1601822641
Sundry Debtors		634618235	139411269	0	774029504	657148698
Cash and Bank Balances		91236215	7032112	1864505	100132832	108695424
Other Current Assets		47485224	0	39785	47525009	20608165
Loans and Advances		204511246	12535261	4948	217051455	164733631
		2715089548	234871271	1909237	2951870056	2553008558
Less: Intra group transactions					6290940	1230490
		2715089548	234871271	1909237	2945579116	2551778068
Less: Current Liabilities and Provisions						
Current Liabilities	8	1197483142	56572225	126289	1254181656	899820123
Provisions		39182277	8199993	(305203)	47077067	51319615
		1236665419	64772218	(178914)	1301258723	951139738
Less: Intra group transactions					6290940	1230490
Total Current Liabilities		1478424129	170099053	2088151	1294967783	949909248
Net Current Assets					1650611334	1601868821
d) Miscellaneous Expenditure	9	3688611			3688611	1729214
TOTAL	17	2450945137	202772511	2089847	2630439813	2260628887
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES						

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkur
Company Secretary

Place : NOIDA

Dated : May 30, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2011 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2011 (Rs.) Total	Year Ending 31.03.2010 (Rs.) (Consolidated)
A. INCOME						
Sales and Services		3323348712	454990066	588000	3778926778	2771744279
Less: Excise Duty		263608841	0	0	263608841	175705713
Net Sales		3059739871			3515317937	2596038566
Job Work Receipt		12636265	0	0	12636265	4214593
Other Income	10	64681710	147506	107686	64936902	17677993
Share in associates		(802664)	0	0	(802664)	(713657)
		3136255182	455137572	695686	3592088439	2617217495
B. EXPENDITURE						
Materials and Finished Goods	11	1283875526	293862146	0	1577737672	1066872046
Manufacturing	12	541324450	5636181	0	546960631	445752922
Personnel	13	463279287	35921682	246091	499447060	401534875
Office and Administration	14	165558077	45952535	79118	211589730	155131264
Selling and Distribution	15	163434848	13407629	0	176842477	121990453
Interest and Financial charges	16	183603436	3830688	0	187434124	152686032
Managerial Remuneration		27602400	2832690	5880	30440970	29872080
Depreciation		182573898	5649476	2314	188225688	131000183
		3011251922	407093027	333403	3418678352	2504839857
Profit before tax and prior period items		125003260	48044545	362283	173410088	112377638
Add:-Prior period items (Note Ref. No. 9)		10950637	0	0	10950637	323747
Profit before tax		135953897	48044545	362283	184360725	112701385
Tax Expenses						
- Current tax		38208000	16988255	58807	55255062	58641439
- Excess Provision of Income Tax withdrawn		(5457802)	0	0	(5457802)	0
- Deferred tax		14907246	(3296208)	0	11611038	(15249573)
- Wealth tax		260000	0	0	260000	171571
C. PROFIT FOR THE YEAR CARRIED DOWN		88036453	34352498	303476	122692427	69137948
D. PROFIT FOR APPROPRIATION						
Balance as per last Balance Sheet		414350050	121358195	(52989)	535655256	483731235
Balance as per last Balance Sheet - share in associates		4080291	0	0	4080291	4793948
Profit for the year brought down		88036453	34352498	303476	122692427	69137948
		506466794	155710693	250487	662427974	557663130
Less: Profit of subsidiary company for the year ended 31.03.2011		37606	0	0	37606	43917
Transfer to General Reserve		4500000	0	0	4500000	0
Proposed Dividend		16412501	0	0	16412501	10941667
Corporate Dividend Tax		2662518	0	0	2662518	1859536
Balance carried over to Balance Sheet		482854169	155710693	250487	638815349	544818010
		506466794	155710693	250487	662427974	557663130
E. EARNING PER SHARE (FACE VALUE RS. 10 PER SHARE)						
- Basic and diluted					11.21	6.32
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	17					

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkur
Company Secretary

Place : NOIDA

Dated : May 30, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description	Refer Notes	As at 31.03.2011 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) Joint Venture in LPSBPL	As at 31.03.2011 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2011 (Rs.) Total	As at 31.03.2010 (Rs.) (Consolidated)
SCHEDULE 1						
SHARE CAPITAL						
Authorised:						
16470000 Equity Shares of Rs. 10/- each		164700000	29400000	3675000	197775000	197775000
Less: Authorised Capital of Joint Ventures 30000 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		0	0	0	33075000	33075000
		300000	0	0	164700000	164700000
		165000000	0	0	165000000	165000000
Issued, Subscribed and Paid Up						
10941667 Equity Shares of Rs. 10/- each fully paid up		109416670	23520191	1847491	134784352	134784350
Less: Investment in Joint venture companies		0	0	0	25367682	25367680
		109416670	23520191	1847491	109416670	109416670
SCHEDULE - 2						
RESERVES AND SURPLUS						
Capital Reserve						
As per last Balance Sheet	13931192					
Add: Reserves of subsidiary company till 24.12.1990	239600					
Add: Reserves of associates till 31.03.2007	(1055969)	13114823	0	0	13114823	13114823
Security Premium account						
General Reserve		318336034	0	0	318336034	318336034
Reserves of subsidiary company after 24.12.1990		26614385	4735552	0	31349937	25453793
Foreign Currency Monetary Item Translation Difference A/c		4718930	0	0	4718930	4693623
Profit and Loss Account		(2150608)	0	0	(2150608)	(3105618)
		482854169	155710693	250487	638815349	544818012
		843487733	160446245	250487	1004184465	903310667
SCHEDULE - 3						
SECURED LOANS						
From Banks:						
Working Capital Loans	1	874368643	23927759	0	898296402	819460470
Working Capital Term Loan	2	5871448	0	0	5871448	17625747
Rupee Currency Term Loans	2	283236525	0	0	1663268238	98119414
Short Term Loan	2	29410526	0	0	29410526	25125206
Foreign Currency Term Loan	3	145949273	0	0	145949273	193468518
Vehicle Loans (Against hypothecation of Motors Cars)		22724367	0	0	22724367	9332143
		1361560782	23927759	0	2765520254	1163131498
From Others:						
Vehicle Loans (Against hypothecation of Motors Cars)		17300000	0	0	17300000	0
		17300000	0	0	17300000	0
Deferred Payment Credits:						
Haryana State Industrial & Infrastructure Development Corporation Limited	4	2685045	0	0	2685045	2685045
		2685045	0	0	2685045	2685045
		1381545827	23927759	0	1405473586	1165816543

NOTES:-

- 1 (i) The Working Capital limits from consortium banks are secured by way of pari-passu first charge against hypothecation of entire chargeable current assets i.e. stocks and book debts (present and future) of the Company and pari-passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets (present and future) and guaranteed by some of the Directors of the Company and their relatives.

Working capital limits from consortium banks are further secured by way of equitable mortgage of

- (i) Land situated at Rohtak in the name of the Director of the Company.

- (ii) Land and Building situated at Mauza Kharawar, Distt. Rohtak in the names of relatives of the Directors of the Company.
- (iii) In case of Joint Venture Company LPSBPL, Cash credit account and Bills discounted with bank are secured by way of first charge on current assets, stock and book debts (both present and future) of the Company and further secured by way of first charge on fixed assets (excluding computer softwares and vehicles), machinery and equipments, office equipments, computer hardware and furniture and fixtures.
- 2 (i) Working capital term loan, short term loan and term loan from Canara Bank is secured by way of hypothecation of entire chargeable current assets (present and future) of the company and further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above and personal guarantee of some of the Directors of the Company and their relatives.
- (ii) The company has been sanctioned fresh loan of Rs.10.50 crores by the Canara Bank which is secured by way of pari passu first charge with other consortium members on existing tools and dies worth Rs.25 crores and further secured by way of collateral securities as applicable to working capital limits as mentioned in para 1 above.
- (iii) Term loan from IDBI is secured by way of first pari-passu charge on the fixed assets of Company and guaranteed by one of the Directors of the Company.
- (iv) Term loan from Indian Overseas Bank is secured by way of first charge on machinery purchased out of the said loan.
- 3 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 some of the Directors of the Company and their relatives.
- 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.1633 lacs (Previous year Rs.1610 lacs).

Description	As at 31.03.2011 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) Joint Venture in LPSBPL	As at 31.03.2011 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2011 (Rs.) Total	As at 31.03.2010 (Rs.) (Consolidated)
SCHEDULE - 4					
UNSECURED LOANS					
SHORT TERM LOANS AND ADVANCES					
Fixed Deposits {Due within a year Rs.288 lacs (previous year Rs.288 lacs)}	28800000	0	0	28800000	28800000
Other Loans and Advances					
From Directors *	15072050	0	0	15072050	9560454
From Companies	10000000	0	0	10000000	0
From Others *	23702086	0	0	23702086	21702086
	77574136	0	0	77574136	60062540

* under stipulations of lending financial institutions and banks.

SCHEDULE 5
FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2010 Rs.	Additions Rs.	Adjustment /Sales Rs.	As at 31.03.2011 Rs.	Upto Last Year Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1	Industrial Land										
	Freehold Industrial Land	31478010	0	365731	31112279	0	0	0	0	31112279	31478010
	Leasehold Industrial Land	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	193319513	12855665	0	206175178	56517042	7757413	0	64274455	141900723	136802471
3	Office Premises										
	Freehold Office	813362	0	0	813362	447749	18281	0	466030	347332	365613
	Leasehold Office	0	0	0	0	0	0	0	0	0	0
	Consolidated	553040	0	0	553040	333149	10995	0	344144	208896	219891
	Share in LPSBPL	11167023	0	624046	10542977	5482965	1334616	624046	6193536	4349441	5684055
4	Plant and Machinery										
	Consolidated	1053398913	444845472	187783	1498056602	722602865	151791482	0	874394347	623662255	330796047
5	Furniture and Fixtures										
	Consolidated	39889849	1888692	0	41778541	26643480	2120865	0	28764345	13014196	13246369
	Share in LPSBPL	23719255	2177405	1899690	23996969	6803334	1405034	1198412	7009957	16987012	16915711
	Share in LPSBISPL	0	0	0	0	0	0	0	0	0	0
6	Electric Fans and Installations	34679017	5476950	0	40155967	24108095	1279163	0	25387258	14768709	10570922
7	Office Equipments										
	Consolidated	24045623	1495754	0	25541377	11041145	1208194	0	12249339	13292038	13004472
	Share in LPSBPL	6054617	224470	741714	5537372	1214547	300916	360243	1155220	4382152	4840073
	Share in LPSBISPL	5331	0	0	5331	3483	153	0	3636	1695	1848
8	Computers and Software										
	Consolidated	72766468	2896392	0	75662860	61393886	9432932	0	70826818	4836042	11372582
	Share in LPSBPL	20413061	1383308	8539702	13256666	15451916	2257263	8401105	9308074	3948592	4954049
	Share in LPSBISPL	371546	0	0	371546	369385	2161	0	371546	0	2161
9	Motor Vehicles										
	Consolidated	75292448	30589115	2390652	103490911	40777877	8815931	1449406	48144402	55346509	34514571
	Share in LPSBPL	3370974	950155	0	4321128	963221	351646	0	1314867	3006261	2407752
10	Weighting Counting Scales	1457215	51830	0	1509045	1160659	50958	0	1211617	297428	296560
11	Fire Extinguishers	839079	21139	0	860218	677185	87684	0	764869	95349	161894
	Total	1612032759	504856346	14749319	2102139783	975991983	188225688	12033211	1152184462	949955321	636033466
	Add: Capital Work in Progress Consolidated	5180065	7976096	1986271	11169890	0	0	0	0	11169890	5180067
	Total : Current year Previous Year	1617212824 1526459739	512832442 114981525	16735590 24228441	2113309673 1617212823	975991983 845056157	188225688 131000183	12033211 57051	1152184462 975999290	961125211	641213532

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, Manesar Plants, Indian Fasteners Limited, subsidiary company and Joint Ventures 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 additions in Fixed Assets include Rs.15912144/-(last year Rs.11556381/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountants of India.
4. Leasehold Office Premises are in respect of office flats at Bangalore,.
5. Freehold Office Premises are in respect of office flats at Mumbai and Delhi.
6. A sum of Rs.187783/- on account of exchange gain realised during the year has been adjusted in Plant and Machinery in accordance with the Notification no G.S.R.225(E) dated 31st March 2009 as amended vide notification dated 11.05.2011 issued by Ministry of Corporate Affairs.

Description		As at 31.03.2011 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) Joint Venture in LPSBPL	As at 31.03.2011 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2011 (Rs.) Total	As at 31.03.2010 (Rs.) (Consolidated)
SCHEDULE - 6						
INVESTMENTS						
(Long term, trade, unquoted, at cost)						
Hanumat Wires Udyog Private Limited, Rohtak (Associate Company)						
279300	Equity Shares of Rs.10/- each	2793000				
Add:-	Accumulated Income upto 31.03.2010 (including Goodwill Rs. Nil on acquisition)	2496075				
Add:-	Share in profit for the year ended 31.03.11	591772	5880847	0	5880847	5289075
J.C. Fasteners Limited, Rohtak (Associate Company)						
700000	Equity Shares of Rs.10/- each	7000000				
Add:-	Accumulated Income upto 31.03.2010 (including Goodwill Rs. 1386000/- on acquisition)	1495296				
Add:-	Share in profit for the year ended 31.03.11	139144	8634440	0	8634440	8495296
Lakshmi Extrusion Limited, Rohtak (Associate Company)						
30000	Equity Shares of Rs.100/- each	3000000				
Add:-	Accumulated Income upto 31.03.2010 (including Goodwill Rs. 285000/- on acquisition)	-967049				
Add:-	Share in profit for the year ended 31.03.11	2032951	499371	0	499371	2032951
LPS Bossard Private Limited (Joint Venture)						
2352019	Equity Shares of Rs.10/- each	23520190				
LPS Bossard Information Systems Private Limited (Joint Venture)						
184749	Equity Shares of Rs.10/- each	1847490				
		40382338	0	0	40382338	41185002
Less: Investments in Joint Venture companies						
					25367680	25367680
					15014658	15817322
SCHEDULE - 7						
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories						
(At lower of cost and net realisable value, as per inventories taken, valued and certified by the Chairman and Managing Director)						
Raw Materials:						
		289220664	0	0	289220664	205127226
	Raw Materials in transit	47926633	0	0	47926633	44424459
	Finished goods	373658376	87205075	0	460863451	480733360
	Less:- Unrealised Profit on intra group transactions	0	(629094)	0	(629094)	(123049)
	Finished goods in transit	3252077	0	0	3252077	4532757
	Semi finished goods	437868336	0	0	437868336	216430647
	Consumables stores, tools and spare parts	240496507	0	0	240496507	172473786
	Dies and Tools	303034449	0	0	303034449	447771058
	Packing materials	33272341	0	0	33272341	27826356
	Stationary in hand	390848	0	0	390848	482700
	Postage and foreign stamps	3070	0	0	3070	457
	Scrap materials (at realisable value)	8115327	0	0	8115327	6535231
	Less :- Provision for Slow Moving Inventory	0	(10683352)	0	(10683352)	(4392347)
		1737238628	75892629	0	1813131257	1601822640
Sundry Debtors						
(Unsecured- considered good unless otherwise stated)						
	Considered good	31880866	139411269	0	171292135	36839162
	Considered doubtful	607221	9787642	0	10394863	8020058
		32488087	149198911	0	181686998	44859220
	Less: Provision for doubtful debts	607221	9787642	0	10394863	8020058
		31880866	139411269	0	171292135	36839162
	Other : Debts considered goods	602737369	0	0	602737369	620309536
		634618235	139411269	0	774029504	657148698
	Less: Intra group transactions	0	0	0	6290940	1230490
		634618235	139411269	0	767738564	655918208

Description		As at 31.03.2011 (Rs.) (Consolidated)	As at 31.03.2011 (Rs.) Joint Venture in LPSBPL	As at 31.03.2011 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2011 (Rs.) Total	As at 31.03.2010 (Rs.) (Consolidated)
Cash and Bank Balances						
Cash in hand (includes cheques in hand - Rs.454967/-, previous year Rs. 310120/-) with Scheduled Banks In Fixed Deposit Accounts Pledged as margin money against bank guarantees Pledged as margin money against letter of credits Lien against public deposits No lien account In cash margin on letter of credit account In Current Accounts In Dividend Accounts In E E F C Account (\$ 769.83 Previous year \$769.83)		2527653	16240	99	2543992	1263877
		725000	0	0	725000	125000
		55679260	0	0	55679260	44151872
		5856267	1164771	0	7021038	5506609
		400000	2450000	1608097	4458097	19019941
		0	0	0	0	1418300
		23895791	3401102	256308	27553201	35464109
		2117871	0	0	2117871	1710966
		34373	0	0	34373	34750
		91236215	7032112	1864505	100132832	108695424
Other Current Assets						
Interest accrued on deposits Freight subsidy receivable Export incentive receivable DEPB Licence in hand		540745	0	39785	580530	2503251
		1000000	0	0	1000000	1000000
		44494935	0	0	44494935	14381952
		1449544	0	0	1449544	2722962
		47485224	0	39785	47525009	20608165
Loans and Advances (unsecured considered good) Advances recoverable in cash or in kind or for value to be received Security deposits Balance with Central Excise Department Excise Duty Service Tax Vat refund due		165071359	7839059	2988	172913406	125445481
		11629802	4696202	1960	16327964	15890067
		23335811	0	0	23335811	14335107
		3247518	0	0	3247518	1571928
		1226756	0	0	1226756	7491049
		204511246	12535261	4948	217051455	164733632
		2715089548	234871271	1909237	2951870056	2553008560
SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS						
Current Liabilities						
Acceptances Sundry Creditors Due to micro and small enterprises Due to other than micro and small enterprises Advances and progress payments from customers Unclaimed dividend * Other liabilities Excise duty payable Interest accrued but not due		91782556	3729192	0	95511748	47689348
		250829	0	0	250829	10403
		890684271	41492837	42168	932219277	669300416
		106103709	0	0	106103709	78320359
		2117871	0	0	2117871	1710966
		72088031	11350196	84120	83522347	64941269
		32334578	0	0	32334578	36945535
		2121297	0	0	2121297	901827
		1197483142	56572225	126289	1254181656	899820123
Less: Intra group transactions		0	0	0	6290940	1230490
		1197483142	56572225	126289	1247890716	898589633

* Investor Protection and Education fund is being credited by the amount of unclaimed dividend after seven years from the due date.

Provisions						
Income Tax (net of advance tax and TDS) Wealth Tax Provision of contingencies Proposed Dividend Corporate Dividend Tax		19847258 260000 0 16412501 2662518	8195178 4815 0 0 0	(305203) 0 0 0 0	27737233 264815 0 16412501 2662518	37709841 171571 637000 10941667 1859536
		39182277	8199993	(305203)	47077067	51319615
		1236665419	64772218	(178914)	1294967783	949909248
SCHEDULE - 9 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)						
Interest on deferred payments As per last Balance Sheet Add: Addition during the year	202510 204320					
	406830					
Less: written off	233019	173811	0	0	173811	202510

Description		Year Ending 31.03.2011 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2011 (Rs.) Total	Year Ending 31.03.2010 (Rs.) (Consolidated)
Technical knowhow fee As per last Balance Sheet Add: Additions during the year	1526704 3091699					
Less: written off	4618403 1103603	3514800	0	0	3514800	1526704
		3688611	0	0	3688611	1729214
SCHEDULE - 10 OTHER INCOME						
Export Incentives		32671545	0	0	32671545	11096038
Rent		50400	0	0	50400	50400
Interest on fixed deposits with banks, loans and from customers (TDS Rs.485672/- Previous year Rs.469393/-)		4471185	0	107686	4578871	4158518
Exchange rate variation (net)		18644400	0	0	18644400	0
Dividend Income on long term trade investments		4704038	0	0	4704038	0
Profit on sale of assets		25088	0	0	25088	7942
Excess provisions no longer required written back		2666278	0	0	2666278	0
Miscellaneous receipts		1448776	147506	0	1596282	2365095
		64681710	147506	107686	64936902	17677993
SCHEDULE - 11 MATERIALS AND FINISHED GOODS						
Raw Materials Consumed						
Opening stocks		205127226	0	0	205127226	55546287
Add: Purchases		1307990749	0	0	1307990749	904870117
Freight and cartage		39770370	0	0	39770370	17816296
		1552888345	0	0	1552888345	978232700
Job Charges		51542364	0	0	51542364	36038444
		1604430709	0	0	1604430709	1014271144
Less : Closing stocks		289220664	0	0	289220664	205127226
Raw materials consumed		1315210045	0	0	1315210045	809143918
Add: Opening stocks						
Finished goods		422292550	53600784	0	475893334	446121338
Finished goods in transit		4532757	0	0	4532757	1954686
Semi finished goods		216430647	0	0	216430647	198934152
Scrap materials		6535231	0	0	6535231	6452125
		649791185	53600784	0	703391969	653462301
Add: Purchase of semi-finished goods		136957023	0	0	136957023	299548952
Purchase of finished goods		9422346	309427221	0	318849567	0
		2111380599	363028005	0	2474408604	1762155171
Less : Closing stocks						
Finished goods		373658376	75892629	0	449551005	476266964
Finished goods in transit		3252077	0	0	3252077	4532757
Semi finished goods		437868336	0	0	437868336	216430647
Scrap materials		8115327	0	0	8115327	6535231
		822894116	75892629	0	898786745	703765599
Add: Excise duty on increase/(decrease) in finished goods and scrap materials		1288486483	287135376	0	1575621859	1058389572
		(4610957)	0	0	(4610957)	7730262
		1283875526	287135376	0	1571010902	1066119834
Add : Stock Obsolence		0	6726770	0	6726770	3770873
Add : Provision for Slow Moving Inventory		0	0	0	0	(3018663)
		1283875526	293862146	0	1577737672	1066872044
SCHEDULE - 12 MANUFACTURING EXPENSES						
Electricity,water and fuel		168942731	0	0	168942731	123911942
Job work charges		238334198	0	0	238334198	153002809
Packing Expenses		42851331	5636181	0	48487512	45214628
Consumable stores and spare parts		45722664	0	0	45722664	54204814
Dies and Tools		26465420	0	0	26465420	51136288

Description	Year Ending 31.03.2011 (Rs.) (Consolidated)	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2011 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2011 (Rs.) Total	Year Ending 31.03.2010 (Rs.) (Consolidated)
Repairs to machinery	4533108	0	0	4533108	9250148
Research and development expenses	9260606	0	0	9260606	2662771
Royalty, Technical know-how fee	2383041	0	0	2383041	1646255
Other manufacturing expenses	2831351	0	0	2831351	4723267
	541324450	5636181	0	546960631	445752922
SCHEDULE - 13					
PERSONNEL EXPENSES					
Salaries,Wages,Bonus and other amenities	407515499	30242891	246091	438004481	357365743
Co's contribution towards LIC Gratuity Trust	11004535	2360102	0	13364637	8939094
Co's contribution towards P.F.	13475258	2025649	0	15500907	13609318
Co's contribution towards E.S.I.	7160603	136681	0	7297284	2541666
Staff welfare	10004488	793298	0	10797786	9951146
Staff recruitment and training	1998245	363061	0	2361306	808053
Watch and ward expenses	12120659	0	0	12120659	8319854
	463279287	35921682	246091	499447060	401534873
SCHEDULE - 14					
OFFICE AND ADMINISTRATION EXPENSES					
Rent	5508024	13066644	11760	18586428	18251762
Rates and taxes	822044	0	0	822044	562291
Printing and stationery	4481208	4263824	0	8745032	8349635
Postage and Telephone	8633849	2851543	0	11485392	10430312
Travelling and conveyance	86584366	16765446	2965	103352776	69241156
Vehicle maintenance	4759860	0	0	4759860	3723191
Legal and consultancy	19068652	1004161	10682	20083495	14674956
Insurance	3882001	251157	0	4133158	2653186
Auditors' Remuneration					
Audit fee	1108000	303800	51450	1463250	1385998
Tax Audit Fees	100000	0	0	100000	100000
Limited Review	300000	0	0	300000	180000
Out-of pocket expenses	110088	0	0	110088	96551
Repairs to building	7081602	173186	0	7254788	4875751
General repairs	9933472	3390731	0	13324203	10949143
Loss on sale of assets	299334	1163053	0	1462387	26411
Miscellaneous	12630577	1900199	2261	14533038	8846428
Directors sitting fee	255000	0	0	255000	305000
Electricity Expenses	0	818790	0	818790	479494
	165558077	45952535	79118	211589730	155131264
SCHEDULE - 15					
SELLING AND DISTRIBUTION EXPENSES					
Freight insurance and cartage	75828119	3257296	0	79085415	49687485
Turnover and cash discount	42656118	0	0	42656118	40712834
Advertisement,publicity and sales promotion	22604101	6227246	0	28831347	21163939
Bad Debts,liquidated damages and short recoveries	12840862	0	0	12840862	4469368
Provision for Bad and Doubtful Debts	607221	3923087	0	4530308	1077700
Excise duty and sales tax	8898427	0	0	8898427	4879127
	163434848	13407629	0	176842477	121990453
SCHEDULE - 16					
INTEREST AND FINANCIAL CHARGES					
Interest					
On fixed loans	20163467	0	0	20163467	33257550
On non-fixed loan	109481349	2658592	0	112139941	84414304
Financial charges	3668614	0	0	3668614	3940187
Exchange rate fluctuation (net)	0	661717	0	661717	743919
Bank charges and front end fee	50290006	510380	0	50800386	30330073
	183603436	3830688	0	187434124	152686032

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. Intangibles are stated at historical cost and represents computer softwares required for internal use and these are recognized as assets it is probable that future economic benefits attributable to such will flow to the Company and the cost of assets can be measured reliably.

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, Manesar Plants, Recoil Business Division, subsidiary company and Joint Ventures 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 dispatch of goods to the customers. The sales are accounted for net of trade discount, sales tax and excise duty. Export sales are recognized at the time of clearance of goods and approval from Excise Authorities. Income from Services (LPSBISPL) is recognized on rendering of the services to the customers using completed service contract method. 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. Exchange difference arising on the settlement of monetary item during the year is recognized as an income or expense. 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 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. Non monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rate at the date of transaction

g) Government Grants/Subsidies

Government grants available to the Group are recognized in accounts:

- (i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
 - (ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.
- Grants related to revenue are deducted in reporting the related expense.

h) Inventories

Inventories have been valued at lower of cost and net realizable value in the Company. Cost has been ascertained in case of Semi-finished goods at 65% less than the price-list and finished goods have been valued at 55% less than 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. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value. In case of subsidiary company and joint ventures inventories are valued at lower of cost and net realisable value. Cost includes freight and other related incidental expenses and is arrived at on weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on the ageing of inventory.

i) 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.

j) Retirement Benefits

a) Gratuity and Provident Fund

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. The group makes contribution to statutory provident fund in accordance with Employee Provident Fund and Miscellaneous Provisions Act, 1952 which is defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

b) Leave encashment

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the bases of undiscounted value required to be paid or value of benefits expected to be availed by the employees as per Company rules.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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).

p) Prior Period Items

Prior Period Expenses/ Income is shown as prior items in profit and loss account as per the provisions of AS-5 "Net Profit or Loss for the period items and changes in accounting policies" Issued by the Institute of Chartered Accountants of India.

q) Earnings Per Share

The earnings considered in ascertaining the Group's Earnings per Share (EPS) comprise the net profit after tax. Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

r) Impairment of Fixed Assets

At the end of each year, the Group 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.

s) 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	2011 Total	2010 Total
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	396	-	-	396	452
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	1097	29	-	1126	600
3.	Liabilities against legal undertakings/ bonds executed in favour of DGFT on account of export obligation undertaken by the Company against advance and import licenses under EPCG Scheme.	532	-	-	532	441
4.	Income tax liability on account of appeals pending with various authorities	77	-	-	77	77
5.	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 Accountants of India, the Consolidated Financial Statements of Lakshmi Precision Screws Limited include the financial statements of its subsidiary company. The particulars of subsidiary company are as under:-

Name	:	Indian Fasteners Limited
Country of Incorporation	:	India
Extent of control	:	67.295%

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 Companies	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: -

Sr.No	Name of the Joint Venture	Country of Incorporation	Proportion of interest as on 31 st March, 2011
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:

The consolidated financial statements relate to Lakshmi Precision Screws Limited ('The Company') and the subsidiary and Joint Ventures collectively referred to as 'The Group'. The financial statement of subsidiary Company is audited up to 31st March, 2011. The financial statements of joint ventures have been incorporated based upon their provisional figures as approved by their respective Boards upto 31st March, 2011. The Consolidated financial statements have been prepared on following basis:-

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

Sr. No	Particulars	Depreciation as per SLM basis in LPS Bossard Private Limited	Depreciation as per SLM basis in LPS Bossard 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 or estimated useful life , if shorter)	-

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

- (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 31st March, 2009 as amended by notification dated 11th May, 2011 issued by the Ministry of Corporate Affairs, The Company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account., and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange gain of Rs.2.83 lacs arising on aforesaid long term foreign currency monetary items, a sum of Rs.1.88 lacs has been deducted to the cost of fixed assets and a sum Rs.0.95 lacs has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.8.60 lacs has been amortized in profit and loss account in accordance with the remaining period of the long term liability.
- c) The effect of audited figures in respect of joint ventures and associates for the previous year have been incorporated during the current year.
- d) Minority interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) In case of associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India. The same has been done on the basis of provisional financial statements of the associate companies.
- f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its 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.
- g) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- h) The consolidated financial statement have been prepared after elimination of unrealized profit and intra group transactions as follows:-

	2011 (Rs.)	2010 (Rs.)
i) Intra group transaction deducted from debtors and corresponding creditors	6290940	1230490
ii) Unrealized profit deducted from inventory pertaining to intra group transactions.	629094	123049

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. a) IDBI Bank Limited, has disbursed a term loan of Rs.1935.74 lacs as on the date of Balance Sheet against the sanctioned amount of Rs.2000 Lacs to be utilized towards capital expenditure at the existing units of the Company. The same has been utilized for the purpose for which it was sanctioned and a sum of Rs.144.98 lacs is lying unutilized as at the end of the year on this account.
- b) The Company has been sanctioned a term loan of Rs.1500 lacs by Canara Bank and IDBI Bank Limited in consortium in the ratio of 70:30 respectively to be utilized for working capital requirements, out of which Canara Bank has disbursed of a sum or Rs. 1050 lacs. The same has been utilized for the purpose for which it was sanctioned and there are no amounts lying unutilized as at the end of the year.
- c) 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 decreased by Rs.6.36 lacs. Out of the said exchange gain, a sum of Rs.4.23 lacs has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.2.13 lacs has been credited to the Foreign Currency Monetary Item Translation Difference Account in accordance with Accounting Standard 11 (AS-11) as amended vide notification no.G.S.R 225 (E) dated 31.03.2009 and further amended by notification dated 11.05.11 issued by the Ministry of Corporate Affairs.
6. Interest and other borrowing costs amounting to Rs.15912144/- (previous year Rs.11556381/-) 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.
7. (a) LPSBPL, Joint Venture Company is a lessee under various operating leases for premises taken on lease. These leasing agreements, which are cancelable, range between 11 months to 72 months generally, or longer, and are usually renewable on mutually agreeable terms. Aggregate rental expenses under operating leases amounted to Rs.13066644/- (Previous year Rs.12821507/-) for the year, which has been charged to profit and loss account. There are no restrictions imposed by the lease agreements except agreement in Bangalore where lock in period is two years. There is no sub-lease.

(b) LPSBISPL, Joint Venture Company is a lessee under operating lease for premises taken on lease. The lease agreement is for 11 months and is cancelable. Aggregate rental expenses under operating lease amounted to Rs.11760/- (Previous year Rs.11760/-) for the year, which has been charged to the profit and loss account. There are no restrictions imposed by the lease agreement.

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 31st March, 2011. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr. No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (b) below:	Rs. 250829/-	Rs. 10403/-
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 Principal Amount

Sr. No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1.	N.R. Industries	Rs. 56,158/-	Rs. 10,403/-
2.	Truthread Gauges & Tools Pvt. Ltd.	Rs. 14,673/-	NIL
3.	Anand Electro Projects Pvt. Ltd.	Rs.1,79,998/-	NIL
		Rs.2,50,829/-	Rs. 10,403/-

9. Prior period items include a sum of Rs.4012186/- and Rs.6938451/- credited to the profit and loss account on account of FPS (Focus Product Scheme) entitlement in terms of Para 3.15 of Foreign Trade Policy 2009-14 for the financial years 2008-09 and 2009-10 respectively. The same has been ascertained and provided during the year.

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 an expense for the year are as under:

(Amount in Rs.)

Sr. No	Particulars	Consolidated	LPSBPL	LPSBISPL	2011 Total	2010 Total
1.	Employer's Contribution to Provident Fund	4321007	1712905	-	6033912	6414650
2.	Employer's Contribution to Pension Scheme	9154251	312744	-	9466995	7194668
3.	Employer's Contribution to Employee State Insurance	7160603	136681	-	7297284	2520753

Defined Benefit Plan

- a) The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). During the year ended 31st March 2011, the Company has provided a gratuity liability of Rs.55,41,719/- and paid a sum of Rs.54,62,816/- to the Life Insurance Corporation of India and debited a sum of Rs.1,10,04,535/- to the Profit and Loss account.

The Company has provided the gratuity liability of Rs. 25,41,719/- in respect of Plant II and Manesar Unit on the basis of actuarial valuation certificate, while the gratuity liability in respect of other units has been provided at Rs.30 lacs on estimate basis. The disclosure as required by Accounting Standard 15, 'Employee Benefits' issued by the Institute of Chartered Accountants of India in respect of Plant II and Manesar Unit is as follows:

(Amount in Rs.)

Sr. No	Particulars	Year ended 31st March 2011
1.	Components of Employer Expenses	
	Current Service Cost	18,36,838
	Interest Cost	9,80,978
	Expected return on plan assets	(8,13,429)
	Actuarial (gain)/loss	5,37,332
	Total expense/(gain) recognized in the Profit and Loss	25,41,719
2.	Net asset/(liability) recognized in Balance Sheet	
	Present value of obligation as at end of the year	1,52,24,074
	Fair value of plan assets as at beginning of the year	1,19,56,370
	Asset/(liability) recognized in the Balance Sheet	(32,67,704)
3.	Change in Defined Benefit Obligation during the year ended as on 31.03.11	
	Present value of obligation as at beginning of the year	1,22,62,226
	Current service cost	18,36,838
	Interest cost	9,80,978
	Actuarial (gain)/loss	5,37,332
	Benefit paid	(3,93,300)
	Present value of obligation as at end of the year	1,52,24,074
4.	Change in the Fair value of Plan assets	
	Fair value of plan assets as at beginning of the year	54,45,644
	Actual return on plan assets	8,13,429
	Actuarial gain/(loss)	
	Actual Company contribution	60,90,597
	Benefits paid	(3,93,300)
	Fair value of plan assets as at end of the year	1,19,56,370
5.	Actuarial Assumptions	
	Discount rate (per annum)	8%
	Expected rate of return on assets (per annum)	8%
	Salary escalation rate	7%

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for the plan assets management.

The disclosure requirement in respect of other plants as required by Accounting Standard 15, 'Employee Benefits' has not been given and the shortfall in the gratuity liability (if any), will be provided on receipt of actuarial valuation certificate.

- b) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date.

The shortfall in liability, if any, as ascertainment of liability by an independent actuary, will be provided for on the basis of actuarial valuation certificate when obtained.

11. 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.

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

(Amount in Rs.)

Particulars	Consolidated	LPS BPL	LPS BISPL	2011 TOTAL	2010 TOTAL
1. Deferred tax liability					
a) on account of difference in rates and method of depreciation	968723	1836407	-	2805130	10818887
b) on account of different treatment of certain payments under I.T. Act, 1961	36335836	-	-	36335836	10911315
	37304559	1836407	-	39140966	21730202
2. Deferred tax assets					
on account of different treatment of certain payments under I.T. Act, 1961	3017456	6958091	8132	9983678	4329104
	3017456	6958091	8132	9983678	4329104

Deferred tax liability

- at the end of year (net)	34287103	(5121684)	(8132)	29157288	17401098
- for the year	14907246	(3296208)	-	11611038	15249573

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.

13. Earnings per share

Basic and Diluted Earning per share

Particulars		2010-11	2009-10
Numerator for earning per shares			
Profit before taxation and Prior period items	Rs.	17,34,10,088	11,23,77,645
Tax Expenses	Rs.	6,16,68,298	4,35,63,437
Adjustment to net earning :			
Prior period Adjustment	Rs.	1,09,50,637	(3,23,747)
Profit after taxation and Prior period items	Rs.	12,26,92,427	6,91,37,955
Denominator for earning per share			
Weighted number of equity shares Outstanding during the period	Nos.	1,09,41,667	1,09,41,667
Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each)	Rs.	11.21	6.32

14. 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 'Group' is in the business of manufacturing and trading of high tensile fasteners. Since the 'Group' 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 'Group' consolidated revenue by geographical market, regardless of where the goods were produced.

(Rs. in lacs)

Particulars	2010-11	2009-10
Revenue (Net of Excise)		
Revenue - Domestic Market		
Consolidated	22,522.71	19,328.50
Share in LPSBPL	4,549.90	3,156.77
Share in LPSBISPL	5.88	5.88

Revenue - Overseas Market Consolidated	5074.69	3,469.23
Fixed assets located (including Capital work-in-progress)		
Within India		
Consolidated	9,284.50	6,064.78
Share in LPSBPL	326.73	348.02
Share in LPSBISPL	0.02	0.04
Outside India	-	-

15. 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
- (xx) Bossard North America
- (xxi) Bossard Industrial Fasteners Tr. Co.
- (xxii) Bossard Metrics Inc.
- (xxiii) Bossard Pte. Ltd. Malaysia

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)
- (ix) Smt. Sandhya Jain (wife of Shri R.K. Jain)
- (x) Shri Rahul Jain (son of Shri R.K.Jain)

(b) Transactions during the year

(Lac/Rs.)

S.No.	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2011	2010	2011	2010	2011	2010
1	Sales of Goods						
	LPS Bossard Private Limited	1082.56	909.17	-	-	-	-
	Lakshmi Precision Screws Limited	2.06	0.63	-	-	-	-
	Sudhir Automotive Industries Private Limited	5.97	4.57	-	-	-	-
	LPS Industrial Supplier	0.74	0.00	-	-	-	-
	Universal Enterprises	3.12	0.00	-	-	-	-
	Total	1094.45	914.37	-	-	-	-
2	Jobwork receipts						
	Lakshmi Extrusion Limited	-	3.83	-	-	-	-
3	Purchases of Goods						
	Bossard Limited Fasteners Switzerland	227.28	152.45	-	-	-	-
	Bossard France S.A.	1.18	2.35	-	-	-	-
	Bossard Pte. Limited Singapore	0.33	12.98	-	-	-	-
	Bossard North America	0.01	2.78	-	-	-	-
	Bossard Denmark S.A.'s	0.27	1.68	-	-	-	-
	Bossard Industrial Fasteners Tr.Co.	0.01	0.01	-	-	-	-
	Bossard Metrics Inc.	0.00	0.01	-	-	-	-
	J.C. Fasteners Limited	4.31	3.86	-	-	-	-
	Lakshmi Precision Screws Limited	525.52	403.60	-	-	-	-
	Lakshmi Extrusion Limited	0.28	5.53	-	-	-	-
	Nav Bharat Agencies	4.15	9.89	-	-	-	-
	Precision Fasteners Corporation	48.92	43.99	-	-	-	-
	Sudhir Automotive Industries Private Limited	198.17	116.61	-	-	-	-
	Universal Enterprises	588.18	323.99	-	-	-	-
	Total	1598.61	1079.73	-	-	-	-
4	Rent received						
	LPS Fasteners & Wires Private Limited	0.50	0.50	-	-	-	-
5	Rent paid						
	Chandni Jain	-	-	-	-	-	1.03
	Nav Bharat Industries	8.40	8.40	-	-	-	-
	Sushila Devi Jain	-	-	21.18	21.18	-	-
	Sandhya Jain	-	-	-	-	4.85	2.65
	LPS Industrial Supplier	13.48	-	-	-	-	-
	Universal Precision Screws	110.26	110.26	-	-	-	-
	Total	132.14	118.66	21.18	21.18	4.85	3.68
6	Jobwork paid						
	Amit Screws Private Limited	0.00	1.17	-	-	-	-
	Hanumat Wire Udyog Private Limited	486.50	266.53	-	-	-	-
	J.C. Fasteners Limited	89.91	160.59	-	-	-	-
	Lakshmi Extrusion Limited	3.58	56.46	-	-	-	-
	LPS Fasteners & Wires Private Limited	100.00	75.00	-	-	-	-
	Nav Bharat Industries	38.97	36.67	-	-	-	-
	Shiv Industries	0.00	0.00	-	-	-	-
	Sudhir Automotive Industries Private Limited	185.19	142.10	-	-	-	-
	United Engineers	1.02	29.65	-	-	-	-
	Universal Enterprises	88.36	24.47	-	-	-	-
	Total	993.53	792.64	0.00	0.00	0.00	0.00
7	Unsecured Loans						
	L.K. Jain	-	-	36.00	17.50	-	-
	V.K. Jain	-	-	-	17.50	-	-
	R.K. Jain	-	-	15.39	55.80	-	-
	D.K. Jain	-	-	39.73	0.00	-	-
	Nikhlesh Jain	-	-	-	-	37.73	28.75
	Gautam Jain	-	-	-	-	92.50	79.00
	Total	0.00	0.00	91.12	90.80	130.23	107.75
8	Unsecured Loans Repaid						
	L.K. Jain	-	-	36.00	-	-	-
	Nikhlesh Jain	-	-	-	-	37.73	-
	Gautam Jain	-	-	-	-	72.50	-
	Total	-	-	36.00	-	110.23	-
9	Remuneration Paid						
	L.K. Jain	-	-	82.20	82.20	-	-
	D.K. Jain	-	-	78.91	78.91	-	-
	V.K. Jain	-	-	78.91	78.91	-	-
	R.K. Jain	-	-	64.33	76.64	-	-
	S.K. Jain	-	-	-	-	26.30	24.37
	Nikhlesh Jain	-	-	-	-	19.61	16.65

	Amit Jain	-	-	-	-	19.35	17.31
	Saurav Jain	-	-	-	-	19.38	16.45
	Rahul Jain	-	-	-	-	16.65	15.03
	Total	-	-	304.35	294.02	139.99	124.43
10	Interest paid to Directors/Others						
	L.K. Jain	-	-	2.39	2.39	-	-
	Rajesh Jain	-	-	7.92	7.92	-	-
	V.K. Jain	-	-	3.27	3.27	-	-
	Gagan Jain	-	-	-	-	2.72	2.72
	Gautam Jain	-	-	-	-	2.80	2.80
	Gaurav Jain	-	-	-	-	4.59	3.33
	Saurav Jain	-	-	-	-	3.33	4.59
	Amit Jain	-	-	-	-	4.65	4.65
	Total	0.00	0.00	13.58	13.58	18.09	18.10
11	Professional Charges Paid						
	LPS Bossard Information Sys. P. Limited	6.49	6.49	-	-	-	-
	Grand Total	3825.72	2916.22	466.23	419.58	403.39	253.96
12	Balance Receivable	202.13	198.28	-	-	-	-
13	Balance Payable	704.12	687.49	285.32	232.50	407.88	398.09

16. In accordance with Accounting Standard 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India and made applicable from 1st day of April, 2004, the 'Group' 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.

17. 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 2010-11.

(Lacs/Rs.)

The movements in provisions are as under:	Consolidated	LPS BPL	LPS BISPL	2011 TOTAL	2010 TOTAL
1. Carrying amount as on 01.04.2010					
Income Tax	465.00	53.00	0.00	518.00	141.00
Wealth Tax	1.72	0.00	0.00	1.72	2.12
Fringe Benefit Tax	-	0.00	0.00	0.00	60.00
Bonus	85.67	0.00	0.00	85.67	83.88
Leave encashment	75.76	0.00	0.00	75.76	63.00
Provision of contingency	0.00	0.00	0.00	0.00	3.00
Gratuity	50.00	0.00	0.00	50.00	75.00
Total	678.15	53.00	0.00	731.15	428.00
2. Additional provisions made during the financial year 2010-11. (including increase to existing provisions.)					
Income Tax	384.00	82.00	(3.00)	463.00	506.00
Wealth Tax	2.60	0.00	0.00	2.60	1.72
Bonus	84.26	0.00	0.00	84.26	85.67
Leave encashment	38.39	0.00	0.00	38.39	67.61
Provision of contingency	0.00	0.00	0.00	0.00	6.00
Gratuity	55.42	0.00	0.00	55.42	56.00
Total	564.67	82.00	(3.00)	643.67	723.00
3. Amounts used (incurred and charged against the provisions) during the financial year 2010-11					
Income Tax	410.42	53.00	0.00	463.42	141.00
Wealth Tax	1.72	0.00	0.00	1.72	2.12
Fringe Benefit Tax	0.00	0.00	0.00	0.00	60.00
Bonus	85.67	0.00	0.00	85.67	83.88
Leave encashment	28.45	0.00	0.00	28.45	63.00
Provision of contingency	0.00	0.00	0.00	0.00	3.00
Gratuity	33.26	0.00	0.00	33.26	75.00
Total	559.52	53.00	0.00	612.52	428.00

4. Unused amounts reversed during the financial year 2010-11					
Income Tax	54.58	0.00	0.00	54.58	0.00
Wealth Tax	0.00	0.00	0.00	0.00	0.00
Bonus	0.00	0.00	0.00	0.00	0.00
Leave encashment	0.00	0.00	0.00	0.00	0.00
Gratuity	16.74	0.00	0.00	16.74	0.00
Total	71.32	0.00	0.00	71.32	0.00
5. Carrying amounts of provisions as on 31.03.2011					
Income Tax	384.00	82.00	(3.00)	463.00	506.00
Wealth Tax	2.60	0.00	0.00	2.60	1.72
Bonus	84.26	0.00	0.00	84.26	85.67
Leave encashment	85.70	0.00	0.00	85.70	75.76
Provision of contingency	0.00	0.00	0.00	0.00	6.00
Gratuity	55.42	0.00	0.00	55.42	56.00
Total	611.98	82.00	(3.00)	690.98	731.15

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

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

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

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	122692427	69137950
Adjustments for:		
Tax (including deferred tax and Wealth Tax)	67126100	43563437
Net profit before tax and extraordinary items	189818527	112701387
Adjustments for:		
Depreciation	188225689	131000183
Interest and Technical know how fee written off	1336622	1320300
Rent and Interest received (Gross)	(4776777)	(4208918)
Unrealised exchange gain	(10381819)	535246
Dividend Income	(4704038)	0
Interest and Financial charges	188333257	165759605
Provisions for Bad and Doubtful Debts	607221	100000
Profit/Loss on sale of assets (Net)	1437299	18469
Reduction in Reserve due to change in accounting policy*	955010	8021248
Operating profit before working capital changes	550850992	415247520
Adjustments for:		
Trade Payables	323739609	177238506
Trade and other receivables	(218625004)	(27457479)
Inventories	(208371810)	(275421823)
Cash generated from operations	447593787	289606724
Interest and financial charges	(187113787)	(166794410)
Direct Taxes Paid	(17907794)	(12508641)
Net cash from operating activities	242572205	110303672
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(510846164)	(90859995)
Proceeds from Sale of fixed assets	1091025	31400
Share of profit/loss in Associates	802664	713657
Rent and Interest received (net of TDS)	3885876	3739525
Interest and Technical know how fee provided during the year	(597636)	(597636)
Net cash used in investing activities	(500960197)	(86973049)

*Pursuant to change in accounting policy in accordance with notification no. G.S.R.(E) dated 31st March, 2009 in respect of foreign exchange variation on long term foreign currency items.

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Description	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	5771156	5771157
Repayment of short term borrowings	(709873)	(625657)
Proceeds from long term borrowings	363491357	210694988
Repayment of long term borrowings	(121252351)	(224900026)
Repayment to Directors and others	0	19855529
Dividend paid	(12306417)	(7551145)
	252505468	3244845
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(8580907)	26575469
Cash and Cash equivalents (Opening Balance)	108713739	82119955
Cash and Cash equivalents (Closing Balance)	100132832	108695424

NOTE:-

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

Auditors' Report:-

As per our report of even date

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

R.K. Gupta
VP (Finance)

K.L. Ghorui
AVP (Finance)

Naveen Kakkar
Company Secretary

Place : NOIDA

Dated : May 30, 2011

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

1.	Name of Subsidiary Company.	INDIAN FASTENERS LTD.
2.	Financial year of the Subsidiary Company ended on	31st March, 2011
3.	Date from which it became Subsidiary	24th December, 1990
4.	Holding Company's interest	Deemed Subsidiary by virtue of section 4(i) of the Companies Act, 1956
	(i) No(s). of shares in the Subsidiary Company held by Lakshmi Precision Screws Ltd. along with its nominee at the above date.	4,81,550
	(ii) Extent of holding.	67.30%
5.	The net aggregate amount of profit/ (losses) of the Subsidiary Company so far as it concerns to the members of Lakshmi Precision Screws Ltd.	
	(i) Not dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2011	Rs.0.25 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.46.94 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2011	NIL
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	NIL

for and on behalf of the Board of Directors

Place : New Delhi
Dated : May 30, 2011

Lalit Kumar Jain
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 25th Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2011.

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	26,05,382	24,79,169
Profit before Interest, Depreciation & Taxation	17,79,230	18,39,208
Less: Interest	1,37,766	2,22,433
Profit before Depreciation and Taxation	16,41,464	16,16,775
Less: Depreciation	14,05,858	14,05,858
Profit before Taxation	2,35,606	2,10,917
Less: Income Tax	1,98,000	1,67,000
Net Profit for the year	37,606	43,917

DIVIDEND

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

DIRECTORS

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

AUDITORS

M/s. Suresh Ajay & Co., Chartered Accountants are eligible for appointment at the ensuing Annual General Meeting in place of M/s. Suresh Chand Singhal.

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, 2011, 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, 2011 on a 'going concern' basis.

PARTICULARS U/s 217(1)(e)

Information as per Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Bankers of the Company.

for and on behalf of the Board of Directors

Place : Rohtak

Dated : April 30, 2011

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, 2011.

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

Particulars	Current Year	Previous Year
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Unit	46108	41581
Total amount (Rs.)	266966	202298
Rate/Unit (Rs.)	5.79	4.87
b) Own Generation		
i) Through Diesel Generator Unit	-	-
Unit per Ltr. of Diesel Oil		
Cost/Unit.		
ii) Through Steam Turbines	-	-
Generator Units.		
2. Coal Oil (Specify quality and where used)		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. CONSUMPTION PER TONNE OF PRODUCTION PRODUCT		
Electricity/Unit	-	-
Coal oil	-	-
Furnace oil	-	-

Form B

DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION RESEARCH AND DEVELOPMENT (R & D)

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

FOREIGN EXCHANGE EARNED AND OUTGO

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

for and on behalf of Board of Directors

Place : Rohtak
Dated : April 30, 2011

Lalit Kumar Jain
Chairman

AUDITOR'S REPORT

TO
THE SHARE HOLDERS OF
INDIAN FASTENERS LIMITED

We have audited attached Balance Sheet of M/s.INDIAN FASTENERS LTD. as at 31st March, 2011 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 31.03.2011 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, 2011.
 - ii) In the case of Profit and Loss Account of the Profit for the year ended on that date.

for Suresh Ajay & Co.
Chartered Accountant

Place : Rohtak
Dated : April 30, 2011

Suresh Chand
Proprietor

ANNEXURE TO THE AUDITOR'S REPORT

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

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the period, and no discrepancies have been noticed on such verification.
2. The Company is having a procedure of verifying fixed assets at reasonable intervals and based on such verification it has been reported that Company has not noticed any discrepancies.
3. The Company has not disposed off any fixed assets during the year.
4. The stock of Raw Material, Finished Goods, Spare parts, and Consumable Goods have been physically verified at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of Stock followed by the Management are reasonable and adequate in relation to size of the Company and the nature of its business.
6. The Company has maintained proper records of inventory and no material discrepancies were noticed on such verification between the physical records and book records.
7. The Company has not taken/granted any loans secured or unsecured from Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. According to the information and explanations given to us, there are no Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
8. Clause iii(b), (c) and (d) of the order are not applicable to the Company.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
10. Clause v(a) and (b) of the order are not applicable to the Company.
11. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public to which the provision of section 58A and 58AA of the Companies Act, 1956 are applicable.
12. In our opinion according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
14. According to the records of the Company examined by us, there were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as at 31.03.2011 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 31.03.2011.
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 31.03.2011.
18. The Company not granted any loans against pledging of shares or debentures or other securities.
19. The provisions of any special stature applicable to a Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
20. The Company is not dealing in shares and securities.

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

for Suresh Ajay & Co.
Chartered Accountant

Place : Rohtak
Dated : April 30, 2011

Suresh Chand
Proprietor

BALANCE SHEET

Description	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
(I) SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
a) Share Capital	1	7155800	7155800
b) Reserve & Surplus		7012298	6974692
Share Application Money	2	0	0
NON CURRENT LIABILITIES	3		
(a) Long Term Borrowings		762971	1472844
(b) Deferred Tax Liabilities (Net)		968723	1154556
(c) Long Term Provision		0	0
CURRENT LIABILITIES	4		
(a) Short-Terms Borrowings		0	0
(b) Trade Payables		0	0
(c) Others Current Liabilities		30778	35225
(d) Short-Term Provisions		198000	167000
Total		16128570	16960117
(II) ASSETS			
NON CURRENT ASSETS			
(a) Fixed Assets	5		
(i) Tangible Asstes		10033842	11439700
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments		128825	128825
(c) Deferred Tax Assets (Net)		0	0
(d) Long-Term loans and Advances		0	0
(e) Other non-current assets		0	0
CURRENT ASSETS	6		
(a) Current Investments		0	0
(b) Inventories		0	0
(c) Trade receivables		5471530	4655748
(d) Cash and Cash Equivalents		253680	529878
(e) Short-Term Loans and Advances		240693	205966
Total		16128570	16960117

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Ajay & Co.
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak
Dated : April 30, 2011

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
1 Cost of Sales	7	445281	374667
2 Revenus from Operations	8	2419549	2032028
3 Gross Profit		1974268	1657361
OPERATING EXPENSES	9		
1) Selling & Marketing Exp.		0	0
2) Administrative Exp.		380871	265294
3) Depreciation & Amortization of Assets		1405858	1405858
4) Foreign Currency Exchange Gains/(Losses), Net		0	0
		1786729	1671152
Results from Operating activities		187539	-13791
Gain on sales of long-term in investments		0	0
Other Income	10	0	300000
Other Expenses			
(1) Finance Costs	11	137766	222433
(2) Others		0	0
Income before income tax		49773	63776
Tax Expense:			
(1) Current Income Tax		198000	167000
(2) Deferred Income Tax		-185833	-147141
(3) Others		0	0
Profit for the period		37606	43917
Earnings per equity shares			
(a) Basic		0.05	0.06
(b) Diluted			

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Ajay & Co.
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak
Dated : April 30, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital		
1500000 Equity Shares of Rs.10/- each	15000000	15000000
Issued, Subscribed and Paid Up		
715580 Equity Shares of Rs.10/- each (out of the above 481550 equity shares of Rs.10/- each held by holding Company Lakshmi Precision Screws Limited, Rohtak)	7155800	7155800
	7155800	7155800
RESERVE & SURPLUS		
Share Premium Account	0	0
PROFIT & LOSS ACCOUNT		
General Reserve	10762	10762
Balance as per Last Balance Sheet	6974692	6920013
Add:- Profit for the Year	37606	43917
	7012298	6974692
SCHEDULE-2		
Share Application Money	0	0
SCHEDULE-3		
NON CURRENT LIABILITIES		
(a) Long Term Borrowings		
Unsecured Loan	0	0
H.D.F.C. Bank Limited (Car Loan)	762971	1472844
(b) Deferred Tax Liabilities (Net)	968723	1154556
(c) Long Term Provision	0	0
	1731694	2627400
SCHEDULE-4		
CURRENT LIABILITIES		
(a) Short-Terms Borrowings		
U.B.I. Bank Cash Credit	0	0
(b) Trade Payables		
Sundry Creditors	0	0
(c) Others Current Liabilities	0	0
Due to other than S.S.I. Undertaking	30628	35091
Other Liabilities	150	134
(d) Short-Term Provisions		
Provision for Income Tax	198000	167000
	228778	202225
SCHEDULE-5		
NON CURRENT ASSETS		
(A) Fixed Assets		
i) Tangible Assets	10033842	11439700
ii) Intangible Assets		
Preliminary Expenses	0	0
Less :- Written-off 10%	0	0
iii) Capital Work-in Progress	0	0
iv) Intangible Assets under development		
(B) Non-Current Investments		
Security Deposit		
H.S.E.B. Security	128825	128825

Description	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
(C) Deferred Tax Assets (Net)		
(D) Long-Term Loans and Advances		
(E) Other Non Current Assets		
SCHEDULE-6		
(A) CURRENT ASSETS		
Current Investments	0	0
(B) INVENTORIES		
(At cost as per inventories prepared, valued and certified by directors)	0	0
	0	0
(C) SUNDRY DEBTORS		
(Unsecured Considered Goods)		
Debts outstanding for a period exceeding six Month	4168563	3521602
Other Debts	1302967	1134146
	5471530	4655748
(D) CASH & CASH EQUIVALENTS		
Cash in Hand	118263	193196
Cheques/Drafts in hand	128841	327657
In current accounts (with scheduled bank)	6576	9025
	253680	529878
(E) SHORT -TERM LOANS AND ADVANCES		
(Recoverable in cash or in kind or for the value to be received)		
Loan & Advances Assets	40752	49518
Advance Income Tax (T.D.S.)	199941	156448
	240693	205966
SCHEDULE-7		
COST OF SALES		
A) Raw Material Consumption		
Opening Balance	0	0
Raw Material Purchase	0	0
Less:- Closing Stock	0	0
B) Manufacturing Expenses		
Electricity Expenses	266966	202298
Fork Lifter Expenses	0	25612
	266966	227910
C) PERSONAL EXPENSES		
Wages (Contractors)	178315	121522
Company Contribution to P.F.	0	13605
Overtime and incentive	0	6311
Welfare Fund	0	270
Company Contribution to E.S.I.	0	5049
	178315	146757
COST OF SALES (A+B+C)	445281	374667
SCHEDULE-08		
REVENUS FROM OPERATIONS		
Job Work Received	2419549	2032028
	2419549	2032028
OPERATING EXPENSES		
SCHEDULE-09		
(I) SELLING & MARKETING EXP.		
Freight & Cartage	0	0
	0	0

Description	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
(II) ADMINISTRATIVE EXPENSES		
Rate and Taxes	2855	6104
Legal & Professional Charges	11250	9800
General Charges	65	0
Motor Car Expenses	256452	136944
Insurance	102249	106446
Audit Fee	8000	6000
	380871	265294
(III) DEPRECIATION & AMORTIZATION OF ASSETS	1405858	1405858
	1405858	1405858
(IV) FOREIGN CURRENCY EXCHANGE GAINS/(LOSSES), NET	0	0
	0	0
SCHEDULE-10 OTHERS INCOME		
Deffered Tax Written back	0	0
Lifter Hire Receipts	0	300000
	0	300000
SCHEDULE -11 OTHER EXPENSES		
i) Finance Cost		
Interest on Term Loan	137766	222433
	137766	222433
ii) Other		
Preliminary Exp.	0	0
	0	0
SCHEDULE-12 CONTINGENT LIABILITIES		
1 Estimated Amount of contracts remaining to be executed on capital account and not provided for (Less advance against contract)	0	0
2 Any demand that may be raised in respect of income tax and sale tax on the completion of pending assessment.	0	0

SCHEDULE - 13

SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

- The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis in accordance with requirements of Companies Act, 1956 and Accounting Standards referred to in the Section 211(3C) of the Companies Act, 1956.
- Fixed Assets**
Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. Cost of fixed assets are further adjusted by the amount of cenvat credit availed.
- Depreciation**
Depreciation on fixed assets have been provided on rates as per schedule XIV of the Companies Act, 1956 on straight line method basis. Depreciation on assets or a value exceeding Rs.5,000/- has been provided @ 100%.
- Inventories**
Inventories are valued at lower of cost and net releasable value.
- Deferred tax is recognised, subject to consideration of prudence, on timing difference, being difference between taxable and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

B) CONTINGENT LIABILITIES

NIL

C) NOTES

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

Name of the Company	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Lakshmi Precision Screws Ltd.,	3731492	3407816

3. Personnel expenses relate to payment made to Security Agency on account of Labour supplied to the company. There is no staff on the pay roll of the company.
4. The Break up of deferred tax liability is as under:-

	31.03.2011	31.03.2010
Liabilities (on a/c difference in depreciation)	968723	1154556
Assets	0	0

5. Schedule 1 to 13 form Integral part of Balance Sheet and Profit and Loss Account.
6. Additional Information pursuant to the provision of paragraph 3, 4c and 4d of part II of Schedule VI of the Companies Act, 1956 (as certified by the Director)

	Unit	2010-11		2009-10	
		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.	0	24.2	0	20.32
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		2011 Qty.		2010 Qty.
4. Licenced capacity installed capacity and production					
Licence Capacity					
Installed Capacity	M.T.		400		400
Utilised Capacity	M.T.		0		0
Capacity Utilisation	%age		0		0
5. Spare parts and components consumed			NIL		NIL
6. Earning in Foreign Exchange			NIL		NIL
7. Expenditure in Foreign Currency			NIL		NIL
8. Dividend to non resident share holders			NIL		NIL

	Unit		2011 Qty.		2010 Qty.
9.	Value of imported and indigeneous raw material, spare parts and components consumed and percentage thereof.		NIL		NIL
	RAW MATERIAL				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL
	TOOLS & DIES AND SPARES				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL

7. Previous year's figures have been regrouped wherever 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 Ajay & Co.
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak

Dated : April 30, 2011

SCHEDULE - 5 FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2010	Addition	Adjustment	Total 31.03.2011	Upto 31.03.2010	For the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2	Building (A) 3.34%	3504153	0	0	3504153	1353613	117039	1470652	2033501	2150540
3	Building (B) 3.34%	3833820	0	0	3833820	1263062	128050	1391112	2442708	2570758
4	Plant & Machinery 4.75%	4110903	0	0	4110903	3137663	195268	3332931	777972	973240
5	Fork Lifter 4.75%	715177	0	0	715177	611478	33971	645449	69728	103699
6	Electric Fittings 7.07%	165703	0	0	165703	107549	11715	119264	46439	58154
7	Furniture Fixture 6.33%	380325	0	0	380325	173436	24075	197511	182814	206889
8	Motor Car 12.77%	7014406	0	0	7014406	3574978	895740	4470718	2543688	3439428
	Total	21661479	0	0	21661479	10221779	1405858	11627637	10033842	11439700
	Previous Year	21661479	0	0	21661479	8815921	1405858	10221779	11439700	

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

INDIAN FASTENERS LIMITED

Description	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
I. CASH INFLOWS		
(1) Form Operating Activities		
(a) Profit from operating activities Adjustments:	187539	0
Depreciation and amortization	1405858	1405858
Amortization of stock compensation	0	0
(Gain)/Loss on sale of fixed assets	0	0
Assets written off	0	0
Provision/ (Reversal) for doubtful debts and advances	0	0
(b) Working capital changes:		
Decrease in inventories	0	11920
Decrease in trade receivables	0	0
Decrease in short-term loans and advances	0	5930
Decrease in other current assets	0	0
Increase in trade payables	0	0
Increase in other current liabilities	0	0
Increase in provisions	31000	0
Total of (1)	1624397	1423708
(2) From Investing activities		
a) Proceeds from sale of fixed assets	0	0
b) Proceeds from sale of investments	0	0
c) Realisation of long-term loans and advances from subsidiaries/associates/ business ventures	0	0
d) Decrease in other long-term loans and advances	0	0
e) Decrease in other non-current assets	0	0
f) Dividend received	0	0
g) Interest received	0	0
h) Other income	0	300000
Total of (2)	0	300000
(3) From Financing Activities		
a) Proceeds from issue of share capital	0	0
b) Share application money pending allotment	0	0
c) Proceeds from long-term borrowings	0	0
d) Proceeds from short-term borrowings	0	0
Total of (3)	0	0
Total cash inflows(1+2+3)	1624397	1723708
II. CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities Adjustments:	0	13791
Depreciation and amortization	0	0
Amortization of stock compensation	0	0
(Loss)/Gain on sale of fixed assets	0	0
Assets written off	0	0
(Provision)/Reversal for doubtful debts and advances	198000	167000
(b) Working capital changes:		
Increase in inventories	0	0
Increase in trade receivables	815782	299546
Increase in short-term loans and advances	34727	0

INDIAN FASTENERS LIMITED

Description	Year Ending 31.03.2011 (Rs.)	Year Ending 31.03.2010 (Rs.)
Increase in other current assets	0	0
Decrease in trade payables	0	0
Decrease in other current liabilities	4447	105
Decrease in provisions	0	0
c) Direct taxes paid (Net of refunds)	0	98000
Total of (1)	1052956	578442
(2) From Investing activities	0	0
a) Purchase of tangible assets/capital work-in-progress	0	0
b) Purchase of intangible assets/assets under development	0	0
c) Purchase of investments	0	0
d) Investment in subsidiaries/associates/business ventures	0	0
e) Payment of long-term loans and advances to subsidiaries/associates/business ventures	0	0
f) Increase in other long-term loans and advances	0	0
g) Increase in other non-current assets	0	0
Total of (2)	0	0
(3) From Financing activities	709873	625657
a) Repayment of long-term borrowings	0	0
b) Repayment of short-term borrowings	0	0
c) Dividends paid (including distribution tax)	137766	222433
d) Interest and other finance costs	0	0
e) Share issue expenses	0	0
Total of (3)	847639	848090
Total cash outflows (1+2+3)	1900595	1426532
III. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (I-II)	-276198	297176
Add: Cash and cash equivalents at the beginning of the period	529878	232702
IV CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	253680	529878

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Ajay & Co.
Chartered Accountant

for and on behalf of the Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak
Dated : April 30, 2011



LAKSHMI PRECISION SCREWS LIMITED

ATTENDANCE SLIP

I hereby record presence at the 42nd 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 Thursday, the 29th September, 2011.

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 42nd Annual General Meeting of the Company to be held on Thursday, 29th September, 2011 at 11.30 a.m. at the Regd. Office and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011

Signed by the said _____

Affix
Re 1/-
Revenue
Stamp
here

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

Signature of the Proxyholder(s)

(1) _____

(2) _____

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

* Applicable for investors holding Shares in electronic form.



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

Dear Shareholder,

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has, to this effect, issued circular no. 17/2011 on April 21, 2011 and April 29, 2011 stating that the service of documents by a company can be made through electronic mode. You will be happy to note that as a responsible corporate citizen your Company has decided to support the same.

Keeping in view the underlying theme and the circular issued by MCA, the Company has decided to send the documents including the notice of Annual General Meeting, audited financial statements, directors’ report, auditors’ report along with their annexures etc. for the financial year ended on March 31, 2011 and onwards and other communication from time to time, in electronic form.

Shareholders holding shares in physical form

Please inform us your email address by filling the form given below and send at 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana), Ph:01262-248288/89, Fax: 01262-248790 or write an email to us at complianceofficer@lpsboi.com

Shareholders holding shares in Demat Account

Please register your email address with your Depository Participant (DP) with whom you are holding Demat Account. In case you have already registered your email address with DP, please update the change, if any.

This email address will be treated as registered email address for serving the correspondence/ documents including those covered under Section 219 or any other relevant Section as per Section 53 of the Companies Act, 1956. Annual report being served in electronic form will be available on our corporate website www.lpsindia.com and also for inspection at registered office.

Please note that we will furnish you with a printed copy of notice of annual general meeting, audited financial statements, directors’ report, auditors’ report along with their annexures etc., free of cost, on receiving a request from you any time as a member of the Company.

We are sure that you cooperate with the Company in its endeavor to participate in the “Green Initiative” taken by MCA and in protecting the environment.

Thanking you,

Yours faithfully
for **Lakshmi Precision Screws Ltd.**

Naveen Kakkar
Company Secretary

LAKSHMI PRECISION SCREWS LTD.
Registration of email address

Name: _____

Folio No.: _____ No. of Shares: _____

Registered address: _____

Email address: _____

Please register the above email address and send Annual Reports as well as all documents/ correspondence on the said email address.

Signature

Note: In case of Joint Shareholders, first shareholders should sign this form.



**ADDENDUM TO NOTICE DATED 08TH AUGUST, 2011 OF ANNUAL GENERAL MEETING DATED SEPTEMBER 29, 2011 OF
LAKSHMI PRECISION SCREWS LIMITED.**

Item No. 10

To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 16, 94(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the Authorized Share Capital of the Company be and is hereby increased from the present capital of Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 1,49,70,000 Equity Shares of Rs.10/- each and 30,000 Redeemable Cumulative Preference Shares of Rs.10/- each to Rs.25,00,00,000 (Rupees Twenty Five Crores) by creation of further 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each and consequently the existing clause No. V of the Memorandum of Association of the Company be and is hereby substituted as under:

V. The Authorized Share Capital of the Company is Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,49,70,000 (Two crores forty nine lacs seventy thousands) Equity Shares of Rs.10/- each and 30,000 (Thirty thousands) Redeemable Cumulative Preference Shares of Rs.10/- each.

Redeemable Cumulative Preference shares shall be entitled for such rate of dividend as may be decided by the Board of Directors of the Company at the time of issue of such shares and shall also rank in priority to the equity shares including arrears of dividend, if any, in the event of winding up of the Company but shall not be entitled to any further participation in the profits or surplus assets of the Company.

The Company has power from time to time to consolidate or sub-divide or increase or reduce its capital and to issue any of the shares in the Capital, original or increased, as ordinary or preferred, with or subject to any preferential, special, deferred or qualified rights, including the payment of dividends, distribution of assets, repayment or reduction of capital, voting or otherwise and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulations of the Company, and as far as necessary to give effect to the same, and upon the sub-division of a share to apportion the right to participate in profits in any manner, subject to the provisions of Law.

Item No. 11

To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 5 of the Articles of Association of the Company be and is hereby substituted as under:

5. The Authorized Share Capital of the Company is Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,49,70,000 (Two crores forty nine lacs seventy thousands) Equity Shares of Rs.10/- each and 30,000 (Thirty thousands) Redeemable Cumulative Preference Shares of Rs.10/- each.

Redeemable Cumulative Preference Shares shall be entitled for such rate of dividend as may be decided by the Board of Directors of the Company at the time of issue of such shares and shall also rank in priority to the equity shares including arrears of dividend, if any, in the event of winding up of the Company but shall not entitled to any further participation in the profits or surplus assets of the Company."

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 above:

ITEM NO. 10 & 11

At present, the Authorized Share Capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 1,49,70,000 Equity Shares of Rs.10/- each and 30,000 Redeemable Cumulative Preference Shares of Rs.10/- each. In order to meet the long term requirement of funds, the Company may issue further shares. Hence, it is proposed to increase the Authorized Share Capital of the Company to Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,49,70,000 Equity Shares of Rs.10/- each and 30,000 Redeemable Cumulative Preferences Shares of Rs.10/- each. Consequently, the Memorandum of Association and Articles of Association are also proposed to be amended.

ITEM NO. 10 & 11

At present, the Authorized Share Capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 1,49,70,000 Equity Shares of Rs.10/- each and 30,000 Redeemable Cumulative Preference Shares of Rs.10/- each. In order to meet the long term requirement of funds, the Company may issue further shares. Hence, it is proposed to increase the Authorized Share Capital of the Company to Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,49,70,000 Equity Shares of Rs.10/- each and 30,000 Redeemable Cumulative Preferences Shares of Rs.10/- each. Consequently, the Memorandum of Association and Articles of Association are also proposed to be amended.

The directors recommend the proposed Resolution for the approval of the members.

None of the Directors of the Company is in any way concerned or interested in passing of resolutions as set out at item No.10 & 11 of the addendum notice convening the Annual General Meeting.

By order of the Board

for Lakshmi Precision Screws Ltd.



WE HELP CREATE