



DRIVING GROWTH CREATING VALUE



WE HELP CREATE

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BOARD OF DIRECTORS

Lalit Kumar Jain

Dinesh Kumar Jain

Vijay Kumar Jain

Rajesh Jain

Sushila Devi Jain

Jamshed Rustomji Desai

Keshwa Nand Rattan

Ajay Kumar Chakraborty

Bhupendranath Vidyanath Bhargava

Bhagwan Das Narang

COMPANY SECRETARY

AUDITORS

BANKERS

REGD. OFFICE, FACTORY &
CORPORATE OFFICE

REGISTRAR AND SHARE TRANSFER AGENT

BRANCH OFFICES

Chairman & Managing Director

Vice Chairman & Managing Director

Joint Managing Director

Director

Director

Director

Director

Director

Director

Director

Ashok Yadav

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

Canara Bank, Rohtak
Indian Overseas Bank, Rohtak

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

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

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

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

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

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

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

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



**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 2042 million INR supported by 1134 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are a 2309 million INR Company with more than 15% contribution coming from exports.

Our installed capacity is approx. 19000 metric tonnes per annum and is supported by a host of ancillaries. We understand what we have to do for our customers. We assure that we will do our best to make our products safe and reliable for our customers' assembly line.

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

VISION

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

MISSION

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



Dear Shareholders,

Let me start out by thanking you for your continued support and faith in the management of your Company (LPS). Fiscal 2010 has been a year of renewal of confidence and optimism in the Indian economy, as it has rebounded strongly from the impact of the global financial crisis and demonstrated its inherent strength and growth potential. We believe that we can look forward to a period of sustained growth driven by India's strong domestic fundamentals. It is in the context of this evolving economic scenario that we have set out our growth strategy. It has been our endeavour to continuously anticipate economic and market trends and develop appropriate strategies for the long term benefits of our business and all our stakeholders as well. Over the last two years, given the pressures in the global economy and their indirect impact on India, we instituted strategy to position ourselves for the next phase of growth.

When writing to you this time last year, we were all surrounded by a sense of despondency and gloom. But we had the resolve to keep going and to make the best out of a bad situation. I am happy to report that the year 2009-10 turned out quite well for India and of course for your Company. Despite slow market in the major part of the financial year 2009-10 your Company has been able to surpass previous year turnover.

As was anticipated, India and China have been at the helm of the global economy – helping it put out of recession. While the world economy shrunk to 3.75% the Chinese and Indian economies grew by 11.9% and 7.4% respectively. Several governments around the world announced stimulus packages to help their economies. The infusion of money, fiscal packages and all other bail outs from the Government of India from time to time turned around markets and consumer sentiment.

The downturn in the global economy that was witnessed in 2009 has impacted the Indian Economy as well as your Company. The Indian Economy is estimated to have recorded a growth of 7.4% during the financial year 2009-10 as against 6.7% recorded during 2008-09.

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

- Your Company's turnover and other income reached to Rs. 23094 lacs as at 31st March, 2010 over the last year turnover of Rs. 22661 lacs with a marginal growth.
- Gross profit for the Company was Rs.3745 lacs as on 31st March, 2010 resulting in an increase of approx 17% as against Rs.3215 lacs as on 31st March, 2009.
- Net profit stood at Rs.528 lacs at the end of the year resulting in an increase of approx 51% as against Rs.350 lacs for the previous year.
- A dividend @ 10% (previous year @ 6%) has been recommended by the Board of Directors for the year 2009-10, if approved by the members at their forthcoming Annual General Meeting. The total outflow will be to the tune of Rs.128 lacs inclusive of corporate dividend tax.

A number of strategic initiatives have been taken by your Management in the interest of its multi stakeholders.

The economic outlook for the country looks promising and while there may be concerns around the slow pace of global recovery and inflation at home, there is unanimity in the view that we are poised at an exciting juncture. This is a great time for India to build its physical and social infrastructure and this will provide an impetus for overall economic growth. We are confident that as robust growth returns, your Company will be able to capitalize on these opportunities and propel itself into the next level of growth. It is important, therefore, that we translate our basic values into an actionable agenda that will enable your Company to emerge as the preferred supplier, enhancing shareholder value.

A relatively stable government at the centre is helping to create favourable conditions for the industry in general and the automobile sector in particular. A combination of different incentives offered by the government of India and favourable business conditions, the automobile sector in India registered a robust growth of around 25%. The GDP growth for financial year 2010-11 is expected to around @ 8.5%. The performance of the fasteners industry is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. Hope a good monsoon would further brighten the growth prospects. We believe that the current year will be promising. We at LPS have resolved to meet the same with increased determination to succeed. We are proud of our professional management team and dedicated skilled work force that shares our vision and are committed to enhancing value through Reliability Innovation, Continuous Improvement and Globalization. Our teams are again committed to enhancing our growth and profitability.

The global economy also especially in developed automotive markets such as North America, Europe and Japan are treading the recovery path, the future of the domestic and international markets seems to be assured. Similar trends were seen in the exports from India which grew by 33% mainly because all major global OEMs based in India have increased their export targets. In view of above, your Company is witnessing exciting business opportunities. The total turnover of your Company is growing @35%. Your Company's management is putting continuous sincere efforts to march towards its mission 2012 despite the obstacles. The inherent strengths of the Company and our potential, wide network and long term vision will enable us to capitalize on the opportunities and face the challenges in the Industry so as to consolidate and improve our market position and deliver our commitment to generate value and optimize wealth of our stakeholders.

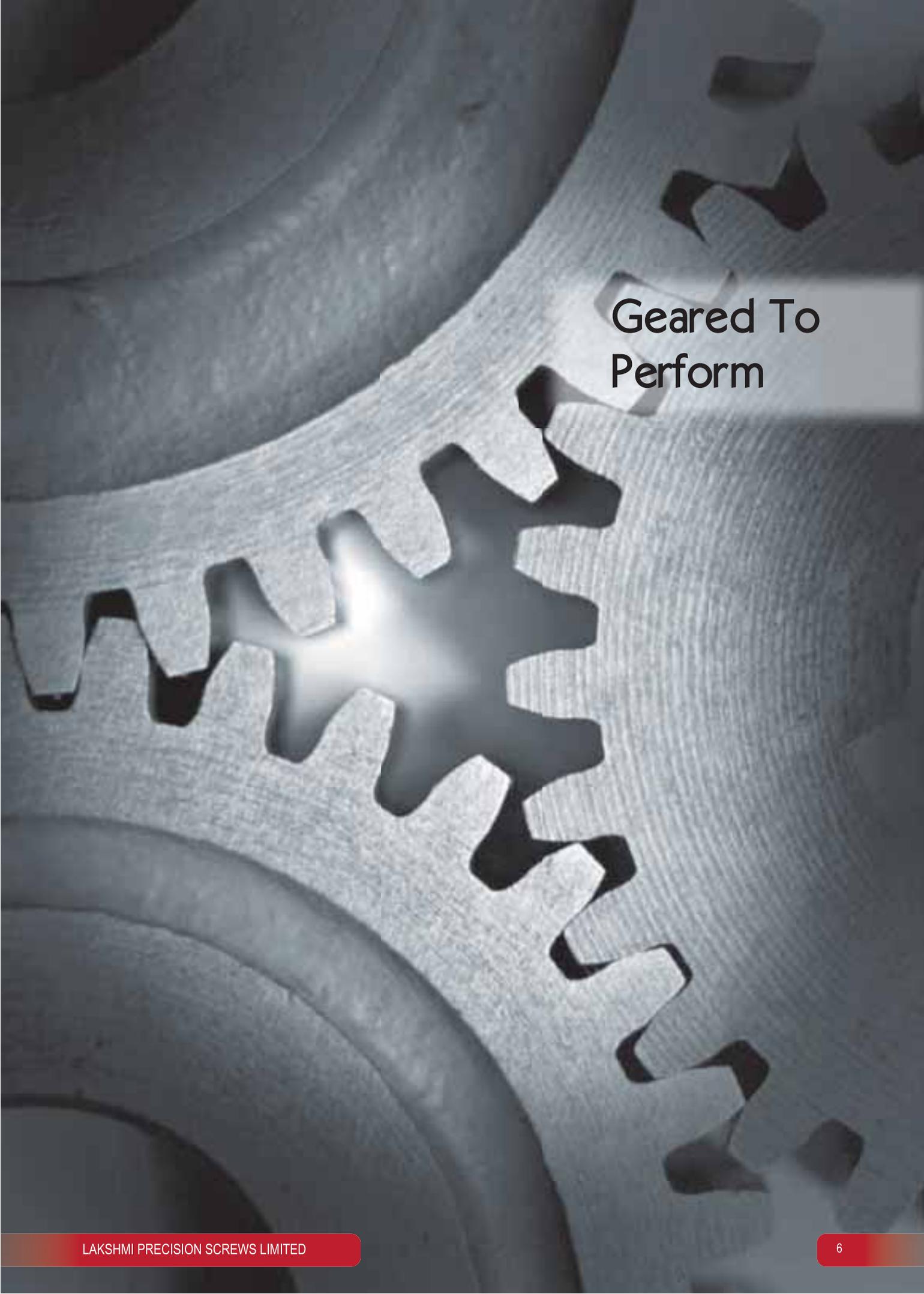
As always, your Company relies on the continuing trust and support of our shareholders and we take this opportunity to thank the shareholders for their commitment to the Company's vision over the years. Let me take this opportunity to thank all our Bankers and Customers who have always urged and pushed us to continuous improvement. I would also like to thank to the Board Members, all our employees and their families for their invaluable contribution to build your Company into a true Indian MNC. During last year some members of LPS family left for their eternal journey, I fondly and proudly remember their contribution in the growth of your Company, without their dedication support and contribution, we would not have been celebrating the success today.

Thanking you once again for your continuous support.

Lalit Kumar Jain
Chairman & Managing Director

Integrating Big and Small





Geared To Perform

VENTURES

JOINT VENTURES

LPS Bossard Pvt. Ltd.

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

LICENSING & DISTRIBUTION

Recoil Business Division of LPS

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

Acument Global Technologies

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

Dorken

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

EJOT

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

ALLIANCE

Global Fastener Alliance (GFA)

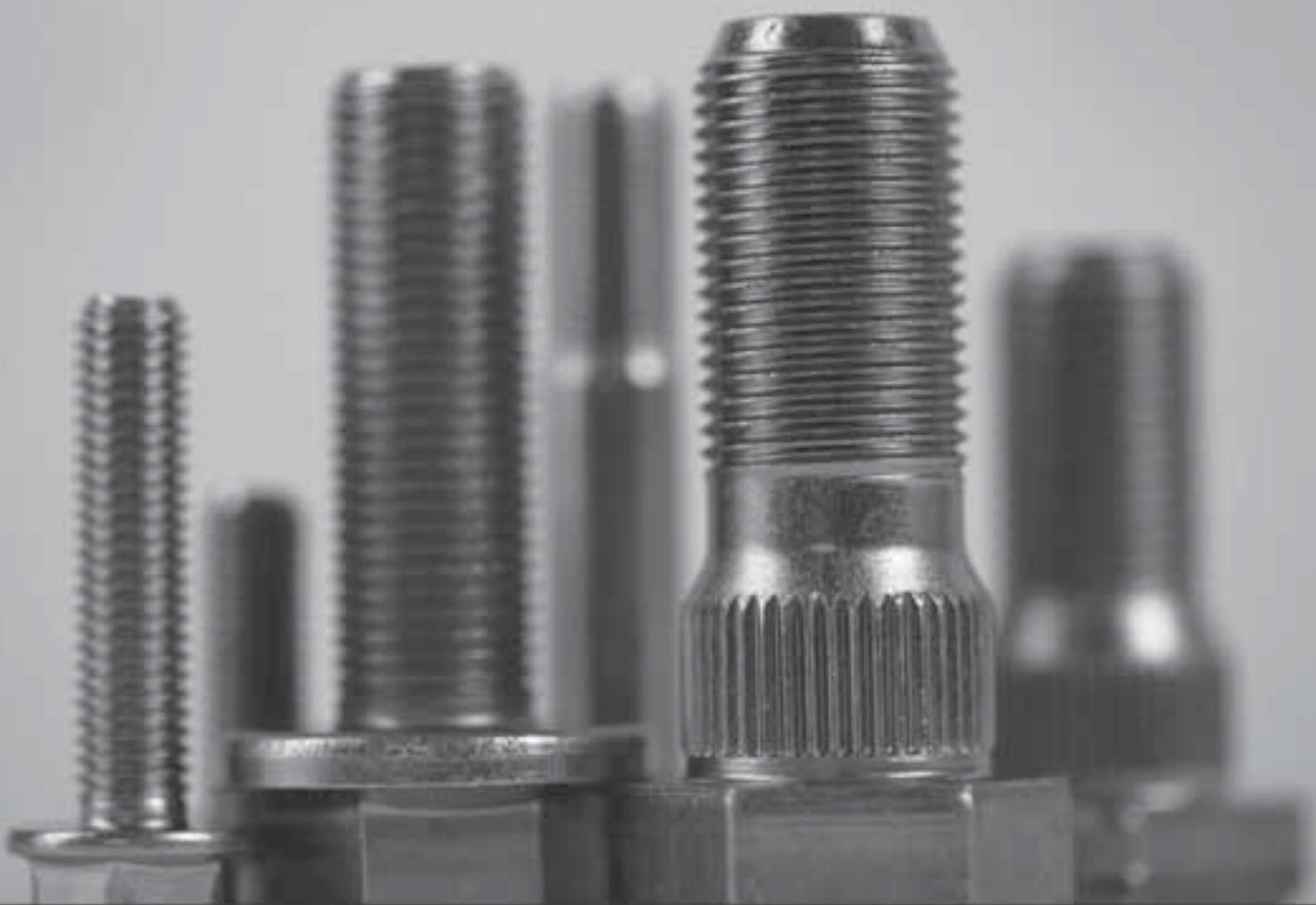
GFA is a group of Global Fastener Companies for establishing the global network, GFA is striving to improve global competitiveness through marketing, manufacturing, technical cooperation and information sharing, and Lakshmi Precision Screws Ltd. is the only Company in India that joined the alliance.





Working
Together Works

Inspiring growth, fostering initiative



NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Members of Lakshmi Precision Screws Ltd. will be held on Wednesday, the September 29, 2010 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, 2010, 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, 2010.
3. To appoint a Director in place of Smt. Sushila Devi Jain, who retires by rotation and being eligible, offers herself for re- appointment.
4. To appoint a Director in place of Mr. Jamshed Rustomji Desai, 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 41st Annual General Meeting until the conclusion of the 42nd 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 Mr. Bhagwan Das Narang, who was appointed as an additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing along with requisite fee proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 309(4), 310 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and the Articles of Association of the Company and other applicable statutory approval(s), if any and subject to the approval of Central Government, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Rajesh Jain, Non-executive Director of the Company not exceeding Rs.3 Lacs (Rupees Three Lacs only) per month, for a period of 3 years w.e.f. 01.10.2010 to 30.09.2013, in addition to directors' sitting fee as per Company rules for attending the meeting of Board of Directors or Committees thereof.

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

By order of the Board
For Lakshmi Precision Screws Ltd.

Ashok Yadav
Company Secretary

Place : New Delhi

Dated : August 11, 2010

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 & 7 to be transacted at the meeting is annexed hereto.
3. The Company has already notified closure of Register of Members and Share Transfer Books from Wednesday, September 22, 2010 to Wednesday, September 29, 2010 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
4. The dividend on Equity Shares, if declared at the Meeting, will be paid to those members whose names appear on the Company's Register of Members on Tuesday, September 21, 2010. 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 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the financial year 1995-96, 1996-97 and 2001-02 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended on March 31, 2004 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF). Members who have not so far en-cashed dividend warrants for the aforesaid year are requested to approach the registered office of the Company for revalidation of the Dividend Warrants immediately. Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment. The unpaid dividend for the financial year 2003-04 to 2008-09 will become due for transfer to the IEPF in the year 2011 to 2016 respectively.
8. Members are requested to notify immediately any change of address
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts and
 - ii) To the Company's Registrar, MCS Ltd in respect of their physical share folios, if any, quoting their folio number.
9. Members who hold shares in 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.
10. 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.
11. 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.
12. Contract Register will be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.30 A.M. to 2.30 P.M. except the date on which the same will be placed in the Board Meeting for compliance of Section 301 of the Companies Act, 1956.
13. 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.
14. Pursuant to the directions of the Securities Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory dematerialized form. Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent.
15. 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.
16. Members are hereby informed that the securities of the Company has been voluntarily delisted from the Delhi Stock Exchange Limited w.e.f 10.06.2010 vide their letter No. DSE/LIST/3285/R/5928 dated July 07, 2010.

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 11, 2010.

Item No. 06

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

The Directors commends the proposed Special Resolution for the approval of the members.

Item No. 07

Mr. Rajesh Jain, a Non- executive director is drawing monthly remuneration of Rs.3 lacs as approved by the members by a Special Resolution at the Annual General Meeting held on 29th September, 2008 in terms of Section 309 (4) of the Companies Act, 1956. The approval of the members was for a period of 5 years from 01.10.2008 to 30.09.2013 subject to the approval of the Central Government. The Government approved the above payment vide its letter no. A50319870-CL.VII dated 26.05.2009 for a period of 2 years from 01.10.2008 to 30.09.2010 in addition to the Directors' Sitting Fee for attending the Board/ Committee meetings.

The Company derives substantial benefits through expert advice of Mr. Rajesh Jain and having regard to his contribution/ involvement in policy issues concerning the Company's operations, it is proposed to continue with the payment of monthly remuneration of Rs. 3 Lacs for a period of 3 years commencing from 01.10.2010 to 30.09.2013.

The Directors commends the proposed Special Resolution for the approval of the members.

Except Mr. Lalit Kumar Jain, Mr. Vijay Kumar Jain, Mr. Rajesh Jain and Smt. Sushila Devi Jain, no other Directors of the Company is concerned or interested in passing of the said Special Resolution.

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 11, 2010

Ashok Yadav
Company Secretary

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

Particulars	Smt. Sushila Devi Jain, NED	Mr. Jamshed Rustomji Desai, NEID	Mr. Bhagwan Das Narang, NEID
Date of Birth	May 07, 1933	March 21, 1933	April 12, 1945
Date of Appointment	September 30, 1987	July 23, 1982	January 31, 2010
Qualifications	Matriculate	Graduation in Mechanical Engineering.	Post Graduate M Sc.(Agro. Eco.)
Expertise in specific functional areas	Smt. Jain has 41 years experience as an industrialist. She has a wide experience of general management and business vision.	Mr. Desai has 50 years of varied experience in Industrial engineering and overall management.	Mr. Bhagwan Das Narang is having more than 35 years experience in banking. He had been the CMD of Oriental Bank of Commerce till April, 2005. He was also Executive Director and General Manager in the various banks.
Name of the other Companies in which holds Directorship	NIL	Tropicana Enterprises Pvt. Ltd.	<ul style="list-style-type: none"> • IST Steel & Power Ltd. • Dish T.V. India Ltd. • Jubilee Hill Landmark Projects Ltd. • Revathi Equipment Ltd. • Shivam Autotech Ltd. • Afcon Infrastructure Ltd. • Va Tech Wabag Ltd. • Amarujala Publications Ltd. • Karvy Stock Broking Ltd. • DSE Financial Services Ltd. • M/s. Shri Venimadhav Portfolio Pvt. Ltd. • Dhir & Dhir Asset Reconstruction (CEO) • National Investment Fund (Member Advisory Board) • Karma Fund (Hedge Fund) (Member Advisory Board) • ICICI Venture Funds Management Co. Ltd. (Consultant)
Name of Committee of the other Companies in which holds Membership/ Chairmanship	NIL	NIL	NIL
Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis]	3,10,415	2,204	NIL
Relationship with Other Director(s)	Related to Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Vijay Kumar Jain, Joint Managing Director and Mr. Rajesh Jain, Director.	Not related to any Director	Not related to any Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 41st Annual Report together with Audited Accounts of the Company for the financial year ended on March 31, 2010.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2010 is summarized as below:

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Net Sales	22797.73	22400.74
Gross Profit before interest, depreciation and tax	3745.49	3215.08
Less: Interest	1647.75	1630.54
Profit before depreciation and tax	2097.74	1584.54
Less: Depreciation	1239.08	929.82
Profit before tax	858.66	654.72
Less: Provision for tax	331.05	304.64
Net Profit for the year after tax	527.61	350.08
Add: Balance brought forward from previous year	3743.90	3470.63
Amount available for appropriation	4271.51	3820.71
Appropriations		
Transfer to General Reserve	0.00	0.00
Proposed Dividend	109.42	65.65
Corporate Dividend Tax	18.60	11.16
Balance carried over to Balance Sheet	4143.50	3743.90

OPERATIONS

Despite slow market in the major part of the financial year 2009-10 your Company has been able to surpass previous year turnover and has achieved turnover of Rs.22798 lacs (Previous year Rs.22400 lacs), recording an increase of 1.78%. During the year net profit of the Company has increased to Rs.527.61 lacs from Rs.350.08 lacs, recording an increase of 51% 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 2010-11.

DIVIDEND

Your Directors have recommended enhanced dividend of Re.1/- per equity share (previous year Re. 0.60 per equity share) for the financial year ended on March 31, 2010 aggregating to Rs. 128.02 lacs inclusive of corporate dividend tax. The dividend, if approved by the shareholders shall be paid to the eligible shareholders 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, 2010, 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 2009-10.

DIRECTORS

Pursuant to Article 133 of the Articles of Association of the Company, Smt. Sushila Devi Jain and Mr. Jamshed Rustomji Desai, Directors retiring by rotation and being eligible, offer themselves for re-appointment at the forthcoming 41st Annual General Meeting. The Board recommends their reappointment as Director liable retiring by rotation. During the year under review the Board has been reconstituted with the induction of Mr. Bhagwan Das Narang as Additional Director of the Company w.e.f. 30th January, 2010. The Board extend a warm welcome to the new Director and hope for a fruitful association in future. Board also recommends their appointment 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' REPORT

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

AUDITORS

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.

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

A statement containing the necessary information as required under the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010 are given in the Annexure 'A' to this Report.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Your 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. Your Company is having accreditation to ISO 14001:2004 and OHSAS 18001:1999.

CONTRIBUTION TO EXCHEQUER

Your Company is a regular payer of taxes and other duties to the Government and is contributing fully to the growth of our nation as a responsible corporate citizen.

QUALITY MANAGEMENT SYSTEM

The major achievements of QMS are as under:

- NADCAP certification for the heat treatment facility.
- OHSAS 18001:2007 up gradation.
- AS9100 B surveillance audit – Improvement in audit score : 70 % last year to 84 % this year.
- Sauer danfoss audited and identified as a potential supplier – score 62%.
- MACE audited and audit score raised from 60 to 75%.
- VW audited and short listed us as a potential supplier.
- EADS air bus team audited and identified LPS as a potential supplier.
- NADCAP surveillance audit for the heat treatment facility – March 2010 number of non conformances reduced from 12 to 4.
- GE Aviation team audited and short listed us the potential supplier and allotted the vendor code. GE team appreciated our system is best among the others
- BSC (Balanced score card) deployed from corporate level to department level.
- TS16949:2002 re-certification audit with NIL non conformance.

Challenges ahead:

- NADCAP certification of FPI equipment
- Up gradation to AS9100 revision C
- Pre-DEMING audit

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 is listed at The Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Ltd. (NSE). The Annual Listing fees for the year 2010-11 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2010-11 to both

the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The equity shares of the Company have been voluntarily delisted from the Delhi Stock Exchange Limited w.e.f 10.06.2010 vide their letter No. DSE/LIST/3285/R/5928 dated July 07, 2010. 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, 2010 on a 'going concern' basis.

CORPORATE GOVERNANCE

The Company has been pro-active in following the principles and practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges are complied in its letter and spirit.

A separate section titled "Report on Corporate Governance", Management Discussion & Analysis Report and Statutory Auditor's Certificate on the compliance of conditions of Corporate Governance has been included in this annual report in **Annexure 'C'** attached hereto and forming part of this Annual Report.

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 11, 2010**

Lalit Kumar Jain
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A Conservation of Energy

(a) Energy conservation measures taken:

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

1. 1000 KVA Transformer with Automatic On Load Tap Changer (OLTC) installed with Vacuum Circuit Breakers (VCB). It is more efficient than Transformer with off load tap changer.
2. A rational and systematic approach has been taken for energy conservation by connecting shutting down all the power consumption sources like air conditioners, pumps and lights etc. with individual switches and they are being shut down during the idle time.
3. Installation of energy savings CFL lamps in place of conventional filament lamps.
4. Replacement of ENDO-GAS generators with methanol system.
5. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
6. Machines and pipelines are being checked to arrest air, oil and water leakages.
7. Zirconium coil heating is implemented instead of electric heater in pickling tanks of plating and phosphating plants.
8. Provided energy saver in street light feeder to save energy cost.
9. Oil centrifuge installed in 625 KVA DG-Set to improve life of engine oil from 250 hrs to 500 hrs.

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

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

1. Installation of automatic voltage stabilizer at the identified lighting feeders.
2. After installation of sanyung furnace, initiative being taken to install 300 KVAR capacitors to improve power factor from 0.95 to 0.99.
3. In tube lights 13 W defective chokes are being replaced with 2 W electronic chokes.
4. In new plant at Manesar:
 - (A) Work shed, roof and windows are designed in such a way that there is enough natural day light inside.
 - (B) Street lights are designed in 70 W, instead of conventional 150 or 250 W.
5. Proposal under consideration for hiring services of an agency to suggest further energy conservation.

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

As a result of continuation and increasing scale of energy conservation measures taken in earlier years, there have been savings in the cost of production. The Company continues to make all efforts to keep energy consumption at optimum level.

(d) Total energy consumption and energy consumption per unit of production as per Form A appended.

B. Technology absorption

(e) Efforts made in the technology absorption as per Form B appended.

C. Foreign exchange earnings and outgo:

(f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans:

As a consequence of meltdown in the globally economy and depreciation of rupee against dollar, your Company could not maintain the level of export sales over the previous year. Though considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits formed part of the initiatives to increase 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.3353 Lacs
Total Foreign exchange used	:	Rs.2431 Lacs

for and on behalf of the Board of Directors

Place : New Delhi
Dated : August 11, 2010

Lalit Kumar Jain
Chairman & Managing Director

Form A

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

Particulars	2009-2010	2008-2009
A. Power & Fuel consumption		
1. Electricity		
(a) Purchased		
unit (Kwh in thousand)	12110.87	11711.84
Total amount (Rs. in lacs)	536.57	523.52
Rate/ unit (Rs.)	4.43	4.47
(b) Own generation		
Through diesel generator (unit in thousand)	3290.39	2705.04
Rate per litre of diesel oil	31.55	33.07
Cost/ unit (Rs.)	9.53	9.44
2. LPG		
Qty./ Tons	362.61	278.82
Total amount (Rs. in lacs)	157.84	145.27
Average Rate/ Kilogram (Rs.)	43.53	52.10
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)	1115.79	1159.57
LPG (kg./ Ton)	26.27	22.43
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	278.31
(2) Recurring	<u>26.63</u>
Total	<u>304.94</u>
(3) Total R&D expenditure as a percentage of turnover	1.34%

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, 2010.

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

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Date of Joining	Age/ Exp. (in years)	Qualifications	% of Shares hold	Last employment held
01	Mr. Lalit Kumar Jain	Chairman & Managing Director	8220000	05.12.74	56 36	B. E. Mech.	1159600 10.60	-
02	Mr Dinesh Kumar Jain	Vice Chairman & Managing Director	7891200	27.12.68	62 42	B. Com.	252000 2.30	-
03	Mr. Vijay Kumar Jain	Joint Managing Director	7891200	05.12.74	53 35	B. A.	1132593 10.35	-
04	Mr. Sudesh Kumar Jain	Executive Vice President (Marketing)	2630400	24.02.74	60 36	B.E. Mech.	103237 0.94	-
05	Mr. Rajesh jain	Non-Executive Director	3600000	28.09.90	52 30	B.E. Tech.	1430804 13.08	-

(II) Employed for a part of the financial year and in receipt of remuneration not less than Rs.24 lacs.

NIL

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 2 years.
3. Nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
4. The Company did not have an employee either in the whole or part of the year under review who was in receipt of remuneration in the year which, in the aggregate or at the rate which, in the aggregate, was in excess of that drawn by the Managing Director and held by himself or along with his spouse and dependent children, more than 2% of the paid up Equity Shares Capital of the Company.
5. Mr. Vijay Kumar Jain 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.

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 2009-10, Seven Board Meetings were held on 23.05.2009, 27.06.2009 (2 Nos.), 29.07.2009, 30.09.2009, 28.10.2009, and 30.01.2010. 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, 2010 have been made by the Directors. Also, none of the Directors on the Board holds the office of Director in more than 15 companies.

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

Sr. No.	Name of Director	Category	Attendance Record		No. of other Directorship and total Committee Membership & Chairmanship		
			Board Meetings	Last AGM	Other Directorship#	Committee Memberships*	Committee Chairmanships*
1.	Mr. Lalit Kumar Jain	ED (CMD)	7	Yes	5	1	Nil
2.	Mr. Dinesh Kumar Jain	ED (VCMD)	7	Yes	3	1	Nil
3.	Mr. Vijay Kumar Jain	ED (JMD)	3	Yes	3	Nil	Nil
4.	Mr. Rajesh Jain	NED	6	No	8	2	1
5.	Mrs. Sushila Devi Jain	NED	7	No	Nil	Nil	Nil
6.	Mr. Jamshed Rustomji Desai	NEID	7	Yes	1	2	Nil
7.	Mr. Keshwa Nand Rattan	NEID	7	Yes	Nil	1	1
8.	Mr. Ajay Kumar Chakraborty	NEID	7	No	3	2	2
9.	Mr. Bhupendranath Vidyannath Bhargava	NEID	4	No	8	6	6
10.	Mr. Bhagwan Das Narang \$	NEID	Nil	No	11	Nil	Nil

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

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

\$ Appointed by the Board as additional Director w.e.f. 30.01.2010.

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.

The Board has been reconstituted with the induction of new Additional Director Mr. Bhagwan Das Narang w.e.f. 30.01.2010. Appointment of above Director is valid upto the forthcoming Annual General Meeting and Board of Directors commends to the members his appointment as Director of the Company.

Smt. Sushila Devi Jain and Mr. Jamshed Rustomji Desai, 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, 2010. 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 three Non-Executive Independent Directors and one Non-Executive Director. Mr. Keshwa Nand Rattan is the Chairman of the Committee, the other members are Mr. Jamshed Rustomji Desai, Mr. Rajesh Jain and Mr. Ajay Kumar Chakraborty. The constitution of the Committee meets with the requirements of Section 292A of the Companies Act, 1956 as well as the Clause 49 of the Listing Agreement.

During the year 2009-10 Five Audit Committee meetings were held on 23.05.2009, 27.06.2009, 29.07.2009, 28.10.2009 and 30.01.2010. The attendance of Members during these meetings was as follows:

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

The Statutory, Internal Auditors and other executives generally attended the meetings on invitation. Mr. Keshwa Nand Rattan is the Chairman of the Audit Committee and was present in the last Annual General Meeting of the Company.

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. There was no change in the remuneration of the executive directors and non executive director during the year and as such no meeting of the Remuneration Committee of the Board was required to be held.

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/ Shareholders and approved by the Central Government. The remuneration structure comprises of Salary, Allowances, Perquisites and Contribution to Provident Fund. Remuneration of employees largely consists of base remuneration and perquisites.

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

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

Details of remuneration paid in the financial year 2009-2010:

(a) Executive Directors:

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

(b) Non-executive Directors:

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 *	3670000
Mrs. Sushila Devi Jain	35000
Mr. Jamshed Rustomji Desai	60000
Mr. Keshwa Nand Rattan	60000
Mr. Ajay Kumar Chakraborty	60000
Mr. Bhupendranath Vidyanath Bhargava	20000
Total	3905000

* The payment of Mr. Rajesh Jain, Non-executive Director is comprising of Rs.36,00,000 as remuneration and Rs.70,000 as sitting fees. The said payment is approved by the members of the Company in its Annual General Meeting held on 29th September, 2008 and also by the Central Government vide its letter no.A50319870-CL.VII dated 26.05.2009.

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 Vidyanath 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 2009-10, sixteen Share Transfer and Investors Grievance Committee meetings were held.

Mr. Ashok Yadav, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

During the year, the Company has received twelve complaints of Shareholders from SEBI and Stock Exchanges. The Company endeavors to reply and resolved all the complaints received from the SEBI/ Stock Exchanges/ shareholders within a period of 10 days. As on March 31, 2010, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The shareholders may email to M/s MCS Ltd. 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 shareholders of the Company are being informed that M/s. MCS Ltd. (Registrar and Share Transfer Agent) have developed 'ON LINE SERVICES' facilities for the shareholders/ investors of the Company. Accordingly, shareholders are requested to avail online services with regard to Investor Grievances by lodging in on the site of MCS Limited www.mcsdel.com, and then by clicking on "Investors Services". This way shareholders can register their queries/ grievances or obtain details as required by them. The registered queries/ grievances on the site will be responded by M/s. MCS 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	29.09.2007	11.30 A.M.	46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)	Eight 1) Approve the Re-appointment of Mr. Lalit Kumar Jain, Chairman & Managing Director and his remuneration. 2) Approve the Re-appointment of Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and his remuneration. 3) Approve the Re-appointment of Mr. Vijay Kumar Jain, Joint Managing Director and his remuneration. 4) Approve the Re-appointment of Mr. Sudesh Kumar Jain, Marketing Director and his remuneration. 5) Approve the Re-appointment of Mr. Nikhlesh Kumar Jain, Vice President (Marketing) and his remuneration. 6) Approve the Re-appointment of Mr. Amit Kumar Jain, Vice President (Export) and his remuneration. 7) Approve the Re-appointment of Mr. Gagan Jain, Vice President (Operations) and his remuneration. 8) Approve the Re-appointment of Mr. Gautam Jain, Vice President (Business Development) and his remuneration.
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

- (b) At the forthcoming Annual General Meeting to be held on 29th September, 2010, there is no matter proposed to be passed by the Company, which requires postal ballot.
- (c) No special resolution was passed through postal ballot at the last Annual General Meeting held on 30th September, 2009.

(7) DISCLOSURES

- The Company has disclosed the transactions with related parties in Note No.22 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, 2010.

(8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express, Business Lines (English) and Jansatta (Hindi). The quarterly shareholding pattern and quarterly/ half-yearly/ yearly results are also placed on the Company's website <http://www.lpsindia.com> under the head of 'Financial Info' for the purpose of household of the Shareholders. As the Company publishes the Audited Annual Results within a stipulated period of 60 days from the close of financial year i.e. March 31, 2010, 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 2010-11:

- (i) Annual General Meeting is proposed to be held on Wednesday, 29th September, 2010 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, 2010	Mid of August, 2010
Mailing of Annual Reports to the Members	Starting of September, 2010
Annual General Meeting for the year 2009-10	End of September, 2010
Financial Reporting for the half-year ending September 30, 2010	Mid of November, 2010
Financial Reporting for the quarter ending December 31, 2010	Mid of February, 2011
Financial Reporting for the year ending March 31, 2011	End of May, 2011

- (iii) Dates of Book closure: Wednesday 22nd September, 2010 to Wednesday, 29th September, 2010. (both days inclusive)
- (iv) Dividend payment date: Dividend @ 10% on equity shares capital was recommended on 27th May, 2010 and subject to the approval from the members at the Annual General Meeting, will be paid on 29th September, 2010 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 2010-11 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2010-11 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The equity shares of the Company have been voluntarily delisted from the Delhi Stock Exchange Limited w.e.f. 10.06.2010 vide their letter no. DSE/LIST/3285/R/5928 dated July 07, 2010.

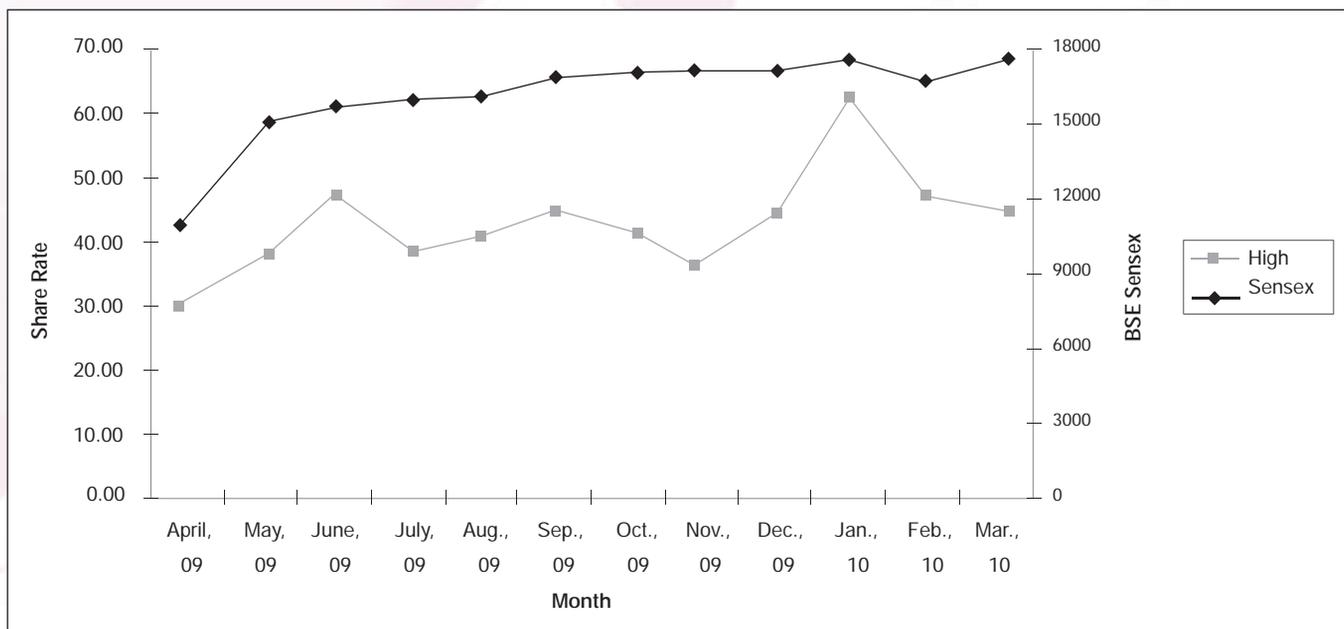
(vi) Market Price Data:

Market Price Data for the financial year 2009-10

Year 2009-10 (Month)	National Stock Exchange		
	High (Rs.)	Low (Rs.)	BSE Sensex
Apr. – 2009	30.00	18.05	11492
May – 2009	38.00	23.25	14930
Jun. – 2009	47.90	32.05	15600
Jul. – 2009	36.00	25.65	15733
Aug. – 2009	38.00	31.05	16002
Sep. – 2009	43.45	33.55	17142
Oct. – 2009	41.05	31.00	17274
Nov. – 2009	36.60	32.50	17290
Dec. – 2009	44.50	34.25	17440
Jan. – 2010	62.00	32.65	17790
Feb. – 2010	48.55	40.00	16669
Mar. – 2010	44.75	38.05	17793

(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 Secretarial Audit is being conducted by a practicing Company Secretary and the Secretarial Audit Report is issued which, in turn, is submitted to the Stock Exchanges. The above said compliance certificate and Secretarial Audit Report are also placed before the Board from time to time for their noting.

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

(x) **Distribution of shareholding as on 31st March, 2010:**

Shareholding of nominal value (Rs.)	No. of Shareholders	% of Total	No. of Shares	Nominal Value (Rs.)	% of Nominal Value
Up to 5000	7543	88.94	1042870	10428700	9.53
5001 to 10000	474	5.59	377882	3778820	3.45
10001 to 20000	229	2.70	349375	3493750	3.19
20001 to 30000	70	0.83	175366	1753660	1.60
30001 to 40000	38	0.45	133284	1332840	1.22
40001 to 50000	27	0.32	125284	1252840	1.15
50001 to 100000	48	0.56	330975	3309750	3.03
100001 and above	52	0.61	8406631	84066310	76.83
Total	8481	100.00	10941667	109416670	100.00

(xi) **Shareholding Pattern as on 31st March, 2010:**

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	101	65826	0.602
Mutual Funds	3	900700	8.232
Private Corporate Bodies	208	342223	3.128
Promoters, Directors & Relatives	23	6878991	62.870
Persons acting in concert	2	30733	0.281
General Public	8135	2720019	24.858
Total	8481	10941667	100.000

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

As on 31st March, 2010, 46.74% of Company's total paid up capital representing 51,13,745 equity shares of Rs.10/- each were held in dematerialized form [i.e. 44,33,137 shares (40.52%) with NSDL and 6,80,608 shares (6.22%) with CDSL] and balance 53.26% representing 58,27,922 equity shares of Rs.10/- each shares were held in physical form.

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

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

(xiv) Plant Locations:

Plant – I:

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

Plant – II:

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

Plant – III:

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

Plant – IV:

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

(xv) Address for correspondence:

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

(xvi) Compliance:

The certificate dated 27.05.2010 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 financial year 2008-09 was a watershed year for the world economy and industry in general. While the world economy continues to find its footing, India has moved forward with bold steps in 2009-10 across a number of sectors. A fast recovery has been seen in the last quarter of the financial year 2009-10. Overall the year 2009-10 has been a year of recovery for the growth of the Indian and global economy as well as for your Company. The performance of the fastener industry is linked to the automobile sector. The GDP growth momentum of the domestic economy was estimated at 7.4 % during 2009-10 as compared to 6.7% during 2008-09. When the global economy stumbled, such a growth may be viewed with a positive perspective. Most of the constituent sectors experienced growth and currently, there is good revival in the domestic economy. The countries key policymakers see this as a signal of the economy returning to high growth rates that prevailed before the global economic crisis. Manufacturing and agriculture lifted fourth quarter numbers and trying to reach 8.5% growth in the current fiscal year. However, inflationary conditions in 2009-10, especially in the second half of the year, with double-digit food inflation remain an area of concern.

Over the past decade, India has become an important player in the world economy alongwith China. The current environment of much-deserved optimism provides an ideal opportunity to India to move ahead with further reforms that can promote continued and rapid economic development. Your Company has a good opportunity in view of the present estimates of the future development of the industry.

OPPORTUNITIES AND THREATS

a) Opportunities

The major strength of the Indian auto component industry is 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. Your Company is committed to supply quality products to its customers not only to compete in the domestic market but in also looking for adding new destinations across the world, especially in Asian and European countries. The Company views the future with cautious optimism and long term improvement in road infrastructure will go a long way in helping the automobile industry. As such, your Company has a good opportunity in view of the present growth environment and focus on infrastructure development in the Country.

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. The challenge in front of the Country is to quickly achieve to 9 percent growth and then aim for double digit growth; need to make recovery more broad based and to make growth more inclusive; have to strengthen food security. All global major automobile manufacturers are establishing their operations in India either directly or through joint-venture agreements with Indian Companies. It is against this backdrop that the Indian automobile industry has to face two major challenges viz. competing with global OEMs in the Indian market and enhancing global presence. Due to this, your Company may have to face stiff competition and cost reduction pressure from customers.

FUTURE OUTLOOK

India has weathered global economic crisis well. The economic outlook is in far better position than it was a year ago. Ample signals in the form of increased exports, capital inflows, higher remittances, good capital market conditions and easy funding conditions signify and indicate growth path to the industry. Stimulating fiscal measures are in the right direction to rekindle the growth prospectus. Though gradual, an efficient push is warranted to ignite the growth momentum and break the downslide of the business cycle. In this context, emphasis on infrastructure needs to be reinforced and implemented on priority basis. A good monsoon would further brighten the growth prospectus. Country is looking a strong growth of the economy which is expected around 8.5% during financial year 2010-11. Such growth momentum and the revival plan would bestow sufficient platform to your Company in order to enhance the growth.

The performance of the fastener industry is linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. 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 2010-11 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, HMT, TVS Motors, John Deere, Mahindra & Mahindra, Volvo, etc. The success in developing cold forged components which your Company has recently ventured into, will bring in more and more domestic and international customers who want to switch over to cold forged components and put us in their prospective supplier list. In the age of competitive environment, Six Sigma is perceived as an important tool to improve processes or operations to maximize gain/reduce cost and enhance customer satisfaction. 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, 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.

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.

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)	
	2010	2009
Net Sales & Other Income	23094	22661
Profit before Interest, Depreciation and Tax	3745	3215

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2009-10, 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 1134 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 2009-10.

for Lakshmi Precision Screws Ltd.

Place : New Delhi
Dated : May 27, 2010

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 2009-10.

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 2009-10 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 27, 2010

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, 2010 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 27, 2010

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, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- vi) in the absence of the notification in the official gazette of the Central Government, the Company has not made any provision for cess payable under section 441A of the Companies Act, 1956. As per the explanations given to us, the required provisions for cess payable shall be made in accordance with the notification, as and when issued by the Central Government in its official gazette;
- vii) in our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to the Note No. 11 with regard to provision of gratuity liability and non-furnishing of information as required by AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India and read together with 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, 2010.
 - (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 27, 2010

V.P. Bansal
Partner
M No. 8843



ANNEXURE TO THE AUDITORS' REPORT

(Referred to our report of even date)

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets have been physically verified by the management during the year at reasonable intervals, having regard to the size of the Company and nature of its assets. We have been informed that no material discrepancies were noticed on such physical verification.
c) Substantial part of fixed assets has not been disposed off during the year.
2. a) The stocks of finished goods, 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 in the process of devising a suitable programme for physical verification of the aforesaid items.
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.5,99,95,840/- 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 and their relatives amounting to Rs.3,12,62,540/- 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. The Company had an internal audit system commensurate with the size and nature of its business during the first half of the year. No internal audit was conducted during the second half of the year and as explained to us, the Company is in the process of appointing internal auditors.
8. With regard to the applicability of the cost records prescribed u/s 209(1)(d) of the Companies Act, 1956, the Central Government has issued a notification dated April 24, 2001 whereby the Cost Accounting Records (Engineering Industries) Rules 1984 have been amended to include in its appendix all types of 'automotive parts and accessories'. As per the information and explanations given to us by the Company, the products of the Company have multiple usage and the principal business of the Company does not comprise of such products, which are capable of being used as automotive parts and accessories. Accordingly, prima-facie, we are of the opinion that the aforesaid rules are not applicable to the Company.
9. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities except with some minor delays. There are no arrears of outstanding statutory dues as at 31st March 2010, for a period of more than six months from the date they become payable. However, the Company has not made any provision towards cess payable u/s 441 A of the Companies Act, 1956, since the required notification has not been issued by the central government in this regard.

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

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Deduction/Claim in respect for export business u/s 80HHC and charging of interest u/s 234B whether on returned/assessed income	290376	A.Y. 1991-92	High Court, Chandigarh
	Determination of book profit before or after depreciation	5426222	A.Y. 1990-91	High Court, Chandigarh
	Expenses allowable under various heads viz Bonus and insurance	2000075	A.Y. 1990-91	High Court, Chandigarh
	TOTAL	7716673		
Industrial Dispute Act, 1947	Recovery of money due from employer	239980	1999 to 2002	Labour Court, Rohtak
	TOTAL	239980		
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	17714	April 1995 to March 1996	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	29044	April 2000 to March 2001	ESI Court, Rohtak
Employees State Insurance Act, 1948	Recovery of contribution under Section 45-C and 45-I of Employees State Insurance Act, 1948	173779	April 2002 to March 2003	ESI Court, Rohtak
	TOTAL	220537		

10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. In our opinion and according to explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank except some delays in making repayment of foreign currency term loan as under :

Name of Financial Institution	Nature of Loan	Due Date	Actual Date of Payment	Amount (USD)
ICICI Bank Limited	Term Loan	22.06.2009	26.06.2009	333000
ICICI Bank Limited	Term Loan	22.06.2009	20.11.2009	333000
ICICI Bank Limited	Term Loan	22.12.2009	10.02.2010	333000

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. 330.65 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 under audit.

for V.R. Bansal & Associates
Chartered Accountants

Place : NOIDA
Dated : May 27, 2010

V.P. Bansal
Partner

BALANCE SHEET

Description	Schedule No.	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
A. SOURCES OF FUNDS			
a) Shareholders' Funds			
Share Capital	1	109416670	109416670
Reserves and Surplus	2	765626043	717644691
		875042713	827061361
b) Loan Funds			
Secured Loans	3	1138543850	1152748888
Unsecured Loans	4	60062540	40207011
		1198606390	1192955899
c) Deferred Tax Liabilities (net)		18225301	33694039
TOTAL		2091874404	2053711299
B. APPLICATION OF FUNDS			
a) Fixed Assets			
Gross Block		1525269470	1432492961
Less : Accumulated Depreciation	5	935481354	811608324
Net Block		589788116	620884637
Add : Capital Work in Progress		5180067	10427782
		594968183	631312419
b) Investments	6	42736580	42736580
c) Current Assets, Loans and Advances	7		
Inventories		1547848227	1291519714
Sundry Debtors		535351092	516714004
Cash and Bank Balances		97168124	67623199
Other Current Assets		19854055	26719140
Loans and Advances		159588113	151699216
		2359809611	2054275273
Less: Current Liabilities and Provisions			
Current Liabilities	8	860365803	663112970
Provisions		47003381	13951882
Total Current Liabilities		907369184	677064852
Net Current Assets		1452440427	1377210421
d) Miscellaneous Expenditure	9	1729214	2451878
TOTAL		2091874404	2053711299
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITES AND NOTES	17		

Auditors' Report:-

As per our report of even date

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA
Dated : May 27, 2010

for and on behalf of the Board of Directors

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2010 (Rs.)	Year Ending 31.03.2009 (Rs.)
A. INCOME			
Gross Sales		2455478321	2506331624
Less: Excise Duty		175705713	266258050
Net Sales		2279772608	2240073574
Job work Receipts		2182565	1072135
Other Income	10	27459534	24956191
		2309414707	2266101900
B. EXPENDITURE			
Materials and Finished Goods	11	819206657	958397155
Manufacturing	12	484193416	396636999
Personnel	13	377383352	330969232
Office and Administration	14	114207952	139310972
Selling and Distribution	15	112594950	103850777
Interest and Financial charges	16	164775118	163053959
Managerial Remuneration		27602400	24002400
Depreciation		123908470	92981689
		2223872315	2209203183
Profit before Tax and prior period Item		85542392	56898717
Add:- Prior period items (Note No.10)		323747	8572976
Profit before Tax		85866139	65471693
Tax Expenses		48401999	15419817
- Current Tax		(15468738)	8832294
- Deferred Tax		0	6000000
- Fringe Benefit Tax		171571	211700
- Wealth Tax			
C. PROFIT FOR THE YEAR CARRIED DOWN		52761307	35007882
D. PROFIT FOR APPROPRIATION			
Balance as per last Balance Sheet		374389946	347062786
Profit for the year brought down		52761307	35007882
		427151253	382070668
Transfer to General Reserve		0	0
Proposed Dividend		10941667	6565000
Corporate Dividend Tax		1859536	1115722
Balance carried over to Balance Sheet		414350050	374389946
		427151253	382070668
E. EARNING PER SHARE (Face Value Rs. 10 per share)			
- Basic & Diluted		4.82	3.20
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

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA

Dated : May 27, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	Refer Notes	As at 31.03.2010 (Rs.)	As at 31.03.2009 (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		23433185
Less : Foreign Exchange Fluctuation for the year 2007-2008 capitalised	0	22114385	1318800
		(3105618)	(11126866)
Foreign Currency Monetary Item Translation Difference Account			
As per last Balance Sheet	(11126866)		
Add : Foreign Currency Exchange during the year	6690269		
	(4436597)		
Less : Amortized during the year	1330979	414350050	374389946
Profit and Loss Account		765626043	717644691
		765626043	717644691
SCHEDULE - 3			
SECURED LOANS			
From Banks			
Canara Bank, Rohtak			
	1		
Cash Credit Accounts		442521836	397909815
Foreign Bills Purchased Account		45093457	92086638
Bills Discount Account		43257638	27370802
Cheques Discounted		0	9158061
Bills (L/C) Account		0	40422694
Working Capital Term Loan		17625747	29384681
Short Term Loan		25125206	16115053
Term Loan		6412252	3981408
		580036136	616429152
Indian Overseas Bank, Rohtak			
	1		
Cash Credit Accounts		166489743	139424899
Foreign Bills Purchased Account		20933950	30397658
Bills Discount Account		0	1177858
Term Loan		4318132	0
		191741825	171000415
ICICI Bank Limited, New Delhi			
	2		
Cash Credit Account		39977883	34552001
Rupee Currency Term Loan		14103944	36539703
Foreign Currency Term Loan		193468518	272804850
Against hypothecation of Motor Cars		2921911	7075410
		250472256	350971964

Description	Refer Notes	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
HDFC Bank Limited, Rohtak Against hypothecation of Motor Cars		2815826	0
IDBI Bank Ltd. Cash Credit Account/Short Term Loan Term Loan	3	35386114 73285086	12595970 0
		108671200	12595970
State Bank of India, Rohtak Against hypothecation of Motor Cars		2121562	488044
		2121562	488044
Deferred Payment Credits Haryana State Industrial & Infrastructure Development Corporation Limited	4	2685045	1263343
		2685045	1263343
		1138543850	1152748888

NOTES:

- (i) Working capital limits from Canara Bank and Indian Overseas Bank are in consortium in the ratio of 70 : 30 respectively. The limits from consortium banks are secured by way of first charge against hypothecation of stocks and book debts (present and future) and second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by S/Shri L.K.Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company.

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

 - Land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company.
 - Agricultural land measuring 4.6125 acres situated at Mauza Kharawar, Distt. Rohtak in the names of Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company and Shri Saurabh Jain son of Shri S. K. Jain, brother of Shri D.K. Jain, Director of the Company.
 - Paripassu charge on entire fixed assets of the Company acquired/ to be acquired out of term loan of USD 6.66 Million (Approximately Rs. 29.30 Crores) availed from ICICI Bank.

(ii) Working capital term loan from Canara Bank is secured by way of hypothecation of existing stocks of dies and tools of the Company and Short term loan is secured by way of stock of Dies and Tools purchased out of loan proceeds. The said loans are further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above.

(iii) Term loan from Canara Bank is secured by way of first charge on DG set purchased out of loan proceeds and is further secured by way of second charge on fixed assets and other assets of the Company given to the bankers against working capital limits and also on personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.
- (i) Cash credit limit/ Short Term Loan 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 movables, including book-debts. Bills whether documentary or clean, outstanding monies, receivables both present and future in a form and manner satisfactory to the bank, ranking pari-passu with other participating banks: second mortgage and charge on all the Company's immovable properties and fixed assets, both present and future ranking pari-passu with other participating bank and unconditional and irrevocable guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company.

(ii) Rupee Currency term loan from ICICI Bank Ltd. is secured by way of first charge on all the Company's assets including all movable and immovable properties both present and future on pari-passu basis and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company.

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

(ii) Term loan from IDBI Bank Ltd. is secured by way of first pari-passu charge on the fixed assets of Company and guaranteed by Shri L.K. Jain, Chairman and Managing Director of the Company.
- Deferred payment credit from Haryana State Industrial & Infrastructure Development Corporation Limited is secured against Plot No. 153, Sector-3 allotted to the Company at IMT Manesar, Gurgaon.
- Term loans and deferred payment credits due within a year are Rs.1610 lacs (Previous year Rs.1576 lacs).

Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - 4		
UNSECURED LOANS		
Fixed Deposits {Due within a year Rs.288 lacs (previous year Rs.288 lacs)}	28800000	28800000
Other Loans and Advances		
From Directors	9560454	480176
From Others	21702086	10926835
	31262540	11407011
	60062540	40207011

SCHEDULE-5
FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2009 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.03.2010 Rs.	Upto Last Year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1	Industrial Land										
	Freehold Land	24845469	4695549	0	29541018	0	0	0	0	29541018	24845469
	Leasehold Land	18398416	0	0	18398416	0	0	0	0	18398416	18398416
2	Factory Building	181048078	4933462	0	185981540	46758312	7142053	0	53900367	132081173	134289763
3	Office Premises										
	Freehold offices	813362	0	0	813362	428505	19244	0	447749	365613	384857
	Leasehold Offices	553040	0	0	553040	321536	11573	0	333149	219891	231504
4	Plant and Machinery	982586442	79142358	14520456	1047208344	620044269	97799999	0	717556555	329651789	362542171
5	Effluent Treatment Plant	1364489	0	0	1364489	1271555	25947	0	1297169	67320	92934
6	Furnitures and Fixtures	37577408	1932116	0	39509524	24482259	1966610	0	26470044	13039480	13095150
7	Electric fans and Installations	34220204	293110	0	34513314	22153071	1722988	0	24000546	10512768	12067133
8	Office Equipments	23497681	547942	0	24045623	9912679	1092835	0	11041145	13004478	13585002
9	Computer and Computer software	63173227	9593241	0	72766468	52793239	8500145	0	61393886	11372582	10379988
10	Vehicles	62174406	6157636	54000	68278042	31739964	5498421	35442	37202899	31075143	30434442
11	Weighing Scales	1416814	40401	0	1457215	1117679	41081	0	1160659	296556	299139
12	Fire Extinguishers	823925	15154	0	839079	585259	87573	0	677185	161894	238666
	Total	1432492961	107350969	14574456	1525269470	811608324	123908470	35442	935481354	589788116	620884637
	Add: Capital Work in Progress:	10427782	4353350	9601065	5180067	0	0	0	0	5180067	10427782
	Total : Current year	1442920743	111704319	24175521	1530449537	811608324	123908470	35442	935481354	594968183	631312419
	Previous Year	1258430213	211444995	26954467	1442920743	718647794	92981688	21158	811608324		

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 and Manesar Plants where depreciation has been provided on Straight Line Method.
- 2 Depreciation on assets for a value not exceeding Rs.5000/- has been provided @100%.
- 3 The addition in fixed assets include Rs.11556381/- (last year Rs.6816544/-) 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.13257020/- on account of exchange gain during the year has been adjusted in Plant and Machinery in accordance with notification no. G.S.R. 225(E) dated 31.03.2009 issued by Ministry of Company Affairs.

Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (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 (last year 229300) 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 Chairman and Managing Director)		
Raw Materials	205127226	55546287
Raw Materials in transit	44424459	0
Finished goods	422292550	411252156
Finished goods in transit	4532757	1954686
Semi finished goods	216430647	198934152
Consumables stores and Spare Parts	172473786	115888036
Dies and tools	447771058	473741059
Packing materials	27777356	27334056
Stationary in hand	482700	416957
Postage and foreign stamps	457	200
Scrap materials (at realisable value)	6535231	6452125
	1547848227	1291519714
Sundry Debtors		
(Unsecured - considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	44745433	86475612
Other Debts	491555659	431088392
	536301092	517564004
Less: Provision for doubtful debts	950000	850000
	535351092	516714004
Cash and Bank Balances		
Cash and cheques in hand (includes Cheques in hand Rs.240000/-Previous Year - Rs.310120/-) with Scheduled Banks	739238	714594
In Fixed Deposit Accounts		
Pledged as margin money against bank guarantees	125000	300000
Pledged as margin money against letter of credits	44151872	29632000
Lien against public deposits	5506609	4500000
No lien account	10306421	11554143
In Cash Margin Accounts	0	3907667
In Current Accounts	34593268	15398874
In Dividend Accounts	1710966	1581389
In E E F C Account (US\$ 769.83 Previous year US\$ 769.83)	34750	34532
	97168124	67623199

Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Other Current Assets		
Interest accrued on deposits	1749141	2312694
Freight Subsidy receivable	1000000	2000000
Export incentive receivable	14381952	17185583
DEPB Licence in hand	2722962	5220863
	19854055	26719140
Loans and Advances (unsecured-considered good)		
Advances recoverable in cash or in kind or for value to be received	124873502	123244652
Security deposits	11316527	11105427
Balance with Central Excise Department:		
Excise Duty	14335107	14149987
Service Tax	1571928	1527390
Vat refund due	7491049	1671760
	159588113	151699216
	2359809611	2054275273
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances	47689348	28604737
Sundry Creditors:		
Due to micro and small enterprises	10403	5398
Due to other than micro and small enterprises	632674709	502061910
Due to subsidiary company	3407816	4356202
Advances and progress payments from customers	78320359	62517556
Unclaimed Dividend	1710966	1581389
Other liabilities	58704840	32833873
Excise duty payable	36945535	29215273
Interest accrued but not due	901827	1936632
	860365803	663112970
Provisions		
Income Tax (Net of Advance Tax & TDS)	34030607	2174460
Wealth Tax	171571	211700
Fringe Benefit Tax (Net of Advance Tax)	0	3885000
Proposed Dividend	10941667	6565000
Corporate Dividend Tax	1859536	1115722
	47003381	13951882
	907369184	677064852
SCHEDULE - 9		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Interest on deferred payments		
As per last Balance Sheet	690163	
Less: Written Off	<u>487653</u>	
	202510	690163
Technical knowhow fee		
As per last Balance Sheet	1761715	
Add: Addition during the year	<u>597636</u>	
	2359351	
Less: Written Off	<u>832647</u>	
	1526704	1761715
	1729214	2451878

Description	Year Ending 31.03.2010 (Rs.)	Year Ending 31.03.2009 (Rs.)
SCHEDULE - 10		
OTHER INCOME		
Rent	50400	50400
Interest on fixed deposits with banks, loans and from customers (TDS Rs. 469393/- previous year Rs.982725/-)	3350948	2873431
Miscellaneous receipts	1607035	2531574
Exchange rate variation	11347171	0
Profit on sale of assets	7942	0
Excess provision for FBT written back	0	185000
Bad debts recovered	0	1135631
Export Incentives	11096038	18180155
	27459534	24956191
SCHEDULE - 11		
MATERIALS AND FINISHED GOODS		
Raw Materials Consumed		
Opening stocks	55546287	95002613
Add : Purchases	904870117	859921081
Freight and cartage	17816296	20992904
	978232700	975916598
Less : Closing stocks	205127226	55546287
Raw materials consumed	773105474	920370311
Add : Opening stocks		
Finished goods	411252156	349514312
Finished goods in transit	1954686	1894406
Semi finished goods	198934152	181886302
Scrap materials	6452125	5518530
	618593119	538813550
Add : Purchases of semi-finished/finished goods	77299249	117806414
	1468997842	1576990274
Less : Closing stocks		
Finished goods	422292550	411252156
Finished goods in transit	4532757	1954686
Semi finished goods	216430647	198934152
Scrap materials	6535231	6452125
	649791185	618593119
	819206657	958397155
SCHEDULE - 12		
MANUFACTURING EXPENSES		
Consumable stores and spare parts	54204814	25814642
Dies and tools	51136288	27698936
Electricity,water and fuel	123709644	100552976
Job work charges	189041253	197709680
Excise duty on closing stock of finished goods and scrap material	36945535	29215273
Less : Excise duty on opening stock	<u>29215273</u>	<u>45951263</u>
Repairs to machinery	9524536	11084554
Packing expenses	39814326	42179985
Testing charges	578828	447593
Generator hire charges	4144439	1194825
Research and development expenses	2662771	5144174
Royalty, Technical know-how fee	1646255	1545624
	484193416	396636999

Description	Year Ending 31.03.2010 (Rs.)	Year Ending 31.03.2009 (Rs.)
SCHEDULE - 13		
PERSONNEL EXPENSES		
Salaries,Wages and other amenities	327700817	280403262
Bonus	10077889	11997489
Co's contribution towards LIC Gratuity Trust	5932159	3000000
Co's contribution towards P.F.	12803824	12575552
Co's contribution towards E.S.I.	2520753	4426185
Staff welfare	9390405	9889144
Staff recruitment and training	637651	1414788
Watch and ward expenses	8319854	7262812
	377383352	330969232
SCHEDULE - 14		
OFFICE AND ADMINISTRATION EXPENSES		
Rent	5418495	4945468
Rates and taxes	556187	451983
Printing and stationery	4335206	6331915
Postage and telephone	7763148	8534267
Travelling and conveyance	55226759	69703852
Vehicle maintenance	3586247	3629888
Legal and consultancy	13984961	14080642
Insurance	2315844	2765709
Auditors' Remuneration:		
Audit fee	1000000	900000
Tax Audit Fee	100000	100000
Limited Review	180000	180000
Out-of pocket expenses	96551	73947
Repairs to building	4634811	5382377
Floriculture expenses	464111	1111932
General repairs	7469049	10413593
Loss on sale of assets	0	68879
Miscellaneous	6771583	10326520
Directors' Sitting Fees	305000	310000
	114207952	139310972
SCHEDULE - 15		
SELLING AND DISTRIBUTION EXPENSES		
Freight, insurance and cartage	46522451	49330984
Turnover and cash discount	40712834	36462416
Advertisement,Publicity and sales promotion	16901477	9809870
Bad Debts,Liquidated damages and short recoveries	3479061	2901843
Provision for bad and doubtful debts	100000	850000
Excise duty and sales tax	4879127	4495664
	112594950	103850777
SCHEDULE - 16		
INTEREST AND FINANCIAL CHARGES		
Interest		
On fixed loans	33257550	33590420
On non-fixed loans	83759833	87487468
Front-end fee	128000	2715176
Financial charges	3940187	746424
Exchange rate fluctuation	13817491	15188012
Bank charges	29872057	23326459
	164775118	163053959

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 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 and Manesar Plants where depreciation has been provided on straight-line method. Depreciation on assets for the value not exceeding Rs.5000/- has been provided @100%.

e) Revenue Recognition

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

f) Foreign Currency Transactions

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

g) Inventories

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

h) Investments

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

i) Retirement Benefits

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India. 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.

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 of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees.

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

B) CONTINGENT LIABILITIES:

(Lac/Rs.)

Sr. No	Particulars	2009-10	2008-09
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	452	26
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	590	174
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.	441	478
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 :

- During the year the IDBI Bank Limited has disbursed a term loan of Rs.725 lacs against sanctioned amount of Rs.1000 Lacs to be utilized towards capital expenditure at the existing units of the Company. A sum of Rs.330.65 lacs is lying unutilized as at the end of the year on this account.
 - 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.189.52 lacs. Out of the said exchange gain, a sum of Rs.125.96 lacs has been adjusted to the carrying cost of fixed assets and the balance sum of Rs.63.56 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 issued by the Ministry of Corporate Affairs.

2. 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.
3. Fixed deposits from public include a sum of Rs.1,23,50,000/- due to Directors (previous year Rs.1,23,50,000/-).
4. The Company has capitalized dies and tools amounting to Rs.2,15,71,784/- (last year Rs. 2,59,19,461/-) relating to tools and dies purchased / manufactured during the year..
5. Sundry Debtors include a sum of Rs.1,53,31,641/- due from LPS Bossard Private Limited, a Joint Venture Company (maximum due during the year Rs.3,43,75,355/-) (previous year due Rs. 2,42,50,387/- and maximum due Rs. 3,77,88,652/-).
6. Advances include a sum of Rs.44,96,073/- due from Lakshmi Extrusion Limited, an associate Company (Maximum due Rs. 57,82,621/-) (previous year due Rs.46,87,727/- and maximum due Rs. 48,15,723/-).
7. That there was a misappropriation of funds amounting to Rs.1,60,59,342/- by an employee of the Company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. Police has filed the report on 14.01.2010 in the Court of Chief Judicial Magistrate, Rohtak which is pending for framing charges against the employee .The Company had also filed a civil suit for recovery before the Delhi High Court on 13.09.2006. The aforesaid amount has been debited to concerned employee and shown under loans and advances. No provision for the same has been made since the Company expects to recover the entire amount.
8. That the balance of Rs.1,43,35,107/- with central excise department as on 31.03.2010 includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.
9. a) Sundry creditors include:
 - i) Rs.23,21,07,035/- (previous year Rs.23,09,43,507/-) 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.6,90,54,674/- (previous year Rs.4,57,46,380/-) 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.34,07,816/- (previous year Rs.43,56,202/-) payable to Indian Fasteners Ltd., a subsidiary Company.
 - iv) Rs.1,75,186/- payable to Directors of the Company (previous year Rs. nil).
- b) Other liabilities include Rs.10,57,200/-(previous year Rs.12,60,200/-) 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, 2010. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr. No	Particulars	Year ended 31 st March 2010	Year ended 31 st March 2009
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (d)] below:	Rs. 10,403	Rs. 5,398
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

d) Vender-wise Outstanding Principal Amount

Year ended	Year ended
31 st March, 2010	31 st March, 2009
Rs. 10,403/-	Rs. 5,398/-

N.R. Industries

10. Prior period items include a sum of Rs.25,21,655/- credited to the profit and loss account on account of DEPB entitlement for the financial year 2007- 2008 and amounts debited on account of professional charges, LIC Gratuity premium and salary to non-executive director Rs. 2,70,000/-, Rs.1,27,908/- and Rs.18,00,000/- respectively relating to the financial year 2008-2009.

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

Defined Contribution Plan

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

	(Amount in Rs.)	
	2009-10	2008-09
Employer's Contribution to Provident Fund	60,57,067	42,92,427
Employer's Contribution to Pension Scheme	67,46,757	82,83,125

Defined Benefit Plan

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

In respect of Financial year 2009-10, the Company has provided for a sum of Rs. 50,00,000/- towards gratuity payable for the year. The actuarial valuation certificate as certified by an actuary has not been received and the short fall, if any, in the provision of Gratuity shall be provided on receipt of actuarial valuation certificate as aforesaid.

12. Interest and other borrowing costs amounting to Rs.1,15,56,381/- (previous year Rs.68,16,544/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use.
13. Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 issued by the Ministry of Corporate Affairs, the Company has opted to apply the prescribed treatment in respect of exchange rate variation arising on long term foreign currency monetary items. Accordingly exchange rate variation arising out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset/liability by recognition as income or expense in each of such period. Out of total exchange gain of Rs.199.47 lacs arising on aforesaid long term foreign currency monetary items, a sum of Rs.132.57 lacs has been deducted to the cost of fixed assets and a sum Rs.66.90 lacs has been transferred to Foreign Monetary Items Translation Difference account. A sum of Rs.13.30 lacs has been amortized in profit and loss account in accordance with the remaining period of the long term liability.

14. Foreign currency exposures not hedged by the Company.

(Amount in Rs.)

Particulars	2009-10	2008-09
Payables		
Payable on imports	13,70,46,276	14,07,41,224
ECB Loan from ICICI Bank, Singapore	4,81,86,950	7,07,69,550
Receivables		
Sundry Debtors	13,30,30,398	19,55,91,881
Advance to Suppliers	2,10,71,670	62,40,108

15. Confirmations from debtors and creditors and parties to whom loans and advance have been made are being obtained on a periodical basis. In respect of accounts under reconciliation, necessary entries will be passed on reconciliation of these accounts.
16. Interest received includes a sum of Rs.33,49,119/- (previous year Rs.28,73,279/-) on bank deposits and Rs.1829/-(previous year Rs.152/-) received from trade customers and interest paid include Rs.13,58,500/- paid to Directors (previous year Rs.13,58,500/-).
17. In the opinion of the Managing Directors and the Joint Managing Director, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for all known liabilities have been made.

18. a) The break-up of managerial remuneration is as under: -

Sr. No	Particulars	2009 -10 (In Rs.)	2008 -09 (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	0
		36,00,000	0
	Total	2,76,02,400	2,40,02,400

In addition, salary amounting Rs.1800000/- has been paid to non-executive director for the period from 01.10.2008 to 31.03.2009 as per approval of Central Government vide letter dated 26.05.2009 and same has been adjusted under prior period items.

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

(Lac/Rs.)

	2009-10	2008-09
Net Profit as per profit and loss account	527.61	350.08
Add : Income Tax	484.02	154.20
Deferred Tax	(154.68)	88.32
Wealth Tax	1.72	2.12
Fringe Benefit Tax	0.00	60.00
Managerial remuneration	294.02	240.02
Director's sitting fees	3.05	3.10
Depreciation charged to profit and loss account	1239.08	929.82
Provision for doubtful debts	1.00	8.50
Loss on sale of Assets	0.00	0.69
	2395.82	1836.85
Less: Depreciation as per Sec. 350 of the Companies Act.	1239.08	929.82
Profit on sale of assets	0.08	0.00
	1239.16	929.82
Net Profit as per Section 349 of Companies Act, 1956	1156.66	907.03
Maximum Remuneration payable @ 10% of Net Profit	115.67	90.70

The Company has taken approval of Central Government u/s 269, 198(4)/309(3) and 637AA of the Companies Act, 1956, vide letters dated 21st February 2008 and 26th May 2009 in respect of managerial remuneration paid by the Company.

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

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Deferred tax liability		
a) on account of difference in rates and method of depreciation	73,13,986	1,92,76,970
b) on account of different treatment of certain payments under I. T. Act,1961	1,09,11,315	1,44,17,069
	1,82,25,301	3,36,94,039
Deferred tax liability		
- at the end of year (net)	1,82,25,301	3,36,94,039
- at the year	(1,54,68,738)	88,32,294

20. Earning per share- Basic and Diluted

Particulars		2009-10	2008-09
Numerator for earning per shares			
Profit before taxation and Prior period items	Rs.	8,55,42,392	5,68,98,717
Tax Expenses	Rs.	3,31,04,832	3,04,63,811
Adjustment to net earning :			
Prior period Adjustment	Rs.	3,23,747	85,72,976
Profit after taxation and Prior period items	Rs.	5,27,61,307	3,50,07,882
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.	4.82	3.20

21. Segment Reporting

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

Primary-Business Segment

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

Secondary-Geographical Segment

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

	(Rs. in lacs)	
	2009-10	2008-09
Revenue (Net of Excise)		
Domestic Market	19,328.50	16,403.25
Overseas Market	3,469.23	5,997.49
Fixed assets located (including Capital work-in-progress)		
Within India	5,949.68	6,313.12
Outside India	-	-

22. Related Party Transactions

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

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

- | | | |
|---------------|--------|---|
| 1. Subsidiary | (i) | Indian Fasteners Limited |
| 2. Associates | (i) | Amit Screws Pvt. Ltd. |
| | (ii) | Hanumat Wire Udyog Pvt. Ltd. |
| | (iii) | J C Fasteners Ltd. |
| | (iv) | LPS Bossard Pvt. Ltd. (Joint Venture) |
| | (v) | LPS Bossard Information Systems Pvt. Ltd. (Joint Venture) |
| | (vi) | 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	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2010-09	2008-09
1.	Sale of Goods								
	LPS Bossard Pvt. Ltd.	-	-	909.17	903.25	-	-	-	-
2.	Jobwork receipts								
	Lakshmi Extrusion Ltd.	-	-	3.83	-	-	-	-	-
3.	Purchase of Goods								
	Nav Bharat Agencies	-	-	9.89	7.94	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	-	-	3.09	17.72	-	-	-	-
	Total	-	-	12.98	25.66	-	-	-	-
4.	Rent received								
	LPS Fasteners & Wires Pvt. Ltd.	-	-	0.50	0.50	-	-	-	-
5.	Rent paid								
	Nav Bharat Industries	-	-	8.40	7.20	-	-	-	-
	Sushila Devi Jain	-	-	-	-	21.18	15.42	-	-
	Total	-	-	8.40	7.20	21.18	15.42	-	-
6.	Interest received								
		-	-	-	-	-	-	-	-
7.	Jobwork paid								
	Amit Screws Pvt. Ltd.	-	-	1.17	6.26	-	-	-	-
	Hanumant Wire Udyog Pvt. Ltd.	-	-	266.53	178.43	-	-	-	-
	Indian Fasteners Ltd.	-	23.20	-	-	-	-	-	-
	J.C. Fasteners Ltd.	-	-	160.59	272.46	-	-	-	-
	Lakshmi Extrusion Ltd.	-	-	56.46	73.31	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	-	-	75.00	72.67	-	-	-	-
	Nav Bharat Industries	-	-	36.67	9.06	-	-	-	-
	Shiv Industries	-	-	-	2.59	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	-	-	142.10	255.75	-	-	-	-
	United Engineers	-	-	29.65	11.17	-	-	-	-
	Universal Enterprises	-	-	24.47	37.45	-	-	-	-
	Total	-	23.20	792.64	919.15	-	-	-	-
8.	Unsecured Loan								
	Sushila Devi Jain	-	-	-	-	-	-	-	-
	L.K. Jain	-	-	-	-	17.50	-	-	-
	V.K. Jain	-	-	-	-	17.50	-	-	-
	R.K. Jain	-	-	-	-	55.80	-	-	-
	Nikhlesh Jain	-	-	-	-	-	-	28.75	-
	Gautam Jain	-	-	-	-	-	-	79.00	-
	Total	-	-	-	-	90.80	-	107.75	-
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	-	-	-	-	54.00	-	-	-
	S.K. Jain	-	-	-	-	-	-	24.37	26.30
	Gagan Jain	-	-	-	-	-	-	17.31	14.82

	Gautam Jain	-	-	-	-	-	-	17.31	14.82
	Nikhlesh Jain	-	-	-	-	-	-	16.65	14.82
	Amit Jain	-	-	-	-	-	-	17.31	14.82
	Saurabh Jain	-	-	-	-	-	-	16.45	14.82
	Rahul Jain	-	-	-	-	-	-	15.03	-
	Total	-	-	-	-	294.02	240.02	124.43	100.40
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	18.10	18.10
11.	Lifting Charges paid								
	Indian Fasteners Ltd.	3.00	3.00	-	-	-	-	-	-
	Grand Total	3.00	26.20	1727.52	1855.76	419.58	269.02	250.28	118.51
12.	Balance receivable	-	-	198.28	257.38	-	-	-	-
13.	Balance payable	34.08	43.56	521.60	389.79	231.43	140.90	398.09	175.84

23. Disclosure in respect of Company's Joint Ventures in India pursuant to Accounting Standard 27 Financial Reporting of Interest in Joint Ventures:

- (i) a) Name of the Venture LPS Bossard Pvt. Ltd.
b) Country of Incorporation India
c) Proportion of Ownership interest as at March 31, 2010 49%
d) The aggregate of Company's share in the above ventures in:

(Lac/ Rs.)

	2010	2009
ASSETS		
FIXED ASSETS		
Net Fixed Assets	348.02	372.34
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	1846.48	1449.92
Loans and Advances	49.64	64.25
LIABILITIES		
Borrowings	258.00	114.05
Current Liabilities	420.31	362.56
Provisions	52.75	12.36
INCOME		
Sales	3156.78	2389.22
Other Income	31.72	32.25
EXPENDITURE		
Cost of Materials	2038.97	1538.81
Manufacturing expenses	54.00	44.23
Personnel Expenses	236.71	187.19
Administration Expenses	405.41	372.70
Selling and Distribution Expenses	93.96	47.99
Interest & Financial Charges	7.62	12.09
Managerial Remuneration	22.64	22.64
Miscellaneous Expenses Written off	-	-
Depreciation	56.78	58.38
Wealth Tax	-	-
Current Tax	100.72	54.74
Deferred tax	3.66	(1.09)
CONTINGENT LIABILITIES	10.00	149.00
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, 2010 49%
 d) The aggregate of Company's share in the above ventures in:

	2010	2009
ASSETS		
FIXED ASSETS		
Net Fixed Assets	0.04	0.12
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets	16.27	17.91
Loans and Advances	0.03	2.91
LIABILITIES		
Current Liabilities	1.31	2.11
Provisions	(3.03)	0.18
INCOME		
Sales	5.88	5.88
Other Income	1.20	1.12
EXPENDITURE		
Personnel Expenses	3.34	5.53
Administration Expenses	1.17	1.13
Interest & Financial Charges	-	-
Managerial Remuneration	0.06	-
Miscellaneous Expenses Written off	-	-
Depreciation	0.08	0.11
Current Tax	0.00	0.01
CONTINGENT LIABILITIES	-	-
CAPITAL COMMITMENTS	-	-

24. 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.
25. Provisions are recognized for expenses such as gratuity, income tax, wealth tax, leave encashment and bonus to employees. The provisions are recognized on the basis of past events and the probable settlement of the present obligation as a result of the past events during the financial year 2009-10

	2010 (Lac/Rs)	2009 (Lac/Rs)
The movements in provisions are as under:		
1. Carrying amount as on 01.04.2009	416	561
2. Additional provisions made during the financial year 2009-10 including increase to existing provisions.	670	416
3. Amounts used (incurred and charged against the provisions) during the financial year 2009-10	416	559
4. Unused amounts reversed during the financial year 2009-10	0	2
5. Carrying amounts of provisions as on 31.03.2010	670	416

26. The Company has proposed dividend for the year @10% on its equity capital and a provision for corporate dividend tax including surcharge and education cess thereon has been made in accordance with Finance Act, 2010. The said amount is not subject to tax deducted at source (TDS). No dividend has been declared by the group companies.

27. 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	2010		2009	
		Qty	Lac/Rs.	Qty	Lac/Rs.
a) Turnover					
Finished Goods					
Machine Screws	Lac/Nos.	6678	22248	5952	21841
Scrap Materials	M. Tons	3435	550	3236	560
			22798		22401
b) Raw Materials Consumed					
Wire/ Wire Rods	M. Tons	16868	7519	15350	8413
Stainless Steel/ Bars	M. Tons	171	212	370	791
		17039	7731	15720	9204
c) Opening Stocks					
Finished Goods	Lac/Nos.	678	4112	603	3495
Finished Goods in Transit	Lac/Nos.	4	20	4	19
Semi finished Goods	Lac/Nos.	1120	1989	1177	1819
Scrap Materials	M. Tons	373	65	322	55
			6186		5388
Purchases					
Semi-finished Goods	Lac/Nos.	507	773	282	1178
			773		1178
Closing Stocks					
Finished Goods	Lac/Nos.	558	4223	678	4112
Finished Goods in Transit	Lac/Nos.	9	45	4	20
Semi finished Goods	Lac/Nos.	1195	2165	1120	1989
Scrap Materials	M. Tons	370	65	373	65
			6498		6186

d) Licenced Capacity, Installed Capacity and Production

# Licenced Capacity	M. Tons	19210	19210
## Installed Capacity	M. Tons	18996	18996
@ Actual Production	M. Tons	13606	12433
	(Lac/ Nos.)	(6131)	(5689)
Capacity Utilization	%	72	65

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

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

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

e) C.I.F. Value of Imports

		2009-10	2008-09
Finished Goods/Semi Finished	Lac/ Rs.	293	373
Raw Material (Wire/ Wire rods)	Lac/ Rs.	1,633	1,735
Tooling Steel, Stores and Spares	Lac/ Rs.	60	226
Capital Goods	Lac/ Rs	125	899

f) Earning in Foreign Exchange

F.O.B. value of exports	Lac/ Rs.	*3,353	*6,099
-------------------------	----------	--------	--------

(*including deemed exports of Rs.540.14 Lacs (previous year Rs.1,212 Lacs)

g) Expenditure in Foreign Currency

Foreign Traveling	Lac/ Rs.	94.09	111.96
Royalty	Lac/ Rs.	14.11	5.80
Books, Membership and other Payments	Lac/ Rs	0.69	2.29
Professional and Legal Charges	Lac/ Rs.	----	19.27
Advances against Capital Goods/Raw Materials	Lac/ Rs	210.99	62.40
h) Dividend paid in foreign currency		Nil	Nil

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

	Lac/ Rs.	%	Lac/ Rs.	%
Imported	1,509	20	2,293	25
Indigenous	6,222	80	6,911	75
	7,731	100	9,204	100

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

I Registration Details

Registration No. 4 9 7 7

State Code 0 5

Balance Sheet Date 3 1 Month 0 3

Year 2 0 1 0

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 0 9 1 8 7 4

Total Assets

2 0 9 1 8 7 4

Sources of Funds

Paid up Capital

1 0 9 4 1 7

Reserves and Surplus

7 6 5 6 2 6

Secured Loans

1 1 3 8 5 4 4

Unsecured Loans

6 0 0 6 2

Deferred Tax Liability

1 8 2 2 5

Application of Funds

Net Fixed Assets

5 9 4 9 6 8

Investments

4 2 7 3 7

Net Current Assets

1 4 5 2 4 4 0

Misc. Expenditure

1 7 2 9

Accumulated Losses

N I L

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

Turnover

			2	2	7	9	7	7	2
--	--	--	---	---	---	---	---	---	---

Total Expenditure

			2	2	2	3	8	7	2
--	--	--	---	---	---	---	---	---	---

Profit/ Loss after Tax

					5	2	7	6	1
--	--	--	--	--	---	---	---	---	---

Dividend Rate %

								1	0
--	--	--	--	--	--	--	--	---	---

Other Income

					2	9	6	4	2
--	--	--	--	--	---	---	---	---	---

Profit before Tax

					8	5	5	4	2
--	--	--	--	--	---	---	---	---	---

Earnings per Share (Rs.)

					4	.	8	2
--	--	--	--	--	---	---	---	---

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

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

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

31. Schedule 1 to 16 form integral part of Balance Sheet and Profit and Loss Account.

Auditors' Report:-

As per our report of even date attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA

Dated : May 27, 2010

CASH FLOW STATEMENT

Description	Year ended March 31,2010 (Rs.)	Year ended March 31,2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	52761307	35007882
Adjustments for:		
Tax	33104832	30463811
Net profit before tax and extraordinary items	85866139	65471693
Adjustments for:		
Depreciation	123908470	92981689
Deferred payment interest and Technical know how fee written off	1320300	1625644
Rent and Interest received (Gross)	(3401348)	(2923831)
Interest and Financial charges	164775118	163053959
Provisions for Bad and Doubtful Debts	100000	850000
Profit/Loss on sale of assets (Net)	(7942)	68879
Reduction in Reserve due to change in accounting policy *	8021248	(12445666)
Operating profit before working capital changes	380581985	308682367
Adjustments for:		
Trade Payables	189984904	23487173
Trade and other receivables	(19760901)	34844614
Inventories	(256328511)	(130570561)
Cash generated from operations	294477477	236443593
Interest and financial charges	(165809923)	(162191613)
Direct Taxes	(12000000)	(10000000)
Net cash from operating activities	116667554	64251980
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(87582794)	(185326057)
Proceeds from Sale of fixed assets	26500	16160
Purchase of investment	0	(500000)
Rent and Interest received (net of TDS)	2931955	1941106
Deferred payment interest and Technical know how fee provided during the year	(597636)	(1132839)
Net cash used in investing activities	(85221975)	(185001630)

*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 Ending March 31, 2010 (Rs.)	Year Ending March 31, 2009 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	0	224019079
Repayment of short term borrowings	0	(149477660)
Proceeds from long term borrowings	210694988	141338903
Repayment of long term borrowings	(224900026)	(116278249)
Repayment to Directors and others	19855529	(600000)
Dividend paid	(7551145)	(15089985)
	(1900654)	83912088
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	29544925	(36837562)
Cash and Cash equivalents (Opening Balance)	67623199	104460761
Cash and Cash equivalents (Closing Balance)	97168124	67623199

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the Members of the Company.

Auditors' Report:-

As per our report of even date attached

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

Place : NOIDA
Date : May 27, 2010

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, 2010 and the consolidated profit and loss account for the year ended on that date annexed thereto and the consolidated cash flow statements for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not carry out the audit of the financial statements of the subsidiary Indian Fasteners Limited and the Joint ventures 'LPS Bossard Private Limited, and LPS Bossard Information Systems Private Limited' and the associates namely J C Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited. The figures of the subsidiary company, 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 subsidiary and the proportionate share in the joint ventures are given below:

(Amount in rupees)

Name of the Company	Total Assets	Total Revenue
Indian Fasteners Limited	1,69,60,117	24,79,169
LPS Bossard Private Limited	22,44,13,926	31,88,49,964
LPS Bossard Information Systems Private Limited	16,34,518	7,08,026

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

We report that, on the basis of the information and explanations given to us, and on the consideration of provisional financial statements of the subsidiary, joint ventures and associates, the consolidated financial statements subject to note no. 10 with regard to provision of gratuity and non-furnishing of information, as required by AS-15 'Employee Benefits' issued by the Institute of Chartered Accountants of India and read together with the significant accounting policies and other notes give a true and fair view in the case of:

- the consolidated balance sheet, of the consolidated state of affairs of the Company, its subsidiary, associates and joint ventures as at 31st March, 2010 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 27, 2010

V.P. Bansal
Partner
M. No. 8843



CONSOLIDATED BALANCE SHEET

Description	Schedule No.	As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (Rs.) (Consolidated)
A. SOURCES OF FUNDS						
a) Shareholders' Funds						
Share Capital	1	109416670	23520191	1847491	134784352	134784350
Less: Investment in Joint venture companies					25367682	25367680
Reserves and Surplus	2	109416670	129767217	(40137)	109416670	109416670
		773583588	129767217	(40137)	903310668	838015196
		883000258	129767217	(40137)	1012727338	947431866
b) Loan Funds						
Secured Loans	3	1140016694	25799848	0	1165816542	1166252078
Unsecured Loans	4	60062540	0	0	60062540	40207011
		1200079234	25799848	0	1225879082	1206459089
c) Deferred Tax Liabilities(net)		19379857	(1978759)	0	17401098	32816559
d) Minority Interest		4621369	0	0	4621369	4613692
TOTAL		2107080718	177108497	1807354	2260628887	2191321206
B. APPLICATION OF FUNDS						
a) Fixed Assets						
Gross Block	5	1546930949	64724929	376878	1612032755	1516031958
Less: Depreciation		945703133	29923289	372868	975999290	845055521
Net Block		601227816	34801640	4010	636033466	670976437
Add: Capital Work in Progress		5180067	0	0	5180067	10427782
		606407883	34801640	4010	641213533	681404219
b) Investments	6	41185002	0	0	41185002	41898659
Less: Investment in Joint venture companies					25367680	25367680
					15817322	16530979
c) Current Assets, Loans and Advances	7					
Inventories		1547848227	53974414	0	1601822641	1323423827
Sundry Debtors		536599024	120549674	0	657148698	610371814
Cash and Bank Balances		97698002	9534950	1462472	108695424	82119954
Other Current Assets		19854055	589547	164563	20608165	26971620
Loans and Advances		159766456	4963701	3474	164733631	158284563
		2361765764	189612286	1630508	2553008558	2201171778
Less: Unrealised profit on intra group transactions					1230490	1188269
		2361765764	189612286	1630508	2551778068	2199983509
Less: Current Liabilities and Provisions						
Current Liabilities	8	856993212	42030497	130561	899154269	695258882
Provisions		47013933	5274932	(303397)	51985468	14978772
		904007145	47305429	(172836)	951139737	710237654
Less: Unrealised profit on intra group transactions					1230490	1188269
Total Current Liabilities		1457758619	142306857	1803344	949909247	709049385
Net Current Assets					1601868820	1490934124
d) Miscellaneous Expenditure	9	1729214	0	0	1729214	2451878
TOTAL	17	2107080718	177108497	1807354	2260628887	2191321206
C. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES						

Auditors' Report:-

As per our report of even date attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA
Dated : May 27, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2010 (Rs.) (Consolidated)	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2010 (Rs.) Total	Year Ending 31.03.2009 (Rs.) (Consolidated)
A. INCOME						
Sales and Services		2455478321	315677958	588000	2771744279	2745841606
Less: Excise Duty		175705713	0	0	175705713	266258050
Net Sales		2279772608	315677958	588000	2596038566	2479583556
Job Work Receipt		4214593	0	0	4214593	1072135
Other Income	10	27459534	3172007	120026	30751566	28293076
Deferred Tax Liabilities written back		0	0	0	0	112414
Share in associates		(713657)	0	0	(713657)	290377
		2310733078	318849964	708026	2630291068	2509351558
B. EXPENDITURE						
Materials and Finished Goods	11	819206657	203896681	0	1023103338	1112278152
Manufacturing	12	484121326	5400302	0	489521628	398707791
Personnel	13	377530109	23670544	334222	401534875	350375013
Office and Administration	14	114473246	40540770	117249	155131265	177004431
Selling and Distribution	15	112594950	9395504	0	121990454	108649694
Interest and Financial charges	16	164997551	762054	0	165759605	164557734
Managerial Remuneration		27602400	2263800	5880	29872080	26272080
Depreciation		125314328	5678218	7636	131000183	100236564
		2225840567	291607873	464987	2517913428	2438081461
Profit before tax and prior period items		84892511	27242091	243038	112377640	71270097
Add:- Prior period items (Note Ref. No 9)		323747	0	0	323747	8572976
Profit before tax		85216258	27242091	243038	112701387	79843073
Tax Expenses						
- Current tax		48568999	10072440	0	58641439	21068096
- Deferred tax		(15615879)	366306	0	(15249573)	8722739
- Fringe benefit tax		0	0	0	0	7065078
- Wealth tax		171571	0	0	171571	211700
C. PROFIT FOR THE YEAR CARRIED DOWN		52091567	16803345	243038	69137950	42775460
D. PROFIT FOR APPROPRIATION						
Balance as per last Balance Sheet		374389946	109624464	(283175)	483731235	448006354
Balance as per last Balance Sheet - share in associates		4793948	0	0	4793948	4503571
Profit for the year brought down		52091567	16803345	243038	69137950	42775460
		431275461	126427809	(40137)	557663132	495285385
Less: Profit of subsidiary company for the year ended 31.03.2010		43917	0	0	43917	45078
Transfer to General Reserve		0	0	0	0	0
Proposed Dividend		10941667	0	0	10941667	6565000
Corporate Dividend Tax		1859536	0	0	1859536	1115722
Balance carried over to Balance Sheet		418430341	126427809	(40137)	544818012	487559585
		431275461	126427809	(40137)	557663132	495285385
E. EARNING PER SHARE (FACE VALUE RS.10 PER SHARE)						
- Basic and diluted					6.32	3.91
F. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	17					

Auditors' Report:-

As per our report of even date attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA
Dated : May 27, 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description	Refer Notes	As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (Rs.) (Consolidated)
SCHEDULE 1						
SHARE CAPITAL						
Authorised:						
16470000 Equity Shares of Rs. 10/- each		164700000	29400000	3675000	197775000	197775000
Less: Authorised Capital of Joint Ventures		0	0	0	33075000	33075000
30000 9.5% Cumulative Redeemable Preference Shares of Rs. 10/- each		300000	0	0	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		318336034	0	0	318336034	318336034
General Reserve		22114385	3339408	0	25453793	25453793
Reserves of subsidiary company after 24.12.1990		4693623	0	0	4693623	4677827
Foreign Currency Monetary Item Translation Difference A/c		(3105618)	0	0	(3105618)	(11126866)
Profit and Loss Account		418430341	126427809	(40137)	544818012	487559585
		773583588	129767217	(40137)	903310668	838015196
SCHEDULE - 3						
SECURED LOANS						
From Banks						
Canara Bank, Rohtak						
Working Capital Limits	1					
Cash Credit Accounts		442521836	9107562	0	451629398	409314504
Foreign Bills Purchased Account		45093457	0	0	45093457	92086638
Bills Discount Account		43257638	16692287	0	59949925	27370802
Cheques Discounted		0	0	0	0	9158061
Bills (L/C) Account		0	0	0	0	40422693
Working Capital Term Loan		17625747	0	0	17625747	29384681
Short Term Loan		25125206	0	0	25125206	16115053
Term Loan		6412252	0	0	6412252	3981408
		580036136	25799848	0	605835984	627833840
Indian Overseas Bank, Rohtak						
Cash Credit Accounts	1	166489743	0	0	166489743	139424899
Foreign Bills Purchased Account		20933950	0	0	20933950	30397658
Bills Discount Account		0	0	0	0	1177858
Term Loan		4318132	0	0	4318132	0
		191741825	0	0	191741825	171000415
ICICI Bank Ltd. Delhi						
ICICI Working Capital Demand Loan		39977883	0	0	39977883	34552001
Rupee Currency Term Loan	2	14103944	0	0	14103944	36539703
Foreign Currency Term Loan		193468518	0	0	193468518	272804850
Against hypothecation of Motor Cars		2921911	0	0	2921911	9173912
		250472256	0	0	250472256	353070466
HDFC Bank Limited, Rohtak						
Against hypothecation of Motor Cars		4288670	0	0	4288670	0
		4288670	0	0	4288670	0
IDBI Bank Ltd.						
Cash credit account / Short Terms Loans	3	35386114	0	0	35386114	12595970
Terms Loans		73285086	0	0	73285086	0
		108671200	0	0	108671200	12595970

Description	Refer Notes	As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (Rs.) (Consolidated)
State Bank Of India, Rohtak Against hypothecation of Motor Cars		2121562	0	0	2121562	488044
		2121562	0	0	2121562	488044
Deferred Payment Credits Haryana State Industrial & Infrastructure Development Corporation Limited	5	2685045	0	0	2685045	1263343
		1140016694	25799848	0	1165816542	1166252078

NOTES:

- 1 (i) Working capital limits from Canara Bank and Indian Overseas Bank are in consortium in the ratio of 70 : 30 respectively. The limits from consortium banks are secured by way of first charge against hypothecation of stocks and book debts (present and future) and second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by S/Shri L.K.Jain, D.K. Jain, V.K. Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K. Jain, Director of the Company.
Working capital limits from consortium banks are further secured by way of equitable mortgage of
 - (i) Land measuring 10640 sq. yards situated at Rohtak in the name of Smt. Sushila Devi Jain, Director of the Company.
 - (ii) Agriculture land measuring 4.6125 acres situated at Mauza Kharawar, Distt.Rohtak in the names of Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company and Shri Saurabh Jain son of Shri S. K. Jain, brother of Shri D.K. Jain, Director of the Company.
 - (iii) Pari-passu charge on entire fixed assets of the Company acquired/to be acquired out of term loan of USD 6.66 Million (Approximately Rs.29.30 Crores) availed from ICICI Bank.
- (ii) Working capital term loan from Canara Bank is secured by way of hypothecation of existing stocks of dies and tools of the Company and Short term loan is secured by way of stock of Dies and Tools purchased out of loan proceeds. The said loans are further secured by way of collateral securities as applicable to working capital limits from the bank as mentioned in para 1 above.
- (iii) Term loan from Canara Bank is secured by way of first charge on DG set purchased out of loan proceeds and is further secured by way of second charge on fixed assets and other assets of the Company given to the bankers against working capital limits and also on personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.
- 2 (i) Cash credit limit/ Short Term Loan from ICICI Bank Limited is secured by first charge by way of hypothecation of Company's entire stocks of raw materials, semi-finished and finished goods, consumables stores and such other moveables, including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form and manner satisfactory to the bank, ranking pari-passu with other participating banks, second mortgage and charge on all the Company's immoveable properties and fixed assets, both present and future ranking pari-passu with other participating bank and unconditional and irrevocable guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company.
- (ii) Rupee Currency term loan from ICICI Bank Ltd. is secured by way of first charge on all the Company assets including all moveable and immovable properties both present and future on pari-passu basis and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company.
- (iii) Foreign Currency term loan from ICICI Bank Ltd. is secured by way of first pari-passu charge on entire fixed assets of the Company both present and future and is further secured by second pari-passu charge by way of hypothecation of the entire stocks of raw materials, semi-finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future and unconditional and irrevocable personal guarantees of S/Shri L.K.Jain, D.K.Jain, V.K.Jain and Rajesh Jain, Directors of the Company and Shri Nikhlesh Jain son of Shri D.K.Jain, Director of the Company.
- 3 (i) Cash Credit /Short term loan from IDBI Bank is secured by way of subservient charge on entire current and movable fixed assets of the Company and guaranteed by Shri L.K. Jain, Chairman and Managing Director of the Company.
- (ii) Term loan from IDBI Bank is secured by way of first pari-passu charge on the fixed assets of Company and guaranteed by Shri L.K.Jain Chairman and Managing Director of the Company.
- 4 In case of Joint Venture Company 'Cash Credit' from bank and 'Bills Discounted with bank' are secured as primary security by way of first charge on current assets, stock and book debts (both present and future) of the Company and as collateral security by way of first charge on fixed assets (excluding computer soft wares and vehicles) and machinery and equipments, office equipments, computer hardware and furniture & fixtures.
- 5 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.
- 6 Term loans and deferred payment credits due within a year are Rs. 1610 lacs (Previous year Rs.1576 lacs).

Description	As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (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	9560454	0	0	9560454	480176
From Others	21702086	0	0	21702086	10926835
	60062540	0	0	60062540	40207011

SCHEDULE 5
FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2009 Rs.	Additions Rs.	Adjustment /Sales Rs.	As at 31.03.2010 Rs.	Upto Last Year Rs.	For the year Rs.	Adjustment /Sales Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1	Freehold Industrial Land	45180877	4695549	0	49876426	0	0	0	0	49876426	45180897
2	Leasehold Industrial Land	0	0	0	0	0	0	0	0	0	0
3	Factory Building	188386051	4933462	0	193319513	49129900	7387142	0	56517042	136802471	139256153
4	Freehold Office Premises	813362	0	0	813362	428505	19244	0	447749	365613	384857
5	Leasehold Office Premises										
	Consolidated	553040	0	0	553040	321576	11573	0	333149	219891	231504
	Share in LPSBPL	11107810	59213	0	11167023	4044117	1438851	0	5482967	5684055	7063694
6	Plant and Machinery										
	Plant & Machinery	914039126	57570572	14520456	957089242	593951255	89415234	0	683366489	273722753	318781693
	Lab Equipments	22264771	0	0	22264771	16052625	2302177	0	18354802	3909969	6212146
	Dies & Tools	51108626	21571784	0	72680410	13272578	6311827	0	19584405	53096005	39444603
7	Effluent Treatment Plant	1364489	0	0	1364489	1271222	25947	0	1297169	67320	92934
8	Furniture and Fixtures										
	Consolidated	37957733	1932116	0	39889849	24652795	1990685	0	26643480	13246369	13324052
	Share in LPSBPL	23200193	519061	0	23719255	5452965	1350579	0	6803544	16915711	17747229
	Share in LPSBISPL										
9	Electric Fans and Installations	34385907	293110	0	34679017	22373392	1734703	0	24108095	10570922	12148717
10	Office Equipments										
	Share in LPSBPL	23497675	547942	0	24045617	9948310	1092835	0	11041145	13004472	13573290
	Share in LPSBISPL	5682924	424613	52920	6054617	944217	291937	21609	1214544	4840073	4738707
11	Computers and Computer Software	5331	0	0	5331	3331	152	0	3483	1848	2000
	Consolidated	63173227	9593241	0	72766468	52893741	8500145	0	61393886	11372582	10379984
	Share in LPSBPL	18138740	2274321	0	20413061	13188128	2270884	0	15459011	4954049	4951245
	Share in LPSBISPL	371546	0	0	371546	361901	7484	0	369385	2161	9646
12	Motor Vehicles										
	Consolidated	69188812	6157636	54000	75292448	34419158	6394161	35442	40777877	34514571	34769610
	Share in LPSBPL	3370974	0	0	3370974	637253	325969	0	963222	2407752	2733720
13	Weighting Counting Scales	1416818	40401	0	1457219	1119578	41081	0	1160659	296560	299139
14	Fire Extinguishers	823925	15154	0	839079	589612	87573	0	677185	161894	238666
	Total	1516031957	110628175	14627376	1612032755	845056157	131000183	57051	975999290	636033466	670976438
	Add: Capital Work in Progress Consolidated	10427782	4353350	9601065	5180067	0	0	0	0	5180067	10427782
	Total : Current year	1526459739	114981525	24228441	1617212822	845056157	131000183	57051	975999290	641213533	681404219
	Previous Year	1313664647	204806783	2439472	1516031958	746068306	100236565	1249351	845055521	681404219	593970524

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. 11556381/-(last year Rs. 6816544/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountants of India.
4. Leashold 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. 13257020/- on account of exchange gain during the year has been adjusted in Plant & Machinery in accordance with the Notification no. G.S.R.225(E) dated 31st March, 2009 issued by Ministry of Company Affairs.

Description		As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (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 31.03.2009 (including Goodwill Rs. Nil on acquisition)	2428754				
		5221754				
Add:-	Share in profit for the year ended 31.03.10	67321	5289075	0	0	5289075
						5221754
J.C. Fasteners Limited, Rohtak (Associate Company)						
700000	Equity Shares of Rs.10/- each	7000000				
Add:-	Accumulated Income upto 31.03.2009 (including Goodwill Rs. 1386000/- on acquisition)	1371882				
		8371882				
Add:-	Share in profit for the year ended 31.03.10	123414	8495296	0	0	8495296
						8371882
Lakshmi Extrusion Limited, Rohtak (Associate Company)						
30000	Equity Shares of Rs.100/- each	3000000				
Add:-	Accumulated Income upto 31.03.2009 (including Goodwill Rs. 285000/- on acquisition)	-62657				
		2937343				
Add:-	Share in profit for the year ended 31.03.10	-904392	2032951	0	0	2032951
						2937343
LPS Bossard Private Limited (Joint Venture)						
2352019	Equity Shares of Rs.10/- each	23520190	0	0	23520190	23520190
LPS Bossard Information Systems Private Limited (Joint Venture)						
184749	Equity Shares of Rs.10/- each	1847490	0	0	1847490	1847490
		41185002	0	0	41185002	41898659
Less: Investments in Joint Venture Companies					25367680	25367680
					15817322	16530979
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:						
		205127226	0	0	205127226	55546287
Raw Materials in transit						
		44424459	0	0	44424459	0
Finished goods						
		422292550	58440810	0	480733360	450839046
Less:- Unrealised Profit on intra group transactions						
		0	(123049)	0	(123049)	(283684)
		4532757	0	0	4532757	1954686
Semi finished goods						
		216430647	0	0	216430647	198934152
Consumables stores, tools and spare parts						
		172473786	0	0	172473786	115899955
Dies and Tools						
		447771058	0	0	447771058	473741059
Packing materials						
		27777356	49000	0	27826356	27334055
Stationary in hand						
		482700	0	0	482700	416957
Postage and foreign stamps						
		457	0	0	457	200
Scrap materials (at realisable value)						
		6535231	0	0	6535231	6452125
Less :- Provision for Slow Moving Inventory						
		0	(4392347)	0	(4392347)	(7411010)
		1547848227	53974414	0	1601822641	1323423827

Description	As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (Rs.) (Consolidated)
Sundry Debtors (Unsecured- considered good unless otherwise stated)					
Debts outstanding for a period exceeding six months	44859219	0	0	44859219	93563501
Other Debts	492689805	127619731	0	620309536	523744274
	537549024	127619731	0	665168755	617307775
Less: Provision for Bad and Doubtful Debts	950000	7070058	0	8020058	6935961
	536599024	120549674	0	657148698	610371814
Less: Unrealised profit on intra group transactions	0	0	0	1230490	1188269
	536599024	120549674	0	655918208	609183545
Cash and Bank Balances					
Cash in hand	1260091	3392	393	1263877	1035509
(includes cheques in hand - Rs.240000/-, previous year Rs. 4641532/-) with Scheduled Banks					
In Fixed Deposit Accounts					
Pledged as margin money against bank guarantees	125000	0	0	125000	300000
Pledged as margin money against letter of credits	44151872	0	0	44151872	29632000
Lien against public deposits	5506609	0	0	5506609	4500000
Fixed Deposit (non-lien account)	10306421	7350000	1363520	19019941	21548675
In cash margin on letter of credit account	0	1418300	0	1418300	3907667
In Current Accounts	34602293	763258	98558	35464109	19580182
In Dividend Accounts	1710966	0	0	1710966	1581389
In E E F C Account (\$ 769.83 Previous year \$769.83)	34750	0	0	34750	34532
	97698002	9534950	1462472	108695424	82119954
Other Current Assets					
Interest accrued on deposits	1749141	589547	164563	2503251	2565174
Freight subsidy receivable	1000000	0	0	1000000	2000000
Export incentive receivable	14381952	0	0	14381952	17185583
DEPB Licence in hand	2722962	0	0	2722962	5220863
	19854055	589547	164563	20608165	26971620
Loans and Advances (unsecured considered good)					
Advances recoverable in cash or in kind or for value to be received	124923020	520947	1514	125445481	125067094
Security deposits	11445352	4442755	1960	15890067	15868332
Balance with Central Excise Department					
Excise Duty	14335107	0	0	14335107	14149987
Service Tax	1571928	0	0	1571928	1527390
VAT refund due	7491049	0	0	7491049	1671760
	159766456	4963701	3474	164733631	158284563
	2361765762	189612286	1630508	2531169901	2199983510
SCHEDULE - 8 CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities					
Acceptances	47689348			47689348	28604737
Sundry Creditors					
Due to micro and small enterprises	10403	0	0	10403	5398
Due to other than micro and small enterprises	632809800	36426502	64114	669300416	537545762
Advances and progress payments from customers	78320359	0	0	78320359	62517556
Unclaimed dividend-Equity	1710966	0	0	1710966	1581389
Other liabilities	58604974	5603995	66447	64275416	33480612
Excise duty payable	36945535	0	0	36945535	29215273
Interest accrued but not due	901827	0	0	901827	1936632
Current Accounts with Banks (Credit Balances)	0	0	0	0	371523
	856993212	42030497	130561	899154269	695258882
Less: Unrealised profit on intra group transactions	0	0	0	1230490	1188269
	856993212	42030497	130561	897923779	694070613
Provisions					
Income Tax (net of advance tax and TDS)	34041159	4000932	(332250)	37709841	2855677
Wealth Tax	171571	0	0	171571	211700

Description		As at 31.03.2010 (Rs.) (Consolidated)	As at 31.03.2010 (Rs.) Joint Venture in LPSBPL	As at 31.03.2010 (Rs.) Joint Venture in LPSBISPL	As at 31.03.2010 (Rs.) Total	As at 31.03.2009 (Rs.) (Consolidated)
Fringe Benefit Tax (net of advance tax)		0	0	0	0	3885000
Leave Encashment		0	0	11948	11948	0
Gratuity		0	637000	16905	653905	0
Provision of contingency		0	637000	0	637000	345672
Proposed Dividend		10941667	0	0	10941667	6565000
Corporate Dividend Tax		1859536	0	0	1859536	1115722
		47013933	5274932	(303397)	51985468	14978772
		904007145	47305429	(172836)	949909247	709049385
SCHEDULE - 9						
MISCELLANEOUS EXPENDITURE						
(To the extent not written off or adjusted)						
Interest on deferred payments						
As per last Balance Sheet	690163					
Add: During the year	0					
	690163					
Less: Written off	487653	202510	0	0	202510	690163
Technical knowhow fee						
As per last Balance Sheet	1761715					
Add: During the year	597636					
	2359351					
Less: Written off	832647	1526704	0	0	1526704	1761715
		1729214	0	0	1729214	2451878
Description		Year Ending 31.03.2010 (Rs.) (Consolidated)	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2010 (Rs.) Total	Year Ending 31.03.2009 (Rs.) (Consolidated)
SCHEDULE - 10						
OTHER INCOME						
Rent		50400	0	0	50400	50400
Interest on fixed deposits with banks, loans and from customers and income tax refund (TDS Rs. 469393/- Previous year Rs. 982725/-)		3350948	687545	120026	4158518	3382862
Miscellaneous receipts		1607035	758060	0	2365095	2643609
Profit on sale of assets		7942	0	0	7942	0
Export Incentive		11096038	0	0	11096038	18180155
Exchange rate variation		11347171	1726401	0	13073572	(1055367)
Marketing Support Service		0	0	0	0	3770786
Excess provision of income tax written back		0	0	0	0	185000
Bad debts recovered		0	0	0	0	1135631
		27459534	3172007	120026	30751566	28293076
SCHEDULE - 11						
MATERIALS AND FINISHED GOODS						
Raw Materials Consumed						
Opening stocks		55546287	0	0	55546287	95002613
Add: Purchases		904870117	0	0	904870117	859921081
Freight and cartage		17816296	0	0	17816296	20992904
		978232700	0	0	978232700	975916598
Less : Closing stocks		205127226	0	0	205127226	55546287
Raw materials consumed		773105474	0	0	773105474	920370311
Add: Opening stocks						
Finished goods		411252156	34869182	0	446121338	376246203
Finished goods in transit		1954686	0	0	1954686	1894406
Semi finished goods		198934152	0	0	198934152	181886302
Scrap materials		6452125	0	0	6452125	5518530
		618593119	34869182	0	653462301	565545441
Add: Purchase of semi-finished goods		77299249	222249703	0	299548952	273476944
		1468997842	257118885	0	1726116727	1759392696

Description		Year Ending 31.03.2010 (Rs.) (Consolidated)	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2010 (Rs.) Total	Year Ending 31.03.2009 (Rs.) (Consolidated)
Less : Closing stocks						
Finished goods		422292550	53974414	0	476266964	443144352
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	53974414	0	703765599	650485315
Add : Stock Obsolence		0	3770873	0	3770873	1468467
Add : Provision for Slow Moving Inventory		0	(3018663)	0	(3018663)	1902306
		819206657	203896681	0	1023103338	1112278152
SCHEDULE - 12						
MANUFACTURING EXPENSES						
Consumable stores, spare parts and tools		54204814	0	0	54204814	25814642
Dies and Tools		51136288	0	0	51136288	27698936
Electricity, water and fuel		123911942	0	0	123911942	100801958
Job work charges		189041253	0	0	189041253	195389232
Excise duty on closing stock of finished goods and scrap	36945535					
Less: Excise duty payable as on 01.04.2009	29215273	7730262	0	0	7730262	(16735990)
Repairs to machinery		9250148	0	0	9250148	10803482
Packing Expenses		39814326	5400302	0	45214628	46603316
Testing charges		578828	0	0	578828	447593
Generator hire charges		4144439	0	0	4144439	1194825
Research and development expenses		2662771	0	0	2662771	5144174
Royalty, Technical know-how fee		1646255	0	0	1646255	1545623
		484121326	5400302	0	489521628	398707791
SCHEDULE - 13						
PERSONNEL EXPENSES						
Salaries, Wages and other amenities		327847574	19106058	334222	347287854	297251278
Bonus		10077889	0	0	10077889	11997489
Co's contribution towards LIC Gratuity Trust		5932159	3006935	0	8939094	3000000
Co's contribution towards P.F.		12803824	805494	0	13609318	14061811
Co's contribution towards E.S.I.		2520753	20913	0	2541666	4431196
Staff welfare		9390405	560741	0	9951146	10544797
Staff recruitment and training		637651	170402	0	808053	1825631
Watch and ward expenses		8319854	0	0	8319854	7262812
		377530109	23670544	334222	401534875	350375013
SCHEDULE - 14						
OFFICE AND ADMINISTRATION EXPENSES						
Rent		5418495	12821507	11760	18251762	18027116
Rates and taxes		562291	0	0	562291	451983
Printing and stationery		4335206	4014429	0	8349635	9541491
Postage, Telephone, Telex and fax		7763148	2667164	0	10430312	11112914
Travelling and conveyance		55226759	13998193	16204	69241156	80054155
Vehicle maintenance		3723191	0	0	3723191	3792769
Legal and consultancy		13994761	651873	28322	14674956	14645900
Insurance		2422290	230896	0	2653186	3158793
Auditors' Remuneration						
Audit fee		1006000	323648	56350	1385998	1282908
Tax Audit Fees		100000	0	0	100000	100000
Limited Review		180000	0	0	180000	180000
Out-of pocket expenses (including service tax)		96551	0	0	96551	73947
Repairs to building		4634811	240940	0	4875751	5382377
Floriculture expenses		464111	0	0	464111	1111932

Description	Year Ending 31.03.2010 (Rs.) (Consolidated)	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBPL	Year Ending 31.03.2010 (Rs.) Joint Venture in LPSBISPL	Year Ending 31.03.2010 (Rs.) Total	Year Ending 31.03.2009 (Rs.) (Consolidated)
General repairs	7469049	3478550	1544	10949143	15026126
Loss on sale of assets	0	26411	0	26411	728425
Miscellaneous	6771583	1607665	3069	8382317	11258650
Directors sitting fee	305000	0	0	305000	310000
Electricity Expenses	0	479494	0	479494	764945
	114473246	40540770	117249	155131265	177004431
SCHEDULE - 15					
SELLING AND DISTRIBUTION EXPENSES					
Freight and cartage	46522451	3165034	0	49687485	51342246
Turnover and cash discount	40712834	0	0	40712834	36462416
Advertisement, Publicity and sales promotion	16901477	4262462	0	21163939	12930137
Bad Debts, Liquidated damages and short recoveries	3479061	990307	0	4469368	5091281
Provision for Bad and Doubtful Debts	100000	977700	0	1077700	-1672050
Excise duty and sales tax	4879127	0	0	4879127	4495664
	112594950	9395504	0	121990454	108649694
SCHEDULE - 16					
INTEREST AND FINANCIAL CHARGES					
Interest					
On fixed loans	33257550	0	0	33257550	33590419
On non-fixed loan	83982266	432038	0	84414304	88671220
Exchange rate fluctuation	13817491	0	0	13817491	15188012
Front-end fee	128000	0	0	128000	2715176
Financial charges	3940187	0	0	3940187	746424
Bank charges	29872057	330016	0	30202073	23646484
	164997551	762054	0	165759605	164557734

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 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, 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. Other Income is accounted for on accrual basis. Dividend income is accounted for when the right to receive the payment is established.

f) **Foreign Currency Transactions**

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. However in case of 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) **Inventories**

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

h) **Investments**

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

i) **Retirement Benefits**

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the group gratuity scheme of Life Insurance Corporation of India. 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.

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 of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees.

j) **Research and Development**

Intangible Assets arising from development are not recognized since the asset is not identifiable and future economic benefits from the assets are

not probable. Expenditure on research is recognized as an expense when it is incurred. Research and development cost include salaries and other related cost of personnel, cost of materials and services consumed and other overhead costs related to research and development.

k) **Borrowing Costs**

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

l) **Excise Duty**

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

m) **Miscellaneous Expenditure**

Technical know-how is amortized on a systematic basis on straight line method over its useful life based upon the respective technical know-how agreements.

n) **Taxes on Income**

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

o) **Prior Period Items**

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

p) **Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings per Share (EPS) 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.

q) **Impairment of Fixed Assets**

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

r) **Contingent Liabilities and Provisions**

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

B) CONTINGENT LIABILITIES:

(Lac/Rs.)

Sr. No.	Particulars	Consolidated	LPSBPL	LPSBISPL	2010 Total	2009 Total
1.	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	452	-	-	452	26
2.	Letter of credits and guarantees obtained from bank (Net of margin money)	590	10	-	600	195
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.	441	-	-	441	478
4.	Bills Discounted (Secured against hypothecation of fixed assets excluding computer software and vehicles. Further secured against book debts both present and future and 10% margin money)	-	-	-	-	114
5.	Income tax liability on account of appeals pending with various authorities	77	-	-	77	91
6.	Liabilities on account of suits filed against the company in the Labour Court	5	-	-	5	5

C) NOTES

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

Name	:	Indian Fasteners Limited
Country of Incorporation	:	India
Group Shareholding	:	67.295%

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

Name of the associate 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, 2010
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 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.

- 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 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.199.47 lacs arising on aforesaid long term foreign currency monetary items, a sum of Rs.132.57 lacs has been deducted to the cost of fixed assets and a sum Rs.66.90 lacs has been transferred to Foreign Currency Monetary Items Translation Difference account. A sum of Rs. 13.30 lacs has been amortized in profit and loss account in accordance with the remaining period of the long term liability.

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

	2010 (Rs.)	2009 (Rs.)
i) Unrealized profit deducted from debtors and corresponding creditors pertaining to intra group transactions.	1230490	1188269
ii) Unrealized profit deducted from inventory pertaining to intra group transactions.	123049	283684

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) During the year the IDBI Bank Limited, has disbursed a term loan of Rs.725 lacs against sanctioned amount of Rs.1000 Lacs to be utilized towards capital expenditure at the existing units of the Company. A sum of Rs.330.65 lacs is lying unutilized as at the end of the year on this account.
- b) Foreign currency loan from ICICI Bank Limited as at the end of the year has been translated at the prevailing rate of exchange as on the date of balance sheet. Consequent to realignment of the value of foreign currency loan, the rupee liability of the Company has decreased by Rs.189.52 lacs. Out of the said exchange gain, a sum of Rs.125.96 lacs has been adjusted to the carrying cost of fixed assets and the balance sum of Rs 63.56 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 issued by the Ministry of Corporate Affairs.
6. Interest and other borrowing costs amounting to Rs.11556381/-(previous year Rs. 6816544/-) have been capitalized to the carrying cost of fixed assets and capital work in progress being financing costs directly attributable to the acquisition, construction or installation of the concerned qualifying assets till the date of its commercial use in accordance with (AS-16), "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
7. 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. 12821507/- (Previous year Rs.12648548/-) 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.
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, 2010. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sr. No	Particulars	Year ended 31 st March 2010	Year ended 31 st March 2009
1.	Principal amount and interest due thereon remaining unpaid to any supplier [refer table (b) below:	Rs. 10,403	Rs. 5,398
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

N.R. Industries

Year ended 31st March, 2010	Year ended 31st March, 2009
Rs. 10,403	Rs. 5,398

9. Prior period items include a sum of Rs.25,21,655/- credited to the profit and loss account on account of DEPB entitlement for the financial year 2007-2008 and amount debited on account of professional charges, LIC Gratuity premium and salary to non-executive director Rs. 2,70,000/-, Rs.1,27,908/- & Rs.18,00,000/- respectively for the financial year 2008-2009.

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	2010 Total	2009 Total
1.	Employer's Contribution to Provident Fund	6057067	357583	-	6414650	4292427
2.	Employer's Contribution to Pension Scheme	6746757	447911	-	7194668	8283125

Defined Benefit Plan

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

In respect of Financial year 2009-10, the Company has provided for a sum of Rs. 50,00,000/- towards gratuity payable for the year. The actuarial valuation certificate as certified by an actuary has not been received and the short fall, if any, in the provision of Gratuity shall be provided on receipt of actuarial valuation certificate as aforesaid.

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, necessaries 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	2010 TOTAL	2009 TOTAL
1. Deferred tax liability					
a) on account of difference in rates and method of depreciation	8468542	2350345	-	10818887	22987110
b) on account of different treatment of certain payments under I.T. Act, 1961	10911315	-	-	10911315	14417069
	19379857	2350345	-	21730202	37404171

2. Deferred tax assets on account of different treatment of certain payments under I.T. Act, 1961	-	4329104	-	4329104	4587620
	-	4329104	-	4329104	4587620

Deferred tax liability

- at the end of year (net)	19379857	-1978759	-	17401098	32816559
- for the year	-15615879	366306	-	-15249573	8610325

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

Particulars		2009-10	2008-09
Numerator for earning per shares			
Profit before taxation and Prior period items	Rs.	11,23,77,645	7,12,70,097
Tax Expenses	Rs.	4,35,63,437	3,70,67,613
Adjustment to net earning :			
Prior period Adjustment	Rs.	(3,23,747)	85,72,967
Profit after taxation and Prior period items	Rs.	6,91,37,955	4,27,75,460
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.	6.32	3.91

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 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)

Particulars	2009-10	2008-09
Revenue (Net of Excise)		
Revenue - Domestic Market		
Consolidated	19,328.50	16,403.25
Share in LPSBPL	3,156.77	2,389.25
Share in LPSBISPL	5.88	5.88
Revenue - Overseas Market		
Consolidated	3,469.23	5,997.97
Fixed assets located (including Capital work-in-progress)		
Within India		
Consolidated	6,064.78	6,441.58
Share in LPSBPL	348.02	372.35
Share in LPSBISPL	0.04	0.12
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) Transaction

(Lac/Rs.)

S.No.	Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
		2010	2009	2010	2009	2010	2009
1	Sales of Goods						
	LPS Bossard Pvt. Ltd.	909.17	903.25	-	-	-	-
	Lakshmi Precision Screws Ltd.	0.63	2.18	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	4.57	29.09	-	-	-	-
	Total	914.37	934.52	-	-	-	-
2	Jobwork receipts						
	Lakshmi Extrusion Ltd.	3.83	0.00	-	-	-	-
3	Purchases of Goods						
	Bossard Ltd.Fasteners Switzerland	152.45	76.01	-	-	-	-
	Bossard France S.A.	2.35	3.50	-	-	-	-
	Bossard Pte. Ltd. Singapore	12.98	0.68	-	-	-	-
	Bossard North America	2.78	0.00	-	-	-	-
	Bossard Denmark S.A.'s	1.68	0.00	-	-	-	-
	Bossard Industrial Fasteners Tr.Co.	0.01	0.00	-	-	-	-
	Bossard Metrics Inc.	0.01	0.00	-	-	-	-
	J.C. Fasteners Ltd.	3.86	3.81	-	-	-	-
	Lakshmi Precision Screws Ltd.	403.60	425.03	-	-	-	-
	Lakshmi Extrusion Ltd.	5.53	24.94	-	-	-	-
	Nav Bharat Agencies	9.89	7.94	-	-	-	-
	Precision Fasteners Corporation	43.99	6.17	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd	116.61	82.58	-	-	-	-
	Universal Enterprises	323.99	84.43	-	-	-	-
	Total	1079.73	715.11	-	-	-	-
4	Rent received						
	LPS Fasteners & Wires Pvt. Ltd.	0.50	0.50	-	-	-	-
5	Rent paid						
	Chandni Jain	-	-	-	-	1.03	2.06
	Nav Bharat Industries	8.40	7.20	-	-	-	-
	Sushila Devi Jain	-	-	21.18	15.42	-	-
	Sandhya Jain	-	-	-	-	2.65	-
	Universal Precision Screws	110.26	111.97	-	-	-	-
	Total	118.66	119.17	21.18	15.42	3.68	2.06
6	Jobwork paid						
	Amit Screws Pvt. Ltd.	1.17	6.26	-	-	-	-
	Hanumat Wire Udyog Pvt. Ltd.	266.53	178.43	-	-	-	-
	J.C. Fasteners Ltd.	160.59	272.46	-	-	-	-
	Lakshmi Extrusion Ltd.	56.46	73.31	-	-	-	-
	LPS Fasteners & Wires Pvt. Ltd.	75.00	72.67	-	-	-	-
	Nav Bharat Industries	36.67	9.06	-	-	-	-
	Shiv Industries	0.00	2.59	-	-	-	-
	Sudhir Automotive Industries Pvt. Ltd.	142.10	255.75	-	-	-	-
	United Engineers	29.65	11.17	-	-	-	-
	Universal Enterprises	24.47	37.45	-	-	-	-
	Total	792.64	919.15	0.00	0.00	0.00	0.00
7	Unsecured Loans						
	L.K. Jain	-	-	17.50	0.00	-	-
	V.K. Jain	-	-	17.50	0.00	-	-
	R.K. Jain	-	-	55.80	0.00	-	-
	Nikhillesh Jain	-	-	-	-	28.75	0.00
	Gautam Jain	-	-	-	-	79.00	0.00
	Total	0.00	0.00	90.80	0.00	107.75	0.00
8	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	-	-	76.64	22.64	-	-
	S.K. Jain	-	-	-	-	24.37	26.30
	Gagan Jain	-	-	-	-	17.31	14.82
	Gautam Jain	-	-	-	-	17.31	14.82
	Nikhlesh Jain	-	-	-	-	16.65	14.82
	Amit Jain	-	-	-	-	17.31	14.82
	Saurav Jain	-	-	-	-	16.45	14.82
	Rahul Jain	-	-	-	-	15.03	0.00
	Total	-	-	294.02	262.66	124.43	100.42
9	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
	Saurav Jain	-	-	-	-	3.33	3.33
	Gaurav Jain	-	-	-	-	4.59	4.59
	Amit Jain	-	-	-	-	4.65	4.65
	Total	0.00	0.00	13.58	13.59	18.10	18.10
10	Professional Charges Paid						
	LPS Bossard Information Sys. P. Ltd.	6.49	6.59	-	-	-	-
	Grand Total	2916.22	2695.04	682.24	291.67	256.07	120.57
11	Balance Receivable	198.28	387.32	-	-	-	-
12	Balance Payable	687.49	389.79	232.50	141.92	398.09	175.84

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 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.

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 2009-10.

The movements in provisions are as under:

(Lac/Rs.)

Sr. No.	Particulars	Consolidated	LPSBPL	LPSBISPL	2010 Total	2009 Total
1.	Carrying amount as on 01.04.09	416	12	-	428	586
2.	Additional provisions made during the financial year 2009-10 including increase to existing provisions	670	53	-	723	428
3.	Amount used (including and charged against the provisions) during the financial year 2009-10	416	12	-	428	584
4.	Unused amounts reversed during the financial year 2009-10	0	0	-	0	2
5.	Carrying amounts of provisions as on 31.03.10	670	53	-	723	428

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 16 form integral part of Balance Sheet and Profit and Loss Account.

Auditors' Report:-

As per our report of even date attached

for and on behalf of the Board of Directors

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

Place : NOIDA
Dated : May 27, 2010

CONSOLIDATED CASH FLOW STATEMENT

Description	Year Ending March 31, 2010 (Rs.)	Year Ending March 31, 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	69137950	42775454
Adjustments for:		
Tax	43563437	36955199
Net profit before tax and extraordinary items	112701387	79730653
Adjustments for:		
Depreciation	131000183	100236568
Deferred payment interest and Technical know how fee written off	1320300	1625644
Rent and Interest received (Gross)	(4208918)	(3545297)
Interest and Financial charges	165759605	164557735
Provisions for Bad and Doubtful Debts	100000	850000
Profit/Loss on sale of assets (Net)	18469	728425
Reduction in Reserve due to change in accounting policy*	8021248	(12445666)
Operating profit before working capital changes	414712274	331738062
Adjustments for:		
Trade Payables	183764088	(45932862)
Trade and other receivables	(33447815)	84047115
Inventories	(275421823)	(135736526)
Cash generated from operations	289606724	234115789
Interest and financial charges	(166794410)	(163695389)
Direct Taxes	(12508641)	(10367132)
Net cash from operating activities	110303672	60053268
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(90859995)	(189873712)
Proceeds from Sale of fixed assets	31400	461695
Purchase of investment	713657	(790377)
Rent and Interest received (net of TDS)	3739525	2562572
Deferred payment interest and Technical know how fee provided during the year	(597636)	(1132839)
Net cash used in investing activities	(86973049)	(188772661)

*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 Ending March 31, 2010 (Rs.)	Year Ending March 31, 2009 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	5771157	235423768
Repayment of short term borrowings	(625657)	(150010505)
Proceeds from long term borrowings	210694988	141338903
Repayment of long term borrowings	(224900026)	(116278249)
Repayment to Directors and others	19855529	(600000)
Dividend paid	(7551145)	(15089985)
	3244845	94783932
D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	26575469	(33935459)
Cash and Cash equivalents (Opening Balance)	82119955	116055414
Cash and Cash equivalents (Closing Balance)	108695424	82119955

L.K. Jain
Chairman &
Managing Director

D.K. Jain
Vice Chairman &
Managing Director

K.L. Ghorui
Associate Vice
President

Ashok Yadav
Company Secretary

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Lakshmi Precision Screws Limited for the period ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the Members of the Company.

Auditors' Report:-

As per our report of even date attached

for V.R. Bansal & Associates
Chartered Accountants

V.P. Bansal
Partner

Place : NOIDA
Dated : May 27, 2010

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, 2010
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, 2010	Rs.0.30 lacs
	(b) For previous financial year of the Subsidiary since it became Subsidiary of Lakshmi Precision Screws Ltd.	Rs.46.57 lacs
	(ii) Dealt within the accounts of Lakshmi Precision Screws Ltd. amounted to:	
	(a) For Subsidiary financial year ended on 31st March, 2010	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 27, 2010

Lalit Kumar Jain
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present before you the 24th Annual Report of the working of the Company alongwith Audited Accounts for the year ended 31st March, 2010.

Financial Results	Current Year (Rs.)	Previous Year (Rs.)
Job Work & Other receipts	2479169	2732862
Profit before interest, Depreciation & Taxation	1839208	2044201
Less: Interest	222433	295211
Profit before Depreciation and Taxation	1616775	1748990
Less: Depreciation	1405858	1405858
Profit before Taxation	210917	343132
Less: Income Tax	167000	318498
Net Profit for the year	43917	24634

DIVIDEND

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

DIRECTORS

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

AUDITORS

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

FIXED DEPOSITS

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

PARTICULARS U/s 217(2A)

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended March 31, 2010 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 : May 14, 2010

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, 2010.

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	41581	51126
Total amount (Rs.)	202298	248982
Rate/Unit (Rs.)	4.87	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 (Specify quality and where used)		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Rate	-	-
3. Furnace Oil		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
4. Other/Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. CONSUMPTION PER TONNE OF PRODUCTION PRODUCT		
Electricity/Unit	67.86	71.61
Furnace oil	-	-
Coal oil	-	-
Others	-	-

Form B

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation.	NIL
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development and import substitution etc.	NIL
3. In case of imported technology (Imported during the last five years reckoned from the beginning of the financial year), following information may be furnished.	
a) Technology Imported	NIL
b) Year of Import	NIL
c) Has technology been fully 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 : **May 14, 2010**

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, 2010 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 31.03.2010 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, 2010.
 - ii) In the case of Profit and Loss Account of the Profit for the year ended on that date.

for Suresh Chand Singhal
Chartered Accountant

Place : Rohtak
Dated : May 14, 2010

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 31.03.2010 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 31.03.2010.
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 31.03.2010.
18. The Company not granted any loans against pledging of shares or debentures or other securities.
19. The provisions of any special stature applicable to a Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
20. The Company is not dealing in shares and securities.

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

for Suresh Chand Singhal
Chartered Accountant

Place : Rohtak
Dated : May 14, 2010

Suresh Chand
Proprietor

BALANCE SHEET

Description	Schedule No.	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
1. Shareholder's Fund			
a) Share Capital	1	7155800	7155800
b) Reserves & Surplus	2	6974692	6930775
		14130492	14086575
c) Deferred Tax Liability (Net)		1154556	1301697
2. Secured Loan	3	1472844	2098501
Total		16757892	17486773
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	21661479	21661479
b) Less Depreciation		10221779	8815921
c) Net Block		11439700	12845558
2. Current Assets, Loans & Advances			
a) Inventories	5	0	11920
b) Sundry Debtors		4655748	4356202
c) Cash & Bank Balances		529878	232702
d) Loans and Advances		334791	340721
		5520417	4941545
Less: Current Liabilities & Provisions			
a) Current Liabilities	6	35225	35330
b) Provisions		167000	265000
		202225	300330
Net Current Assets		5318192	4641215
3. Miscellaneous Expenditure	7	0	0
Total		16757892	17486773
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	11		

Auditor's Report

In terms of our separate report of even date attached.

for Suresh Chand Singhal
Chartered Accountant

for and on behalf of Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak
Dated : May 14, 2010

PROFIT AND LOSS ACCOUNT

Description	Schedule No.	Year Ending 31.03.2010 (Rs.)	Year Ending 31.03.2009 (Rs.)
INCOME			
Job Work Received		2032028	2320448
Lifter hire receipts		300000	300000
Deferred Tax written back		147141	112414
Total		2479169	2732862
EXPENDITURES			
Manufacturing Expenses	8	227910	267910
Personnel Expenses	9	146757	139415
Office and Administrative Expenses	10	265294	281336
Interest and Financial Charges		222433	295211
Depreciation		1405858	1405858
Income Tax		167000	228498
Fringe Benefit Tax		0	90000
Total		2435252	2708228
NET PROFIT FOR THE YEAR		43917	24634
Profit for appropriation			
Balance as per last Balance Sheet		6920013	6895379
Profit for the year		43917	24634
		6963930	6920013
APPROPRIATION			
Transfer to General Reserve		0	0
Dividend		0	0
Corporate Dividend Tax		0	0
Balance Carried over to Balance Sheet		6963930	6920013
		6963930	6920013
SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES	11		

Auditor's Report

In terms of our separate report of even date attached.

for **Suresh Chand Singhal**
Chartered Accountant

for and on behalf of Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : **Rohtak**
Dated : **May 14, 2010**



SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (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
SCHEDULE - 2		
RESERVES & SURPLUS		
General Reserve	10762	10762
Profit & Loss Account	6963930	6920013
	6974692	6930775
SCHEDULE - 3		
SECURED LOAN		
H.D.F.C. Bank (Car Loan)	1472844	2098501
	1472844	2098501

SCHEDULE - 4 FIXED ASSETS

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2009	Addition	Adjustment	Total 31.03.2010	Upto 31.03.2009	For the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	Land	1936992	0	0	1936992	0	0	0	1936992	1936992
2	Building (A)	3504153	0	0	3504153	1236574	117039	1353613	2150540	2267579
3	Building (B)	3833820	0	0	3833820	1135012	128050	1263062	2570758	2698808
4	Plant & Machinery	4110903	0	0	4110903	2942395	195268	3137663	973240	1168508
5	Fork Lifter	715177	0	0	715177	577507	33971	611478	103699	137670
6	Electric Fittings	165703	0	0	165703	95834	11715	107549	58154	69869
7	Furniture Fixture	380325	0	0	380325	149361	24075	173436	206889	230964
8	Motor Car	7014406	0	0	7014406	2679238	895740	3574978	3439428	4335168
	Total	21661479	0	0	21661479	8815921	1405858	10221779	11439700	12845558
	Previous Year	21661479	0	0	21661479	7410063	1405858	8815921	12845558	

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

Description	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
A) Inventories		
(At lower of cost and net releasable value prepared valued and certified by directors)		
Diesel	0	11920
	0	11920
B) Sundry Debtors		
(Unsecured -considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	3521602	3089453
Other Debts	1134146	1266749
	4655748	4356202
C) Cash and Bank Balances		
Cash in hand	193196	30609
Cheques/Drafts in hand	327657	259403
In current accounts (with scheduled Bank)	9025	57310
	529878	232702
D) Loans and Advances		
(Unsecured Considered good)		
H.S.E.B.Security	128825	128825
Advance recoverable in Cash or in kind or for value to be received	49518	54856
Advance Income Tax (T.D.S.)	156448	157040
	334791	340721
	5520417	4941545
SCHEDULE - 6		
CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors	0	0
Due to S.S.I. Undertaking	0	0
Due to other than S.S.I. Undertaking	35091	35131
Other Liabilities	134	199
	35225	35330
B) Provisions		
Provisions for Income Tax	167000	265000
	202225	300330
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses		
Balance as per last Balance Sheet	0	0
Less: Written off during the year	0	0
	0	0

Description	Year Ending 31.03.2010 (Rs.)	Year Ending 31.03.2009 (Rs.)
SCHEDULE - 8 MANUFACTURING EXPENSES		
Power and Fuel	202298	248982
Job Work Paid	0	0
Fork Lifter Expenses	25612	18928
	227910	267910
SCHEDULE - 9 PERSONNEL EXPENSES		
Wages (Contractors)	121522	113866
Company Contribution to P.F.	13605	12876
Overtime and incentive	6311	7582
Welfare Fund	270	80
Company Contribution to E.S.I.	5049	5011
	146757	139415
SCHEDULE - 10 OFFICE AND ADMINISTRATIVE EXPENSES		
Rates and Taxes	6104	0
Rounding Off	0	0
Telephone Expenses	0	0
Travelling & Conveyance	0	20
Legal & Professional charges	9800	13797
Printing & Stationery	0	630
General Repairs	0	0
Repairs to Machinery	0	0
General Charges	0	0
Motor Car Expenses	136944	162881
Insurance	106446	98009
Audit Fee	6000	6000
	265294	281336

SCHEDULE - 11

SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A) SIGNIFICANT ACCOUNTING POLICIES

- The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis in accordance with requirements of Companies Act, 1956 and Accounting Standards referred to in the Section 211(3C) of the Companies Act, 1956.
- Fixed Assets**
Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. Cost of fixed assets are further adjusted by the amount of cenvat credit availed.
- Depreciation**
Depreciation on fixed assets have been provided on rates as per schedule XIV of the Companies Act, 1956 on straight line method basis. Depreciation on assets of a value exceeding Rs.5,000/- has been provided @ 100%.
- Inventories**
Inventories are valued at lower of cost and net realisable 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

- In the opinion of Directors Current Assets, Loan and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated and provision for all liabilities have been made.
- Sundry Debtors includes 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.,	3407816	4356202

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

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

	31.03.2010	31.03.2009
Liabilities (on a/c difference in depreciation)	1154556	1301697
Assets	0	0

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

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

	Unit	2009-10		2008-09	
		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.	625.239	20.32	713.984	23.20
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		2010 Qty.		2009 Qty.
4. Licenced capacity installed capacity and production					
Licence Capacity					
Installed Capacity	M.T.		400		400
Utilised Capacity	M.T.		0		0
Capacity Utilisation	%age		0		0
5. Spare parts and components consumed			NIL		NIL
6. Earning in Foreign Exchange			NIL		NIL
7. Expenditure in Foreign Currency			NIL		NIL



	Unit		2010 Qty.		2009 Qty.
8.	Dividend to non resident share holders		NIL		NIL
9.	Value of imported and indigeneous raw material, spare parts and components consumed and percentage thereof.		NIL		NIL
	RAW MATERIAL				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL
	TOOLS & DIES AND SPARES				
	1. Imported		NIL		NIL
	2. Indigenous		NIL		NIL

7. Previous year's figures have been regrouped wherever necessary to make them comparable with that of current year and part of the Balance Sheet and Profit & Loss Account.

Auditor's Report

In terms of our separate report of even date attached.

for **Suresh Chand Singhal**
Chartered Accountant

for and on behalf of Board of Directors

Suresh Chand
Proprietor

D.K. Jain
Director

L.K. Jain
Director

Place : Rohtak
Dated : May 14, 2010



LAKSHMI PRECISION SCREWS LTD.

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