

LAKSHMI PRECISION SCREWS LIMITED

CIN : L35999HR1968PLC004977

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

Tel: 01262-248289, Fax: 01262-248297, Email: complianceofficer@lpsindia.com, Website: www.lpsindia.com

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the Members of Lakshmi Precision Screws Limited will be held on Tuesday, the 29th day of September, 2015 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 receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Kumar Jain (DIN 00061293), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Kumar Jain (DIN 00066363), who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the appointment of M/s. V.R. Bansal & Associates, Chartered Accountants, Noida (ICAI Registration No. 016534N), as the Statutory Auditors of the Company be and are hereby ratified and confirmed for the financial year 2015-16, who was appointed by the Members at their 45th Annual General Meeting held on 30.09.2014 to hold the office of the auditors from the conclusion of 45th Annual General Meeting until the conclusion of 48th Annual General Meeting of the Company subject to ratification at every Annual General Meeting by the Members of the Company at such remuneration plus out of pocket expenses as shall be fixed by the Audit Committee/ Board later on in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

5. 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bhuwan Kumar Chaturvedi (DIN 00144487), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from 13.06.2015, whose term of office expires at the ensuing 46th Annual General Meeting in terms of Section 161 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto June 12, 2020, not liable to retire by rotation."

6. 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rakesh Puri (DIN 07068559), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from 09.07.2015, whose term of office expires at the ensuing 46th Annual General Meeting in terms of Section 161 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto July 08, 2020, not liable to retire by rotation."

7. 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ramesh Chandra Jain (DIN 00038529), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from 14.08.2015, whose term of office expires at the ensuing 46th Annual General Meeting in terms of Section 161 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto August 13, 2020, not liable to retire by rotation."

8. 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 148 and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. HMVN & Associates, Cost Accountants, New Delhi appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid a remuneration not exceeding Rs.2,00,000/- (Rs. Two Lacs Only) plus out of pocket expenses and taxes be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By order of the Board of Directors
for Lakshmi Precision Screws Limited

Place : New Delhi
Dated : August 14, 2015

Tarun Kumar
Company Secretary
ACS-26271

Email: complianceofficer@lpsindia.com
Contact No. 01262-248288



NOTES

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING(AGM) IS ENTITLED TO APPOINT ANOTHER PERSON AS 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 BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Unstamped or inadequate stamped proxies upon which the stamps have not been cancelled are invalid. Proxy holder shall prove his identity at the time of attending AGM.

Corporate Members are requested to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business at item Nos. 05 to 08 to be transacted at the meeting is annexed hereto and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 18, 2015 to Tuesday, September 29, 2015 (both days inclusive) for the purpose of ensuing Annual General Meeting.
4. 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. 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 124(5) and 125 of the Companies Act, 2013, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of the Investors) Rules, any dividend transferred by the Company to unpaid dividend account remaining unpaid for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called the Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid/ unclaimed dividend for the financial year 2007-08 shall become transferable to the fund on 28.09.2015, followed by the transfers of the amounts of unpaid/ unclaimed dividends for the subsequent years. No claim shall lie thereafter against the funds or the Company in respect of such amounts transferred. Members are therefore requested to verify their records and send claims, if any, for the relevant years from 2007-08 onwards, before the respective amounts become due for transfer to the fund. The following are the details of the dividends declared by the Company and respective due dates for

| Dividend Year | Date of declaration of dividend | Last date for claim |
|---------------|---------------------------------|---------------------|
| 2007-08 | 29.09.2008 | 28.09.2015 |
| 2008-09 | 30.09.2009 | 29.09.2016 |
| 2009-10 | 29.09.2010 | 28.09.2017 |
| 2010-11 | 29.09.2011 | 28.09.2018 |
| 2011-12 | 29.09.2012 | 28.09.2019 |
| 2012-13 | 28.09.2013 | 27.09.2020 |

The Company did not declare any dividend to the Members for the Financial Year 2013-14.

Those Members who have not so far claimed their dividend for the above financial years from 2007-08 to 2012-13 are requested to make their claims to the Company for obtaining duplicate dividend warrants.

5. 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 Share Transfer Agent Limited in respect of their physical share, if any, quoting their folio number.
6. 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 72 of the Companies Act, 2013, may do so by submitting to the Company the prescribed Form SH-13 duly filled in to Company's Registrar and Share Transfer Agent.
7. Register of contracts or arrangements in which directors are interested and other Statutory Registers as required as per the laws of land 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 Sunday or the date on which the same will be placed in the Board Meeting for compliance of Section 189 of the Companies Act, 2013.
8. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges on Corporate Governance and Companies Act, 2013, the information about the Directors proposed to be re-appointed/ appointed is given in the Annexure to the Notice.
9. Pursuant to the directions of the Securities and Exchange Board of India (SEBI), trading in the shares of your Company is in compulsory dematerialized form. Members who have not yet got their shares dematerialized are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Share Transfer Agent of the Company. The promoters of the Company have already converted their 100% physical shareholding into demat form.

10. Members desirous of getting any information/ clarification relating to the accounts/operations of the Company under reference or intending to raise any query at AGM are requested to write to the Company Secretary at least 7 days before the Meeting so that the information required can be made readily available at the AGM.
11. Members are requested to note that pursuant to directions given by SEBI/ Stock Exchanges, the Company has appointed M/s MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi -110 020 as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.
12. Members are informed that the Company is sending Annual Report through e-mail to those members who have registered their e-mail ID with the Company. Members may also note that the Annual Report for the FY 2014-15 will also be available on the Company's website www.lpsindia.com for their download.
13. Instruction for Voting through electronic means
 - I In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II A person whose name is recorded in the register of members or in the register of beneficial owners maintained by depositories as on the cut off date of September 22, 2015 only shall be entitled to avail the facility of remote e-voting or voting at AGM through polling paper.
 - III The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper pursuant to the provisions of Section 109 of the Companies Act, 2013.
 - IV The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at AGM and his vote, if any, cast at the AGM shall be treated as invalid.
 - V The remote e-voting period commences on September 26, 2015 at 9:00 am (IST) and ends on September 28, 2015, at 5:00 pm (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter i.e. after 5:00 p.m. (IST) on September 28, 2015. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Lakshmi Precision Screws Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to suresh@rmgcs.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
 - (i) Initial password is provided at the bottom of the Attendance Slip for the AGM :
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VIII You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company whose name is recorded in the register of members or in the register of beneficial owners (in case of shares in demat form) as on the cut-off date of September 22, 2015.

- X Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI Mr. Suresh Kumar (Membership No. FCS 07776, COP No.8529) of M/s. RMG & Associates, Company Secretaries, New Delhi has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process at the AGM in a fair and transparent manner.
- XII The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lpsindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE), Mumbai and such stock exchanges shall place the results on their website.
- XV Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the AGM.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanied notice dated August 14 2015.

Item No. 05 to 07

Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain were appointed by the Board in their meeting as Additional (Independent) Directors of the Company with effect from 13.06.2015, 09.07.2015 & 14.08.2015 respectively and their term of office expire at the ensuing 46th Annual General Meeting in terms of Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of Directors liable to retire by rotation.

Accordingly, it is proposed to appoint Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain as independent directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years upto June 12, 2020, July, 08, 2020 and August 13, 2020 respectively and they shall not be included in the total number of Directors liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of Rs. 1,00,000/- requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain for the office of Directors of the Company.

The Company has received declarations from them that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board and as recommended by the Nomination cum Corporate Governance and Remuneration Committee in their meeting held on 14.08.2015, Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain fulfil the conditions for appointment as Independent Directors specified in the Companies Act, 2013, and the Listing Agreement. They are Independent to the management.

Brief resume and disclosure of information of Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain regarding nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationship between directors inter-se, etc. as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and pursuant to Secretarial Standard – 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the Annexure to the Notice.

Copies of the draft letters for respective appointments of Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain as Independent Directors setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company and is also available on the Company's website.

Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain, Independent Directors, are concerned or interested in the resolutions as set out at Item Nos. 05 to 07 of the Notice respectively, since they relate to their respective appointments. None of the other Directors and Key Management Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise in these resolutions set out at Item Nos. 05 to 07.

The Board considered their association would be of immense benefit to the Company and it is desirable to avail services of Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointments of Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain as Independent Directors, for the approval of the Members of the Company.

Item No. 08

The Board of Directors of the Company in its meeting held on 29th May, 2015, based on the recommendation of Audit Committee and subject to the ratification by the members of the Company, has approved the appointment of M/s. HVMN & Associates, Cost Accountants, New Delhi, as the Cost Auditors at the remuneration not exceeding Rs.2 lacs plus applicable taxes and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by Audit Committee shall be approved by the Board of Directors and subsequently to be ratified by the Members of the Company. Accordingly, the consent of the Members is being sought for passing an Ordinary Resolution as set out Item No.08 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

Inspection of documents

Copies of all relevant documents and papers referred to in the accompanying Notice and Explanatory Statement including Register of contracts or arrangements in which directors are interested and other Statutory Registers as required as per the laws of land are kept open for inspection by Members between 11.30 A.M. to 2.30 P.M. on any working day upto the date of Meeting at the Registered Office of the Company.

By order of the Board of Directors
for Lakshmi Precision Screws Limited

Place : New Delhi
Dated : August 14, 2015

Tarun Kumar
Company Secretary
ACS-26271
Email: complianceofficer@lpsindia.com
Contact No. 01262-248288

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS ISSUED BY THE COUNCIL OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED IN RELATION TO MR. LALIT KUMAR JAIN AND MR. DINESH KUMAR JAIN.

| Particulars | Mr. Lalit Kumar Jain, ED | Mr. Dinesh Kumar Jain, ED |
|---|---|---|
| Date of Birth | 19.10.1954 | 07.09.1948 |
| Date of Appointment | 05.12.1974 | 27.12.1968 |
| Qualifications | Engineering Graduate | Commerce Graduate |
| Expertise in specific functional areas | Mr. Jain has more than 41 years of experience as an Industrialist. He has a wide experience of project management, finance, technology, marketing, HRD & better quality management. He has contributed greatly on matters relating to Corporate Governance, Business Development and holding of high level reviews of corporate strategy and planning. His comprehensive industrial exposure brings highly valued insights in strategy & brand building of the Company. Mr. Jain is engaged whole time in looking after and supervising the affairs of the Company & has indepth understanding. | Mr. Jain has the distinguished credit of carrying with him over 47 years rich Industrial experience. He is on the Board as Whole time Director since the date of inception of the Company. He has a wide experience in the field of finance, banking, sales/ marketing, HRD, excise and taxation, and administration. He has contributed greatly in the company achieving its present position. |
| Name of the other Companies in which holds Directorship | <ul style="list-style-type: none"> Indian Fasteners Limited Amit Screws Private Limited LPS Bossard Private Limited LPS Bossard Information Systems Private Limited LVR Holding Limited LPS-EJOT Fastening Systems Private Limited | <ul style="list-style-type: none"> Indian Fasteners Limited Advance Cable Technologies Private Limited Sanchar Engineers Private Limited |
| Name of Committee of the other Companies in which holds Membership/ Chairmanship | NIL | NIL |
| Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis] | 11,59,600 | 2,52,000 |
| Relationship with Other Director(s) | Related to the Directors | Not related to any Director |

| Particulars | Mr. Bhuvan Kumar Chaturvedi NEID | Mr. Rakesh Puri NEID | Mr. Ramesh Chandra Jain NEID |
|---|--|--|--|
| Date of Birth | 06.03.1948 | 15.09.1953 | 22.12.1946 |
| Date of Appointment | 13.06.2015 | 09.07.2015 | 14.08.2015 |
| Qualifications | B.E. (Mech.) and MBA from IIM | LLB, B.Sc., MA, MBA and CAIIB | B. Tech (Hon. in Mech. Engg.) Masters in Industrial Management |
| Expertise in specific functional areas | Mr. Bhuvan Kumar Chaturvedi is having more than 44 years experience in the field of automobile, Total Quality Management and project consultancy. | Mr. Rakesh Puri is having more than 38 years experience in the field of banking, finance, Quality Management and general administration etc. | Mr. Ramesh Chandra Jain is having more than 42 years experience in the field of automobile industries, Strategic Planning, Human Resources Development and advisor etc. |
| Name of the other Companies in which holds Directorship | <ul style="list-style-type: none"> • Ring Plus Aqua Limited • Sphaera Pharma Private Limited • PPAP Automotive Limited • M&N Business Intelligence India LLP | <ul style="list-style-type: none"> • MMAuto Industries Limited | <ul style="list-style-type: none"> • The Hi-Tech Robotic Systemz Limited • Hi-Tech Gears Limited • Frick India Limited • Minda Sai Limited • Indoi Systems Private Limited • Modern automobiles Limited • Titagarh Agrico Private Limited |
| Name of Committee of the other Companies in which holds Membership/ Chairmanship | NIL | NIL | FrickIndia Limited: - Audit Committee (Member) - Share Holder Grievance Committee (Member) - Corporate Social Responsibility Committee (Chairman) Minda Sai Limited: - Audit Committee (Member) |
| Number of shares held in the Company [in his own name or on behalf of other person on beneficial basis] | NIL | NIL | NIL |
| Relationship with Other Director(s) | Not related to any Director | Not related to any Director | Not related to any Director |



LAKSHMI PRECISION SCREWS LIMITED
Form No. MGT-11
Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

CIN : L35999HR1968PLC004977

Name of the Company : Lakshmi Precision Screws Limited
Registered office : 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana)

| | |
|-----------------------|---|
| Name of the member(s) | : |
| Registered address | : |
| E-mail Id | : |
| Folio No./ Client Id | : |
| DP ID | : |

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him
3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____, or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 46th Annual General Meeting of the Company, to be held on Tuesday the 29th day of September, 2015 at 11.30 A.M. at the Registered Office of the Company i.e. 46/1, Mile Stone, Hissar Road, Rohtak – 124001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Kumar Jain (DIN 00061293), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Kumar Jain (DIN 00066363), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s. V.R. Bansal & Associates, Chartered Accountants, Noida as Statutory Auditors of the Company and fix their remuneration.
5. To appoint Mr. Bhuwan Kumar Chaturvedi as an Independent Director of the Company.
6. To appoint Mr. Rakesh Puri as an Independent Director of the Company.
7. To appoint Mr. Ramesh Chandra Jain as an Independent Director of the Company.
8. To ratify the payment of remuneration to Cost Auditors of the Company.

Signed this _____ day of _____ 2015

Signature of the Shareholder: _____

Signature of the Proxyholder(s): _____

Affix
Revenue
Stamp of not
less than 30
paise

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

DRIVING GROWTH CREATING VALUES

CONTENTS

| | |
|---|-----|
| Company Information | 1 |
| Corporate Profile | 3 |
| CMD'S Message | 5 |
| Ventures | 7 |
| Board's Report | 8 |
| Annexure to the Board's Report | 15 |
| Independent Auditors' Report | 49 |
| Annexure to Independent Auditors' Report | 51 |
| Balance Sheet | 54 |
| Statement of Profit & Loss | 55 |
| Cash Flow Statement | 56 |
| Notes | 58 |
| Independent Auditors' Report on Consolidated Accounts | 91 |
| Annexure to Independent Auditors' Report on Consolidated Accounts | 94 |
| Consolidated Balance Sheet | 97 |
| Consolidated Statement of Profit & Loss | 98 |
| Consolidated Cash Flow Statement | 99 |
| Consolidated Notes | 101 |

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Lalit Kumar Jain
Chairman & Managing Director

Shri Dinesh Kumar Jain
Vice Chairman & Managing Director

Shri Vijay Kumar Jain
Joint Managing Director

Shri Rajesh Jain
Director

Smt. Sushila Devi Jain
Director

Shri Keshwa Nand Rattan
Director

Shri Ajay Kumar Chakraborty
Director

Shri Yudhisthir Lal Madan
Director

Shri Bhuwan Kumar Chaturvedi
Director

Shri Rakesh Puri
Director

Shri Ramesh Chandra Jain
Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Tarun Kumar

STATUTORY AUDITORS

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

COST AUDITORS

M/s. HMVN Associates
Cost Accountants, New Delhi.

SECRETARIAL AUDITORS

M/s. RMG & Associates
Company Secretaries, New Delhi.

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

Canara Bank, Rohtak.
State Bank of India, New Delhi

REGISTERED OFFICE

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

CORPORATE OFFICE

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

BRANCH OFFICES

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

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

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

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

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

ATTENTION TO THE MINUTEST DETAIL



At Lakshmi Precision Screws Ltd., fastening technology is our core business and customer service our guiding principle. Headquartered at Rohtak (Haryana), the LPS work 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 Gross block of Fixed Assets of 2911 million INR supported by 1091 highly dedicated professionals driven with zeal to make world class products under the leadership of a dynamic management team. Today we are 3754 million INR Company with approx. 11% contribution coming from exports.

Our installed capacity is 28432 metric ton per annum and is supported by a host of ancillaries. We understand what we have to do for our customers. We assure that we will do our best to make our products safe and reliable for our customer's assembly line.

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

VISION STATEMENT

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

MISSION STATEMENT

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

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

INTEGRATING BIG AND SMALL





Dear Shareholders,

I have great pleasure in welcoming you to this 46th Annual General Meeting of M/s. Lakshmi Precision Screws Limited.

I trust the Notice convening the meeting, the Board's Report and the Audited Accounts along with the Report of Auditors thereon for the year ended March, 2015 have reached you on time.

The global economy is in transition phase and developing countries face a series of tough challenges in financial year 2014-15 including the looming prospect of higher borrowing costs in a new era of low prices for oil and other key commodities. Global growth remains moderate, with uneven prospects across the main countries and regions. Global growth rate in 2015-16 is projected at 3.5%. Indian economy was also under global pressure and Gross Domestic Product (GDP) was around 7.3% in fiscal year 2014-15.

Also the Government of India has taken various steps to boost investment in various sectors in order to transform India into a global manufacturing hub, named "Make in India" and ensure that ordinary people benefit from the economic development of India. In Budget 2015, GDP growth is projected to be between 8 to 8.5% on improved performance in both industry and services as policy addresses structural bottlenecks and external demand improves.

During the previous year, the Indian Automobile Industry, the main customer of your company registered overall production growth of 8.68 percent over the same period last year. In April-March 2015, overall automobile exports grew by 14.89 percent over the same period last year. However, it is expected that the worst has been over but boost in the automobile sector will take some more time to be back on growth track. The experts believe automobile industry has marginally better and positive outlook and the Indian auto sector is set for a better ride this fiscal 2015-16.

Despite all odds, your company has managed to register a growth in the top line and recorded a Net sale of Rs.372 crores vis a vis Rs.349 crores of previous year depicting a growth of approximate 7%. Also during FY 2014-15, the Company registered a Net Profit of Rs.38.31 Lacs for the period against Loss in the previous year. The Board of Directors has not recommended any dividend for the year due to inadequate profit.

The faith bestowed by shareholders in the management is the strength of the Company and I assure you that your company is committed to bounce back and will register a comprehensive growth in the coming years.

I wish to thank all of our loyal shareholders for standing by us in tough time. I would also like to thank our precious customers, business partners, suppliers, professional advisers, and bankers for their continuous support and confidence in the company. I would also like to highlight the dedication, patience and hard work put in by all of our staff members and management over the years.

I would like to express my sincere gratitude to my fellow Board members and shareholders of company for their valuable guidance and support in growth of the Company.

I would like to conclude by commending the hard work and sincere efforts put in by all the employees of the Company because of which your Company is on all path of accelerate growth.

Lalit Kumar Jain
Chairman & Managing Director

GEARED TO PERFORM



JOINT VENTURES

LPS Bosaard Pvt. Ltd.

A Joint Venture Company of LPS and Bosard 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

PHILLIPS SCREW COMPANY

LPS has entered into a licensing agreement with Philips Screw Company for ACR®TORQ-SET®, TORQ-SET®, TRI-WING® proprietary Drive System found on virtually every aircraft.

REMINC CONTI

LPS HAS LICENSE OF 31 REMINC/CONTI fastening products. TAPTITE is their most recognizable family family for TRILOBULAR thread rolling fasteners

Acument Global Technologies

LPS had 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 an agreement with DÖRKEN in Germany to provide finishing coating 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 in striving to improve global competitiveness through marketing, manufacturing, technical cooperation and information sharing and Lakshmi Precision Screws Ltd. is the only Company in India that joined the alliance.

BOSSARD

EJOT

DÖRKEN

acument

GFA
GLOBAL FASTENER ALLIANCE

REMINC/CONTI



BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 46th Annual Report together with Audited Accounts of the Company for the financial year ended on March 31, 2015.

FINANCIAL RESULTS AND APPROPRIATIONS

The financial performance of the Company for the financial year ended on March 31, 2015 is summarized as below:

(Rs. in Lacs)

| Particulars | 2014-2015 | 2013-2014 |
|--|-----------|-----------|
| Revenue from operations | 37159.37 | 34894.43 |
| Gross Profit before interest, depreciation and tax | 4898.63 | 2456.84 |
| Less: Interest | 3732.24 | 3645.09 |
| Profit/(Loss) before depreciation and tax | 1166.39 | (1188.25) |
| Less: Depreciation | 1128.08 | 1662.08 |
| Profit/(Loss) before tax | 38.31 | (2850.33) |
| Less: Provision for tax | 0.00 | 11.76 |
| Net Profit/(Loss) for the year after tax | 38.31 | (2862.09) |
| Add: Balance brought forward from previous year | 2760.38 | 5622.47 |
| Amount available for appropriation | 2798.68 | 2760.38 |
| Appropriations | | |
| Transfer to General Reserve | 0.00 | 0.00 |
| Proposed Dividend | 0.00 | 0.00 |
| Corporate Dividend Tax | 0.00 | 0.00 |
| Balance carried over to Balance Sheet | 2798.68 | 2760.38 |

OPERATIONS

During the financial year 2014-15 your Company has earned revenue from operations Rs.37159 lacs (Previous year Rs.34894 lacs) recording a growth of approx. 7%. During the year net profit of the Company has been remain under pressure to Rs.38.31 lacs.

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 and will see the growth in the financial year 2015-16.

DIVIDEND

Your Directors regretted their inability to recommend any dividend to the members of the Company for the financial year ended on March 31, 2015.

CHANGE IN THE NATURE OF THE BUSINESS

There was no change in the nature of the business of the Company during the year. The Company has only one subsidiary, namely Indian Fasteners Limited (IFL) and there was no change in the nature of the business of this subsidiary. There were no significant and material orders passed by regulators or court or tribunals impacting the going concern status and the Company's operation in future. There was no material changes and commitments affecting the financial position of the Company occurring between March 31, 2015 and the date of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return for the financial year 2014-15 as prescribed in the Form MGT-9 is given in the **Annexure – 1** forming part of this Report.

SUBSIDIARY COMPANY

As required under the Listing Agreement entered into with the Stock Exchanges and the Companies Act, 2013, a consolidated financial statements presented by the Company in this report include the financial results of the subsidiary company duly audited by the statutory auditors. The said statement has been prepared pursuant to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014 and in accordance with the relevant accounting standards as prescribed under the Companies Act, 2013. The statement in Form AOC-1 is annexed with this report as **Annexure – 2**.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the subsidiary companies on its website at www.lpsindia.com. The Company will make available physical copies of these documents upon request by any shareholder of the Company.

These documents shall also be available for inspection at the registered office of the Company during business hours upto the date of ensuing AGM.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

All the related party transactions are repetitive in nature and are entered on arm's length basis and were in the ordinary course of business and in compliance with the applicable provisions of the Act and the Listing Agreement. All Related party transactions are presented to the Audit Committee and the Board, on a quarterly basis. Omnibus approval is obtained for all the related party transactions. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the web link: <http://www.lpsindia.com>. The information relating to particulars of contracts or arrangements with related party prepared under Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rule, 2014 is annexed with this Report in Form AOC-2 as Annexure – 3.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, the unclaimed dividend relating to the financial year 2007-08 is due for remittance on 28.09.2015 to the Investor Education and Protection Fund established by the Central Government.

DETAILS OF DEPOSIT AS PROVIDED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

(a) Accepted during the year

Your Company has not accepted any deposits within the meaning of Section 2(31), read with section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet. However, the Company has outstanding deposits of Rs.7,00,00,002 at the time of commencement of new Companies Act i.e. 01.04.2014. The same amount is outstanding for payment as on 31.03.2015 for which the Company has already filed petition before the Hon'ble Company Law Board (CLB) for extension of the repayment of period of deposits beyond 31.03.2015. Consequent to the petition filed with CLB for extension of deposits period beyond 31.03.2015; and the Hon'ble CLB at the hearing take place on 16.07.2015 have passed order for extension of period of deposit as per the original repayment schedule for which the deposits were raised.

(b) Remaining unpaid or unclaimed as at the end of the year:

None

© Whether there has been any default in repayment of deposits or payment of interest thereon during the year:

None

(d) Details of deposit which are not in compliance with the requirement of Chapter V of the Act:

As per the Auditor's Report

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGISTRARS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE –

None

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A strong internal control culture is prevalent in the Company. A formalized system of internal controls facilitates effective compliance with Clause 49 of the Listing Agreement. The Internal Auditor monitors the compliance with the objective of providing to the Audit Committee and the Board of Directors an independent and reasonable assurance on the adequacy and effectiveness of the organization's governance processes.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) and all other applicable provision, if any, of the Companies Act, 2013 and 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 Limited, Hanumat Wire Udyog Private Limited, Lakshmi Extrusion Limited and its joint ventures LPS Bossard Private Limited & LPS Bossard Information Systems Private Limited for the financial year 2014-15.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

I. RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Lalit Kumar Jain (DIN: 00061293) and Mr. Dinesh Kumar Jain (DIN:00066363) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their re-appointment.

II. APPOINTMENT

Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain were appointed as additional directors by the Board with effect from 13.06.2015, 09.07.2015 & 14.08.2015 respectively in the category of the independent directors to comply with the requirement of Clause 49 of the Listing Agreement. The Company has received notices in writing from the members signifying their candidature for the office of directors of the Company. Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain are independent directors and the Board recommend for their appointments.

III. CESSATION

During the year, Mr. Bhagwan Das Narang, Independent Director resigned with effect from 26.02.2015. Further due to old age and health reasons Mr. Jamshed Rustomji Desai, Independent Director, had taken the retirement from the Board of the Company with effect from 29.05.2015. The Board placed on record its appreciation for the valuable services rendered by Mr. Narang and Mr. Desai.

IV. KEY MANAGERIAL PERSONNEL (KMP)

During the year, Mr. Lalit Kumar Jain, Chairman & Managing Director was designated as KMP. In addition to above, Mr. Naveen Kakkar, Company Secretary was designated as KMP and resigned with effect from 29.03.2015. Mr. Umesh Kumar Agarwal was appointed Chief Financial Officer (CFO) designated as KMP.

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 thereto, 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 ensuing Annual General Meeting of the Company.

None of the Directors of the Company is disqualified under Section 164 of the Companies Act, 2013.

CREDIT RATING

The Company has been assigned credit rating as 'BB Stable' by Brickwork Ratings India Private Limited on the basis of financial statements for the financial year 2013-14.

COMPANIES WHICH BECAME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES –

None

AUDITORS AND THEIR REPORT

M/s. V.R. Bansal & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 3 years at the 45th Annual General Meeting of the members of the Company held on 30.09.2014. Your director request that appointment of the Company's statutory auditors needs to be ratified at the 46th ensuing Annual General Meeting and being eligible offers themselves for reappointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and who has subjected itself to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI. The Board of Directors commends their re-appointment in the ensuing Annual General Meeting by way of ratification pursuant to Section 139 and all other applicable provisions, if any, of the Companies Act, 2013..

Auditor's report and Management reply on the comments/qualification by the Statutory Auditor are annexed to this report.

COST AUDITOR'S AND THEIR REPORT

M/s. HMVN & Associates the Company's Cost Auditors were appointed for the year 2015-16 and the Company has received certificate from the Cost Auditors to the effect that their appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Company has given necessary intimation to Central Government for the approval of such appointment in Form CRA-2 in terms of the applicable provisions of the Companies Act, 2013 and rules made there under.

In terms of the requirements of General Circular No. 15/2011, dated 11th April, 2011 issued by the Ministry of Corporate Affairs, Government of India, following are the brief particulars w.r.t. Cost Auditors & Cost Audit Reports:

| Financial Year | Name of the Cost Auditor | Due date of filing the Cost Audit Report | Actual date of filing the Cost Audit Report |
|----------------|--------------------------|--|---|
| 2012-13 | M/s. HMVN & Associates | 27.09.2013 | 26.09.2013 |
| 2013-14 | M/s. HMVN & Associates | 27.09.2014 | 09.09.2014 |
| 2014-15 | M/s. HMVN & Associates | 13.09.2015 | Under process |

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6)

The Independent directors have submitted their disclosure to the Board that they fulfil all the requirements as to quality for their appointment as an Independent Director under the provisions Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Company has formulated a Nomination and Remuneration Policy as per **Annexure – 4**. Details are provided in Corporate Governance Report.

SECRETARIAL AUDIT AND APPOINTMENT OF THE SECRETARIAL AUDITOR'S

The Company has appointed M/s. RMG & Associates, Company Secretaries to hold the office of the Secretarial Auditors and to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report in this regard is being attached as **Annexure – 5** to this Report and Management reply on the comments / observations by the Secretarial Auditor are annexed to this report

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 –

None

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

1. In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks.

2. VIGIL MECHANISM

A fair and transparent work culture has been core to the Company. To meet this objective, the Company had laid down the Vigil Mechanism Policy, which was approved by the Audit Committee and Board on 29.05.2014. The policy has been posted at the Company's website at www.lpsindia.com

INSURANCE AND RISK MANAGEMENT

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which considered necessary by the Management. In addition to this coverage, a statutory public liability insurance policy has been taken to cover by Company for providing against the public liability arising out of industrial accident for employees working in plants. Risk management policy is in existence in the Company with effect from 01.10.2014.

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

The information pertaining to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given as per **Annexure – 6** and forms part of the Board's Report.

STATEMENT OF FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year, Nomination cum Corporate Governance and Remuneration Committee laid down the evaluation criteria for performance evaluation of all the directors.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and non-independent Directors, by the independent Directors.

This exercise was carried out through structured evaluation process covering various aspects of the Board such as composition of the Board/ Committees, experience, competencies, performance of specific duties etc. Separate exercise was carried out to evaluate the performance of individual directors including the Chairman who were evaluated on the parameters such as attendance, contribution at the meeting, independent judgment etc. and was found to be satisfactory.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the applicable environmental laws and labour laws.

QUALITY MANAGEMENT SYSTEM

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

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

Customer focused approach

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

EMPLOYEES' STOCK OPTION PLAN

Your Company had not provided any employee stock option.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is the summary of the complaints received and disposed off during the financial year: 2014-15:

- | | |
|------------------------------------|-------|
| (a) No. of complaints received | : NIL |
| (b) No. of complaints disposed off | : NIL |

DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

In accordance with the Companies Act, 2013 read and Rules made there under, the particulars of employees who are drawing remuneration in excess of the limits is given in the **Annexure – 7** forming part of this Report.

LISTING AND CONFIRMATION OF FEE

The securities of your Company are listed at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2015-16 have been duly paid to the Stock Exchanges. The Company has also paid the annual custody fee for the year 2015-16 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the Company are compulsorily tradable in dematerialized form.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected 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 the Company for the year under review;
- Proper and sufficient care had taken for the maintenance of adequate accounting records for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts prepared on a 'going concern' basis; and
- Internal financial controls to be followed by the Company and that such internal finance controls are adequate and were operating effectively.

"Internal financial controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- Proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

It is stated in and forms part of Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has vide resolution dated 29.05.2014 constituted a Corporate Social Responsibility Committee of the Board. As the net worth, turnover and (loss) of the Company as on March 31, 2014 were Rs.74.81 Crores, Rs.348.94 Crores and Rs.28.62 Crores respectively i.e. below the prescribed limits. However, considering the profit of the last financial years the net profit of the Company was Rs.7.37 crores in the financial year 2011-12 i.e. exceeding the limit of Rs.5 crores. Though the Company has constituted the Committee but the spending of CSR activity is not applicable on the profitability for the financial year 2014-15 as there is loss on the basis of average net profit of the Company for last three financial years. The Company does not required to spent any money during current year. The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website i.e. www.lpsindia.com. The CSR committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the annual report is being sent to the members of the Company. The said information is available at the website of the Company and is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to be Company Secretary and the same will be furnished on request.

DISCLOSURES RELATED TO REMUNERATION OF DIRECTORS AND KMPs

a. Disclosures as per provisions of Schedule V, Part II, Section II (B)(iv)

Disclosure in this regard pursuant to above provisions are given in the Corporate Governance Report attached to this report at Clause no.4.

b. Ratio of Remuneration of each Director to median remuneration of employees

- Ratio of remuneration of Mr. Lalit Kumar Jain to median remuneration of employees during the Financial Year 2014-15 was 10:1.
- Ratio of remuneration of Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain to median remuneration of employees during the Financial Year 2014-15 was 10:1 each.

c. Percentage increase in remuneration of each Director and KMP

| S.No. | Name & Designation | % Increase in remuneration in Financial Year 2014-15 |
|-------|--|--|
| 01 | Mr. Lalit Kumar Jain, CMD | NIL |
| 02 | Mr. Dinesh Kumar Jain, VCMD | NIL |
| 03 | Mr. Vijay Kumar Jain, JMD | NIL |
| 04 | Mr. Naveen Kakkar, Company Secretary (upto 29.03.2015) | 8% |
| 05 | Mr. Umesh Agarwal, CFO | Not applicable as appointed w.e.f. 14.11.2014. |

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2014-15 was 8%.

e. No. of employees of the Company

As on 31st March, 2015, your Company had 1091 permanent employees on the rolls of the Company. The same does not include contractual employees.

f. Relationship between average increase in remuneration and Company Performance

The Company achieved a sales turnover of Rs.372 crores during the Financial Year 2014-15 as compared to Rs.349 crores in the previous year and recorded a net profit of Rs.38.51 lacs (approx.) as against net loss of Rs.(2862) crores (approx.) respectively. The average increase in remuneration of employees of the Company was 8% during the Financial Year 2014-15.

g. Comparison of remuneration of KMP against the performance of the Company

Considering the performance of the Company, as explained in clause (f) above, the remuneration of KMP, Managing Director and Whole-time Director as explained in MGT-9 under Clause VI(A)&(C) are moderate and can be termed as reasonable. Further the remuneration of Mr. Lalit Kumar Jain, CMD as KMP and other Whole-time Directors are as per the approval of Central Government.

h. Variations in the market capitalization of the Company

| Particulars | As on 31st March, 2014 (Rs. in lacs) | As on 31st March, 2015 (Rs. in lacs) | Variation (Rs. in lacs) | Variation (%) |
|-----------------------------|---|---|----------------------------|---------------|
| Market capitalization (Rs.) | 4377 | 4377 | NIL | NIL |

i. Price Earning Ratio as at the closing date of Financial Year 2013-14 and 2014-15

| Particulars | As on 31st March, 2014 | As on 31st March, 2015 |
|--|------------------------------------|------------------------|
| Price Earning Ratio (Share price to EPS) | Not applicable because of the loss | 114.29 |

j. Percentage increase or (over) decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer (PO)

| Particulars | Price per share | Variation in rate compared with rate of IPO | % of such variation |
|--|-----------------|---|---------------------|
| Rate of last IPO/per share* | 10 | - | - |
| Highest rate in Financial Year 2014-15 | 61 | 51 | 510 |
| Lowest rate in Financial Year 2014-15 | 36 | 26 | 260 |
| Rate as on 31st March, 2015 | 40 | 30 | 300 |

* The Company had come out with initial IPO in 1983 @ Rs.10 per share.

k. Average percentage increase already made in the salaries of employee of other than the managerial personnel in the Financial Year 2014-15 and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any

| Particulars | Financial Year 2014-15 | Comments |
|---|------------------------|---|
| Average percentage increase in the salaries of employee other than Managerial Personnel | 7% | Annual general increased |
| Average percentage Increase in salary of Managerial Personnel | NIL | No increment was given to any managerial personnel during Financial Year 2014-15. |

l. Comparison of the remuneration of each KMP against the performance of the Company

Considering the performance of the Company, as explained in clause (f) above, the remuneration of each KMP (including Managing Director and Whole-time Director) as explained in MGT-9 under Clause VI(A)&(C) are moderate and can be termed as reasonable. Further the remuneration of Mr. Lalit Kumar Jain, CMD

m. Key parameters of variable component of remuneration availed by Director

No variable components were availed by the Directors except the sitting fees during the Financial Year. Other KMP as per the policy of the Company.

n. Ratio of Remuneration of highest paid employee if it exceeds remuneration of highest paid Director

There was no employee of the Company who had been paid remuneration more than the remuneration paid to Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director and Mr. Vijay Kumar Jain, Joint Managing Director of the Company.

o. Policy compliance affirmation

The remuneration to Directors and KMP is as per the nomination and remuneration policy of the Company.

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 promptly. The employer – employee relations remained cordial at all the plants of the Company and peaceful throughout the year.

SECRETARIAL STANDARD

The Company has complied with the Secretarial Standard issued by the Institute of Companies Secretaries of India applicable w.e.f. 01.07.2015.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance Practices following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its stipulations as applicable to the Company. The report on Corporate Governance stipulated under Clause 49 for the Listing Agreement attached in **Annexure – 8** and forming part of the Board's Report.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the Company's esteemed Shareholders, valued Customers, Suppliers, Business Associates, Bankers, Vendors, 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 the Company.

Your Directors also place on record their appreciation for the committed services rendered by all employees and our colleagues at all levels, without whose wholehearted efforts, the overall 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 14, 2015**

Lalit Kumar Jain
Chairman & Managing Director
DIN: 00061293

Annexure - 1 to the Board's Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|--|
| i | CIN | L35999HR1968PLC004977 |
| ii | Registration Date | 27.12.1968 |
| iii | Name of the Company | LAKSHMI PRECISION SCREWS LIMITED |
| iv | Category/Sub-category of the Company | INITIALLY REGISTERED AS PRIVATE LIMITED LATER CONVERTED IN PUBLIC LIMITED |
| v | Address of the Registered office & contact details | 46/1, MILE STONE, HISSAR ROAD, ROHTAK - 124001 (HARYANA) PH.01262-248289 |
| vi | Whether listed Company | YES |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | M/S. MCS SHARE TRANSFER AGENT LTD. F-65, 1ST FLOOR, OKHLA INDUSTRIAL AREA, PHASE - 1, NEW DELHI - 110020. |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product/Services | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1 | Bolts and Screws, whether or not with their nuts or washers | 28991 | 92.79 |
| 2 | Nuts | 28991 | 0.13 |
| 3 | Axle parts & access of Motorcycle & Scooters parts | 50404 | 4.93 |
| 4 | Assorted waste and scrap | 37100 | 2.15 |
| | Total | | 100.00 |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SL No | Name & Address of the Company | CIN/GLN | HOLDING/SUBSIDIARY/ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|--|-----------------------|------------------------------|------------------|--------------------|
| 1 | INDIAN FASTENERS LTD. INDUSTRIAL AREA, HISAR ROAD, ROHTAK | U28939HR1986PLC025042 | SUBSIDIARY | 67.30 | 2(87)(ii) |
| 2 | LPS BOSSARD PVT. LTD. A-1,/134, SAFDARJUNG ENCLAVE, NEW DELHI - 110029. | U72200DL1997PTC090805 | JOINT VENTURE | 49.00 | 2(6) |
| 3 | LPS BOSSARD INFORMATION SYSTEMS PVT. LTD. 302, LOCAL SHOPPING CENTRE, DERAVAL NAGAR, GUJRANWALA, NEW DELHI - 110009. | U72200DL1997PTC090806 | JOINT VENTURE | 49.00 | 2(6) |
| 4 | J C FASTENERS LTD. 1-1A/45-C, JANAKPURI, NEW DELHI. | U74899DL1994PLC060719 | ASSOCIATE | 42.81 | 2(6) |
| 5 | HANUMAT WIRES UDYOG PVT. LTD. 146, JHANDEWALAN EXTN, CYCLE MARKET, NEW DELHI. | U74899DL1988PTC032902 | ASSOCIATE | 23.25 | 2(6) |
| 6 | LAKSHMI EXTRUSION LTD. 146, JHANDEWALAN EXTN, CYCLE MARKET, NEW DELHI. | U74999DL1988PLC033123 | ASSOCIATE | 45.00 | 2(6) |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2014) | | | | No. of Shares held at the end of the year (As on 31.03.2015) | | | | % change during the year | |
|--|--|-------------|----------------|-------------------|--|-------------|----------------|-------------------|--------------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | No. of Shares | % of total Shares |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | 6880287 | 0 | 6880287 | 62.882 | 6880287 | 0 | 6880287 | 62.882 | 0 | 0.000 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| c) Bodies Corporates | 30733 | 0 | 30733 | 0.281 | 30733 | 0 | 30733 | 0.281 | 0 | 0.000 |
| d) Bank/FI | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| e) Any other | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| | | | | | | | | | | |
| SUB TOTAL: (A) (1) | 6911020 | 0 | 6911020 | 63.162 | 6911020 | 0 | 6911020 | 63.162 | 0 | 0.000 |
| | | | | | | | | | | |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| b) Other Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| c) Bodies Corporates | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| d) Bank/FI | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| e) Any other | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| | | | | | | | | | | |
| SUB TOTAL: (A) (2) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| | | | | | | | | | | |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 6911020 | 0 | 6911020 | 63.162 | 6911020 | 0 | 6911020 | 63.162 | 0 | 0.000 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | 0 | 700 | 700 | 0.006 | 0 | 700 | 700 | 0.006 | 0 | 0.000 |
| b) Banks/FI | 125 | 1800 | 1925 | 0.018 | 125 | 1800 | 1925 | 0.018 | 0 | 0.000 |
| c) Central Govt. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| d) State Govt. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| f) Insurance Companies | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| g) FIIs | 0 | 1250 | 1250 | 0.011 | 0 | 1250 | 1250 | 0.011 | 0 | 0.000 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| i) Others (specify) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| | | | | | | | | | | |
| SUB TOTAL: (B) (1) | 125 | 3750 | 3875 | 0.035 | 125 | 3750 | 3875 | 0.035 | 0 | 0.000 |
| | | | | | | | | | | |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | | |
| i) Indian | 289167 | 6993 | 296160 | 2.707 | 272603 | 6993 | 279596 | 2.555 | 16564 | 0.151 |
| ii) Overseas | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2014) | | | | No. of Shares held at the end of the year (As on 31.03.2015) | | | | % change during the year | |
|--|--|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | No. of Shares | % of total Shares |
| (b) Individuals | | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 1623614 | 332320 | 1955934 | 17.876 | 1595549 | 315342 | 1910891 | 17.464 | 45043 | 0.412 |
| (ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 1717787 | 16000 | 1733787 | 15.846 | 1769805 | 16000 | 1785805 | 16.321 | -52018 | -0.475 |
| © Others (specify) | | | | | | | | | | |
| i) Trust & Foundations | 2150 | 0 | 2150 | 0.020 | 2150 | 0 | 2150 | 0.020 | 0 | 0.000 |
| ii) Cooperative Societies | 0 | 0 | 0 | 0.000 | 18000 | 0 | 18000 | 0.165 | -18000 | -0.165 |
| iii) Non Resident Individual | 36091 | 2650 | 38741 | 0.354 | 27680 | 2650 | 30330 | 0.277 | 8411 | 0.077 |
| | | | | | | | | | | |
| SUB TOTAL:(B) (2) | 3668809 | 357963 | 4026772 | 36.802 | 3685787 | 340985 | 4026772 | 36.802 | 0 | 0.000 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 3668934 | 361713 | 4030647 | 36.838 | 3685912 | 344735 | 4030647 | 36.838 | 0 | 0.000 |
| | | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0 | 0.000 |
| | | | | | | | | | | |
| GRAND TOTAL:(A+B+C) | 10579954 | 361713 | 10941667 | 100.000 | 10596932 | 344735 | 10941667 | 100.000 | 0 | 0.000 |

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year (As on 01.04.2014) | | | Shareholding at the end of the year (As on 31.03.2015) | | | % change in share holding during the year |
|--------|-------------------|--|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | RAJESH JAIN | 1430804 | 13.077 | 0 | 1430804 | 13.077 | 0 | 0 |
| 2 | LALIT KUMAR JAIN | 1143516 | 10.451 | 0 | 1143516 | 10.451 | 0 | 0 |
| 3 | LALIT KUMAR JAIN | 16084 | 0.147 | 0 | 16084 | 0.147 | 0 | 0 |
| 4 | VIJAY KUMAR JAIN | 1132593 | 10.351 | 0 | 1132593 | 10.351 | 0 | 0 |
| 5 | NIKHLESH JAIN | 528362 | 4.829 | 0 | 528362 | 4.829 | 0 | 0 |
| 6 | GAURAV JAIN | 367485 | 3.359 | 0 | 367485 | 3.359 | 0 | 0 |
| 7 | SAURABH JAIN | 367484 | 3.359 | 0 | 367484 | 3.359 | 0 | 0 |
| 8 | SUSHILA DEVI JAIN | 310415 | 2.837 | 0 | 310415 | 2.837 | 0 | 0 |
| 9 | DEEPA JAIN | 256700 | 2.346 | 0 | 256700 | 2.346 | 0 | 0 |
| 10 | DINESH KUMAR JAIN | 252000 | 2.303 | 0 | 252000 | 2.303 | 0 | 0 |
| 11 | SANDHYA JAIN | 199167 | 1.820 | 0 | 199167 | 1.820 | 0 | 0 |
| 12 | RITA JAIN | 150000 | 1.371 | 0 | 150000 | 1.371 | 0 | 0 |
| 13 | AMIT KUMAR JAIN | 131221 | 1.199 | 0 | 131221 | 1.199 | 0 | 0 |
| 14 | GAUTAM JAIN | 120383 | 1.100 | 0 | 120383 | 1.100 | 0 | 0 |
| 15 | GAGAN JAIN | 119716 | 1.094 | 0 | 119716 | 1.094 | 0 | 0 |
| 16 | RAHUL JAIN | 106500 | 0.973 | 0 | 106500 | 0.973 | 0 | 0 |
| 17 | SUDESH KUMAR JAIN | 103237 | 0.944 | 0 | 103237 | 0.944 | 0 | 0 |
| 18 | MADHU JAIN | 80429 | 0.735 | 0 | 80429 | 0.735 | 0 | 0 |

| SI No. | Shareholders Name | Shareholding at the beginning of the year (As on 01.04.2014) | | | Shareholding at the end of the year (As on 31.03.2015) | | | % change in share holding during the year |
|--------|--------------------------------|---|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | % of total Shares |
| 19 | SUDHIR AUTOMOTIVE IND (P) LTD. | 24400 | 0.223 | 0 | 24400 | 0.223 | 0 | 0 |
| 20 | MRIDULA JAIN | 22583 | 0.206 | 0 | 22583 | 0.206 | 0 | 0 |
| 21 | RAJESH JAIN & SONS (HUF) | 14000 | 0.128 | 0 | 14000 | 0.128 | 0 | 0 |
| 22 | CHANDNI GOYAL | 8542 | 0.078 | 0 | 8542 | 0.078 | 0 | 0 |
| 23 | VIJAY KUMAR JAIN & SONS (HUF) | 7300 | 0.067 | 0 | 7300 | 0.067 | 0 | 0 |
| 24 | CHARUL JAIN | 6866 | 0.063 | 0 | 6866 | 0.063 | 0 | 0 |
| 25 | L.P.S. SECURITIES LTD. | 6333 | 0.058 | 0 | 6333 | 0.058 | 0 | 0 |
| 26 | LALIT KUMAR JAIN & SONS (HUF) | 4900 | 0.045 | 0 | 4900 | 0.045 | 0 | 0 |
| | Total | 6911020 | 63.162 | 0 | 6911020 | 63.162 | 0 | 0 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| SI No. | | Shareholding at the beginning of the year (As on 01.04.2014) | | Cumulative Shareholding during the year (As on 01.04.2014 to 31.03.2015) | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | No change | | | |
| | At the end of the year | | | | |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SI No. | | Shareholding | | Cumulative Shareholding during the year | |
|--------|--|---------------|----------------------------------|---|----------------------------------|
| | Top 10 Shareholders | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year (as on 01.04.2014) | | | | |
| 1 | Mr. Arun Kumar Jain | 798959 | 7.302 | 0 | 0 |
| 2 | Mr. Shivswaroop Jagmohanlal Gupta | 165000 | 1.508 | 0 | 0 |
| 3 | Mr. Anil Bhavanji Shah | 145357 | 1.328 | 0 | 0 |
| 4 | Mr. Bhavanji Vershi Shah | 90488 | 0.827 | 0 | 0 |
| 5 | Mr. Surinder K Kurichh | 72332 | 0.661 | 0 | 0 |
| 6 | Mrs. Radhika Gupta | 54117 | 0.495 | 0 | 0 |
| 7 | Mrs. Samridhi Jain | 52449 | 0.479 | 0 | 0 |
| 8 | Mr. Vipin Gupta | 31833 | 0.291 | 0 | 0 |
| 9 | Mr. Brij Bhushan Gupta | 26615 | 0.243 | 0 | 0 |
| 10 | Mr. Dony Kuriakose | 26500 | 0.242 | 0 | 0 |

| SI No. | | Shareholding | | Cumulative Shareholding during the year | |
|--------|---|-----------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Top 10 Shareholders | | | | |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.) | | | | |
| 3 | Mr. Shivswaroop Jagmohanlal Gupta | Market sale | | | |
| 5 | Mr. Surinder K Kurichh | Market purchase | | | |
| 6 | Mrs. Radhika Gupta | Market purchase | | | |
| 7 | Mrs. Samridhi Jain | Market purchase | | | |
| | At the end of the year (or on the date of separation, if separated during the year) (As on 31.03.2015) | | | | |
| 1 | Mr. Arun Kumar Jain | 798959 | 7.302 | 0 | 0 |
| 2 | Mr. Anil Bhavanji Shah | 145357 | 1.328 | 0 | 0 |
| 3 | Mr. Shivswaroop Jagmohanlal Gupta | 135000 | 1.234 | 0 | 0 |
| 4 | Mr. Bhavanji Vershi Shah | 90488 | 0.827 | 0 | 0 |
| 5 | Mr. Surinder K Kurichh | 73564 | 0.672 | 0 | 0 |
| 6 | Mrs. Radhika Gupta | 73428 | 0.671 | 0 | 0 |
| 7 | Mrs. Samridhi Jain | 57238 | 0.523 | 0 | 0 |
| 8 | Mr. Vipin Gupta | 31833 | 0.291 | 0 | 0 |
| 9 | Mr. Brij Bhushan Gupta | 26615 | 0.243 | 0 | 0 |
| 10 | Mr. Dony Kuriakose | 26500 | 0.242 | 0 | 0 |

(v) Shareholding of Directors & KMP

| SI No. | | Shareholding | | Cumulative Shareholding during the year | |
|--------|---|---------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year (as on 01.04.2014) | | | | |
| 1 | Mr. Lalit Kumar Jain, CMD | 1159600 | 10.598 | 0 | 0 |
| 2 | Mr. Dinesh Kumar Jain, VCMD | 252000 | 2.303 | 0 | 0 |
| 3 | Mr. Vijay Kumar Jain, JMD | 1132593 | 10.351 | 0 | 0 |
| 4 | Mr. Rajesh Jain, Director | 1430804 | 13.077 | 0 | 0 |
| 5 | Smt. Sushila Devi Jain, Director | 310415 | 2.837 | 0 | 0 |
| 6 | Mr. Jamshed R Desai, Director | 2204 | 0.020 | 0 | 0 |
| 7 | Mr. Keshwa Nand Rattan, Director | 500 | 0.005 | 0 | 0 |
| 8 | Mr. Ajay K Chakraborty, Director | 0 | 0.000 | 0 | 0 |
| 9 | Mr. Bhagwan Das Narang, Director | 0 | 0.000 | 0 | 0 |
| 10 | Mr. Yudhisthir Lal Madan, Director | 0 | 0.000 | 0 | 0 |
| 11 | Mr. Umesh Agarwal, CFO | 0 | 0.000 | 0 | 0 |
| 12 | Mr. Naveen Kakkar, Company Secretary | 0 | 0.000 | 0 | 0 |

| SI No. | | Shareholding | | Cumulative Shareholding during the year | |
|--------|--|---------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Directors & KMP | | | | |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.) | 0 | 0 | | |
| | At the end of the year (as on 31.03.2015) | | | | |
| 1 | Mr. Lalit Kumar Jain, CMD | 1159600 | 10.598 | 0 | 0 |
| 2 | Mr. Dinesh Kumar Jain, VCMD | 252000 | 2.303 | 0 | 0 |
| 3 | Mr. Vijay Kumar Jain, JMD | 1132593 | 10.351 | 0 | 0 |
| 4 | Mr. Rajesh Jain, Director | 1430804 | 13.077 | 0 | 0 |
| 5 | Smt. Sushila Devi Jain, Director | 310415 | 2.837 | 0 | 0 |
| 6 | Mr. Jamshed R Desai, Director | 2204 | 0.020 | 0 | 0 |
| 7 | Mr. Keshwa Nand Rattan, Director | 500 | 0.005 | 0 | 0 |
| 8 | Mr. Ajay K Chakraborty, Director | 0 | 0.000 | 0 | 0 |
| 9 | Mr. Bhagwan Das Narang, Director | 0 | 0.000 | 0 | 0 |
| 10 | Mr. Yudhisthir Lal Madan, Director | 0 | 0.000 | 0 | 0 |
| 11 | Mr. Umesh Agarwal, CFO | 0 | 0.000 | 0 | 0 |
| 12 | Mr. Naveen Kakkar, Company Secretary | 0 | 0.000 | 0 | 0 |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.) | | | | |
|--|----------------------------------|-----------------|-----------|--------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year (01.04.2014) | | | | |
| i) Principal Amount | 647958740 | 67541204 | 274499246 | 989999190 |
| ii) Interest due but not paid | 10542773 | - | 2469703 | - |
| iii) Interest accrued but not due | 6987195 | 176728 | - | 7163923 |
| Total (i+ii+iii) | 665488708 | 67717932 | 276968949 | 997163113 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 263689719 | 57500000 | 353656968 | 674846687 |
| Reduction | 166782471 | 74655160 | 64580483 | 306018114 |
| Net Change | 96907248 | -17155160 | 289076485 | 368828573 |
| Indebtedness at the end of the financial year (31.03.2015) | | | | |
| i) Principal Amount | 744865988 | 50386044 | 563575731 | 1358827763 |
| ii) Interest due but not paid | 14705444 | - | 2222884 | - |
| iii) Interest accrued but not due | 10061591 | 474447 | - | 10536038 |
| Total (i+ii+iii) | 769633023 | 50860491 | 565798615 | 1369363801 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl No. | Particulars of Remuneration | Name of the MD/WT/Manager | | | Total Amount in Rs. |
|--------|---|---------------------------|-----------------------|----------------------|---------------------|
| 1 | Gross salary | MR. LALIT KUMAR JAIN | MR. DINESH KUMAR JAIN | MR. VIJAY KUMAR JAIN | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 6600000 | 6600000 | 6600000 | 19800000 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 6408000 | 2988000 | 5808000 | 15204000 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | NIL |
| 2 | Stock option | | | | NIL |
| 3 | Sweat Equity | | | | NIL |
| 4 | Commission as (i) % of profit (ii) others (specify) | | | | NIL |
| 5 | Others, please specify contribution to provident fund | 792000 | 792000 | 792000 | 2376000 |
| | Total (A) | 13800000 | 10380000 | 13200000 | Rs.37380000/- pa |
| | *Ceiling as per the Act / approval of Central Government | | | | |

*Central Government vide its letter no. SRNO. B60507860/04/2012-CL VII, SRNo. B60508405/4/2012-CL.VII, dated 17.09.2013 and SRNO. B60508736/0422011-CL.VII, dated 29.10.2013 approved the remuneration of Rs.11.50 lacs, Rs.11 lacs and Rs.11 lacs to Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain respectively in addition to the other benefits.

B. Remuneration to other directors:

| Sl No. | Particulars of Remuneration | Name of the Directors | | | | | Total Amount in Rs. |
|--------|--|-----------------------|----------------|---------------------|----------------|---------------|---------------------|
| 1 | Independent Directors | Mr. J R Desai | Mr. K N Rattan | Mr. A K Chakraborty | Mr. B D Narang | Mr. Y L Madan | |
| | (a) Fee for attending Board/ Committee meetings | 240000 | 240000 | 240000 | 140000 | 80000 | 940000 |
| | (b) Commission | NIL | NIL | NIL | NIL | NIL | NIL |
| | (c) Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (1) | 240000 | 240000 | 240000 | 140000 | 80000 | 940000 |
| 2 | Other Non Executive Directors | Mr. R Jain | Smt. S D Jain | | | | |
| | (a) Fee for attending Board/ Committee meetings | 160000 | 20000 | | | | 180000 |
| | (b) Commission | NIL | NIL | | | | NIL |
| | (c) Others, please specify | NIL | NIL | | | | NIL |
| 3 | Total (2) | 160000 | 20000 | | | | |
| 4 | Total (B)=(1+2) | 400000 | 260000 | 240000 | 140000 | 80000 | 1120000 |
| 5 | Total Managerial Remuneration | | | | | | 38500000 |
| 6 | *Ceiling as per the Act/ approval of Central Government | | | | | | |

*fee for attending Board / Committee meeting is as per section 197 of the Company Act, 2013, as decided by the board.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|--------|--|--------------------------|-------------------|---------|--------------|
| 1 | Gross Salary | Mr. Umesh Agarwal | Mr. Naveen Kakkar | Total | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 2115672 | 1317996 | 3433668 | 3433668 |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission as (i) % of profit (ii) others (specify) | NIL | NIL | NIL | NIL |
| 5 | Others, please specify | NIL | NIL | NIL | NIL |
| | Total | 2115672 | 1317996 | 3433668 | 3433668 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| | | | | | |
| Penalty | _____ | NIL | _____ | | |
| Punishment | _____ | NIL | _____ | | |
| Compounding | _____ | NIL | _____ | | |
| | | | | | |
| Total | | | | | |
| B. DIRECTORS | | | | | |
| | | | | | |
| Penalty | _____ | NIL | _____ | | |
| Punishment | _____ | NIL | _____ | | |
| Compounding | _____ | NIL | _____ | | |
| | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| | | | | | |
| Penalty | _____ | NIL | _____ | | |
| Punishment | _____ | NIL | _____ | | |
| Compounding | _____ | NIL | _____ | | |

Annexure - 2 to the Board's Report

FORM NO. AOC - 1

Information related to subsidiary company including joint ventures and associates:

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014).

(Amount in Rs.)

| Sr. No. | Name | Type of Company | Capital | Reserves | Total Assets | Total Liabilities | Investments | Turnover/ Total income | Profit/loss (-) before taxation | Provision for taxation/ (credit) | Profit/loss(-) after taxation | Proposed dividend | % of Shareholding | Country |
|---------|---|-----------------|----------|-----------|--------------|-------------------|-------------|------------------------|---------------------------------|----------------------------------|-------------------------------|-------------------|-------------------|---------|
| 1 | Indian Fasteners Limited | Subsidiary | 7155800 | 9391186 | 20107513 | 20107513 | NIL | 3316209 | 678719 | 273952 | 404767 | NIL | 67.30 | India |
| 2 | LPS Bossard Private Limited | Joint Venture | 48000390 | 471006263 | 764872761 | 764872761 | NIL | 1109498835 | 80336762 | 26007841 | 54328921 | NIL | 49.00 | India |
| 3 | LPS Bossard Information Systems Private Limited | Joint Venture | 3770390 | 1661246 | 5441636 | 5441636 | NIL | 199016 | 136116 | 42517 | 93599 | NIL | 49.00 | India |
| 4 | J.C. Fasteners Limited | Associates | 16350000 | 1201480 | 112845638 | 112845638 | NIL | 73143652 | -649550 | -200711 | -448839 | NIL | 42.81 | India |
| 5 | Hanumat Wires Udyog Private Limited | Associates | 12011600 | 32541043 | 122814459 | 122814459 | NIL | 268185365 | 9092794 | 0 | 9092794 | NIL | 23.25 | India |
| 6 | Lakshmi Extrusion Limited | Associates | 6666500 | 1347900 | 9268400 | 9268400 | 150000 | 0 | 0 | 0 | 0 | NIL | 45.00 | India |

Annexure - 3 to the Board's Report

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NONE

- (a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any
(e) Justification for entering into such contracts or arrangements or transactions
(f) Date(s) of approval by the Board
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

| | | | |
|-----|--|--|---------------------------------------|
| (a) | Name(s) of the related party and nature of relationship | NAV BHARAT INDUSTRIES, is an Associate of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Job work | Lease of Land & Building |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.50 lacs per annum | Upto a max.of Rs.10.89 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | |
|-----|--|---|
| (a) | Name(s) of the related party and nature of relationship | UNITED ENGINEERS, is an Associate of Lakshmi Precision Screws Limited |
| (b) | Nature of Contracts/arrangements/transactions | Job work |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.30 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 |
| (f) | Amount paid as advances, if any | NIL |

| | | |
|-----|--|--|
| (a) | Name(s) of the related party and nature of relationship | AMIT SCREWS PVT. LTD., is an Associate Company of Lakshmi Precision Screws Limited |
| (b) | Nature of Contracts/arrangements/transactions | Job work |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.20 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 |
| (f) | Amount paid as advances, if any | NIL |

| | | |
|-----|--|--|
| (a) | Name(s) of the related party and nature of relationship | SHIV INDUSTRIES, is an Associate of Lakshmi Precision Screws Limited |
| (b) | Nature of Contracts/arrangements/transactions | Job work |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.20 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 |
| (f) | Amount paid as advances, if any | NIL |

| | | | |
|-----|--|--|-------------------------------------|
| (a) | Name(s) of the related party and nature of relationship | LPS FASTENERS & WIRES PVT. LTD., is an Associate Company of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Job work | Rent |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | 01.04.2014 to 31.03.2019 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.100 lacs per | Upto a max.of Rs.50,000/- per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | | |
|-----|--|--|------------------------------------|
| (a) | Name(s) of the related party and nature of relationship | INDIAN FASTENERS LTD., is a Subsidiary Company of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Job work | Leasing of software license |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.50 lacs per annum | Upto a max.of Rs.18 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | | |
|-----|--|--|--|
| (a) | Name(s) of the related party and nature of relationship | LPS BOSSARD PVT. LTD., is a Joint Venture Company of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Sales by LPS | Purchase by LPS |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | 2014-15 Rs.1800 lacs 2015-16 Rs. 600 lacs 2016-17 Rs. 700 lacs 2017-18 Rs. 800 lacs | 2014-15 Rs.250 lacs 2015-16 Rs.250 lacs 2016-17 Rs.300 lacs 2017-18 Rs.400 lacs |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | | |
|-----|--|---|--|
| (a) | Name(s) of the related party and nature of relationship | LPS INDUSTRIAL SUPPLIES PVT. LTD., is a Associate Company of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Sales by LPS | Purchase by LPS |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | 2014-15 Rs.540 lacs 2015-16 Rs.150 lacs 2016-17 Rs.200 lacs 2017-18 Rs.200 lacs | 2014-15 Rs.285 lacs 2015-16 Rs.100 lacs 2016-17 Rs.125 lacs 2017-18 Rs.150 lacs |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | | |
|-----|--|---|--|
| (a) | Name(s) of the related party and nature of relationship | SMT. SUSHILA DEVI JAIN, is a Director of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Lease of Land & Building | |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2019 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.44.88 lacs per annum | |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

| | | | | |
|-----|--|---|------------------------------------|------------------------------------|
| (a) | Name(s) of the related party and nature of relationship | SUDHIR AUTOMOTIVE INDUSTRIES PVT. LTD., is an Associate Company of Lakshmi Precision Screws Limited | | |
| (b) | Nature of Contracts/arrangements/transactions | Job work | Sales by LPS | Purchase by LPS |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.400 lacs per annum | Upto a max.of Rs.75 lacs per annum | Upto a max.of Rs.75 lacs per annum |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | | |
| (f) | Amount paid as advances, if any | NIL | | |

| | | | | |
|-----|--|--|--|--|
| (a) | Name(s) of the related party and nature of relationship | NAV BHARAT AGENCY, is an Associate of Lakshmi Precision Screws Limited | | |
| (b) | Nature of Contracts/arrangements/transactions | Purchase by LPS | | |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.15 lacs per annum | | |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | | |
| (f) | Amount paid as advances, if any | NIL | | |

| | | | | |
|-----|--|--|--|--|
| (a) | Name(s) of the related party and nature of relationship | J.C. FASTENERS LTD., is an Associate Company of Lakshmi Precision Screws Limited | | |
| (b) | Nature of Contracts/arrangements/transactions | Job work | | |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2017 | | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Upto a max.of Rs.100 lacs per annum | | |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | | |
| (f) | Amount paid as advances, if any | NIL | | |

| | | | |
|-----|--|--|--|
| (a) | Name(s) of the related party and nature of relationship | LPS-EJOT FASTENING SYSTEMS PVT. LTD., is a Associate Company of Lakshmi Precision Screws Limited | |
| (b) | Nature of Contracts/arrangements/transactions | Sales by LPS | Sharing of expenses |
| (c) | Duration of the contracts/ arrangements/ transactions | 01.04.2014 to 31.03.2018 | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | 2014-15 Rs. 50 lacs 2015-16 Rs.100 lacs 2016-17 Rs.200 lacs 2017-18 Rs.300 lacs | 2014-15 Rs.15 lacs 2015-16 Rs.25 lacs 2016-17 Rs.35 lacs 2017-18 Rs.45 lacs |
| (e) | Date(s) of approval by the Board, if any: | 09.08.2014 | |
| (f) | Amount paid as advances, if any | NIL | |

Annexure - 4 to the Board's Report

Nomination and Remuneration Policy of Lakshmi Precision Screws Limited in terms of Section 178 of Companies Act, 2013 and Clause No. 49 B(5) of Listing Agreement with the Stock Exchange

Objective:

To apprise and assure Board Members through Nomination and Remuneration Committee (hereinafter referred as Committee) regarding availability of framework for conducting company business efficiently by ensuring availability of requisite talent, reasonable and sufficient remuneration for retaining the talent, Transparent Performance Evaluation and Reward System to Create High Performance Culture.

Applicability:

All employees in service of M/s Lakshmi Precision Screws Limited including Directors, Key Management Personnel and Senior Management Personnel.

Performance Evaluation Policy

All employees are covered under following basic principles guiding the policy & process thereof:

Basic Principles:

- Objective and Transparent Performance Evaluation
- Alignment of Company Objectives and Individual Performance
- Suitably Rewarding High Performance
- Creating Performance Oriented Culture

Process of Performance Evaluation:

- Company Objectives are defined on Year On Year basis in line with long term goals
- All department and individual Key Result Area (KRA) are defined in line with Company Objectives
- All employees up to Jr. Management level i.e. below Manager are evaluated on annual basis based on Management by Objective
- Manager and above level employees are evaluated on Quarterly basis against pre defined KRA
- Final evaluation of each employee in the organization is done in the month of July every year
- Each individual is appraised on individual performance and competence (level specific) on a 1 to 5 point scale (where 1 is lowest)
- KRA for next Performance Year are finalized
- Each individual is appraised at three levels to ensure correct evaluation

Outcome of Performance Evaluation Exercise

- Career Plan for each position
- Training needs of incumbent
- Remuneration Enhancement
- Potential employee for future growth
- Performance Oriented Culture

Remuneration

- Remuneration is based upon Level, Responsibilities of the position and Performance of incumbent
- All Statutory benefits are extended to employees Attracting, Retaining and Nurturing Talent Policy Attracting Talent
- Job related
- Behavioral
- Manager & above level positions are finalized with involvement of Chairman & Managing Director

Retention & Nurturing of Talent

- Fair Remuneration & other employee related policies
- Transparent Performance Evaluation and Rewards System
- Defined Career path and Development Opportunities for all without bias
- Individual Competence enhancement through Training
- Involvement in Improvements and Change on regular basis
- Open Door Policy for employees

Annexure - 5 to the Board's Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Lakshmi Precision Screws Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lakshmi Precision Screws Limited** (hereinafter referred as 'the Company'), having its Registered Office at **46/1 Mile Stone, Hissar Road, Rohtak, Haryana-124001**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lakshmi Precision Screws Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under not applicable during the period under review.
- V. The following Regulations and Guidelines to the extent applicable as prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and policies under the said Regulations;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. As per the information furnished by the management, there are no laws specifically applicable on the Company,

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company and in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable general laws like Labour Laws and Environmental Laws. However, there are some events for non-payment of statutory dues and statutory obligations and non-filing of returns and documents under various Labour and Environmental Laws as applicable on the company.

We have also examined the compliances with the applicable clauses of the Listing Agreements entered into by the Company with the National Stock Exchange and Bombay Stock Exchange, where the equity shares of the Company are listed. Further, we are of the view that the company should take adequate care in complying with the provisions of the Listing Agreement, w.r.t the time bound compliances i.e. forward the proceeding of annual general meeting to stock exchange within prescribed time under clause 35A of Listing Agreement.

Further, the Secretarial Standards issued by the Institute of Company Secretaries of India were not applicable for the period under review.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals. Further, the Statutory Auditors have given qualified views on various issues relating to the functioning of Management and non-compliance of various provisions of the Act, our report should also be read along with the qualified views, as given by the Statutory Auditors in their report for the financial year 2014-2015.

We further report that, there were no actions/ events requiring compliance (s) by the Company during the period under review in pursuance of the following:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review, the Company had complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above and subject to the following observations:

1. ***The company has received a notice from stock exchange for violation of Clause 41 of Listing Agreement and penalty was imposed for the same which was duly paid by the company within the prescribed period.***
2. ***The company has not complied with the provisions of Section 217(3) of the Companies Act, 1956 by not providing fullest information and explanations in director's report on every adverse remark contained in the auditor's report dated 29-05-2014 for the financial year 2013-2014.***
3. ***The Company is in violation of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014. as it has taken advances from customers amounting to Rs. 4,77,59,742/- having balance outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) read together with section 73 of the Companies Act, 2013 such advances are liable to be treated as deposits and hence the Company is in violation of the same.***

We further report that

As per the information furnished and on the basis of the forms, returns and registers maintained, the Board of Directors of the company is constituted with requisite balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice of seven days is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were also sent in advance to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings of the Board and Committees of the Board duly signed by the Chairman, all the decisions of the Board were passed unanimously/ requisite majority and no dissenting views have been recorded.

We further report that during the audit period the Company following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above :

1. Company has filed the petition for extension of time for Repayment of deposits amounting to Rs. 7,00,00,002/- (Rupees Seven Crores and Two Rupees Only) and approval for the same was granted by the Hon'ble Company Law Board on 16-07-2015.
2. The company has altered its Article of Association after passing the necessary special resolution in the annual general meeting of the company held on 30-09-2014.
3. The company has obtained necessary approval under section 180(1)(a) of the Act in the annual general meeting of the company held on 30-09-2014.
4. The company has obtained necessary approval under section 180(1)(c) of the Act in the annual general meeting of the company held on 30-09-2014.
5. The company has obtained necessary approval under section 188(1)(f) of the Act in the agm held on 30-09-2014 for appointment at place of profit and revision of remuneration of following persons who are relative of directors :
 - i) Mr. Sudesh Kumar Jain designated as Executive Vice President (Marketing)
 - ii) Mr. Nikhlesh Kumar Jain designated as Vice President (Marketing)
 - iii) Mr. Amit Kumar Jain designated as Vice President (Exports)
 - iv) Mr. Gagan Jain designated as Vice President (operations)
 - v) Mr. Gautam Jain designated as Vice President (Business Development)
 - vi) Mr. Rahul Jain designated as Vice President (Supply Chain)

**For RMG & Associates
Company Secretaries
(Firm Registration No. P2001DE016100)**

**Place : New Delhi
Date : August 14, 2015**

**CS Suresh Kumar
Partner
FCS : 7776; C.P. No.: 8529**

Note: This report is to be read with 'Annexure 1' attached herewith and forms an integral part of this report.

Annexure - 1

The Members

Lakshmi Precision Screws Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For RMG & Associates
Company Secretaries
(Firm Registration No. P2001DE016100)**

**Place : New Delhi
Date : August 14, 2015**

**CS Suresh Kumar
Partner
FCS : 7776; C.P. No.: 8529**

Addendum to the Report of the Board of Directors

Clarification of the Management in respect of observations of Secretarial Auditor
(Reference Secretarial Auditors' Report, August 14, 23015)

| Sl. No. | Observation | Clarification of Management |
|---------|--|---|
| 1. | The company has received a notice from stock exchange for violation of Clause 41 of Listing Agreement and penalty was imposed for the same which was duly paid by the company within the prescribed period. | Originally the meeting was convened on 13/02/2015 within prescribed time. The said meeting was adjourned on 20/02/2015 for due to lack of quorum. As such unaudited financial results were submitted in compliance of the said adjourned meeting. |
| 2. | The company has not complied with the provisions of Section 217(3) of the Companies Act, 1956 by not providing fullest information and explanations in director's report on every adverse remark contained in the auditor's report dated 29-05-2014 for the financial year 2013-2014. | There was no qualification in the Auditors Report, dated 29/05/2014. However, there was matter of emphasis in the Auditor's Report which was self explanatory and required not further Comments. |
| 3. | The Company is in violation of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014. as it has taken advances from customers amounting to Rs. 4,77,59,742/- having balance outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) read together with section 73 of the Companies Act, 2013 such advances are liable to be treated as deposits and hence the Company is in violation of the same. | The company has not taken these advances during the year. These advances have been taken from the customers for supply of goods which will be cleared during the financial year 2015-16. |

Annexure - 6 to the Board's Report

PARTICULARS REQUIRED PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014, FORMING PART OF BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2015.

A. Conservation of Energy

(a) Energy conservation measures taken:

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

1. 40 Nos. HPMV (250W) & HPSV(150W) roof lights are replaced with energy efficient 85 W LED Lights.
2. New industrial shed for plating plant has been designed in this way that there is enough natural daylight inside. Energy saving wind driven turbo exhaust fans are provided on the roof.
3. 1600 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.
4. 16 years old obsolete model 500 KVA DG replaced, with Cummins 625 KVA DG for higher fuel efficiency and reliability.
5. 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.
6. Installation of energy savings CFL lamps in place of conventional filament lamps.
7. Replacement of ENDO-GAS generators with methanol system.
8. Proportional Integrated Derivatives (PID) controllers are used in furnaces, so that electric power is consumed as per the loading pattern of the furnace.
9. Machines and pipelines are being checked to arrest air, oil and water leakages.
10. Provided energy saver in street light feeder to save energy cost.
11. 100 KVA voltage stabilizer installed at the lighting feeder.
12. 300 KVAR APFC Panel installed to improve power factor from 0.95 to 0.99.
13. In tube lights 13 W defective chokes are being replaced with 2 W electronic chokes.

(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. Cooling Tower's Metallic blades are being replaced with light weight FRP blades.
 2. Contract Demand with UHBVN is being reduced from 2998 KVA to 2100 KVA to save fixed charges.
 3. 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.

(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 increasing scale of energy conservation measures taken in earlier years, there have been savings in the cost of production in the inflationary conditions. 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:

The considerable amount of spadework, extensive market survey and consistent efforts to provide technical information coupled with frequent visits formed part of the initiatives for 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.4113 Lacs |
| Total Foreign exchange used | : | Rs.6212 Lacs |

for and on behalf of the Board of Directors

Place : **New Delhi**
Dated : **August 14, 2015**

Lalit Kumar Jain
Chairman & Managing Director
DIN: 00061293

Form A

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

| Particulars | 2014-2015 | 2013-2014 |
|---|-----------|-----------|
| A. Power & Fuel consumption | | |
| 1. Electricity | | |
| (a) Purchased | | |
| unit (Kwh in thousand) | 19294.24 | 19109.32 |
| Total amount (Rs. in lacs) | 1469.46 | 1480.14 |
| Rate/ unit (Rs.) | 7.62 | 7.75 |
| (b) Own generation | | |
| Through diesel generator (unit in thousand) | 698.48 | 1216.92 |
| Rate per litre of diesel oil | 54.94 | 51.45 |
| Cost/ unit (Rs.) | 15.95 | 15.48 |
| 2. LPG | | |
| Qty./ Tons | 190.35 | 180.10 |
| Total amount (Rs. in lacs) | 151.29 | 139.19 |
| Average Rate/ Kilogram (Rs.) | 79.48 | 77.29 |
| 3. Furnace Oil | | |
| Qty./ Litres (in thousand) | - | - |
| Total amount (Rs. in lacs) | - | - |
| Average Rate/ litre (Rs.) | - | - |
| B. Consumption per ton of production | | |
| Product (with details) Unit | | |
| Electricity (Units/ Ton) | 1133.50 | 1133.26 |
| LPG (kg./ Ton) | 10.79 | 10.04 |
| 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 established its own in-house Research & Development centre at Corporate Office at Rohtak. The research and development activities have been carried out in different areas such as tool design with new materials, virtual process design & analysis through latest software's, products verification & validation through sophisticated equipments and value engineering & process optimization in the fields of automotive and aerospace fasteners. Full focus was given to customer satisfaction, zero defect manufacturing, process cost reduction, reducing product development time and to meet the market requirements.

R&D Project completed during financial year 2014-15

- (1) Evaluation of tensile strength and metallographic properties of engine fasteners subjected due to high temperature applications.
- (2) Crack detection of non magnetic aerospace parts by using vapor degreasing and aqueous ultrasonic cleaning method on panels subjected due to fatigue cracks by using FPI machine to assess the effectiveness of Aqueous cleaner as an acceptable replacement for vapour degreasing for AVIO components.
- (3) Development of split and forming die with new sleipner grade material and comparing tool life with existing D2 materials.
- (4) Evaluated thread forming torque and stripe torque for Delta PT screws through experimental studies on different engineering materials by REC machine.
- (5) Optimized/reduced number of forging sequences of manufacturing of bolt M10x32 bolt through Nagform software and done simulation & die stress analysis through Simufact. Evaluated life of modified tool during the actual forging operation.
- (6) Using of forming dies instead of taping tool for making threads on M 8x65 nut cyl. head bolt to solve quality problem, reduce manufacturing time and cost.
- (7) Failure analysis on reported customer complained.
- (8) Improvement in surface roughness (R_a value) of M10x20 spherical head bolt.

b) Future Plan of action:

- (1) Process optimization, validation of forging processes through Simufact software and die stress analysis for value engineering purposes.
- (2) Enhancing tool life and reducing number of tools & manufacturing cost without sacrificing the quality of products.
- (3) Development of Aerospace parts.
- (4) Development of heat treatment process for special alloys for development of aerospace parts.
- (5) Explore new polymers and soft materials applications for self-tapping and PT screws and develop the correlation factor between them.
- (6) To get higher productivity from newly installed machines.
- (7) Development of test procedures.
- (8) Development of special application screws to meet the new sectors requirement in electronic segments, white goods, elevators and medical devices.
- (9) Fatigue and fracture analysis of automotive and aerospace fasteners.
- (10) Failure analysis of components through advanced analytical instruments to identify and solve customer complain problems.
- (11) NADCAP certification of cadmium plating, test lab and MPI (NDT) to fulfill Aerospace customer's requirements.
- (12) Development of new sophisticated state of art R&D Centre at IMT Rohtak and equipped with latest sun rise equipments to meet day to day R&D requirements.

c) Expenditure on R & D:**(Rs. in lacs)**

| | |
|---|---------------|
| (1) Capital | 123.26 |
| (2) Recurring | 253.58 |
| Total | <u>376.84</u> |
| (3) Total R&D expenditure as a percentage of turnover | 1.01% |

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 multicolours 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 - 7 to the Board's Report

Statement of particulars of employees pursuant to the Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the financial year ended March 31, 2015.

| Sr. No. | Name | Designation/ Nature of Duties | Remuneration Received (Rs.) | Date of Joining | Age/ Exp. (in years) | Qualifications | % of Shares holding | Last employment held |
|---------|-----------------------|--------------------------------------|--------------------------------|--------------------|-------------------------|----------------|------------------------|-------------------------|
| 01 | Mr. Lalit Kumar Jain | Chairman & Managing Director | 1,38,00,000 | 05.12.74 | 61 41 | B. E. Mech. | 10.60 | - |
| 02 | Mr. Dinesh Kumar Jain | Vice Chairman & Managing Director | 1,03,80,000 | 27.12.68 | 67 47 | B. Com. | 2.30 | - |
| 03 | Mr. Vijay Kumar Jain | Joint Managing Director | 1,32,00,000 | 05.12.74 | 58 40 | B. A. | 10.35 | - |

Notes:

- Remuneration received includes Salary, House Rent Allowance, Perquisites and Company's contribution to provident fund.
- The appointment and remuneration of Mr. Lalit Kumar Jain, Mr. Dinesh Kumar Jain and Mr. Vijay Kumar Jain were approved by the Central Government for a period of 5 years and 3 years respectively w.e.f. 01.01.2013.
- The nature of employment is contractual. The employments are subject to the rules and regulations of the Company in force from time to time.
- 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.
- Mr. Vijay Kumar Jain is a relative of Chairman & Managing Director of the Company.
- There is no other employee employed during the financial year drawing remuneration of more than Rs.5 lacs p.m.

Annexure - 8 to the Board's Report

Report on Corporate Governance

(1) Company's philosophy on Code of Governance

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:

- Comply with all the applicable laws of the country.
- Have simple and transparent corporate structure driven by business needs.
- Management is the trustee of the shareholders capital.
- 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 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 of the Board

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 Directors. 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. The Company also has one woman Director Smt. Sushila Devi Jain. 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 2014-15, four Board Meetings were held on 29.05.2014, 09.08.2014, 14.11.2014 and 20.02.2015 respectively. The maximum gap between two Board Meetings was less than 120 days.

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, 2015 have been made by the Directors. Also none of the Independent Directors serve as an Independent Director on the Board of more than 7 listed companies and as whole time Director in not more than 3 listed companies.

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

| Sr. No. | Name of Director | Category | Attendance Record | | No. of other Directorship# | No. of Membership(s)/ Chairmanship(s) of Board Committee in other Companies* |
|---------|----------------------------|-----------|-------------------|----------|----------------------------|--|
| | | | Board Meetings | Last AGM | | |
| 1. | Mr. Lalit Kumar Jain | ED (CMD) | 4 | Yes | 6 | 1 (as Member) |
| 2. | Mr. Dinesh Kumar Jain | ED (VCMD) | 4 | Yes | 3 | 1 (as Member) |
| 3. | Mr. Vijay Kumar Jain | ED (JMD) | 2 | Yes | 3 | Nil |
| 4. | Mr. Rajesh Jain | NED | 3 | No | 9 | 2 (including 1 as Chairman) |
| 5. | Mrs. Sushila Devi Jain | NED | 1 | No | Nil | Nil |
| 6. | Mr. Jamshed Rustomji Desai | NEID | 4 | No | 1 | 2 (as Member) |
| 7. | Mr. Keshwa Nand Rattan | NEID | 4 | Yes | 1 | 1 (as Chairman) |
| 8. | Mr. Ajay Kumar Chakraborty | NEID | 4 | No | 6 | 7 (including 5 as Chairman) |
| 9. | Mr. Bhagwan Das Narang** | NEID | 3 | No | 11 | 9 (including 3 as Chairman) |
| 10. | Mr. Yudhisthir Lal Madan | NEID | 3 | No | 2 | Nil |

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

** Mr. Bhagwan Das Narang, NEID resigned from the office of Director w.e.f. 26.02.2015.

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

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

Terms of reference to the Board of Directors

Apart from placing the statutory information before the Board Members, it is the policy of the Company to regularly place the information/ matter involving major decisions like Annual Budget, Joint Ventures and Technology Collaboration, Investments, Quarterly Results, Minutes of Meeting of Audit Committee(s) and other Committee(s) of the Board and other material information. The Board also periodically reviews the compliance reports of all laws applicable to the Company. All the relevant information, required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement are duly considered and taken on record/ approved by the Board. During the year, a separate meeting of the Independent Directors was held on 14.11.2014 without the attendance of Non Independent Directors. All the independent Directors attended the said meeting in the Chairmanship of Mr. Keshwa Nand Rattan.

Pecuniary Relationship

Independent Directors do not have any pecuniary relationships or transactions with the Company except for the sitting fees drawn for attending the meetings of the Board and Committee(s) thereof.

Disclosures regarding Appointment/ Re-appointment of Directors.

Mr. Lalit Kumar Jain, Chairman & Managing Director and Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director are retiring by rotation and being eligible, offer themselves for appointments at the forthcoming 46th Annual General Meeting of the Company. Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain were appointed as additional Directors by the Board w.e.f. 13.06.2015, 09.07.2015 and 14.08.2015 respectively in the category of the independent director to comply with the requirement of Clause 49 of the Listing Agreement. The Company has received notices in writing from the members signifying their candidature for the office of directors of the Company in the ensuing AGM. Mr. Bhuwan Kumar Chaturvedi, Mr. Rakesh Puri and Mr. Ramesh Chandra Jain are independent directors and the Board recommend for their appointments.

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 ensuing Annual General Meeting of the Company.

Code of Conduct and Compliance

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said Code has been communicated and applicable to all the Board Members and Senior Management Personnel of the Company as 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, 2015. 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 a "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 (Prohibition of Insider Trading) Regulations, 1992 and 2015 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.

The Company is a large scale manufacturer of automotive and engineering components, faces internal and external risks.

Internal risks relate to security of data, pollution controls and internal control.

External risks relate to inflation, competition, price, currency and market volatility.

The Company is mitigating the price risk by additional sales volumes and wide range of products with global customer base. Increase in steel prices are controlled by diversifying its sources.

Inflation resulted in increase of employees' cost to Company and adverse impact on the economy.

The Company is reviewing the impact of above risks at the periodic intervals and taking remedial measures accordingly.

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, Nomination cum Corporate Governance and Remuneration Committee, Stakeholders Relationship cum Share Transfer and Investors Grievance Committee, Selection Committee and Committee of Directors. Selection Committee meeting held on 09.08.2014, comprising Mr. A.K. Chakraborty, Chairman Mr. K.N. Rattan and Mr. J.R. Desai, members, during the year for appointment to any office or place of profit. There was no meeting of the Committee of Directors, as constituted pursuant to Clause 41 of the Listing Agreement, comprising Mr. Lalit Kumar Jain, Chairman, Mr. Vijay Kumar Jain, Mr. Rajesh Jain, Mr. A.K. Chakraborty, members of the Committee. Other 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 terms of reference and composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Clause 49 of the Listing Agreement. The Audit committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The Audit Committee comprises of five Non-Executive Independent Directors and one Non-Executive Director. Mr. Keshwa Nand Rattan is the Chairman of the Committee, the other members are Mr. Jamshed Rustomji Desai, Mr. Rajesh Jain, Mr. Ajay Kumar Chakraborty and Mr. Bhagwan Das Narang.

During the year 2014-15, four Audit Committee meetings were held on 29.05.2014, 09.08.2014, 14.11.2014 and 20.02.2015. The maximum gap between two meetings was less than 4 months. The attendance of Members during these meetings was as follows:

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

* Mr. Bhagwan Das Narang, NEID, resigned from the office of Director w.e.f. 26.02.2015.

The Chief Financial Officer, Internal Auditors, partner of Statutory Auditors, Cost 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. Recommendation for appointment, remuneration and terms of appointment of the Statutory Auditor of the Company.
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 and Auditors' Report thereon 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 Section 134(3) of the Companies Act, 2013
 - 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
6. 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.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower/ Vigil mechanism.
19. 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.
20. 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) Nomination cum Corporate Governance and Remuneration Committee

Terms of Reference and Composition:

The Committee's terms of reference and constitution are in compliance with the provisions of the Section 178 of The Companies Act, 2013 and Clause 49 of the Listing Agreement besides other terms as may be referred by the Board of Directors.

The terms of reference include:

- (a) Formulation of policy for determining qualifications, positive attributes and independence of a Director & Remuneration for the Directors, Key Managerial Personnel and Senior Management and recommending the same to the Board and
- (b) Identification of person who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria as per the policy approved by the Board. The policy of the company is to remain competitive in the industry, to attract and retain the best talent and appropriately reward employed for their individual performance and contribution to the business.
- (c) The Nomination and Remuneration Committee lays down the criteria for the performance evaluation of Independent Directors and other Directors, Board of Directors and committee of the Board of Directors.

The Non-Executive Director do not draw any remuneration from the company except the sitting fees which were paid at a rate of Rs. 20,000/- for meetings for each meeting of the Board/ Committee of the Board attended by them.

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 Nomination cum Corporate Governance and Remuneration Committee. The Committee consists of four (4) Non-executive Directors, out of which three (3) Directors are Independent Director. Mr. Jamshed Rustomji Desai, Non-executive Independent Director is the Chairman of the Committee, Mr. Keshwa Nand Rattan, Mr. Rajesh Jain and Mr. Ajay Kumar Chakraborty, are the members of the Committee. The said Committee reviewed the appointment of the Independent Directors and variation in the terms conditions of appointment of Whole Time Executive Directors. The Committee also reviewed the remuneration package of Mr. Rajesh Jain, Director of the Company during the year and subsequently Company obtained the approval of the Board and Members through the postal ballot, the results of which was declared on 02.01.2015 for a period of 2.5 years, from 01.04.2014 to 30.09.2016. Consequent to the application made to the Central Government the approval of the same w.e.f.01.04.2014. The Central Government did not approve the remuneration.

During the year 2014-15, two Nomination Cum Corporate Governance and Remuneration Committee meeting was held on 09.08.2014 and 14.11.2014. The attendance of Members during the meeting was as follows:

| Name of Member | Category | No. of Meetings attended |
|----------------------------|----------|--------------------------|
| Mr. Jamshed Rustomji Desai | Chairman | 2 |
| Mr. Keshwa Nand Rattan | Member | 2 |
| Mr. Rajesh Jain | Member | 2 |
| Mr. Ajay Kumar Chakraborty | Member | 2 |

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

Remuneration policy

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

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

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

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

Details of remuneration paid in the financial year 2014-2015:

(a) Executive Directors:

| Managing Directors / Joint Managing Director | Salary (Rs.) | Perquisites (Rs.) | Retirement Benefits (Rs.) |
|--|--------------|-------------------|---------------------------|
| Mr. Lalit Kumar Jain | 66,00,000 | 64,08,000 | 7,92,000 |
| Mr. Dinesh Kumar Jain | 66,00,000 | 29,88,000 | 7,92,000 |
| Mr. Vijay Kumar Jain | 66,00,000 | 58,08,000 | 7,92,000 |
| Total | 1,98,00,000 | 1,52,04,000 | 23,76,000 |

The above remuneration are approved by the members of the Company in its Annual General Meeting held on 29th September, 2012 and also by the Central Government vide its letter no. SRNo.B60507860/04/2012-CL.VII, SRNo. B60508405/4/2012-CL.VII dated 17.09.2013 and SRNo.B60508736/0422011-CL.VII dated 29.10.2013.

(b) Non-executive Directors:

All the Non-executive Directors are getting the sitting fee of Rs.20,000/- per Board/ Committee Meeting attended:

| Name of the Directors | Rs. |
|----------------------------|---------|
| Mr. Rajesh Jain | 160000 |
| Mrs. Sushila Devi Jain | 20000 |
| Mr. Jamshed Rustomji Desai | 240000 |
| Mr. Keshwa Nand Rattan | 240000 |
| Mr. Ajay Kumar Chakraborty | 240000 |
| Mr. Bhagwan Das Narang* | 140000 |
| Mr. Yudhisthir Lal Madan | 80000 |
| Total | 1120000 |

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. Bhagwan Das Narang* | NIL |
| Mr. Yudhisthir Lal Madan | NIL |

* Mr. Bhagwan Das Narang, NEID, resigned from the office of Director w.e.f 26.02.2015

(5) Stakeholders Relationship cum Share Transfer and Investors Grievance Committee:

Terms of Reference and composition:

The Committee's terms of reference and composition are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Stakeholders Relationship cum 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:

- a. Approval/ rejection of transfer/ transmission of shares and issue of duplicate share certificates.
- b. Review and Redressal of shareholders' and investors' grievances/ complaints like non receipt of dividend warrants, share certificates and annual reports etc.
- c. Review of shares dematerialized and all other related matters.
- d. All other matter related to shares.

The members of the Committee meet with in a 10 days time, as when required for share transfer and other said purposes. During the year 2014-15, sixteen Stakeholders Relationship cum Share Transfer and Investors Grievance Committee meetings were held.

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

During the year, the Company has not received any complaint of Members from SEBI and Stock Exchanges. However, the Company endeavors to reply and resolved all the complaints received from the SEBI/ Stock Exchanges/ Members within a period of 10 days. As on March 31, 2015, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

The members may email to M/s. MCS Share Transfer Agent Limited at admin@mcsregistrars.com and endorse a copy to Compliance Officer at the email id complianceofficer@lpsindia.com for early response of their queries.

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

(6) Corporate Social Responsibility (CSR) Committee

The Committee's terms of reference and constitution are in compliance with the provisions of the Section 135 of the Companies Act, 2013 and Rules made thereunder.

The Committee was constituted on 29.05.2014. The Committee discharge the role of CSR u/s 135 of the Companies Act, 2013 which include formulating and recommending to the Board a CSR policy and indicating the activities undertaken by the Company as per Schedule VII of the Companies Act, 2013. As there is loss on the basis of average net profit of the Company for last three financial years. The Company does not require to spent any money during current year. The Company has framed a CSR policy in compliance with the Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013 and the same is placed on the Company's website i.e. www.lpsindia.com. The CSR committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

The Corporate Social Responsibility (CSR) Committee comprises of two Non-Executive Independent Directors and one Executive Director. Mr. Lalit Kumar Jain is the Chairman of the Committee, the other members are Mr. Ajay Kumar Chakraborty and Mr. Yudhisthir Lal Madan.

(7) **General Body Meeting:**

(a) Details of Annual General Meetings held during the last three years:

| Meetings | Date | Time | Venue | No. of Special Resolution (s) Passed |
|------------------------|------------|------------|---|---|
| Annual General Meeting | 30.09.2014 | 11.30 A.M. | 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana) | Ten 1. Obtain post facto approval of the contract for purchase of industrial items from M/s. Sudhir Automotive Industries Pvt. Ltd. 2. Approval of new set of Articles of Association of the Company. 3. Authority to borrow under Section 180(1)(c). 4. Authority to borrow under Section 180(1)(a). 5. Appointment and revision in the remuneration package of Mr. Sudesh Kumar Jain as Executive Vice President (Marketing), relative of one of the Directors of the Company. 6. Appointment and revision in the remuneration package of Mr. Nikhlesh Kumar Jain as Vice President(Marketing), relative of one of the Directors of the Company. 7. Appointment and revision in the remuneration package of Mr. Amit Kumar Jain as Vice President (Exports), relative of some of the Directors of the Company. 8. Appointment and revision in the remuneration package of Mr. Gagan Jain as Vice President (Operations), relative of some of the Directors of the Company. 9. Appointment and revision in the remuneration package of Mr. Gautam Jain, Vice President(Business Development), relative of one of the Directors of the Company. 10. Appointment and revision in the remuneration package of Mr. Rahul Jain, Vice President (Supply Chain), relative of one of the Directors of the Company. |
| Annual General Meeting | 28.09.2013 | 11.30 A.M. | 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana) | One 1. Approved the remuneration of Mr. Rajesh Jain, Non Executive Director of the Company. |
| Annual General Meeting | 29.09.2012 | 11.30 A.M. | 46/1, Mile Stone, Hissar Road, Rohtak – 124 001 (Haryana) | Nine 1) Approved appointment and increased remuneration of Mr. Lalit Kumar Jain, Chairman and Managing Director. 2) Approved appointment and increased remuneration of Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director. 3) Approved appointment and increased remuneration of Mr. Vijay Kumar Jain, Joint Managing Director. 4) Approved appointment and increased remuneration of Mr. Sudesh Kumar Jain, Executive Vice President (Marketing). 5) Approved appointment and increased remuneration of Mr. Nikhlesh Kumar Jain, Vice President (Marketing). 6) Approved appointment and increased remuneration of Mr. Amit Jain, Vice President (Export). 7) Approved appointment and increased remuneration of Mr. Gagan Jain, Vice President (Operations). 8) Approved appointment and increased remuneration of Mr. Gautam Jain, Vice President (Business Development). 9) Approved appointment and increased remuneration of Mr. Rahul Jain, Vice President (Supply Chain). |

- (b) No special resolution requiring postal balloting as recommended under Clause 49 of the Listing Agreement is placed for shareholders' approval at this meeting.
- (c) No special resolution was passed through postal ballot at the last Annual General Meeting held on 30th September, 2014.

(d) POSTAL BALLOTS DURING THE YEAR:

The Company successfully completed the process of obtaining approval of the members on the special resolution under Section 196 and 197 through Postal Ballot during the year 2014-15 for which the results was announced on 02nd January, 2015.

VOTING PATTERN AND PROCEDURE FOR POSTAL BALLOT:

- I) The Board of Directors of the Company vide its resolution dated 14th November, 2014, has appointed Mr. Suresh Kumar, partner of M/s. RMG & Associates as the Scrutinizer for conducting the Postal Ballot process.
- II) The Company had completed the despatch of Postal Ballot Notice dated 14.11.2014 together with the explanatory statement on 25th November, 2014 along with the forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/ list of beneficiaries as on 14th November, 2014.
- III) The voting under the postal ballot was kept open from 01st December, 2014 to 30th December, 2014. (either physically or through electronic mode)
- IV) Particulars of Postal Ballot Forms received from the members were entered in a Register separately maintained for the purpose.
- V) The Postal Ballot Forms were kept in a safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- VI) All postal ballot forms received upto the close of the working hours on 30th December, 2014, the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- VII) On 02nd, January, 2015, Mr. Lalit Kumar Jain, Chairman & Managing Director announced the following results of the postal ballot as per the Scrutinizer's Report, as follows:

| Sr. No. | Particulars | Special Resolution u/s. 196 & 197 |
|---------|--|-----------------------------------|
| 01 | Number of valid postal ballot forms/ e-voting details received | 54 |
| 02 | Number of invalid postal ballot forms received | 0 |
| 03 | Number of shares held (Paid-up Capital) | 10941667 |
| 04 | No. of Voted Polled | 315555 |
| 05 | % of Votes Polled on Outstanding shares (4/3*100) | 2.88 |
| 06 | No. of Votes in Favour | 314519 |
| 07 | No. of Votes against | 1036 |
| 08 | % of Votes in favour on votes polled (6/4*100) | 99.67 |
| 09 | % of Votes against on votes polled (7/4*100) | 0.33 |

(8) DISCLOSURES

- The Company has disclosed the transactions with related parties as per Accounting Standard 18 in Note No.30 (xvi)(a)(b) of the Annual Accounts, which have been entered with its Subsidiary, Associates, Key Managerial Personnel, their relatives and other related parties. Pursuant to the Listing Agreement, the Company has formulated a Related Party Transactions Policy on dealing with related party transaction and a web link thereto is <http://www.lpsindia.com> under the head of 'Overview – Investor Relations'. 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. All related party transactions are generally with its associates and are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are intended to further the Company's interest. The Audit Committee of the Company reviews the significant 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 except as stipulated in Secretarial Auditor Report which is annexed to this report.
- The Company has Whistle Blower/ Vigil Mechanism Policy and no personnel has been denied access to the Audit Committee. Details about the Whistle Blower Policy can be accessed at www.lpsindia.com/overview.aspx
- 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.
- 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.
- The Company is in the process of imparting training to Independent Directors. The Company has formulated familiarization programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes and a web link thereto is <http://www.lpsindia.com> under the head of 'Overview – Investor Relations'.

Report on Corporate Governance

A report on Corporate Governance forms part of the Annual Report of the Company and is sent to the shareholders accordingly. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges within 15 days from the close of the quarter.

CEO/ CFO Certification

The Chairman and Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO and CFO certification for the financial year ended March 31, 2015.

(9) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express (English) and Jansatta (Hindi). The quarterly shareholding pattern, quarterly/ half-yearly/ yearly results and Corporate Governance Report are also placed on the Company's website <http://www.lpsindia.com> under the head of 'Overview' for the purpose of household of the Members. As the Company publishes the Unaudited Financial Results within a stipulated period of 45 days and Audited Annual Results within a stipulated period of 60 days from the close of each and every financial year as permitted under the Listing Agreement of the Stock Exchanges. The various other reports and returns are also filed with the Stock Exchanges and the Registrar of Companies.

All the data required to be filled electronically, such as quarterly financial results, shareholding pattern are being regularly uploaded on the Company's website pursuant to Clause 52 of the Listing Agreement with the Stock Exchange.

The Annual Report containing interalia Audited Annual Accounts, Board's Report, Auditors' Report and other important information forming part of Annual Report is displayed on the Company's website.

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 Board's Report.

(10) General Shareholders Information and financial calendar 2015-16:

Annual General Meeting is proposed to be held on Tuesday, 29th September, 2015 at 11.30 A.M. at the Registered Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak – 124001 (Haryana).

(i)

(ii) Financial calendar (tentative and subject to change):

| | |
|---|-----------------------------|
| Financial Reporting for the quarter ending June 30, 2015 | Mid of August, 2015 |
| Mailing of Annual Reports to the Members | Starting of September, 2015 |
| Annual General Meeting for the financial year 2014-15 | End of September, 2015 |
| Financial Reporting for the half-year ending September 30, 2015 | Mid of November, 2015 |
| Financial Reporting for the quarter ending December 31, 2015 | Mid of February, 2016 |
| Financial Reporting for the year ending March 31, 2016 | End of May, 2016 |

(iii) Dates of Book closure: Friday, 18th September, 2015 to Tuesday, 29th September, 2015. (both days inclusive)

(iv) Dividend payment date: The Board has not recommended any dividend for the Financial year 2014-15 to the members of the Company.

(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

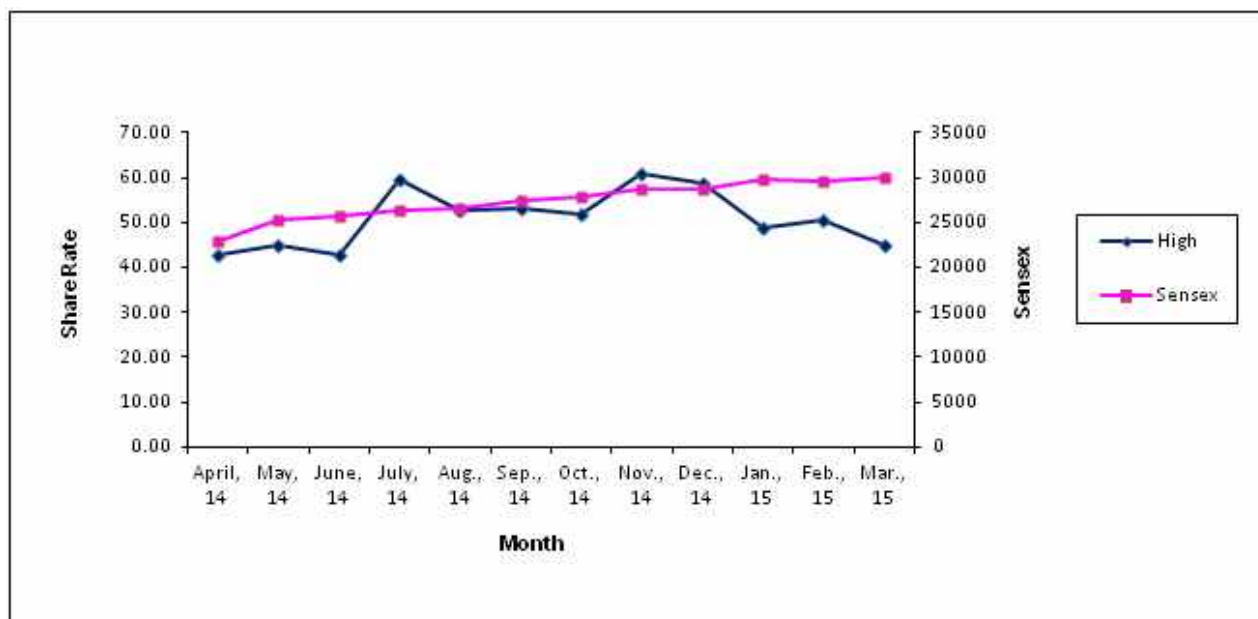
The Annual Listing fees for the year 2015-16 have been duly paid to the above Stock Exchanges. The Company has also paid the annual custody fee for the year 2015-16 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(vi) Market Price Data:

Market Price Data for the financial year 2014-15:-

| Year | National Stock Exchange | | Bombay Stock Exchange | | |
|-----------------|-------------------------|-----------|-----------------------|-----------|--------|
| 2014-15 (Month) | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) | Sensex |
| Apr. – 2014 | 43.25 | 36.10 | 43.00 | 37.05 | 22939 |
| May – 2014 | 46.95 | 35.20 | 45.05 | 36.00 | 25376 |
| Jun. – 2014 | 43.10 | 37.30 | 43.00 | 37.85 | 25725 |
| Jul. – 2014 | 60.45 | 41.30 | 59.70 | 41.50 | 26300 |
| Aug. – 2014 | 54.95 | 42.25 | 52.70 | 42.50 | 26674 |
| Sep. – 2014 | 53.10 | 42.00 | 53.10 | 42.25 | 27355 |
| Oct. – 2014 | 55.45 | 44.10 | 51.85 | 43.70 | 27894 |
| Nov. – 2014 | 59.95 | 45.40 | 61.00 | 46.65 | 28822 |
| Dec. – 2014 | 52.80 | 45.00 | 58.80 | 45.10 | 28810 |
| Jan. – 2015 | 49.95 | 44.00 | 48.95 | 44.40 | 29844 |
| Feb. – 2015 | 48.70 | 44.20 | 50.50 | 41.70 | 29560 |
| Mar. – 2015 | 46.80 | 37.25 | 44.75 | 38.35 | 30025 |

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



(viii) **Change in Registrar and Share Transfer Agent (w.e.f. 28.07.2015)**

M/s. MCS Share Transfer Agent Limited
F- 65, First Floor, Phase – I,
Okhla Industrial Area, New Delhi – 110 020.
Tel: +91-11-41406150
Fax: +91-11-41709881
E-mail: admin@mcsregistrars.com
Website: www.mcsregistrars.com

M/s. MCS Limited, New Delhi, was appointed w.e.f. 31.03.2003 as the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares. Now M/s. MCS Share Transfer Agent Limited has been appointed as RTA w.e.f. 28.07.2015.

(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 prescribed period (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 request received are being approved by Stakeholders Relationship Cum Share Transfer and Investors Grievance Committee, which meets as and when required.

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

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

(x) **Distribution of shareholding as on 31st March, 2015:**

| Shareholding of nominal value (Rs.) | No. of Shareholders | % of Total | No. of Shares | Nominal Value (Rs.) | % of Nominal Value |
|-------------------------------------|---------------------|---------------|-----------------|---------------------|--------------------|
| Up to 5000 | 5971 | 88.37 | 774308 | 7743080 | 7.08 |
| 5001 to 10000 | 373 | 5.52 | 296801 | 2968010 | 2.71 |
| 10001 to 20000 | 192 | 2.84 | 288052 | 2880520 | 2.63 |
| 20001 to 30000 | 59 | 0.87 | 146242 | 1462420 | 1.34 |
| 30001 to 40000 | 24 | 0.36 | 85970 | 859700 | 0.79 |
| 40001 to 50000 | 24 | 0.36 | 112051 | 1120510 | 1.02 |
| 50001 to 100000 | 53 | 0.78 | 397614 | 3976140 | 3.63 |
| 100001 and above | 61 | 0.90 | 8840629 | 88406290 | 80.80 |
| Total | 6757 | 100.00 | 10941667 | 109416670 | 100.00 |

(xi) **Shareholding Pattern as on 31st March, 2015:**

| 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 |
| NRI/ OCBs | 50 | 30330 | 0.277 |
| Mutual Funds | 2 | 700 | 0.006 |
| Private Corporate Bodies | 161 | 279596 | 2.555 |
| Promoter and Promoter Group | 24 | 6880287 | 62.882 |
| Persons acting in concert | 2 | 30733 | 0.281 |
| General Public | 6509 | 3716846 | 33.970 |
| Total | 6757 | 10941667 | 100.000 |

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

As on 31st March, 2015, 96.85% of Company's total paid up capital representing 1,05,96,932 equity shares of Rs.10/- each were held in dematerialized form [i.e. 90,04,905 shares (82.30%) with NSDL and 15,92,027 shares (14.55%) with CDSL] and balance 3.15% representing 3,44,735 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 and Share Transfer Agent 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.

Pursuant to Clause 5A of the Listing Agreement, maintenance of Demat Account - Unclaim Suspense Account is not applicable.

(xiv) **Plant Locations**

Plant – I:

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

Plant – II:

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

Plant – III:

Lakshmi Precision Screws Limited
153, Sector-3, IMT Manesar,
Gurgaon

Plant – IV:

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

(xv) **Address for correspondence**

The Company Secretary
Lakshmi Precision Screws Limited, Plant-II,
Opp. Northern Bye Pass,
Hissar Road, Rohtak – 124 001.(Haryana)
Tel : +91-1262-249920
Fax : +91-1262-248297
E-mail : complianceofficer@lpsindia.com

(xvi) **Compliance**

The Company obtains a certificate, dated 29.05.2015, from the Statutory Auditors of the Company regarding compliance of conditions of 'Corporate Governance', as stipulated under clause 49 of the Listing Agreement and the said certificate is attached to the Board's Report and forms a part of the Annual Report. The said certificate is sent to the Members and Stock Exchanges along with this Annual Report of the Company.

(xvii) **Non-mandatory requirements as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges:**

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

1. Reporting of Internal Auditor
The Internal Auditor may report directly to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forms an integral part of Board's Report)

INDUSTRY REVIEW AND MACRO ECONOMY

With the increasing growth in demand on back of rising income, expanding middle class and young population base, in addition to a large pool of skilled manpower and growing technology, will propel India to be among the world's top five auto-producers by 2015. The latest budget puts the growth target for 2015-2016 and subsequent years at 8.5 to 9%. India's CAD has also come down to around 1.9% of GDP. Two years back it was 4.7%.

India is expected to become a major automobile manufacturing hub and the third largest market for automobile by 2020.

Through the period when growth had slowed down and the economy was not very favorable, Maruti sustained its position as the market leader and continued to grow and this is attributable to higher localisation, favorable foreign exchange and cost reduction initiatives by the Company.

SEGMENTWISE PERFORMANCE

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.

Domestic sales were at Rs.332 crores as against Rs.297 crores (approx.) in the previous year in the light of increase in sales of heavy and medium commercial vehicles, passenger vehicles and two/ three wheelers. There was a steep drop in production of light commercial vehicles and tractors.

Aftermarket sales grew moderately.

Global economy recovered modestly though not uniformly across all regions. Global markets continued to be hit by recession and negative sentiments. Exports were at Rs.41 crores as against Rs.51 crores (approx.) in the previous year.

The Company investments for manufacture of new products are expected to result in improvement in exports in the near future.

OPPORTUNITIES AND THREATS

a) Opportunities

The Indian automobile industry has tremendous potential to grow. India is very cost sensitive market and has an edge in cost over the European market. Keeping in view of the potential in Indian Market all leading automotive manufactures are launching new models in the Indian Market and also shifting their focus from import to localizing their parts to take the advantage of cost reduction and avoid forex fluctuation. It is expected that in the coming years India will be one of the top five vehicle manufacturing nation. It is emerging as global hub for auto component sourcing.

b) Threats

The potential in automotive segment has to overcome the following challenges:

1. The industry is facing the low liquidity.
2. Increasing Cost of Input.
3. Growing competition at domestic as well as overseas market.
4. High Interest Rates.
5. Lack of proper infrastructure.

During the year, your Company focused its attention on long term initiatives despite challenging market situations, with special focus on Research and Development.

FUTURE OUTLOOK

The new Government having full majority has clearly indicated its agenda for reviving of growth trend in India. As per the new Government's first Economic Survey, India's economy is expected to grow between 8 percent and 8.5 percent in the current fiscal year. However the measures taken by the Government to improve investment climate and improve governance could push up growth to 8-9 percent in the coming years. It is expected that there will be moderation in inflation will ease the monetary policy stance and revive the confidence of investors. However there are some down side risks, like poor monsoon, the external environment and the poor investment climate.

Indian Auto Industry is one of the largest in world and account almost 7% of the India's GDP. For the last few years the Auto Industry has been going through low sentiments. Despite the meager growth in past, the automotive market is expected for steady growth in the coming years. The Automotive Component Manufacturers Association of India (ACMA), a nodal agency for the Indian Auto Component Industry, has given an estimate that Auto components industry is expected to post up to 8.5 percent growth in the current fiscal after having witnessed a decline last year.

RISK AND CONCERNS

The Company is exposed to external and internal risks associated with the business. The Company's growth is dependent on its customers majorly from the Indian Automotive Industry which is facing a low phase for the last few years. However, the Company has widened its operations in terms of product portfolio, customer base and geographical segment.

The Company is also facing stiff competition from both domestic and overseas. Your Company has an established name in the market and has enough strength in terms of product range, capacity and high standards for quality to face the competition.

Financial risk in terms of increased interest rates, foreign exchange rates, increase in commodity prices are also a concern for the Company. Though the Company always cautious for such concerns and time to time review its policy to check this concerns.

Your Company is well equipped to face all kinds of risk and concerns, and confirm that the Company has a policy on foreign exchange risk management in place which is periodically reviewed by Audit Committee and Board of Directors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, reported and recorded correctly. Further internal audit covers all the areas e.g. Finance, Production, IT, HR, Purchase, Statutory Compliance etc. and regular audits are conducted by Internal Auditors. The Audit observations are periodically reviewed by the Audit Committee of the Board of Directors and necessary directions are issued, wherever required.

FINANCIAL PERFORMANCE

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual report. For financial highlights please refer heading 'FINANCIAL RESULTS' of Board's Report.

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 1091 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 the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual results could differ substantially or materially from those expressed or implied. The important developments that could affect the Company's operations including demand and supply situation in the automobile sector, input prices and their availability, significant changes in the government policies/ regulations and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations, interest cost and other factors. Therefore, all concerned should bear all above factors in mind.

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

To
The Board of Directors
Lakshmi Precision Screws Limited
46/1, Mile Stone,
Hissar Road,
Rohtak – 124001. (Haryana)

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 2014-15.

for **Lakshmi Precision Screws Limited**

Place : **New Delhi**
Dated : **May 29, 2015**

Lalit Kumar Jain
Chairman & Managing Director
DIN: 00061293

CERTIFICATION BY CEO & CFO

To
The Board of Directors,
Lakshmi Precision Screws Limited
46/1, Mile Stone,
Hissar Road,
Rohtak – 124001. (Haryana)

Ref.: Certification by CEO/ CFO for the financial year 2014-15.

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Lakshmi Precision Screws Limited, 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 2014-15 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 Limited

for Lakshmi Precision Screws Limited

Place: **New Delhi**
Date : **May 29, 2015**

Lalit Kumar Jain
Chairman & Managing Director (CEO)
DIN: 00061293

Umesh Agarwal
Chief Financial Officer (CFO)

ANNEXURE TO THE BOARD'S 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 Limited having its Registered Office at 46/1, Mile Stone, Hissar Road, Rohtak – 124001 (Haryana) for the year ended March 31, 2015 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 : **Delhi**
Dated : **May 29, 2015**

V.P. Bansal
Partner

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Lakshmi Precision Screws Limited
46/1, Mile Stone, Hisar Road,
Rohtak 124001

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Lakshmi Precision Screws Limited ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. *There is a limitation on the scope of our work regarding the physical verification of inventories.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our *qualified audit opinion*.

Basis for Qualified Opinion

1. *The Company has accepted deposits of Rs. 70000002/- from promoters' friends prior to 01/04/2014. However as per provisions of Section 76 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, the Company is not eligible to accept public deposits. The Company has failed to repay the said deposits by 31/03/2015 and has filed a petition before the Hon'ble Company Law Board seeking extension of time for repayment of Deposits which is pending before the Board. Further the Company has not complied with the provisions of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014. as it has taken advances from customers amounting to Rs. 47759742/- having balance outstanding for more than 365 days.*
2. *Certain advances for material and services aggregating to Rs. 125136144/- were outstanding as on 31/03/2015. However, confirmation from parties to whom these advances are given has not been made available to us. Out of such advances, in our opinion, provision for doubtful advance amounting to Rs. 31289676/- should be recognized as these are outstanding for a period of three years or more.*
3. *The Company has taken unsecured loans from Companies amounting to Rs. 84313220/- which are outstanding as at the end of the year and the same has been shown under short term borrowings in the Balance Sheet. However, loan agreements in respect of these loans have not been furnished and in absence of the same, the terms of repayment, chargeability of interest and other terms are not verifiable and have not been furnished.*
4. *The Company has made provisions for Income Tax as per section 115JB of the Income Tax Act, 1961 amounting to Rs. 1806163/-. However, the provision has been credited to Reserves and Surplus instead of crediting the same under current liabilities and provisions. Therefore, to the extent of Rs. 1806163/-, the reserves and surplus are overstated and current liabilities and provision are understated. There is no impact on profit for the year.*

5. *As per the accounting policy of the Company, the Company is valuing its inventories at lower of cost and net realizable value. As explained to us, since exact cost is not ascertainable, the same is arrived at list price less 57% in case of finished goods and at list price less 66% in case of semi-finished goods and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of the selling price.*

The same has been worked out on the basis of overall gross margin and not on exact cost basis. Since proper cost records are not maintained, exact cost is not ascertainable, and therefore the impact if any, on account of valuation of inventories on basis of actual cost is not quantifiable and provided for.

6. *The Company has not carried any physical verification in respect of inventories comprising of Raw Material, Work in Progress, Finished Goods, Stock in Trade (Traded goods), Consumables Stores and Spares and Dies and Tools. The Company has obtained a physical verification certificate on an inadequate sample basis from an independent firm of Chartered Accountants. In our opinion the same does not commensurate with size and nature of inventories.*
7. *As per the accounting policy, the Company is amortising dies and tools on the basis of effective residual remaining life based on technical assessment conducted by the Committee. However, the said technical assessment has not been carried out during the year and dies and tools have been amortised to the Statement of Profit and Loss as and when scrapped. Pending the technical assessment and determination of effective residual values of dies and tools, the impact of amortisation thereof is not ascertainable.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements give the information required by the Act 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 March 31, 2015;
- b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date.
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) *Subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - 2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts.
 - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For V. R. Bansal & Associates
Chartered Accountants
Firm Registration No. 016534N

V.P. Bansal
Partner
Membership No: 08843

Place : Noida
Dated : May 29, 2015

Re: Lakshmi Precision Screws Limited (the Company)

1. a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets. *However the same needs updation with regard to item-wise identification and situation of fixed assets.*
 - b) The Company has a phased periodical programme of physical verification of all fixed assets, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies have been noticed on such verification.
2. a) *As per explanations given to us, physical verification of inventories was conducted on test check basis by an independent firm of Chartered Accountants at the end of the year. In our opinion all the items of inventories should be physically verified by the management on perpetual basis.*
 - 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 not reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, physical verification of inventories should be carried out throughout the year on perpetual basis and the procedure should be so designed that each material item is physically verified at least once in a year in view of the size and nature of the business.*
 - c) *The Company is maintaining proper records of inventory. We have been informed that no major variances were noticed on physical verification of inventory conducted by an independent firm of chartered accountants as stated in clause 2(a) above. However, in absence of a complete physical verification of Inventories covering all items, we are unable to comment whether discrepancies between book records and physical verification are material.*
3. In our opinion and according to the information and explanations given to us, the Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. As explained to us, the advances to parties covered under section 189 of the Act are in respect of material and services. Thus clause 3(a), (b) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and for sale of goods and services. *However the Company's internal control is not adequate with respect to advances given by the Company for material and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls except in case of advances given to suppliers for material and services as stated above.*
5. *The Company is not eligible to accept public deposits as it does not satisfy the criteria laid down under section 76 read together with Companies(Acceptance of Deposits) Rules, 2014 of the Companies Act, 2013. However, it has outstanding deposits from public amounting to Rs.70000002/- as on 31/03/2015 which it has failed to repay by the said date. The Company has filed a petition before the Hon'ble Company Law Board seeking extension of time for repayment of Deposits which is pending before the Board. The Company is in violation of Section 73 of Companies Act, 2013 read together with Companies(Acceptance of Deposits) Rules, 2014, as it has taken advances from customers amounting to Rs.47759742/- having balances outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) read together with section 73 of the Companies Act, 2013 such advances are liable to be treated as deposits and hence the company is in violation of the same. As per information and explanations given to us, no Order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal.*
6. *The Company is in the business of manufacturing high tensile fasteners, cost records in respect of which have been mandated u/s 148(1) of the Companies Act, 2013 read together with Companies (Cost Accounting Records) Rules, 2014. In our opinion and according to the information and explanations given to us, the necessary cost records have not been maintained by the Company.*
7. (a) *The company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales-Tax, Income Tax, Wealth Tax, Service tax, Excise Duty, Custom Duty, Value Added Tax, Cess and any other undisputed statutory dues with the appropriate authorities. The extent of arrears of outstanding Statutory dues as on 31st March, 2015, concerned for a period of more than six months from the date they become payable are as under:-*

| Nature of Statutory dues | Amount of arrear outstanding for more than six months from the date they become payable |
|---------------------------------|--|
| Provident Fund | Rs. 21,06,083/- |
| Employee's State Insurance | Rs. 51,657/- |
| Labour Welfare Fund | Rs. 2,39,235/- |
| TDS and TCS | Rs. 96,12,276/- |
| Work Contract Tax | Rs. 11,73,215/- |
| Professional Tax | Rs. 20,000/- |
| R.D. Cess | Rs. 2,69,647/- |
| CST/VAT | Rs. 1,14,45,238/- |
| Interest on PF/ESI | Rs. 2,74,709/- |
| Interest on TDS | Rs. 14,00,902/- |
| Income Tax | Rs. 2,05,93,729/- |

(b) According to the information and explanations given to us there are no dues of Value Added Tax/ sales tax/service tax/income tax/custom duty wealth tax/excise duty/cess payable which have not been deposited on account of any dispute except the following :

| Name of the Statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--|----------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Deduction/Claim in respect for export business u/s 80HHC and charging of interest u/s 234B whether on returned/assessed income | 290376 | A.Y. 1991-92 | High Court, Chandigarh |
| Income Tax Act, 1961 | Determination of book profit before or after depreciation | 5426222 | A.Y. 1990-91 | High Court, Chandigarh |
| Income Tax Act, 1961 | Expenses allowable under various heads viz Bonus and insurance | 2000075 | A.Y. 1990-91 | High Court, Chandigarh |
| | TOTAL | 7716673 | | |

(c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

8. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and during the immediately preceding financial year.
9. *In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks except, the following payments:*
 - (a) *Term loans(Principal) and interest thereon amounting to Rs.4,83,93,640/- has been paid during the year with a delay of 1 to 120 days.*
 - (b) *Foreign bills and domestic bills amounting to Rs.18,56,42,960/- discounted with banks have been paid during the year with a delay of 1 to 40 days.*
 - (c) *Term loans(Principal) and interest thereon amounting to Rs.5,25,78,835/- from Banks, HSIIDC and other financial institutions remained outstanding as on the date of Balance Sheet with a delay of 1 to 336 days.*
 - (d) *Deferred payment liabilities(including interest) from HSIIDC amounting to Rs.18212048/- remained outstanding as on the date of Balance Sheet with a delay of 27 to 701 days.*
 - (e) *Cash credit facilities from Canara Bank and State Bank of India was overdrawn on different dates during the year for a period of 1 to 60 days.*
10. According to the information and explanations given to us, the Company has not given corporate guarantees for loan taken by others from banks and financial institutions.
11. Based on overall cash flow analysis, the Company has applied term loans for the purpose for which the loans were obtained *except a sum of Rs.85951264/-(availed for investment in Machinery/Capex) which has been utilized for Working capital purposes.*
12. Based upon audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For V. R. Bansal & Associates
Chartered Accountants
Firm Registration No. 016534N

V.P. Bansal
Partner
Membership No: 08843

Place : **Noida**
Dated : **May 29, 2015**

Addendum to the Report of the Board's Report
Clarification of the Management in respect of qualifications of Auditor's Report

| Sl. No. | Qualification | Management Reply |
|---------|---|--|
| 1. | The Company has accepted deposits of Rs.70000002/- from promoters' friends prior to 01/04/2014. However as per provisions of Section 76 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, the Company is not eligible to accept public deposits. The Company has failed to repay the said deposits by 31/03/2015 and has filed a petition before the Hon'ble Company Law Board seeking extension of time for repayment of Deposits which is pending before the Board. Further the Company has not complied with the provisions of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014. as it has taken advances from customers amounting to Rs. 47759742/- having balance outstanding for more than 365 days. | The outstanding deposits were taken prior to 01.04.2014, which were not in violation of the Companies Act, 1956. However subsequent to the amendment of Companies Act, 1956 with Companies Act 2013, the deposits were not allowed to be retained by the company. The Company has applied to Honourable Company Law Board seeking extension of time for repayment of deposits and approval for the same was granted by the Hon'ble Company Law Board on 16-07-2015. Further, the approval of the depositors for extension of tenure has also been taken from the depositors. The Company is in process of regularization of advance received from the customers. |
| 2. | Certain advances for material and services aggregating to Rs.125136144/- were outstanding as on 31/03/2015. However, confirmation from parties to whom these advances are given has not been made available to us. Out of such advances, in our opinion, provision for doubtful advance amounting to Rs.31289676/- should be recognized as these are outstanding for a period of three years or more. | Scrutiny of advances has already commenced and necessary adjustment will be carried out based on bills and other related documents during financial year 2015-16. If necessary, due provision will be made in the accounts for unrecoverable advance, if any, during financial year 2015-16. |
| 3. | The Company has taken unsecured loans from Companies amounting to Rs. 84313220/- which are outstanding as at the end of the year and the same has been shown under short term borrowings in the Balance Sheet. However, loan agreements in respect of these loans have not been furnished and in absence of the same, the terms of repayment, chargeability of interest and other terms are not verifiable and have not been furnished. | The Company has taken unsecured loans which are repayable on demand. The loan documents are being executed and shall be furnished after such execution. |
| 4. | The Company has made provisions for Income Tax as per section 115JB of the Income Tax Act, 1961 amounting to Rs. 1806163/-. However, the provision has been credited to Reserves and Surplus instead of crediting the same under current liabilities and provisions. Therefore, to the extent of Rs. 1806163/-, the reserves and surplus are overstated and current liabilities and provision are understated. There is no impact on profit for the year. | The accounting entry has been rectified in the accounts of the first quarter of 2015-16. |
| 5. | As per the accounting policy of the Company, the Company is valuing its inventories at lower of cost and net realizable value. As explained to us, since exact cost is not ascertainable, the same is arrived at list price less 57% in case of finished goods and at list price less 66% in case of semi-finished goods and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of the selling price. The same has been worked out on the basis of overall gross margin and not on exact cost basis. Since proper cost records are not maintained, exact cost is not ascertainable, and therefore the impact if any, on account of valuation of inventories on basis of actual cost is not quantifiable and provided for. | Due to large number of items and sizes, it is not feasible to find out item wise cost. Hence, the cost is determined on per metric ton basis based on the cost data or material services and overheads which is compared with the specified percentage of the list price of individual items. The value at specified percentage of list price being lower, the amount has been taken for valuation of inventory on closing date of the year. |
| 6. | The Company has not carried any physical verification in respect of inventories comprising of Raw Material, Work in Progress, Finished Goods, Stock in Trade (Traded goods), Consumables Stores and Spares and Dies and Tools. The Company has obtained a physical verification certificate on an inadequate sample basis from an independent firm of Chartered Accountants. In our opinion the same does not commensurate with size and nature of inventories. | It has been planned that the physical verification of inventory of various categories like RM, WIP, FG, Tools and Dies, consumables will be conducted in a phased manner location wise on perpetual basis from the financial year 2015-16. Based on the physical verification shortage/excess if any will be adjusted in financial accounts of each quarter |
| 7. | As per the accounting policy, the Company is amortising dies and tools on the basis of effective residual remaining life based on technical assessment conducted by the Committee. However, the said technical assessment has not been carried out during the year and dies and tools have been amortised to the Statement of Profit and Loss as and when scrapped. Pending the technical assessment and determination of effective residual values of dies and tools, the impact of amortisation thereof is not ascertainable | The technical assessment of the life of tools and dies will be made in 2015-16 and necessary adjustment will be made in the accounts of 2015-16 and onwards based on the used life of tools and dies. |
| 8. | Report on other legal & Regulatory Requirements | |
| | Point No. 1, 2 | Statement of fact, no comments required. Please refer Sl. No. 5/6 as stated above in this Table. |
| | Point No. 4, 5 | Please refer Sl. No. 1/2 as stated above in this Table. |
| | Point No. 6 | Self explanatory. Complied with as per the Companies Act, 2013. |
| | Point No. 7, 9, 11 | Statement of fact, to be complied. |

BALANCE SHEET

| Description | Notes No. | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|-----------|------------------------------|------------------------------|
| A. EQUITY AND LIABILITIES | | | |
| a) Shareholder's Funds | | | |
| Share Capital | 2 | 109416670 | 109416670 |
| Reserves and Surplus | 3 | 631536950 | 638719658 |
| | | 740953620 | 748136328 |
| b) Non Current Liabilities | | | |
| Long Term Borrowings | 4 | 879535402 | 524800154 |
| Other Long Term Liabilities | 5 | 10864865 | 10791561 |
| Long Term Provisions | 6 | 292824086 | 243063938 |
| | | 1183224353 | 778655653 |
| c) Current Liabilities | | | |
| Short Term Borrowings | 7 | 1562777621 | 1801365842 |
| Trade Payables | 8 | 845000155 | 562168323 |
| Other Current Liabilities | 9 | 763639560 | 715461294 |
| Short Term Provisions | 10 | 17287766 | 25601852 |
| | | 3188705101 | 3104597311 |
| TOTAL | | 5112883074 | 4631389292 |
| B. ASSETS | | | |
| a) Non Current Assets | | | |
| Fixed Assets: | | | |
| Tangible Assets | 11 | 839114042 | 825491128 |
| Intangible Assets | | 2868173 | 3022018 |
| Capital Work in Progress | | 243035539 | 44745253 |
| | | 1085017754 | 873258399 |
| Non Current Investments | 12 | 42736580 | 42736580 |
| Long Term Loans and advances | 13 | 76445613 | 78631641 |
| Other Non-current assets | 14 | - | 475366 |
| | | 1204200947 | 995101986 |
| b) Current Assets | | | |
| Inventories | 15 | 2721696971 | 2512648409 |
| Trade Receivables | 16 | 776390409 | 742314779 |
| Cash and Bank Balances | 17 | 147141823 | 126407531 |
| Short Term Loans and Advances | 18 | 206613913 | 214989345 |
| Other Current Assets | 19 | 56839011 | 39927242 |
| | | 3908682127 | 3636287306 |
| TOTAL | | 5112883074 | 4631389292 |
| Significant Accounting Policies | 1 | | |
| Contingent Liabilities and Commitments | 29 | | |
| Other notes on Accounts | 30 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

STATEMENT OF PROFIT AND LOSS

| Description | Notes No. | Year Ending 31.03.2015 (Rs.) | Year Ending 31.03.2014 (Rs.) |
|--|-----------|------------------------------------|------------------------------------|
| A. INCOME | | | |
| Revenue from operations | 20 | 3739318189 | 3513633752 |
| Other Income | 21 | 14412853 | 13833154 |
| Total Revenue | | 3753731042 | 3527466906 |
| B. EXPENDITURE | | | |
| Cost of materials consumed | 22 | 1237852764 | 1287797827 |
| Purchases of Traded goods | 23 | 383599163 | 54784698 |
| Purchases of semi finished goods | 24 | 148381822 | 119748855 |
| Changes in inventories of finished goods, work in progress and Stock in Trade | 25 | (167829686) | (76544761) |
| Employee benefits expense | 26 | 733688211 | 916312323 |
| Finance costs | 27 | 373223576 | 364509262 |
| Depreciation and amortisation expense | 11 | 112807651 | 166208048 |
| Other Expenses | 28 | 928177177 | 967285718 |
| | | 3749900678 | 3800101970 |
| Profit before Tax and prior period item | | 3830364 | (272635064) |
| Add: Prior period items | | - | (12398385) |
| Profit before Tax | | 3830364 | (285033449) |
| Tax Expense: | | | |
| Current Tax | | 1806163 | - |
| Interest on Income Tax | | - | - |
| MAT credit entitlement | | (1806163) | - |
| Deferred Tax | | - | 1175826 |
| C. Profit for the year carried down | | 3830364 | (286209275) |
| D. Earning per Share (Face value of Rs. 10 per share) | | | |
| Basic and Diluted [refer note no. 30(xiv)] | | 0.35 | 0 |
| E. Significant Accounting Policies | 1 | | |
| Contingent Liabilities and Commitments | 29 | | |
| Other notes on Accounts | 30 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

Auditors' Report:-

As per our report of even date

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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

CASH FLOW STATEMENT

| Description | Year Ended March 31, 2015 (Rs.) | Year Ended March 31, 2014 (Rs.) |
|---|---------------------------------------|---------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/(Loss) after tax | 3830366 | (286209275) |
| Adjustments for: | | |
| Income Tax | - | 1175827 |
| Wealth Tax | 306508 | 286196 |
| Net profit/(Loss) before tax and extraordinary items | 4136874 | (284747252) |
| Adjustments for: | | |
| Depreciation | 112807651 | 166208047 |
| Deferred payment interest and Technical know how fee written off | 1084134 | 1090350 |
| Rent and Interest received (Gross) | (10225191) | (11008393) |
| Interest and Financial charges | 373223576 | 364509262 |
| Provisions for Bad and Doubtful Debts | 548460 | 2264372 |
| (Profit) / Loss on sale of assets (Net) | 342357 | 320059 |
| Reduction in Reserve due to change in accounting policy* | - | 1912591 |
| Operating profit before working capital changes | 481917861 | 240549036 |
| Adjustments for: | | |
| Increase/ (Decrease) in Trade Payables | 282831832 | 57188814 |
| Increase/ (Decrease) in Other Liability & Provisions | 46602562 | 308853984 |
| (Increase)/ Decrease in Trade Receivables | (34624090) | (85505342) |
| (Increase)/ Decrease in Loan and Advances | (10249936) | (71924200) |
| (Increase)/ Decrease in Other Current Assets | (469697) | 14309792 |
| (Increase)/ Decrease in Inventories | (209048563) | (163436784) |
| Cash generated from operations | 556959969 | 300035300 |
| Direct Taxes(net of TDS) | (1464257) | (25062837) |
| Net cash from operating activities | 555495712 | 274972463 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (338464591) | (153915262) |
| Proceeds from Sale of fixed assets | 736000 | 226871 |
| Bank deposits (having original maturity of more than 3 months) | (24452172) | (40927602) |
| Creditors for Capital Goods | 87640683 | 24588470 |
| Capital Advances | 10503176 | (42115077) |
| Rent and Interest received | 8948882 | 9240664 |
| Net cash used in investing activities | (255088022) | (202901936) |

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May, 2011 in respect of foreign exchange variation on long term foreign currency items.

CASH FLOW STATEMENT (CONTD.)

| Description | Year Ended March 31, 2015 (Rs.) | Year Ended March 31, 2014 (Rs.) |
|--|---------------------------------------|---------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | 231092213 | 405590379 |
| Proceeds from short term borrowings | 153250079 | 184726596 |
| Repayment of long term borrowings | (151340127) | (219877403) |
| Repayment of short term borrowings | (391838300) | (244953310) |
| Proceeds from Directors and others | 266961709 | 143725108 |
| Repayment to Directors and others | (36698444) | (800000) |
| Deposits as cash collateral against borrowings | (3605431) | 5460000 |
| Interest received from deposits as cash collaterals against borrowings | 1276309 | 1767729 |
| Dividend Paid | 444608 | (10141024) |
| Interest and financial charges | (373223576) | (364509262) |
| | (303680960) | (99011187) |
| D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (3273270) | (26940660) |
| Cash and Cash equivalents (Opening Balance) | 10004737 | 36945398 |
| Cash and Cash equivalents (Closing Balance) | 6731467 | 10004737 |

Notes:-

- The cash flow statement has been prepared under the indirect method set out in "Accounting Standard (AS) 3 Cash Flow Statements"(specified under section 133 of the Companies Act,2013, read with Rule 7 of Companies(Accounts) Rules, 2014).
- Additions to Fixed Assets include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped / reclassified wherever necessary.
- Components of cash and bank balances:

Cash and Cash Equivalents

| | | |
|---|----------------|-----------------|
| Balances with Banks in current accounts | 5562735 | 9657385 |
| Cash on hand | 1168732 | 347352 |
| | <u>6731467</u> | <u>10004737</u> |

Other Bank Balances

| | | |
|---|------------------|------------------|
| Fixed Deposits: | | |
| Pledged as margin money against bank guarantees | 1093521 | 1684463 |
| Pledged as margin money against letter of credits | 127859854 | 100308619 |
| Pledged against Loans | - | 2747606 |
| Lien against public deposits | 8001675 | 7342628 |
| No lien account | 1298523 | 1718085 |
| Unpaid Dividend Accounts* | 2156784 | 2601392 |
| | <u>140410357</u> | <u>116402793</u> |
| | <u>147141824</u> | <u>126407530</u> |

* Unpaid dividend can be utilised only for payment of unpaid dividend liability.

Auditors' Report:-

As per our report of even date

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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

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D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.02 Change in Accounting Policies

(i) Depreciation on fixed assets

From the current year Schedule XIV of the Companies Act, 1956 has been replaced by Schedule II of the Companies Act, 2013. Due to such change, depreciation is being provided as given below.

a) Useful Lives / Depreciation Rates

Schedule II of the Companies Act, 2013 prescribes useful lives of the assets and the depreciation is being provided on the written down value method as per their useful lives prescribed in Schedule II of the Companies Act, 2013. However, Schedule II allows companies to use higher/ lower useful lives and residual values ; if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. Unless stated otherwise, the impact of such change in policy for the current year is likely to hold good for future years also.

b) Assets for a value not exceeding Rs. 5000/-

The depreciation on assets for a value not exceeding Rs. 5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

1.03 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.04 Inventories

a) Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of semi-finished goods at 66% less on the price-list and finished goods have been valued at 57% less on the price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of selling price, based on overall cost data and gross margins; since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value.

b) Dies and tools are amortised over their residual useful lives based on the assessment made by the technical committee of the Company.

1.05 Tangible fixed assets

- a) Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable and subsidy directly attributable to the cost of fixed asset. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised if capitalisation criteria are met.
- b) Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- c) Capital work-in- progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses and interest on borrowings there against.
- d) Preoperative expenditure and trial run expenditure accumulated as capital work in progress is allocated on the basis of prime cost of fixed assets in the year of commencement of commercial production.
- e) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed off.

1.06 Intangible assets

- a) **Acquired intangible assets**
Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- b) **Research and development cost**
Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
- c) **Gains or losses arising from disposal of an intangible asset** are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed off.

1.07 Depreciation and amortization

- a) **Depreciation of tangible Assets :**
Depreciation on fixed assets is provided on prorata basis on written down value method using the useful lives of assets and in the manner prescribed in Schedule II of The Companies Act, 2013.
- b) **Amortisation of intangible Assets :**
Intangible assets are amortised on a straight line basis over their estimated useful life of six years.

1.08 Prior Period Items/ Extraordinary Items

Prior Period expenses/incomes, are shown as prior period items in the profit and loss account as per the provision of Accounting Standard-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Items of income or expenses that arise from events or transactions that are distinct from ordinary activities of the enterprise and are not expected to recur frequently or regularly are treated as extraordinary items.

1.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) **Sale of Goods:**
Revenue from sale of Goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, and are recorded net of returns and trade discount. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economics benefits flowing to the Company and therefore are excluded from revenue. Excise Duty is deducted from revenue(Gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers. Export sales are recognised at the time of clearance of goods and approval from Excise Authorities.
- ii) **Rental Income:**
Rental income is recognised on a time proportionate basis.
- iii) **Interest Income**
Interest income is recognized on time proportionate basis taking into account the amount outstanding and the applicable rate of interest
- iv) **Dividend income:**
Dividend income is accounted for when the right to receive the payment is established.

1.10 Foreign currency transactions

Foreign currency transactions and balances

- i) **Initial recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) **Conversion**
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- iii) **Exchange differences**
Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to fixed assets acquisition are recognised as income or expense in the year in which they arise. In case of exchange variation arising on reporting of long term foreign currency monetary item 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 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.
- iv) **Bank Guarantee And Letter of Credit**
Bank Guarantee And Letter of Credits are recognized at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation. However, Outstanding at the period end are recognized at the rate prevailing as on that date and total sum is considered as contingent liability.

1.11 Government Grants/ Subsidies

Government grants available to the Company are recognized in accounts:

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

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

1.12 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.13 Retirement Benefits

i) Gratuity

The employee's Gratuity Scheme, which is defined benefit plan, is managed by trust maintained with Life Insurance Corporation of India (LIC). The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as assets/(liability) in the books. Actuarial gains/(losses) for defined plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

ii) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.

iii) Leave Encashment

Accrual for leave encashment benefit is based on actuarial valuation as on the balance sheet date in pursuance of the company's leave rules.

1.14 Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.15 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.16 Earning per share

Basic earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

1.17 Taxes on Income

Tax expense for the year comprises of direct taxes and indirect taxes.

DIRECT TAXES

- i) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

- iii) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as Current Tax. The Company recognizes MAT Credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the 'Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961', the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under loans and advances. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.
- iv) Wealth tax is ascertained in accordance with the provisions of the Wealth Tax Act 1957.

INDIRECT TAXES

- i) Excise duty (including education cess) has been accounted for in respect of the goods cleared. The company is providing excise duty liability in respect of finished products.
- ii) Service Tax has been accounted for in respect of services rendered.
- iii) Final sales tax / Value added tax liability is ascertained on the finalization of assessments in accordance to provisions of sales tax / value added tax laws of respective states where the company is having offices/works.

1.18 Borrowing costs

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

1.19 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.

1.20 Impairment of 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.

1.21 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.22 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTE - 2

| Description | As at 31.03.2015 (Rs.) | | As at 31.03.2014 (Rs.) | |
|--|---------------------------|-----------|---------------------------|-----------|
| | Number | Amount | Number | Amount |
| SHARE CAPITAL | | | | |
| a. Authorised: | | | | |
| Equity Shares of Rs. 10/- each | 24970000 | 249700000 | 24970000 | 249700000 |
| 9.5% Cumulative Preference Shares of Rs. 10/- each | 30000 | 300000 | 30000 | 300000 |
| | 25000000 | 250000000 | 25000000 | 250000000 |
| Issued: | | | | |
| Equity Shares of Rs. 10/- each | 10941667 | 109416670 | 10941667 | 109416670 |
| | 10941667 | 109416670 | 10941667 | 109416670 |
| Subscribed and paid up: | | | | |
| Equity Shares of Rs. 10/- each | 10941667 | 109416670 | 10941667 | 109416670 |
| | 10941667 | 109416670 | 10941667 | 109416670 |

- b. Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

| | | | | |
|--|----------|-----------|----------|-----------|
| Equity shares outstanding at the beginning of the year | 10941667 | 109416670 | 10941667 | 109416670 |
| Equity shares issued during the year | - | - | - | - |
| Equity shares bought back during the year | - | - | - | - |
| Equity shares outstanding at the end of the year | 10941667 | 109416670 | 10941667 | 109416670 |

- c. Terms/right attached to equity shares:

The Company has issued equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognized as distributions to equity shareholders is Rs.NIL (Previous Year Rs. NIL)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d. Details of shareholders holding more than 5% shares in the Company is set out below:

| Name of Shareholder | As at 31.03.2015 | | As at 31.03.2014 | |
|-----------------------|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Shri Rajesh Jain | 1430804 | 13.08 | 1430804 | 13.08 |
| Shri Lalit Kumar Jain | 1159600 | 10.60 | 1159600 | 10.60 |
| Shri Vijay Kumar Jain | 1132593 | 10.35 | 1132593 | 10.35 |
| Shri Arun Kumar Jain | 798959 | 7.30 | 798959 | 7.30 |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- e. Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet

| Particulars | 2014-15 | 2013-14 |
|---------------|---------|---------|
| Equity Shares | Nil | Nil |

NOTE - 3

| Description | (Rs.) | As at 31.03.2015 (Rs.) | (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------|------------------------------|-------------|------------------------------|
| RESERVES AND SURPLUS | | | | |
| a. Capital Reserve | | 13931192 | | 13931192 |
| b. Securities Premium Account | | 318336034 | | 318336034 |
| c. General Reserve: | | | | |
| As per last Balance Sheet | 30414385 | | 30414385 | |
| Less: Adjustment related to transitional provision as per Schedule II of the Companies Act, 2013 [refer note no. 30(vii)(b)] | (12819236) | 17595149 | - | 30414385 |
| d. Foreign Currency Monetary Item Translation Difference Account: | | | | |
| As per last Balance Sheet | - | | (1912590) | |
| Add: Foreign Currency Variation during the year | - | | (1236412) | |
| | - | | (3149002) | |
| Less: Amortized during the year | - | - | 3149002 | - |
| e. Surplus as per Statement of Profit and Loss | | | | |
| Opening balance | 276038047 | | 562247322 | |
| Add: Net Profit/Loss for the current year | 3830364 | | (286209275) | |
| Provision for minimum alternate tax (MAT) | 1806164 | 281674575 | - | 276038047 |
| | | | | |
| | | 631536950 | | 638719658 |

NOTE - 4

| Description | As at 31.03.2015 (Rs.) | | As at 31.03.2014 (Rs.) | |
|--|---------------------------|-----------|---------------------------|-----------|
| | Non Current | Current | Non Current | Current |
| LONG TERM BORROWINGS | | | | |
| Secured: | | | | |
| a. Term Loans | | | | |
| From Banks | 31390786 | 36172852 | 75153251 | 113592274 |
| From Other Parties | 514502289 | 139354868 | 369631519 | 61998058 |
| | 545893075 | 175527720 | 444784770 | 175590332 |
| b. Deferred Payment Liabilities | | | | |
| From Haryana State Industrial and Infrastructure Development Corporation Limited | - | 15293494 | - | 14599894 |
| | - | 15293494 | - | 14599849 |
| c. Long Term Maturities of Finance Lease Obligations | | | | |
| Against hypothecation of vehicles | 3623258 | 3750864 | 3758564 | 7970124 |
| Against hypothecation of plant and machinery | 241976 | 535600 | 777576 | 477480 |
| | 3865234 | 4286464 | 4536140 | 8447604 |
| Unsecured: | | | | |
| d. Term Loans | | | | |
| From Other Parties | 24034584 | 26351460 | - | 67541204 |
| | 24034584 | 26351460 | - | 67541204 |
| e. Loans and Advances from Related Parties | | | | |
| From Directors * | 297734127 | - | 37977158 | - |
| From Others * | 8008382 | - | 37502086 | - |
| | 305742509 | - | 75479244 | - |
| | 879535402 | 221459138 | 524800154 | 266179034 |

*Interest free Deposits under stipulations of lending financial institutions and banks.

a. Term Loans from Bank (secured)

(i) Term loans are from Canara Bank.

(ii) Details of term loans from Canara Bank and security furnished are as under:

| Nature of Loan | Date of Saction | Amount Outstanding (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Prime Security |
|---------------------------|-----------------|--------------------------|--|--------------------------------|--|
| Term Loan | 03.04.2013 | 50000000 | 18 quarterly installments varying from Rs.20 lacs to Rs.46.67 lacs | 35017103 | Exclusive charge on assets i.e. accessories of machines, dies and tools acquired valued at Rs. 7.00 crores. |
| Term Loan | 08.09.2011 | 50000000 | 20 equal quarterly installments of Rs.2500000 /- | 17503042 | 1st pari passu charge with existing term lenders on existing fixed assets and dies and tools acquired out of the loan. |
| Working Capital Term Loan | 22.09.2010 | 105000000 | 20 equal quarterly installments of Rs.5250000/- | 15043493 | 1st pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral Security for the term loans from Canara Bank : 1. 1st pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hissar Road Rohtak. 2. 1st pari passu charge on land measuring 4.6125 acre and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana. |
| | | | | Total 67563638 | |
| | | | | Current Maturities 36172852 | |

(iii) In the previous year, the Company had availed term loan from IDBI Bank Limited, State Bank of India and Canara Bank which has been repaid during the year. The terms and security furnished are as under:

| Name of Bank | Date of Saction | Amount Outstanding (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Prime Security |
|---------------------|-----------------|--------------------------|--|--------------------------|--|
| IDBI Bank Limited | 27.01.2010 | 100000000 | 15 quarterly installments varying from Rs. 25 lacs to Rs. 100 lacs | NIL | 1st pari passu charge on fixed assets of the Company alongwith ICICI Bank Limited, Karvy Financial Services Limited and Intec Capital Limited. |
| State Bank of India | 03.11.2011 | 45000000 | 10 quarterly installments varying from Rs. 37.50 lacs to Rs. 58.5 lacs | NIL | 1st pari passu charge alongwith other consortium bankers on current assets and existing tools and dies capitalised. Collateral Securities are the same as against CC/ BD/ LC and other facilities sanctioned by the bank. 1st pari passu charge on entire fixed assets of the Company comprising of land and building, plant and machinery, other fixed assets including capital work in progress alongwith equitable mortgage of the land and building of Plant I and Plant II Hissar Road, Rohtak and Plot No. 153 Sector-3 & Plot No. 256 Sector-6 at IMT Manesar and Plant IV at Kharawar, Rohtak and EMT of property situated at NH-10 Hissar Road, in the name of Smt. Sushila Devi Jain and land and building situated at Kharawar in the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of Director. |
| Canara Bank | 06.03.2013 | 3067912 | Repayable on maturity | NIL | Against pledge of fixed deposits of the Company having a maturity value of Rs. 3473941/- |

Term loans from IDBI Bank Limited, State Bank of India and Canara Bank have been repaid during the year and securities furnished have been duly discharged by IDBI Bank Limited and Canara Bank. Discharge of security by State Bank of India is under process.

| | | Non Current (Rs.) | Current (Rs.) | Non Current (Rs.) | Current (Rs.) |
|------|--|-------------------|---------------|-------------------|---------------|
| (iv) | Aggregate amount of Term Loans from Banks secured by way of personal guarantees of Directors of the Company and their relatives are: | 31390786 | 36172852 | 75153251 | 110525082 |

(v) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults, regularised after date of Balance Sheet.)

| Name of Banks | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|---------------|------------------------|-------------------------|-------------------|-------------------------|
| Canara Bank | 29.03.2015 | 2500000 | 2496958 | 3042 |
| Canara Bank | 25.03.2015 | 2500000 | 1373683 | 1126317 |
| | | | | 1129359 |

Interest accrued and due Rs.833627/- (previous year Rs..6632117/-) remained unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(vi) Term loans from other parties are from Intec Capital Limited, Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC), Karvy Financial Services Limited and Hero Fincorp Limited are as under:

| | 2015 | | 2014 | |
|--|-------------------|---------------|-------------------|---------------|
| | Non Current (Rs.) | Current (Rs.) | Non Current (Rs.) | Current (Rs.) |
| Intec Capital Limited | 33107924 | 13018386 | 33424264 | 12853746 |
| Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) | 154427923 | 76923077 | 150997000 | 27454000 |
| Karvy Financial Services Limited | 163440294 | 22654197 | 134156130 | 13744437 |
| Hero Fincorp Limited | 163526148 | 26759208 | 51054125 | 7945875 |
| | 514502289 | 139354868 | 369631519 | 61998058 |

(vii) Details of term loans from other parties are as under:-

| Nature of facility | Date of Sanction | Amount sanctioned (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Cash margin (Rs.) | Other Security |
|--------------------|------------------|-------------------------|-------------------|--------------------------|-------------------|----------------|
|--------------------|------------------|-------------------------|-------------------|--------------------------|-------------------|----------------|

(A) Intec Capital Limited

| | | | | | | |
|-----------|------------|----------|--|----------|---------|---|
| Term Loan | 29.11.2012 | 21400000 | 60 equal monthly installments of Rs.505843/-(including interest) | 13226377 | 6420000 | 1st and exclusive charge on the entire assets and equal to the loan amount. |
| Term Loan | 22.02.2013 | 29500000 | 60 equal monthly installments of Rs.697268/-(including interest) | 20642175 | 8850000 | 1st and exclusive charge on the entire assets and equal to the loan amount and further secured by way of 1st charge on fixed assets of the Company including land and building and plant and machinery with ICICI Bank Limited and IDBI Bank Limited on pari passu basis. |
| Term Loan | 23.06.2014 | 13605400 | 60 equal monthly installments of Rs.309569/-(including interest) | 12257758 | 3605431 | 1st Charge by the way of exclusive hypothecation lien mark on the Performa invoice in favour of Intec Capital Ltd covering the entire assets. |
| | | | Total | 46126310 | | |
| | | | Current Maturities | 13018386 | | |

Cash margin of Rs. 15270000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|-----------------------|------------------------|-------------------------|-------------------|-------------------------|
| Intec Capital Limited | 01.03.2015 | 444288 | Nil | 444288 |
| Intec Capital Limited | 16.03.2015 | 176771 | Nil | 176771 |
| | | | | 621059 |

Interest accrued and due Rs.385778/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from Intec Capital Limited.

(B) Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)

| | | | | | | |
|-----------|------------|-----------|---|-----------|-----|--|
| Term Loan | 17.04.2012 | 250000000 | 26 equal quarterly installments of Rs.9615385/-, starting from 30.04.2014 | 231351000 | NIL | First charge on all the present and future fixed assets of proposed expansion project at IMT Rohtak and remaining assets of the company (except book debts) subject to prior charges created or to be created in favour of bankers for working capital requirements. |
| | | | Total | 231351000 | | |
| | | | Current Maturities | 76923077 | | |

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|---------------|------------------------|-------------------------|-------------------|-------------------------|
| HSIIDC | 30.04.2014 | 9615385 | Nil | 9615385 |
| | 31.07.2014 | 9615385 | Nil | 9615385 |
| | 31.10.2014 | 9615385 | Nil | 9615385 |
| | 31.01.2015 | 9615385 | Nil | 9615385 |
| | | | | 38461538 |

Interest accrued and due Rs.7465266/- (previous year 410177/-) remained unpaid as on the date of Balance Sheet in respect of term loans from HSIIDC.

(C) Karvy Financial Services Limited

| | | | | | | |
|-----------|------------|-----------|---|-----------|-----|---|
| Term Loan | 25.03.2013 | 150000000 | 78 equal monthly installments of Rs. 3275468/- (including interest) | 134156130 | NIL | 1st pari passu charge on fixed assets of the Company alongwith ICICI bank Limited, IDBI Bank Limited and Intec Capital Limited. |
| | | | Total | 186094491 | | |
| | | | Current Maturities | 22654197 | | |
| Term Loan | 27.12.2014 | 52198474 | 71 equal monthly installments of Rs. 1199900/- (including interest) | 51938361 | NIL | Pari passu charge along with IDBI Bank Limited & Intec Capital Limited on Fixed Assets of the Company which comprises of Industrial Land & Building and Plant & machinery and original property documents to be mortgaged. The creation of charge is under process. |
| | | | Total | 186094491 | | |
| | | | Current Maturities | 22654197 | | |

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|----------------------------------|------------------------|-------------------------|-------------------|-------------------------|
| Karvy Financial Services Limited | 05.03.2015 | 264015 | Nil | 264015 |
| Karvy Financial Services Limited | 05.02.2015 | 156810 | Nil | 156810 |
| Karvy Financial Services Limited | 05.03.2015 | 159162 | Nil | 159162 |
| | | | | 579987 |

Interest accrued and due Rs.3102219/- (previous year 2011156/-) remained unpaid as on the date of Balance Sheet in respect of term loans from Karvy Financial Services Limited.

(D) Hero Fincorp Limited

The Company has been sanctioned term loans vide sanction letters dated 06.09.2013 for Rs.100000000/- and sanction letter dated 30.10.2013 for Rs.100000000/- for purchase of plant and machinery. The outstanding balance as on the balance sheet was Rs.190285356/-. (Current Maturities of Rs.26759208/-)

| Nature of facility | Amount sanctioned (Rs.) | Terms of repayment | Cash collateral security (Rs.) | Other Security |
|--------------------|-------------------------|---|--------------------------------|---|
| Term Loan | 200000000 | 54 installments of Rs. 101282/- (including interest) 54 installments of Rs. 379806/- (including interest) 54 installments of Rs. 506408/- (including interest) 54 installments of Rs. 506408/- (including interest) 54 installments of Rs. 1331702/- (including interest) 54 installments of Rs. 245760/- (including interest) 54 installments of Rs. 1519225/- (including interest) 54 installments of Rs. 253204/- (including interest) 54 installments of Rs. 81026/- (including interest) 52 installments of Rs. 143073/- (including interest) | NIL | Hypothecation by way of lien and charge on the Equipment/ Plant and Machinery purchased/ to be purchased out of the loan. |

| (viii) Aggregate amount of term loan from other parties and further secured by way of personal guarantees | Non Current (Rs.) | Current (Rs.) | Non Current (Rs.) | Current (Rs.) |
|---|-------------------|---------------|-------------------|---------------|
| L.K. Jain (Chairman and Managing Director) and D.K. Jain (Vice Chairman and Managing Director) | 163440294 | 22654197 | 134156130 | 13744437 |
| L.K. Jain Chairman and Managing Director | 187535847 | 89941463 | 184421264 | 40307746 |
| D.K. Jain Vice Chairman and Managing Director | 163526148 | 26759208 | 51054125 | 7945875 |
| | 514502289 | 139354868 | 369631519 | 61998058 |

b. Deferred Payment Liabilities:

(i) Deferred payment credits from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) are secured against the following properties:-

1. Plot no. 153, Sector 3 at IMT Manesar , Gurgaon
 2. Plot no. 257, Sector 6 at IMT Manesar , Gurgaon
 3. Working Housing unit at IMT Manesar , Gurgaon
 4. Dormitory House at IMT Manesar , Gurgaon
- (a) The above properties shall continue to belong to HSIIDC until and unless the full price of the properties with interest and other amount, if any, due to HSIIDC is paid by the Company.
- (b) On the payment of total price of the properties, the HSIIDC would execute a deed of conveyance in favour of the Company.

(ii) Term of repayments

| Name of Lendor | Nature of facility | Terms of repayment (including interest) |
|---|---|--|
| Haryana State Industrial and Infrastructure Development Corporation Limited | Deferred Payment Liabilities Plot no. 153, Sector 3 at IMT Manesar , Gurgaon | (i) 5 half yearly instalments of Rs. 551646/- (ii) Enhanced cost of Rs. 14385600/- payable in 5 half yearly instalments of Rs. 2877120/- each commencing from 31/10/2012. |
| | Plot no. 257, Sector 6 at IMT Manesar , Gurgaon | (i) 5 half yearly instalments of Rs. 201353/- (ii) Enhanced cost of Rs. 6393600/- payable in 5 half yearly instalments of Rs. 1278720/- each commencing from 31/10/2012 |
| | Working Housing unit at IMT Manesar, Gurgaon | 8 half yearly instalments of Rs. 71250/- |
| | Dormitory House at IMT Manesar , Gurgaon | 8 half yearly instalments of Rs. 140625/- |

(iii) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults):

| a) | Nature of facility | | Amount of default (Rs.) | Due date | Status |
|--|------------------------------|--|-------------------------|------------|--------|
| | Deferred Payment Liabilities | Working Housing unit at IMT Manesar, Gurgaon | 285000 | 02.03.2013 | Unpaid |
| | | Dormitory House at IMT Manesar, Gurgaon | 562500 | 05.03.2013 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No. 153 | 1952931 | 01.08.2011 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No. 153 | 2168103 | 30.04.2013 | Unpaid |
| | | | 2877120 | 31.10.2013 | Unpaid |
| | | | 2877120 | 30.04.2014 | Unpaid |
| | | | 2877120 | 31.10.2014 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No 257 | 414880 | 30.04.2014 | Unpaid |
| | | | 1278720 | 31.10.2014 | Unpaid |
| Total | 15293494 | | | | |
| (b) Interest accrued and due Rs.2918554/- (previous year Rs. 1523710/-) remained unpaid as on the date of Balance Sheet. | | | | | |

c. Long term maturities of finance lease obligations

(i) Long term maturities of finance lease obligations are secured by way of hypothecation of vehicles acquired under finance lease are as under:

| Name of Lendor | Nature of facility | Terms of repayment (including interest) |
|------------------------|--------------------|---|
| State Bank of India | Finance Lease | 36 monthly instalments of Rs. 107798/- |
| | Finance Lease | 35 monthly instalments of Rs.57201/- |
| HDFC Bank Limited | Finance Lease | 60 monthly instalments of Rs. 143113/- |
| | Finance Lease | 60 monthly instalments of Rs. 121264/- |
| ICICI Bank Limited | Finance Lease | 60 monthly instalments of Rs. 143113/- |
| Volkswagon Finance Ltd | Finance Lease | 60 monthly instalments of Rs. 86472/- |

(ii) Long term maturities of finance lease obligations secured by way of hypothecation of plant and machinery acquired under finance lease are as under:

| | | |
|-------------------|---------------|--|
| HDFC Bank Limited | Finance Lease | 35 monthly instalments of Rs. 49800/- (including interest) |
|-------------------|---------------|--|

d. Term loans (unsecured) from other parties

(i) Term loans (unsecured) from other parties are as under:-

| Name of Lendor | Nature of facility | Amount (Rs.) | Terms of repayment (including interest) |
|--------------------------|--------------------|--------------|---|
| Religare Finvest Limited | Term Loans | 5802088 | 36 monthly installments of Rs. 271143/- (including interest) |
| Hero Fincorp Limited | Term Loans | 44583956 | 24 monthly installments of Rs. 2448156/- (including interest) |
| | Total | 50386044 | |
| | Current Maturities | 26351460 | |

| (ii) Aggregate amount of Term Loans from other parties secured by way of personal guarantees of | Non Current (Rs.) | Current (Rs.) | Non Current (Rs.) | Current (Rs.) |
|---|-------------------|---------------|-------------------|---------------|
| Sh. L.K.Jain, Chairman and Managing Director | 3401049 | 2401039 | 0 | 7541204 |
| Sh. D.K.Jain, Vice Chairman and Managing Director | 20633535 | 23950421 | 0 | 60000000 |

NOTE - 5

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| OTHER LONG TERM LIABILITIES | | |
| a. Others: | | |
| Security Deposits from customers/employees | 10864865 | 10791561 |
| | 10864865 | 10791561 |

NOTE - 6

| | | |
|---|-----------|-----------|
| LONG TERM PROVISIONS | | |
| a. Provisions for employee benefits [refer note no. 30(xix)] | | |
| Gratuity | 210332202 | 177027479 |
| Leave Encashment | 82491884 | 66036459 |
| | 292824086 | 243063938 |

- (i) The liability towards gratuity is as certified by an actuary.
- (ii) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date as certified by an Actuary.

NOTE - 7

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| SHORT TERM BORROWINGS | | |
| Secured: | | |
| a. Loans repayable on demand | | |
| Working capital limits from Banks | 1304944399 | 1602345840 |
| | 1304944399 | 1602345840 |
| Unsecured: | | |
| b. Deposits | | |
| Fixed Deposits from Directors and others | 173520002 | 173520002 |
| Other loans and advances from Companies | 84313220 | 25500000 |
| | 257833222 | 199020002 |
| | 1562777621 | 1801365842 |

a. Working capital limits from banks (secured)

- (1) Working capital limits from consortium banks are from Canara Bank and State Bank of India in the ratio of 70:30 and are secured by way of pari passu first charge against hypothecation of entire chargeable current assets i.e stock and book debts (present and future) of the Company and pari passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by Directors of the Company and their relatives. Working capital limits from consortium banks are further secured by way of equitable mortgage of:

- (i) Plant I & II of the Company
Property part of Khewal No 124/115, Khatoni No 171, Killa No 96/(713/2(3-8, 14/2 (10-3), 15/1(1-12)-17(9-4)-24(7-12) and Part of Khewat No 129/120, Khatoni No 183 min, Killa No 96(4/1(2-17)-7/3/1(4-1) situated at 8.5 lane Mile Stone, Village Totoli, Jind Road, Rohtak-124001 Haryana

Plant III of the Company
Plot No 153, Sector 3 IMT Manesar, Gurgaon-122050 Haryana measuring 4050 sq mtrs.

Packaging Unit of the Company
Plot No 257 Sector 6 IMT Manesar Gurgaon-122050, Haryana measuring 1800 sq mtrs.

Plant-IV of the Company

Part of Khewat No 141 Min. Khatoni No 176 Min, Killa No 122/1(5-4) and Part of Kheat No 140 Min, Khatoni No 175 Min Killa No 103/108 (8-0), 11(8-0), 20(8-0) and Part of Khewat No 103/1(8-0), 104(5/2(4-0), 5/3(2-0) and Part of Khewat No 140 N.H. 10 Near Sudhir Automotive NH-10, Kharwar Delhi Road, Rohtak 124001 Haryana, Measuring 45496 sq yards.

- (ii) Property situated at adjacent LPS Plant-II and Near Canara Bank and Honda Showroom Hissar Road Industrial Area, Rohtak in the name of Smt. Sushila Devi Jain wife of Late Shri Bimal Prasad Jain measuring 10640 sq yards of land
- (iii) Agriculture land part of Khewat no 97 Min, Khatoni no 117 Min. and Killa no 126/12/2/1(2-3) and part of Khewat no 90 Min, Khatoni No 103 Min and Killa no 126/19/2(7-13), 22/1(6-5) and Part of Kheat no 88/97 Min, Khatoni no 10 Min and Killa no 126/22/2(1-8) 23(8-0) and part of Khewat no 97 Min, Khatoni no 117 Min and Killa no 147/1/(8-0)3(6-17)4(7-7) and part of Khewat no 91 Min, Khatoni no 103 Min and Killa no 147/3 Min Northern 4-9 situated at near LPS Bossard and Kharwar village Rohtak Delhi Road NH 10, Village Kharwar, Distt Rohtak, Haryana measuring 46125 acres
- (iv) First pari passu charge with other consortium members on Dies and Tools capitalised during financial year 2010-2011 and 2011-12.
- (v) Exclusive charge on Dies and Tools capitalised during financial year 2012-13.

(2) Working capital limits from Corporation Bank Limited (outside consoruiun) are secured against equitable mortgage of Industrial plot measuring 16 Kanal 3 Marla situated in the Revenue Village Kutana, Tehsil & District Rohtak, Hayana in the name of the Company.

(3) Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.) 1304944399 1602345840

(4) Period and amount of overdue and unpaid as on the Balance Sheet date:

| Nature of facility | Amount of Defaults (Continuing as on Balance Sheet Date) (Rs.) | Period of overdue and unpaid (Days) |
|---|--|--|
| Working capital limits with Canara Bank | 3894891/- | 1 Day |
| Working capital limits with State Bank of India | 7569802/- | 1 Day |

(5) Interest accrued and due Rs. 1708774/- (previous year 1708771/-) on Fixed Deposit from Directors and others remained unpaid as on the Balance Sheet date.

b. Other loans and advances from a Company (unsecured)

- (i) Other loans and advances are from Companies and repayable on demand.
- (ii) Interest accrued and due Rs. 514110/- (previous year Rs.760932/-) remained unpaid as on the Balance sheet date.

NOTE - 8

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|-----------------------|------------------------------|------------------------------|
| TRADE PAYABLES | | |
| Trade payables | 845000155 | 562168323 |
| | 845000155 | 562168323 |

- (i) Trade payables include payable to a subsidiary company Rs. 10097214/- (Previous Year Rs.8961869/-)
- (ii) 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, 2015. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

| Sr. No | Particulars | Year ended 31st March 2015 | Year ended 31st March 2014 |
|--------|--|-------------------------------|-------------------------------|
| 1. | Principal amount and interest due thereon remaining unpaid to any supplier | NIL | 8100 |
| 2. | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| 3. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under Micro Small and Medium enterprises Development Act, 2006 | NIL | NIL |
| 4. | The amount of interest accrued and remaining unpaid at the end of each accounting year. | NIL | NIL |
| 5. | The amount of interest further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act. | NIL | NIL |

NOTE - 9

| Description | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
|--|----------------------------|----------------------------|
| OTHER CURRENT LIABILITIES | | |
| Current maturities of long term debt (Refer note no. 4a and 4d) | 201879180 | 243131536 |
| Current maturities of Deferred Payment Liabilities (Refer note no. 4b) | 15293494 | 14599894 |
| Current maturities of finance lease obligations (Refer note no. 4c) | 4286464 | 8447604 |
| Interest accrued but not due on Borrowings | 10536038 | 7129538 |
| Interest accrued and due on Borrowings | 16928328 | 13046862 |
| Unpaid dividend | 2156784 | 2601393 |
| Advances and progress payments from customers | 89695883 | 199160834 |
| Creditors for capital goods | 117180469 | 29539786 |
| HDFC Bank, Rohtak (Current Account) | 3863703 | 13783442 |
| Excise duty payable | 50974629 | 50328743 |
| Employees benefit expenses | 60820191 | 32388715 |
| Statutory dues | 127390432 | 60537285 |
| Other payables | 62633966 | 40765662 |
| | 763639560 | 715461294 |
| (i) Current maturities of long term debt includes: | | |
| a) Current maturities of long term (secured) (Refer note no. 4a) | 175527720 | 175590332 |
| b) Current maturities of long term (unsecured) (Refer note no. 4d) | 26351460 | 67541204 |
| | 201879180 | 243131536 |

- (i) Investor Protection and Education Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The company has transferred and deposited a sum of Rs. 427941/- (Previous year 216095/-) of unclaimed dividend pertaining to the F.Y. 2006-07 to Investor Education and Preotection Fund of Central Government in accordance with the provision of section 205C of the Companies Act, 1956.
- (ii) The Company has made a provision of Excise duty amounting Rs 50974629/- (previous year Rs. 50328743/-) payable on stocks of Finished and Scrap material. Excise duty is considered as an element of cost at the time of manufacture of goods.
- (iii) Employees benefit expense includes Rs 4636000/- (Previous year Rs.6615000/-) payable to Directors of the Company.
- (iv) Statutory dues are in respect of PF,ESI,Sales Tax, TDS, Service Tax, Withholding Tax, Income Tax, TCS, Labour Welfare Fund, Work Contract Tax, Professional Tax, Interest on TDS, Interest on Income Tax, Interest on Sales Tax, Interest on PF/ESI, R&D Cess and Excise Duty.
- (v) Other payables include expenses payable, advance against sale of assets and other payables.
- (vi) Other payables include Rs. 3211753/- (previous year Rs.1070754/-) payable to Directors of the Company.
- (vii) Credit Balance with HDFC Bank Limited, Rohtak is due to uncashed cheques.

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| NOTE - 10 | | |
| SHORT TERM PROVISIONS | | |
| Provision for Employee Benefits: [refer note no.30(xix)] | | |
| Leave encashment | 8063726 | 9097404 |
| Gratuity (refer note no. 31(xviii)) | 9049756 | 16218252 |
| | 17113482 | 25315656 |
| Others: | | |
| Statutory dues* | 174284 | 286196 |
| | 174284 | 286196 |
| | 17287766 | 25601852 |

* Statutory dues are in respect of Income Tax and Wealth Tax.

- (i) Provisions are recognized for expenses such as gratuity, income tax, wealth tax, and leave encashment. 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 2014-15.

The movements in provisions are as under:

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| The movements in provisions are as under: | | |
| 1 Carrying amount as on 01.04.2014 | | |
| Income Tax | 21367729 | 38400000 |
| Wealth Tax | 286196 | 164849 |
| Leave encashment (Long term Rs.66036459/-) | 75133863 | 13249797 |
| Gratuity (Long term Rs.177027479/-) | 193245731 | 5541720 |
| Total | 290033519 | 57356366 |

- 2 Additional provisions made during the financial year 2014-15.(including increase to existing provisions.)

| | | |
|------------------|----------|-----------|
| Income Tax | 0 | 2150000 |
| Wealth Tax | 306508 | 286196 |
| Leave encashment | 27806537 | 67188761 |
| Gratuity | 39828407 | 198337033 |
| Total | 67941452 | 267961990 |

- 3 Amounts used (incurred and charged against the provisions) during the financial year 2014-15

| | | |
|------------------|----------|----------|
| Income Tax | 21367729 | 19182271 |
| Wealth Tax | 0 | 164849 |
| Leave encashment | 8611341 | 5304695 |
| Gratuity | 13692180 | 10633022 |
| Total | 43671250 | 35284837 |

- 4 Unused amounts reversed during the financial year 2014-15

| | | |
|------------------|---------|---|
| Income Tax | 0 | 0 |
| Wealth Tax | 0 | 0 |
| Leave encashment | 3773449 | 0 |
| Gratuity | 0 | 0 |
| Total | 0 | 0 |

- 5 Carrying amounts of provisions as on 31.03.2015

| | | |
|--|-----------|-----------|
| Income Tax | 0 | 21367729 |
| Wealth Tax* | 592704 | 286196 |
| Leave encashment (Long term Rs.82491884/-) | 90555610 | 75133863 |
| Gratuity (Long term Rs.210332202/-) | 219381958 | 193245731 |
| Total | 310530272 | 290033519 |

* Includes Rs. 286196/- under statutory dues payable (Note no. 9)

NOTE -11
FIXED ASSETS

| Sr. No. | DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|---------|-----------------------------------|----------------------------|------------------|-----------------------------|----------------------------|--------------------------|------------------------|--------------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| | | As at 01.04.2014 Rs. | Additions Rs. | Sales/ Adjustment Rs. | As at 31.03.2015 Rs. | Upto Last Year Rs. | For the year Rs. | Set-off from Retained Earnings | Sales/ Adjustment Rs. | As at 31.03.2015 Rs. | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
| 1 | Tangible | | | | | | | | | | | |
| | Industrial Land: | | | | | | | | | | | |
| | Freehold Land | 210406809 | 6393600 | (486389) | 216314020 | 0 | 0 | 0 | 0 | 0 | 216314020 | 210406809 |
| | Leasehold Land | 18398416 | 0 | 0 | 18398416 | 0 | 0 | 0 | 0 | 0 | 18398416 | 18398416 |
| | 2 Factory Building | 221175375 | 328302 | 0 | 221503677 | 84925524 | 7393150 | 0 | 0 | 92318674 | 129185003 | 136249851 |
| | 3 Office Premises: | | | | | | | | | | | |
| | Freehold Offices | 813362 | 0 | 0 | 813362 | 515568 | 47540 | 0 | 0 | 563108 | 250254 | 297794 |
| | Leasehold Offices | 553040 | 0 | 0 | 553040 | 373938 | 36720 | 0 | 0 | 410658 | 142382 | 179102 |
| | 4 Plant and Machinery | 1762396907 | 123236346 | 0 | 1885633253 | 1386721151 | 79847957 | 65739 | 0 | 1466634847 | 418998406 | 375675756 |
| | 5 Furnitures and Fixtures | 47520160 | 62095 | (88436) | 47493819 | 34721883 | 3850875 | 443744 | (25250) | 38991251 | 8502568 | 12798277 |
| | 6 Electric fans and Installations | 44390212 | 287619 | (2594901) | 42082930 | 31772983 | 3963657 | 1135293 | (74394) | 36797539 | 5285391 | 12617229 |
| 7 | Office Equipments | 30839785 | 2155394 | 2387067 | 35382246 | 16085911 | 3756248 | 8103918 | 1462740 | 29408817 | 5973429 | 14753874 |
| 8 | Computer | 77020442 | 1659691 | (251584) | 78428549 | 74540504 | 1395654 | 2773278 | (1415008) | 77294427 | 1134122 | 2479938 |
| 9 | Vehicles | 107998068 | 5784499 | (4486466) | 109296101 | 66680141 | 11161197 | 212109 | (3416384) | 74637063 | 34659038 | 41317927 |
| 10 | Weighing Scales | 1633555 | 31440 | 0 | 1664995 | 1367416 | 42360 | 6646 | 0 | 1416422 | 248573 | 266138 |
| 11 | Fire Extinguishers | 897621 | 0 | 0 | 897621 | 847604 | 12582 | 78509 | (63,514) | 875181 | 22440 | 50017 |
| | Total | 2524043752 | 139938986 | (5520709) | 2658462029 | 1698552622 | 111507940 | 12819236 | (3531811) | 1819347988 | 839114042 | 825491129 |
| 12 | Intangible | | | | | | | | | | | |
| | Computer software | 7942472 | 1182294 | 0 | 9124766 | 4920453 | 1299711 | 0 | 36430 | 6256594 | 2868173 | 3022018 |
| | Total | 2531986223 | 141121280 | (5520709) | 2667586795 | 1703473076 | 112807651 | 12819236 | (3495381) | 1825604582 | 841982215 | 828513148 |
| | Add: Capital Work -In Progress | 44745253 | 198290286 | 0 | 243035539 | 0 | 0 | 0 | 0 | 0 | 243035539 | 44745253 |
| | Total : Current Year | 2576731476 | 339411566 | (5520709) | 2910622334 | 1703473076 | 112807651 | 12819236 | (3495381) | 1825604582 | 1085017754 | 873258400 |
| | Previous Year | 2424583649 | 153915263 | 1767437 | 2576731476 | 1538485534 | 166208047 | 0 | 1220507 | 1703473076 | 873258400 | 886098113 |

Notes:

- Depreciation has been provided as per useful life prescribed in Schedule II of Companies Act, 2013 as per written down value method except in case of Plant II, Manesar and Recoil Division where the depreciation has been provided on straight line method.
- The addition in fixed assets include Rs. 36843267/- (Last year Rs.16730445) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountant of India.
- Leasehold Offices Premises are in respect of office flats at Bangalore.
- Freehold offices Premises are in respect of office flats at Mumbai and Delhi.
- Plant & Machinery include capital expenditure of Rs. 12326476/- incurred during the year (Previous year Rs. 5963676/-) on Research & Development.
- Vehicles under finance lease are as under:

| | |
|-------------|--------------|
| Gross Block | Rs. 36032248 |
| Net Block | Rs. 19426302 |
- Machines under finance lease are as under:

| | |
|-------------|-------------|
| Gross Block | Rs. 1565758 |
| Net Block | Rs. 1360372 |

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|---|------------------------------|------------------------------|
| NOTE-12 | | |
| NON CURRENT INVESTMENTS | | |
| (Long term,trade,unquoted, at cost) | | |
| Investment in Equity Instruments | | |
| Subsidiary Company | | |
| Indian Fasteners Limited | | |
| 441550 Equity Shares of Rs. 10/- each | 4415500 | 4415500 |
| 40000 Equity Shares of Rs. 4.01 per share | 160400 | 160400 |
| Associate Companies | | |
| Hanumat Wires Udyog Private Limited | | |
| 279300 Equity Shares of Rs. 10/- each | 2793000 | 2793000 |
| J.C. Fasteners Limited | | |
| 700000 Equity Shares of Rs. 10/- each | 7000000 | 7000000 |
| Lakshmi Extrusion Limited | | |
| 30000 Equity Shares of Rs. 100/- each | 3000000 | 3000000 |
| Joint Ventures* | | |
| LPS Bossard Private Limited | | |
| 2352019 Equity Shares of Rs.10/- each | 23520190 | 23520190 |
| LPS Bossard Information Systems Private Limited | | |
| 184749 Equity Shares of Rs.10/- each | 1847490 | 1847490 |
| Aggregate amount of unquoted investments | 42736580 | 42736580 |

*In terms of joint venture agreement entered into with Bossard AG, Switzerland on 26.06.1997, the Company has invested a sum of Rs.23520190/- in LPS Bossard Private Limited towards allotment of 2352019 Equity Shares of Rs.10/- each and a sum of Rs.1847490/- in LPS Bossard information Systems Private Limited towards allotment of 184749 equity shares of Rs. 10/- each, towards 49% holding in the aforesaid companies.

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|---|------------------------------|------------------------------|
| NOTE-13 | | |
| LONG TERM LOANS AND ADVANCES | | |
| Unsecured, considered good | | |
| Capital Advances | 34512205 | 45015381 |
| Prepaid Expenses | 1648254 | 0 |
| Security Deposits | | |
| With Electricity Departments | 12912981 | 12527230 |
| With Sales Tax/VAT Departments | 20000 | 20000 |
| With Other Government Departments | 446411 | 448862 |
| With Others | 6225168 | 5350168 |
| Other deposits with Intec Capital Limited as cash collateral against borrowings | 18875431 | 15270000 |
| MAT credit entitlement | 1805163 | 0 |
| | 76446613 | 78631641 |
| NOTE - 14 | | |
| OTHER NON CURRENT ASSETS | | |
| Unsecured, considered good: | | |
| Technical knowhow fee | | |
| As per last Balance Sheet | 1559500 | 2649850 |
| Less: Written off | 1084134 | 1090350 |
| | 475366 | 1559500 |
| Non Current assets | 0 | 475366 |
| Current Portion assets (Refer note no.19) | 475366 | 1084134 |
| NOTE - 15 | | |
| INVENTORIES | | |
| Raw Materials | 176959986 | 192334134 |
| Work in Progress | 1002733521 | 844809952 |
| Finished goods (includes in transit Rs. 135738/- (Previous year Rs. 254119/-) | 498155383 | 489024761 |
| Stock in Trade (Traded goods) | 2450554 | 3228212 |
| Consumables stores and Spares | 394886690 | 404481290 |
| Dies and tools | 588783235 | 523569649 |
| Packing materials | 47050097 | 46072828 |
| Stationary in hand | 360477 | 363959 |
| Postage and foreign stamps | 2412 | 2163 |
| Scrap materials (at realisable value) | 10314616 | 8761460 |
| | 2721696971 | 2512648409 |

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 66% less on price-list and finished goods have been valued at 57% less on price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of the selling price; since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value.

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| NOTE - 16 | | |
| TRADE RECEIVABLES | | |
| (Unsecured) | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 118521287 | 110390334 |
| Considered doubtful | 2479965 | 2264372 |
| | 121001252 | 112654706 |
| Less: Allowance for doubtful debts | 2479965 | 2264372 |
| | 118521287 | 110390334 |
| Other Trade receivables | 657869123 | 631924445 |
| | 776390409 | 742314779 |

Trade receivables includes

- Rs 779216/- (previous year Rs. 271723/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs 67880/- (previous year Rs. 7880) due from J C Fasteners Limited, an Associate Company.
- Rs 448058/- (previous year Rs. 448058) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs 8945990/- (previous year Rs. 7745249) due from Universal Precision Screws, a firm in which directors are partners.
- Rs 129855/- (previous year Rs. 139019/-) due from LPS Industrial Supplies Pvt Ltd, an Associate company.

| | | |
|---|-----------|-----------|
| NOTE - 17 | | |
| CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks in current accounts | 5562734 | 9657385 |
| Cash on hand | 1168732 | 347352 |
| | 6731466 | 10004737 |
| Other Bank Balances | | |
| Fixed Deposits:* | | |
| Pledged as margin money against bank guarantees | 1093521 | 1684463 |
| Pledged as margin money against letter of credits | 127859854 | 100308619 |
| Pledged against loans | 0 | 2747606 |
| Lien against public deposits | 8001675 | 7342628 |
| No lien account | 1298523 | 1718085 |
| Unpaid Dividend Accounts** | 2156784 | 2601392 |
| | 140410357 | 116402793 |
| | 147141823 | 126407531 |

* Fixed deposits with banks include deposits of Rs. 31418179/- (Previous Year of Rs. 36641627/-) with maturity of more than 12 months.

** Unpaid dividends can be utilised only for payment of unpaid dividend liability.

| Description | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|--|------------------------------|------------------------------|
| NOTE - 18 | | |
| SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Loans and Advances to Related Parties | 16878428 | 18822444 |
| Others: | | |
| Advance against Materials and Services | 114939459 | 95214727 |
| Prepaid Expenses | 6917939 | 11635612 |
| Balance with Central Excise Department | 19660837 | 18940107 |
| Cenvat on capital goods | 14569594 | 9375425 |
| Advance to staff | 6309728 | 7028589 |
| Employee advance under litigation [refer note no. 30(v)] | 16059342 | 16059342 |
| Advance Income Tax and TDS | 271635 | 15990450 |
| Other advances | 11006952 | 21922649 |
| | 206613913 | 214989345 |

(i) Details of Loans and advances to related parties are as under:

| Name of party | Relationship | Nature of Advance | Amount (Rs.) | Amount (Rs.) |
|------------------------------------|--|-----------------------|--------------|--------------|
| Lakshmi Extrusion Limited | An associate Company | Loan | 10196685 | 10196685 |
| Indian Fasteners Limited | A subsidiary Company. | Material and Services | 726916 | 2415396 |
| Hanumat Wire Udyog Private Limited | An associate Company | Loan | 5500003 | 5500003 |
| J.C. Fasteners Limited | An associate Company | Material and Services | 258396 | 117196 |
| Nav Bharat Agencies | A partnership firm in which directors are partners | Material and Services | 196428 | 593164 |
| | | | 16878428 | 18822444 |

(ii) The balance with central excise department includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.

(iii) Other advances include Service Tax to be availed, vat refund due and staff imprest accounts.

| | | |
|---|------------|------------|
| NOTE - 19 | | |
| OTHER CURRENT ASSETS | | |
| (Unsecured, considered good) | | |
| Interest accrued on deposits | 10771102 | 9011248 |
| Claims receivable | 2466374 | 1000000 |
| Income tax refund due | 17050839 | - |
| Export incentives receivable | 20749006 | 13893959 |
| Licences in hand | 5326323 | 14937901 |
| Technical knowhow fee (Refer note no. 14) | 475366 | 1084134 |
| | 56839011 | 39927242 |
| NOTE - 20 | | |
| REVENUE FROM OPERATIONS (GROSS) | | |
| Sale of Machine Screws | 3619812073 | 3715269111 |
| Sale of Machine Screws (Traded) | 389046174 | 62754580 |
| Sale of Scrap Materials | 77132994 | 78818331 |
| Job work receipts | 121946 | 759596 |
| Export Incentives | 23259484 | 23431313 |
| | 4109372671 | 3881032930 |
| Less: Excise Duty | 370054482 | 367399178 |
| Revenue from operations (net) | 3739318189 | 3513633752 |

| Description | Year Ending 31.03.2015 (Rs.) | Year Ending 31.03.2014 (Rs.) |
|---|------------------------------------|------------------------------------|
| NOTE - 21 | | |
| OTHER INCOME | | |
| Rent | 50400 | 50400 |
| Interest on fixed deposits with banks, loans, securities and from customers | 10174791 | 10957993 |
| Miscellaneous receipts | 4187662 | 2824761 |
| | 14412853 | 13833154 |

(i) Interest received includes a sum of Rs. 6971282/- (previous year Rs.7725097/-) on bank deposits, Rs. 24048/- (previous year Rs. 90661/-) from trade customers, Rs. 930426/- (previous year Rs. 664590/-) on loans , and Rs. 2249035/- (previous year Rs. 2477645/-) on securities.

(ii) Miscellaneous receipts includes excise claim, unclaimed balances written off and other miscellaneous receipts.

| | | |
|---|-------------|------------|
| NOTE - 22 | | |
| COST OF MATERIALS CONSUMED | | |
| Wire/Wire Rods Alloys | 1221828488 | 1266231584 |
| Stainless Steel/Bars | 16024276 | 21566243 |
| | 1237852764 | 1287797827 |
| NOTE - 23 | | |
| PURCHASES OF TRADED GOODS | | |
| Machine Screws | 383599163 | 54784698 |
| | 383599163 | 54784698 |
| NOTE - 24 | | |
| PURCHASES OF SEMI FINISHED GOODS | | |
| Washer, Cap and Springs | 148381822 | 119748855 |
| | 148381822 | 119748855 |
| NOTE - 25 | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE | | |
| Opening Stocks: Machine Screws | | |
| Finished goods | 488770644 | 500687534 |
| Finished goods (Traded) | 3228212 | 3620376 |
| Finished goods in transit | 254119 | 2378884 |
| Semi finished goods | 779932987 | 734907883 |
| Semi finished goods (Washer, Cap and Springs) | 64876965 | 19893253 |
| Scrap materials | 8761460 | 7791694 |
| | 1345824387 | 1269279624 |
| Closing Stocks: Machine Screws | | |
| Finished goods | 498019645 | 488770642 |
| Finished goods (Traded) | 2450554 | 3228212 |
| Finished goods in transit | 135738 | 254119 |
| Semi finished goods | 907494561 | 779932987 |
| Semi finished goods (Washer, Cap and Springs) | 95238960 | 64876965 |
| Scrap materials | 10314616 | 8761460 |
| | 1513654073 | 1345824385 |
| | (167829686) | (76544761) |
| (Increase)/Decrease in inventories is as under: | | |
| Finished goods | (9249001) | 11916892 |
| Finished goods (Traded) | 777658 | 392164 |
| Finished goods in transit | 118381 | 2124765 |
| Semi finished goods | (127561574) | (45025104) |
| Semi finished goods (Washer, Cap and Springs) | (30361995) | (44983712) |
| Scrap materials | (1553156) | (969766) |
| | (167829686) | (76544761) |
| NOTE - 26 | | |
| EMPLOYEE BENEFITS EXPENSES | | |
| Salaries,Wages,Bonus and other amenities | 631543477 | 618964967 |
| Co's contribution towards LIC Gratuity Trust & Leave encashment | 63626435 | 265525794 |
| Co's contribution towards P.F.,E.S.I and L.W.F. | 23127637 | 16627348 |
| Staff welfare | 15390861 | 15194214 |
| | 733688211 | 916312323 |

(i) Employee benefits expenses include managerial remuneration Rs. 3,73,80,000/- (previous year Rs. 4,48,50,000/-).

(ii) The managerial remuneration has been paid in terms of sanction from Central Government u/s 2(94), 2(78), 197 and 200 of the Companies Act, 2013, vide letters dated 17th September 2013 and 29th October 2013.

| Description | Year Ending 31.03.2015 (Rs.) | Year Ending 31.03.2014 (Rs.) |
|---|------------------------------------|------------------------------------|
| NOTE - 27 | | |
| FINANCE COSTS | | |
| Interest expense | 318048957 | 311950406 |
| Financial charges | 2308339 | 9800771 |
| Exchange difference to the extent considered as an adjustment to borrowing cost | - | 915571 |
| Bank charges and Front end fee | 52866280 | 41842514 |
| | 373223576 | 364509262 |
| NOTE - 28 | | |
| OTHER EXPENSES | | |
| Consumable stores and spare parts | 74745343 | 60171849 |
| Electricity, water and fuel | 205379309 | 203824575 |
| Rent | 6825151 | 6499741 |
| Repairs to building | 4962797 | 11500129 |
| Repairs to machinery | 3082945 | 4548384 |
| Insurance | 5070808 | 5158230 |
| Rates and taxes | 1320279 | 2061942 |
| Job work charges | 205643422 | 241518646 |
| Packing expenses | 47160413 | 47119782 |
| Dies and tools consumed | 27076172 | 54906389 |
| Research and development expenses | 25358113 | 19509325 |
| Traveling and conveyance | 80052056 | 73476752 |
| Royalty, Technical know-how fee | 3659792 | 6066671 |
| Legal and consultancy | 14548193 | 20485138 |
| Payment to auditor | | |
| As Auditor: | | |
| Audit fee | 2250000 | 2250000 |
| Tax Audit Fee | 250000 | 250000 |
| Limited Review | 300000 | 300000 |
| Other work | 100000 | 100000 |
| Reimbursement of expenses | 77039 | 80578 |
| Freight, insurance and cartage | 73484889 | 67520085 |
| Turnover and cash discount | 26984954 | 33408486 |
| Advertisement, publicity and sales promotion | 22936827 | 24930118 |
| Bad Debts, liquidated damages and short recoveries | 5273415 | 2364957 |
| Provision for bad and doubtful debts | 548460 | 2264372 |
| Excise duty and sales tax | 6231177 | 8868770 |
| Exchange rate fluctuation loss (net) | 79029 | 15094983 |
| Other Expenses | 84776592 | 53005815 |
| | 928177177 | 967285718 |
| NOTE - 29 | | |
| CONTINGENT LIABILITIES AND COMMITMENTS | | |
| Contingent liabilities and commitments | | |
| (a) Contingent liabilities | | |
| 1 Letter of credits and guarantees obtained from bank (Net of margin money) | 254108786 | 151256824 |
| 2 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 | 66917398 | 66917398 |
| 3 Income Tax liabilities on account of appeals pending with various authorities | 7716673 | 7716673 |
| (b) Commitments | | |
| 1 Estimated amount of capital contracts remaining to be executed and not provided for (net of advances) | 79492544 | 138018914 |

NOTE - 30**OTHER NOTES ON ACCOUNTS**

- (i) The Company has one following subsidiary as on 31.03.2015.

| | |
|---------------------------|--------------------------|
| Name of Subsidiary: | Indian Fasteners Limited |
| Country of Incorporation: | India |
| Date of control: | 24.12.1990 |
| Nature: | Subsidiary Company |
| Extent of control: | 67.30% |

- (ii) The Company has been sanctioned term loan of Rs. 25,00,00,000/- from Haryana State Industrial and Infrastructure Development Corporation Limited to be utilised for setting up plant at IMT, Rohtak. Out of the said loan, Haryana State Industrial and Infrastructure Development Corporation Limited has disbursed a sum of Rs. 23,13,51,000/- till the date of Balance Sheet, which has been utilised for the purpose for which it was sanctioned.
- (iii) The Company has been disbursed a loan of Rs. 13605400/- from Intec Capital Limited for purchase of machinery. The Company has utilised the loan for the purpose it was sanctioned.
- (iv) The Company has been sanctioned a term loan of Rs. 52198474/- from Karvy Financial Services Limited for working Capital Purposes. The same has been utilised for the purpose it was sanctioned.
- (v) The Company has been sanctioned and disbursed a term loan of Rs.200000000/- from Hero Fincorp Limited for the purchase of equipment/Plant and Machinery. Out of the said loan, the Company has utilized a sum of Rs.114048736/- for the purpose it was sanctioned.
- (vi) That there was a misappropriation of funds amounting to Rs.16059342/- by an employee of the Company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. The hearing was conducted on 02.05.2011 in the Court of Chief Judicial Magistrate, Rohtak for the purpose of checking of challan and framing of charges against the employee. The next hearing is due on 18th July 2015 for argument on charge, in the court of Chief Judicial Magistrate. The Company had also filed a civil suit for recovery before the Delhi High Court on 13/09/2006. The aforesaid amount has been debited to concerned employee and shown under Short term loans and advances. No provision for the same has been made since the Company expects to recover the entire amount.
- (vii)(a) Till 31st March, 2014 depreciation was being provided on Written Down Value Method except in case of Plant-II, Manesar and Recoil Division where depreciation has been provided on Straight Line method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. The Schedule XIV has been replaced by Schedule II of Companies Act, 2013 and depreciation has been charged on WDV method and straight line method respectively on the basis of useful lives of the assets in the manner as prescribed in Schedule II of the Companies Act, 2013.
- (b) Till 31st March, 2014, the assets for a value not exceeding Rs. 5000/- were written off in the year of purchase as per Schedule XIV of the Companies Act, 1956. Schedule II of the Companies Act, 2013 does not recognise such a practice. The depreciation on the assets for a value not exceeding Rs. 5000/- has been provided on the basis of their useful lives in the manner as prescribed in the Schedule II of the Companies Act, 2013.

The applicability of Schedule II has resulted in the following impact on financial statements:

| | |
|---|-----------------|
| Increase in profit during the year | Rs. 110.12 lacs |
| Reduced retained earnings (net of deferred tax) during the year | Rs. 128.19 lacs |

- (viii) Interest and other borrowing costs amounting to Rs.36843267/- (previous year Rs.16730445/-) 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.
- (ix) The Company has capitalized dies and tools amounting to Rs.21634049/- (previous year Rs.22313167/-) relating to dies and tools purchased/manufactured during the year.
- (x) Research and development expenses debited to the statement of profit and loss include the following:

| Particulars | 31.03.2015 Rs. | 31.03.2014 Rs. |
|---|-------------------|-------------------|
| a. Employee benefits expense | 11206152 | 9818910 |
| b. Cost of material consumed | 965170 | 1044330 |
| c. Lease rent of research and development equipment | 13186792 | 8067744 |
| d. Other expenses | 0 | 578341 |
| | 25358114 | 19509325 |

(xi) Foreign currency exposures not hedged by the Company are as follows:-

| Currency | Nature of Transaction | As at March 31, 2015 | | As at March 31, 2014 | |
|----------|--------------------------|----------------------|---------------------|----------------------|---------------------|
| | | Foreign Currency | Indian Rupees (Rs.) | Foreign Currency | Indian Rupees (Rs.) |
| USD | Export Trade Receivables | 120637 | 7550741 | 123891 | 7445861 |
| | Import Trade Payables | 1773609 | 110059127 | 901491 | 51376163 |
| | Buyer's Credit | 477955 | 29915588 | 689672 | 41449127 |
| | Advance to Suppliers | 831838 | 52065400 | 603883 | 31714576 |
| EURO | Export Trade Receivables | 1980540 | 133707066 | 2686010 | 221810739 |
| | Advance to Suppliers | 83378 | 5628905 | 78000 | 6311790 |
| GBP | Export Trade Receivables | 48531 | 4487135 | 76671 | 7655615 |
| AUD | Advance to Suppliers | 10138 | 480932 | 10265 | 480932 |
| Yen | Import Trade Receivables | 202917 | 105265 | 0 | 0 |

(xii) 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.

(xiii) In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

(xiv) **Earning per share- Basic and Diluted**

| Particulars | 31.03.2015 Rs. | 31.03.2014 Rs. |
|--|-------------------|-------------------|
| Numerator for earning per shares | | |
| Net Profit/(Loss) before taxation and prior period items | 3830364 | (272635064) |
| Less: Tax Expenses | | |
| Current Tax | 1806163 | 0 |
| MAT Credit Entitlement | (1806163) | 0 |
| Deferred Tax | 0 | 1175826 |
| | 3830364 | (273810890) |
| Adjustment to net earning : | | |
| Add: Prior period adjustment | 0 | (12398385) |
| Profit/ (Loss) after taxation and prior period items | 3830364 | (286209275) |
| Denominator for earning per share | | |
| Weighted number of equity shares Outstanding during the period | 10941667 | 10941667 |
| Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each) | 0.35 | 0 |

(xv) **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.

| Particulars | 31.03.2015 Rs. | 31.03.2014 Rs. |
|--|-------------------|-------------------|
| Revenue from Operations (Net of Excise): | | |
| Domestic Market | 3324430725 | 2996925559 |
| Overseas Market | 414887464 | 516708193 |
| | 3739318189 | 3513633752 |
| Segment Assets* | | |
| Within India | 4908962897 | 4364208169 |
| Outside India | 203920179 | 267181123 |
| | 5112883076 | 4631389292 |
| Capital Expenditure | | |
| Within India | 339411566 | 153915263 |
| Outside India | 0 | 0 |
| | 339411566 | 153915263 |

* Net of Provision for doubtful receivables

(xvi) 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 | Enterprises where Directors exercises significant influence: | i | Amit Screws Private Limited |
| | | ii | Hanumat Wire Udyog Private Limited |
| | | iii | J C Fasteners Limited |
| | | iv | LPS Bossard Private Limited (Joint Venture) |
| | | v | LPS Bossard Information System Private Limited (Joint Venture) |
| | | vi | Lakshmi Extrusion Limited |
| | | vii | LPS Fasteners & Wires Private Limited |
| | | viii | Nav Bharat Industries (Partnership Firm) |
| | | ix | Nav Bharat Agencies (Partnership Firm) |
| | | x | Shiv Industries (Partnership Firm) |
| | | xi | Swadesh Engineering Industries (Partnership Firm) |
| | | xii | Sudhir Automotive Industries Private Limited |
| | | xiii | United Engineers (Partnership Firm) |
| | | xiv | Universal Enterprises (Partnership Firm) |
| | | xv | Universal Precision Screws (UPS) (Partnership Firm) |
| | | xv | LPS Industrial Supplies Private Limited |
| 3 | Key Management Personnel | i | Shri Lalit Kumar Jain |
| | | ii | Shri Dinesh Kumar Jain |
| | | iii | Shri Vijay Kumar Jain |
| | | iv | Shri Rajesh Jain |
| 4 | Relative of Key Management Personnel | i | Shri Sudesh Kumar Jain |
| | | ii | Shri Nikhlesh Jain |
| | | iii | Shri Amit Jain |
| | | iv | Shri Gagan Jain |
| | | v | Shri Gautam Jain |
| | | vi | Shri Rahul Jain |
| | | vii | Smt. Charul Jain |
| | | viii | Smt. Rita Jain |
| | | ix | Smt. Sushila Devi Jain |

(b) Transactions:

| S. NO. | Particulars | Subsidiary | | Enterprises where Directors exercise Significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|--------|---------------------------------------|----------------|----------------|--|------------------|--------------------------|-----------------|---------------------------------------|-----------------|
| | | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| 1. | Sale of Goods | | | | | | | | |
| | LPS Bossard Private Limited | - | - | 6065832 | 15569119 | - | - | - | - |
| | LPS Industrial Supplies Pvt. Ltd. | - | - | 1932261 | 736713 | - | - | - | - |
| | Universal Precision Screws | - | - | 10480068 | 1357961 | - | - | - | - |
| | Total | - | - | 18478161 | 17663793 | - | - | - | - |
| 2. | Purchase of Goods | | | | | | | | |
| | Nav Bharat Agencies | - | - | - | 417261 | - | - | - | - |
| | Hanumat Wire Udyog Private Limited | - | - | 11154404 | 1298521 | - | - | - | - |
| | Total | - | - | 11154404 | 1715782 | - | - | - | - |
| 3. | Interest received | | | | | | | | |
| | Hanumat Wire Udyog Private Limited | - | - | 930426 | 664590 | - | - | - | - |
| | Total | - | - | 930426 | 664590 | - | - | - | - |
| 4. | Rent received | | | | | | | | |
| | LPS Fasteners & Wires Private Limited | - | - | 50400 | 50400 | - | - | - | - |
| | Total | - | - | 50400 | 50400 | - | - | - | - |
| 5. | Rent paid | | | | | | | | |
| | Indian Fasteners Limited | 1800000 | 1800000 | - | - | - | - | - | - |
| | Nav Bharat Industries | - | - | 840000 | 840000 | - | - | - | - |
| | Sushila Devi Jain | - | - | - | - | - | - | 2117700 | 2117700 |
| | Total | 1800000 | 1800000 | 840000 | 840000 | - | - | 2117700 | 2117700 |
| 6. | Jobwork paid | | | | | | | | |
| | Amit Screws Private Limited | - | - | 691866 | 768648 | - | - | - | - |
| | Hanumat Wire Udyog Private Limited | - | - | 58718806 | 74118615 | - | - | - | - |
| | Indian Fasteners Limited | 1516209 | 1516155 | - | - | - | - | - | - |
| | J.C. Fasteneres Limited | - | - | 2052247 | 9594966 | - | - | - | - |
| | LPS Fasteners & Wires Private Limited | - | - | 9999552 | 9999240 | - | - | - | - |
| | Nav Bharat Industries | - | - | 4999181 | 4999824 | - | - | - | - |
| | Shiv Industries | - | - | 1080145 | 1033917 | - | - | - | - |
| | Sudhir Automotive Industries Pvt Ltd. | - | - | 217415 | 14645217 | - | - | - | - |
| | United Engineers | - | - | 2982999 | 2397230 | - | - | - | - |
| | Total | 1516209 | 1516155 | 80742211 | 117557657 | - | - | - | - |
| 7. | Jobwork received | | | | | | | | |
| | J.C. Fasteners Limited | - | - | 34454 | - | - | - | - | - |
| | Total | - | - | 34454 | - | - | - | - | - |
| 8. | Unsecured Loan | | | | | | | | |
| | Loans Accepted | | | | | | | | |
| | Lalit Kumar Jain | - | - | - | - | 60521919 | 19905108 | - | - |
| | Dinesh Kumar Jain | - | - | - | - | 206439790 | 74720000 | - | - |
| | Gagan Jain | - | - | - | - | - | - | - | 1700000 |
| | Gautam Jain | - | - | - | - | - | - | - | 2400000 |
| | Rita Jain | - | - | - | - | - | - | - | 33900000 |
| | Total | - | - | - | - | 266961709 | 94625108 | 0 | 38000000 |
| 9. | Unsecured Loan | | | | | | | | |
| | Loans Repaid | | | | | | | | |
| | Gautam Jain | - | - | - | - | - | - | 10300000 | - |
| | Nikhlesh Jain | - | - | - | - | - | - | 3450000 | - |
| | Gagan Jain | - | - | - | - | - | - | 1000000 | 1500000 |
| | Rita Jain | - | - | - | - | - | - | 10700000 | 23200000 |
| | Total | - | - | - | - | - | - | 25450000 | 24700000 |

| | | | | | | | | | |
|-----|--|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 10. | Remuneration paid | | | | | | | | |
| | Lalit Kumar Jain | - | - | - | - | 13800000 | 14250000 | - | - |
| | Dinesh Kumar Jain | - | - | - | - | 10380000 | 13500000 | - | - |
| | Vijay Kumar Jain | - | - | - | - | 13200000 | 13500000 | - | - |
| | Rajesh Kumar Jain | - | - | - | - | - | 3600000 | - | - |
| | Sudesh Kumar Jain | - | - | - | - | - | - | 3389130 | 3152262 |
| | Gagan Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Gautam Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Nikhlesh Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Amit Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Saurabh Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Rahul Jain | - | - | - | - | - | - | 2610000 | 2610000 |
| | Total | - | - | - | - | 37380000 | 44850000 | 16439130 | 16202262 |
| 11. | Interest paid to Directors/Others | | | | | | | | |
| | Lalit Kumar Jain | - | - | - | - | 239250 | 239250 | - | - |
| | Rajesh Kumar Jain | - | - | - | - | 792000 | 792000 | - | - |
| | Vijay Kumar Jain | - | - | - | - | 327250 | 327250 | - | - |
| | Dinesh Kumar Jain | - | - | - | - | 21475706 | 2258864 | - | - |
| | Gagan Jain | - | - | - | - | - | - | 272250 | 272250 |
| | Gautam Jain | - | - | - | - | - | - | 280499 | 280499 |
| | Amit Jain | - | - | - | - | - | - | 464749 | 464749 |
| | Total | - | - | - | - | 22834206 | 3617364 | 1017498 | 1017498 |
| 12. | Balance receivable | | | | | | | | |
| | Indian Fasteners Limited | 726916 | 2415396 | - | - | - | - | - | - |
| | LPS Bossard Private Limited | - | - | 779216 | 271723 | - | - | - | - |
| | Lakshmi Extrusion Limited | - | - | 10644743 | 10644743 | - | - | - | - |
| | J.C. Fasteneres Limited | - | - | 326276 | 125076 | - | - | - | - |
| | Universal Precision Screws | - | - | 8945990 | 7745249 | - | - | - | - |
| | LPS Industrial Supplies Pvt. Ltd. | - | - | 129855 | 139019 | - | - | - | - |
| | Nav Bharat Agencies | - | - | 196428 | 593164 | - | - | - | - |
| | Hanumat Wire Udyog Private Limited | - | - | 5500003 | 5500003 | - | - | - | - |
| | Total | 726916 | 2415396 | 26522511 | 25018977 | - | - | - | - |
| 13. | Balance payable | | | | | | | | |
| | Indian Fasteners Limited | 10097214 | 0 | - | - | - | - | - | - |
| | Nav Bharat Industries | - | - | 23364790 | 15273831 | - | - | - | - |
| | United Engineers | - | - | 13903406 | 10980067 | - | - | - | - |
| | J.C. Fasteneres Limited | - | - | - | 5518448 | - | - | - | - |
| | Hanumat Wire Udyog Private Limited | - | - | 20474435 | 28641838 | - | - | - | - |
| | Amit Screws Private Limited | - | - | 977854 | 824246 | - | - | - | - |
| | Shiv Industries | - | - | 4680899 | 3992568 | - | - | - | - |
| | Sudhir Automotive Industries Pvt. Ltd. | - | - | 4994710 | 6446049 | - | - | - | - |
| | Universal Enterprises | - | - | 6297764 | 6297765 | - | - | - | - |
| | LPS Industrial Supplies Pvt. Ltd. | - | - | 0 | 25960 | - | - | - | - |
| | LPS Fasteners & Wires Private Limited | - | - | 75000 | 789994 | - | - | - | - |
| | LPS Bossard Private Limited | - | - | 3941526 | 2619926 | - | - | - | - |
| | Universal Precision Screws | - | - | 3795389 | 1970051 | - | - | - | - |
| | Lalit Kumar Jain | - | - | - | - | 86052027 | 26175308 | - | - |
| | Dinesh Kumar Jain | - | - | - | - | 285216786 | 79550996 | - | - |
| | Vijay Kumar Jain | - | - | - | - | 8877000 | 8909040 | - | - |
| | Rajesh Kumar Jain | - | - | - | - | 16494314 | 16714114 | - | - |
| | Sushila Devi Jain | - | - | - | - | - | 4700 | - | - |
| | Sudesh Kumar Jain | - | - | - | - | - | - | 274719 | 155978 |
| | Nikhlesh Jain | - | - | - | - | - | - | 2700 | 7449704 |

| | | | | | | | | |
|--------------|-----------------|----------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|
| Gagan Jain | - | - | - | - | - | - | 5882598 | 5897058 |
| Gautam Jain | - | - | - | - | - | - | 5962408 | 15276868 |
| Rahul Jain | - | - | - | - | - | - | - | 200090 |
| Charul Jain | - | - | - | - | - | - | - | 66700 |
| Amit Jain | - | - | - | - | - | - | 9465806 | 8230086 |
| Rita Jain | - | - | - | - | - | - | - | 10700000 |
| Total | 10097214 | 0 | 82505773 | 83380743 | 396640127 | 131354158 | 21588231 | 47976484 |

(xvii) 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.

(xviii) 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, 2015 | 49% |
| d) The aggregate of Company's share in the above ventures in: | |

| | 31.03.2015 Rs. | 31.03.2014 Rs. |
|---|-------------------|-------------------|
| ASSETS | | |
| Non Current Assets | | |
| Fixed Assets: | | |
| Tangible Assets | 47982467 | 45385301 |
| Intangible Assets | 383882 | 186723 |
| Deferred Tax Assets (Net) | 11604100 | 11926582 |
| Long Term Loans and advances | 5018881 | 4808735 |
| Current Assets | | |
| Inventories | 111318617 | 100326953 |
| Trade Receivables | 180919315 | 176605502 |
| Cash and Bank Balances | 9956956 | 10141788 |
| Short Term Loans and Advances | 6945376 | 3971187 |
| Other Current Assets | 796898 | 930823 |
| LIABILITIES | | |
| Non Current Liabilities | | |
| Long Term Provisions | 232027 | 266775 |
| Current Liabilities | | |
| Short Term Borrowings | 47818619 | 70056283 |
| Trade Payables | 51348250 | 49415276 |
| Other Current Liabilities | 13171451 | 9245837 |
| Short Term Provisions | 7904045 | 7689 |
| INCOME | | |
| Revenue from operations | 541341607 | 454221191 |
| Other Income | 3277175 | 2661683 |
| EXPENDITURE | | |
| Purchases of Stock in Trade | 340177769 | 306619826 |
| Changes in inventories of finished goods, work in progress and Stock in Trade | (617358) | (17026667) |
| Employee benefits expense | 49783775 | 45733653 |
| Finance costs | 8256252 | 8150486 |
| Depreciation and amortisation expense | 5695164 | 5521776 |
| Other Expense | 101819330 | 93450020 |
| Current Tax | 14824155 | 8030142 |
| Deferred Tax | (2080313) | (2401335) |
| CONTINGENT LIABILITIES | 0 | 0 |

- | | | |
|---------|--|---|
| (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, 2015 | 49% |
| d) | The aggregate of Company's share in the above ventures in: | |

| | 31.03.2015 Rs. | 31.03.2014 Rs. |
|---------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Non Current Assets | | |
| Fixed Assets: | | |
| Tangible Assets | 0 | 0 |
| Deferred Tax Assets (Net) | 0 | 0 |
| Long Term Loans and advances | 0 | 0 |
| Current Assets | | |
| Cash and Bank Balances | 2612828 | 2471362 |
| Short Term Loans and Advances | 53573 | 61482 |
| Other Current Assets | 0 | 87441 |
| LIABILITIES | | |
| Non Current Liabilities | | |
| Deferred Tax Liabilities (net) | 0 | 0 |
| Current Liabilities | | |
| Other Current Liabilities | 4900 | 3430 |
| Short Term Provisions | 0 | 0 |
| INCOME | | |
| Other Income | 97518 | 226714 |
| EXPENDITURE | | |
| Employee benefits expense | 0 | 0 |
| Depreciation and amortisation expense | 0 | 0 |
| Other Expense | 30821 | 151536 |
| Current Tax | 20833 | 23030 |
| Deferred Tax | 0 | 0 |
| CONTINGENT LIABILITIES | 0 | 0 |

- (xix) 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:

| | | |
|---|----------|----------|
| Employer's Contribution to Provident Fund | 7980444 | 4999347 |
| Employer's Contribution to Family Pension Scheme | 13270625 | 9311892 |
| Employer's Contribution to Employee State Insurance | 1876568 | 2316109 |
| | 23127637 | 16627348 |

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 recognises 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

| Gratuity | 2014-15 | 2013-14 |
|--|----------------------------|----------------------------|
| a) Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined benefit obligation at beginning of the year | 215782213 | 22919335 |
| Interest cost | 16591543 | 1764077 |
| Current Service Cost | 17294593 | 17431178 |
| Benefit paid | (10149461) | (7078416) |
| Actuarial (gain) / loss | 7927452 | 180746039 |
| Defined Benefit obligation at year end | 247446340 | 215782213 |
| b) Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | 22536482 | 17377615 |
| Expected return on plan assets | 2177119 | 1665810 |
| Employer contribution | 10047071 | 12816694 |
| Actuarial gain / (loss) | (6739612) | (61549) |
| Withdrawals | 43322 | (9262088) |
| Fair value of plan assets at year end | 28064382 | 22536482 |
| c) Reconciliation of fair value of assets and liabilities | | |
| Fair value of plan assets | 28064382 | 22536482 |
| Present value of obligation | 247446340 | 215782213 |
| Amount recognised in Balance Sheet-Asset / (Liabilities) | (219381958) | (193245731) |
| Current Portion | 9049756 | 16218252 |
| Non - Current Portion | 210332202 | 177027479 |
| d) Expenses recognised during the year | | |
| Current Service Cost | 17294593 | 17431178 |
| Interest Cost | 16591543 | 1764077 |
| Expected return on plan assets | (2177119) | (1665810) |
| Actuarial (gain) / loss | 7884130 | 180807588 |
| Net Cost debited to statement of profit and loss | 39593147 | 198337033 |
| e) Broad categories of plan assets as a percentage of total assets | | |
| Insurer managed funds | 100% | 100% |
| f) Actuarial assumption | | |
| Mortality table (LIC) | IAL 2006-08 | IAL 2006-08 |
| | Ultimate | Ultimate |
| Attrition Rate | 0% - 1% | 0% - 1% |
| Imputed Rate of Interest | 7.85% to 7.95% | 9.10% to 9.15% |
| Salary Rise | 8% to 12% | 8% to 15% |
| Return on Plan Assets | 9.00% | 6.75% to 8.75% |
| Remaining Working Life | 11.87 years to 20.89 years | 11.92 years to 21.29 years |
| g) Actual return on plan assets | 2220441 | 1604261 |
| h) Amounts for current and previous periods:* | | |
| Present value of obligation | 247446340 | 215782213 |
| Fair value of plan assets | 28064382 | 22536482 |
| Surplus / (Deficit) | (219381958) | (193245731) |

Notes:

- 1) The plan assets are maintained with Life Insurance Corporation of India (LIC).
- 2) The Company expects to contribute Rs. 50.00 lacs (previous year Rs. 35.00 lacs) to the plan during the next financial year.
- 3) The estimates of rate is escalation in salary's considered in actuarial valuation and other factors such as inflation seniority, promotion and other relevant factors including supply and demand in the employment market have been taken into account. The above information is certified by the actuary.
- 4) The expected rate of return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for the plan assets management.

Leave encashment:-

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| | 2014-15 | 2013-14 |
|--|----------------------------|----------------------------|
| a) Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined benefit obligation at beginning of the year | 75133663 | 13056421 |
| Interest cost | 5587778 | 955887 |
| Current Service Cost | 12954000 | 12910712 |
| Benefit paid | (8611341) | (5111319) |
| Actuarial (gain) / loss | 5491510 | 53322162 |
| Defined Benefit obligation at year end | 90555610 | 75133863 |
| b) Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Employer contribution | - | - |
| Actuarial gain / (loss) | (8611341) | 5111319 |
| Benefits paid | - | - |
| Fair value of plan assets at year end | - | - |
| c) Reconciliation of fair value of assets and liabilities | | |
| Fair value of plan assets | - | - |
| Present value of obligation | 90555610 | 75133863 |
| Amount recognised in Balance Sheet-Asset / (Liabilities) | (90555610) | (75133863) |
| Current Portion | 8063726 | 9097404 |
| Non - Current Portion | 82491884 | 66036459 |
| d) Expenses recognised during the year | | |
| Current Service Cost | 12954000 | 12910712 |
| Interest Cost | 5587778 | 955887 |
| Expected return on plan assets | - | - |
| Actuarial (gain) / loss | 5491510 | 53322162 |
| Net Cost debited to statement of profit and loss | 24033288 | 67188761 |
| e) Broad categories of plan assets as a percentage of total assets | | |
| Insurer managed funds | | |
| f) Actuarial assumption | | |
| Mortality table (LIC) | IAL 2006-08 | IAL 2006-08 |
| | Ultimate | Ultimate |
| Attrition Rate | 0% - 1% | 0% - 1% |
| Imputed Rate of Interest | 7.85% to 7.95% | 9.10% to 9.15% |
| Salary Rise | 8% to 12% | 8% to 15% |
| Return on Plan Assets | N.A. | N.A. |
| Remaining Working Life | 11.87 years to 20.89 years | 11.92 years to 21.29 years |
| g) Actual return on plan assets | - | - |
| h) Amounts for current and previous periods:* | | |
| Present value of obligation | 90555610 | 75133863 |
| Fair value of plan assets | - | - |
| Surplus / (Deficit) | (90555610) | (75133863) |

Notes:

- 1) The estimates of rate is escalation in salary's considered in actuarial valuation and other factors such as inflation seniority, promotion and other relevant factors including supply and demand in the employment market have been taken into account. The above information is certified by the actuary.
- 2) Since the liability is not funded, thereby information with regard to the plan assets has not been furnished. The estimates of rates of escalation in salary considered in actuarial valuation after taking into account inflation seniority, promotion and other relevant factors including supply and demand in the employment market.

(xx) Disclosure required under Section 186(4) of the Companies Act, 2013.

Particulars of Loans Given

| Sr. No. | Loan Given to | Loan Given during the year | Outstanding Balance as on 31.03.2015 | Purpose of Loan |
|---------|------------------------------------|----------------------------|--------------------------------------|-----------------|
| 1 | Lakshmi Extrusion Limited | - | 10196685 | Loan |
| 2 | Hanumat Wire Udyog Private Limited | - | 5500003 | Loan |

(xxi) Deferred tax assets in respect of timing differences capable of reversal in future and carried forward losses under the Income Tax Act 1961 has not been recognised in view of absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future for reversal of deferred tax assets. The total deferred tax assets not recognised amounting to Rs. 120139276/- as on 31.03.2015.

(xxii) During the year, the Company has valued the inventory of finished goods at 57% and semi-finished goods at 66% less on the price-list and special items have been valued at 22% less in the case of finished goods of the selling price and 31% less in case of semi-finished goods. The exact cost of each item is not ascertainable in case of finished goods and semi-finished goods in view of multiple sizes and nature of products. However, the management believes that its impact on financial statements is not likely to be material on adoption of actual cost vis-a-vis the Standard Costing adopted by the Company. the Company plans to review its standard costing system based on the overall cost data every year.

(xxiii) The Company is amortising dies and tools on the basis of effective residual remaining life based on technical assessment conducted by a committee. However, the said assessment has not undertaken during the year and dies and tools have been amortised to the Statement of Profit and Loss as and when they are scrapped. Pending the technical assessment and determination of effective residual values of dies and tools, the impact of amortisation thereof is not ascertainable and will be provided prospectively as and when the assessment is undertaken.

(xxiv) **C.I.F. value of imports**

| | 2015 | 2014 |
|----------------------------------|----------|-----------|
| Finished Goods/Semi Finished | 19884848 | 22596046 |
| Raw Material (Wire/ Wire rods) | 62236671 | 158221079 |
| Tooling Steel, Stores and Spares | 13331850 | 34514293 |
| Capital Goods | 87736738 | 49341262 |

(xxv) **Earning in foreign currency**

| | | |
|-------------------------|-----------|-----------|
| F.O.B. value of exports | 411314484 | 511715816 |
|-------------------------|-----------|-----------|

(xxvi) **Expenditure in foreign currency**

| | | |
|--------------------|---------|---------|
| Foreign Travelling | 2289194 | 2383282 |
| Royalty | 2575658 | 4976321 |

(xxvii) **Dividend paid in foreign currency**

NIL NIL

(xxviii) **Value of imported/indigenous raw materials and components/stores and spares consumed and percentage thereof**

| | Amount (Rs.) | % | Amount (Rs.) | % |
|-----------------------------------|--------------|----|--------------|----|
| Raw material consumed | | | | |
| Imported | 68350048 | 6 | 197866807 | 15 |
| Indigenous | 1169502716 | 94 | 1089931021 | 85 |
| | 1237852764 | | 1287797828 | |
| Stores and Spares consumed | | | | |
| Imported | 16997725 | 23 | 16921075 | 28 |
| Indigenous | 57747617 | 77 | 43250774 | 72 |
| | 74745342 | | 60171849 | |

- (xxix) As per the transfer pricing norms prescribed under section 92 of the Income Tax Act, 1961, the Company is required to use certain specified methods in computing arm's length price of international transactions and specified domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate methods to be adopted will depend on the nature of transaction/ class of transaction, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- (xxx) The Company has taken various residential/commercial premises under cancellable operating leases. There lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.
- (xxxi) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

| | 2014-15 | 2013-14 |
|---|----------|----------|
| (i) not later than one year | 14976286 | 14976286 |
| (ii) later than one year and not later than five years | 30916751 | 45893037 |
| (iii) later than five year | - | - |
| | 45893037 | 60869323 |
| Lease payments recognised in the statement of profit and loss as under. | | |
| Research and Development expense. | 13186792 | 8067744 |
| Other expenses | 1800000 | 1800000 |

- (xxxii) The figure of the previous year has been regrouped/rearranged wherever necessary to make them comparable with those of the current year.
- (xxxiii) Figure have been rounded off to the nearest rupee.
- (xxxiv) Note No.1 to 30 form an integral part of the balance sheet and statement of profit and loss.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Lakshmi Precision Screws Limited.
46/1, Mile Stone, Hisar Road.
Rohtak 124001

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lakshmi Precision Screws Limited (hereinafter referred to as "the Holding Company"), its subsidiary Company (Indian Fasteners Limited) (the Holding Company and its subsidiary together referred to as "the Group") and its associates (J.C. Fasteners Limited, Hanumat Wire Udhog Private Limited and Lakshmi Extrusion Limited) and jointly controlled entities (LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited) comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its Associates and jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and its Associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. There is a limitation on the scope of our work regarding the physical verification of inventories in case of the Holding Company.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) and (b) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

1. *The Holding Company has accepted deposits of Rs. 70000002/- from promoter's friends prior to 01/04/2014. However as per provisions of Section 76 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, the Company is not eligible to accept public deposits. The Company has failed to repay the said deposits by 31/03/2015 and has filed a petition before the Hon'ble Company Law Board seeking extension of time for repayment of deposits which is pending before the Board. Further the Company has not complied with the provisions of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014 as it has taken advances from customers amounting to Rs. 47759742/- having balance outstanding for more than 365 days.*
2. *The Holding Company is having an outstanding balance of certain advances for material and services aggregating to Rs.125136144/- as on 31/03/2015. However, confirmation from parties to whom these advances are given has not been made available to us. Out of such advances, in our opinion, provision for doubtful advance amounting to Rs.31289676/- should be recognized as these are outstanding for a period of three years or more.*
3. *The Holding Company has taken unsecured loans from Companies amounting to Rs. 84313220/- which are outstanding as at the end of the year and the same has been shown under short term borrowings in the Balance Sheet. However, loan agreements in respect of these loans have not been furnished and in absence of the same, the terms of repayment, chargeability of interest and other terms are not verifiable and have not been furnished.*

4. *The Holding Company has made provisions for Income Tax as per section 115JB of the Income Tax Act, 1961 amounting to Rs. 1806163/-. However, the provision has been credited to Reserves and Surplus instead of crediting the same under current liabilities and provisions. Therefore, to the extent of Rs. 1806163/-, the reserves and surplus are overstated and current liabilities and provision are understated. There is no impact on profit for the year.*
5. *As per the accounting policy of the Holding Company, the Company is valuing its inventories at lower of cost and net realizable value. As explained to us, since exact cost is not ascertainable, the same is arrived at list price less 57% in case of finished goods and at list price less 66% in case of semi-finished goods and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of the selling price.*

The same has been worked out on the basis of overall gross margin and not on exact cost basis. Since proper cost records are not maintained, exact cost is not ascertainable, and therefore the impact if any, on account of valuation of inventories on basis of actual cost is not quantifiable and provided for.
6. *The Holding Company has not carried any physical verification in respect of inventories comprising of Raw Material, Work in Progress, Finished Goods, Stock in Trade (Traded goods), Consumables Stores and Spares and Dies and Tools. The Company has obtained a physical verification certificate on an inadequate sample basis from an independent firm of Chartered Accountants. In our opinion the same does not commensurate with size and nature of inventories.*
7. *As per the accounting policy, the Holding Company is amortising dies and tools on the basis of effective residual remaining life based on technical assessment conducted by the Committee. However, the said technical assessment has not been carried out during the year and dies and tools have been amortised to the Statement of Profit and Loss as and when scrapped. Pending the technical assessment and determination of effective residual values of dies and tools, the impact of amortisation thereof is not ascertainable.*
8. *The figures of the Associate Companies and Joint Ventures Companies have been incorporated, in the Consolidated Financial Statements based on their provisional financial statements whose un-audited financial statements as approved by the respective Board of directors, have been furnished to us. Since the audited figures in the financial statements of aforesaid Companies are not available, the impact of thereof on the Consolidated Financial Statements is not ascertainable and hence cannot be quantified.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, “except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs” above the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matters

- a) *We did not audit the financial statements / financial information of Indian Fasteners Limited, subsidiary, whose financial statements / financial information reflect total assets of Rs.2,01,07,513/- as at March 31, 2015, total revenues of Rs.33,35,465/- and net cash flows of Rs.67,414/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.*
- b) *We did not audit the financial statements/ financial information of J.C. Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited, the associates, whose share of net profit/ loss of Rs. 19,21,926/- for the year ended March 31, 2015 is considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the associates, is based solely on such unaudited financial statements / financial information.*
- c) *We did not audit the financial statements / financial information of LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited, the jointly controlled entities, whose financial statements / financial information reflect total assets of Rs.77,03,14,397/- as at March 31, 2015, total revenues of Rs.1,10,96,97,851/- and net cash flows of Rs.57,33,898/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the jointly controlled entities, is based solely on such unaudited financial statements / financial information.*

Report on Other Legal and Regulatory Requirements

1. *As required by the Companies (Auditor's Report) Order, 2015 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding company and Subsidiary Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The same is not commented upon in respect of unaudited financial statements of J.C. Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited, (associates of the Company) and LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited, (jointly controlled entities) since the financial statements of these entities are unaudited.*

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) *We/other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;*
- (b) *In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;*
- (c) *The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;*
- (d) *Subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;*
- (e) *On the basis of the written representations received from the directors of the Group Companies and its associates and jointly controlled entities as on March 31, 2015 and the other auditor's report and taken on record by the Board of Directors of the Group Companies and its associates and jointly controlled entities, none of the directors of the Group Companies, its associates and jointly controlled entities is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 (2) of the Act.*
- (f) *With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the comments of the report of the other auditor, we report that:*
 - i. *The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. However, in respect of associates and jointly controlled entities, the same has not been disclosed as the financial statements of these Companies are unaudited.*
 - ii. *Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. However, in respect of associates and jointly controlled entities, we cannot comment upon this clause, since the financial statements are unaudited.*
 - iii. *There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company whereas in case of Subsidiary Company, the auditor has not commented upon the said clause. However, in respect of associates and jointly controlled entities, we cannot comment upon this clause, since the financial statements are unaudited.*

For V. R. Bansal & Associates
Chartered Accountants
Firm Registration No. 016534N

V.P. Bansal
Partner
Membership No: 08843

Place : **Noida**
Dated : **May 29, 2015**

Re: Lakshmi Precision Screws Limited to whom the provisions of the Order apply. Our reporting on the order also includes subsidiary company, Indian Fasteners Limited incorporated in India, to which the order is applicable, which has been audited by another auditor and our report in respect of these Company is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of consolidated financial statements. Our reporting on the order doesn't includes associates namely J.C. Fasteners Limited, Hanumat Wire Udhog Private Limited and Lakshmi Extrusion Limited and jointly controlled entities namely LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited incorporated in India, as the same are unaudited.

- (i) In respect of the fixed assets of the Holding Company and Subsidiary Company incorporated in India
- a) The respective Companies have maintained proper records showing full particulars including quantitative details of fixed assets. However, in case of Holding Company, *the same need updation with regard to item-wise identification and situation of fixed assets.*
 - b) The respective Companies have a phased periodical programme of physical verification of all fixed assets, which in our opinion and the opinion of other auditor is reasonable having regard to the size of the Companies and the nature of its business. According to the information and explanations given to us and other auditor, no material discrepancies have been noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and Subsidiary Company incorporated in India
- a) As per explanations given to us, *physical verification of inventories of Holding Company was conducted on test check basis by an independent firm of Chartered Accountants at the end of the year. In our opinion all the items of inventories should be physically verified by the management on perpetual basis.* However, as per explanations given to other auditor, in case of Subsidiary Company, inventories have been physically verified by the management at reasonable intervals and the frequency of the verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, *the procedures of physical verification of inventory of finished goods, semi finished goods and raw materials followed by the management are not reasonable and adequate in relation to the size of the Holding Company and the nature of its business. In our opinion, physical verification of inventories should be carried out throughout the year on a perpetual basis and the procedure should be so designed that each material item is physically verified at least once in a year in view of the size and nature of the business.* However, as per opinion and according to explanation given to other auditor, the procedures of physical verification of inventory followed by the management of the Subsidiary Company is reasonable and adequate in relation to the size of the Subsidiary Company and the nature of its business.
 - c) The respective companies have maintained proper records of their inventories. *We have been informed that no major variances were noticed on physical verification of inventory of Holding Company conducted by an independent firm of Chartered Accountants as stated in clause 2(a) above. However, in absence of a complete physical verification of Inventories covering all items, we are unable to comment whether discrepancies between book records and physical verification are material.* As per opinion and explanations given to other auditor, the discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts in case of Subsidiary Company.
- (iii) In our opinion and in the opinion of the other auditor and according to information and explanation given to us and the other auditor, the respective entities have not granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus clause 3(a), (b), (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Holding Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. *However, the Company's internal control is not adequate with respect to advances given by the Company for material and services.* During the course of our audit no continuing failure to correct major weaknesses in such internal control system has been observed *except in case of advances given to suppliers for material and services as stated above.*
- However, as per the report of other auditor, there is an adequate internal control procedures commensurate with the size of the Subsidiary Company and the nature of its business with regard to purchase of inventories, fixed assets and for sale of goods and services. As per the report of other auditor, other auditor has not observed any continuing failure to correct major weakness in the internal controls.
- (v) *The Holding Company is not eligible to accept public deposits as it does not satisfy the criteria laid down under section 76 read together with Companies(Acceptance of Deposits) Rules, 2014 of the Companies Act, 2013. However, it has outstanding deposits from public amounting to Rs.70000002/- as on 31/03/2015 which it has failed to repay by the said date. The Company has filed a petition before the Hon'ble Company Law Board seeking extension of time for repayment of Deposits which is pending before the Board. The Company is in violation of Section 73 of Companies Act, 2013 read together with Companies(Acceptance of Deposits) Rules, 2014, as it has taken advances from customers amounting to Rs.47759742/- having balances outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) read together with section 73 of the Companies Act, 2013 such advances are liable to be treated as deposits and hence the Company is in violation of the same. As per information and explanations given to us, no Order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal. However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.*
- (vi) *The Holding Company is in the business of manufacturing high tensile fasteners, cost records in respect of which have been mandated u/s 148(1) of the Companies Act, 2013 read together with Companies (Cost Accounting Records) Rules, 2014. In our opinion and according to the information and explanations given to us, the necessary cost records have not been maintained by the Company. However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.*

(vii) According to the records and the information and explanations given to us and the other auditor, in respect of statutory dues of the Holding Company and Subsidiary Company incorporated in India;

- a) *The Holding Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales-Tax, Income Tax, Wealth tax, Service tax, Excise Duty, Custom Duty, Value Added Tax, Cess and any other undisputed statutory dues with the appropriate authorities. The extent of arrears of outstanding Statutory dues as on 31st March, 2015, concerned for a period of more than six months from the date they become payable are as under:-*

| Nature of Statutory dues | Amount of arrear outstanding for more than six months from the date they become payable |
|---------------------------------|--|
| Provident Fund | Rs. 21,06,083/- |
| Employee's State Insurance | Rs. 51,657/- |
| Labour Welfare Fund | Rs. 2,39,235/- |
| TDS and TCS | Rs. 96,12,276/- |
| Work Contract Tax | Rs. 11,73,215/- |
| Professional Tax | Rs. 20,000/- |
| R.D. Cess | Rs. 2,69,647/- |
| CST/VAT | Rs. 1,14,45,238/- |
| Interest on PF/ESI | Rs. 2,74,709/- |
| Interest on TDS | Rs. 14,00,902/- |
| Income Tax | Rs. 2,05,93,729/- |

As per information and explanation given to us and report of other auditor, the Subsidiary Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other undisputed statutory dues wherever applicable to the respective entities with the appropriate authorities.

- b) According to the records and information and explanations given to us the dues outstanding of the Income Tax and other taxes on account of any dispute in case of Holding Company are as follows:

| Name of the Statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------------|--|---------------------|---|---------------------------------------|
| Income Tax Act, 1961 | Deduction/Claim in respect for export business u/s 80HHC and charging of interest u/s 234B whether on returned/assessed income | 290376 | A.Y. 1991-92 | High Court, Chandigarh |
| Income Tax Act, 1961 | Determination of book profit before or after depreciation | 5426222 | A.Y. 1990-91 | High Court, Chandigarh |
| Income Tax Act, 1961 | Expenses allowable under various heads viz Bonus and insurance | 2000075 | A.Y. 1990-91 | High Court, Chandigarh |
| | TOTAL | 7716673 | | |

However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.

- c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. However, the other auditor of Subsidiary Company has commented that the provision of the said clause is not applicable to the Company.

(viii) The Group has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and during the immediately preceding financial year.

(ix) *In our opinion and according to information and explanations given to us, the Holding Company has not defaulted in repayment of dues to financial institution or banks except the following payments:-*

- (a) *Term loans (Principal) and interest thereon amounting to Rs.4,83,93,640/- has been paid during the year with a delay of 1 to 120 days.*
- (b) *Foreign bills and domestic bills amounting to Rs.18,56,42,960/- discounted with banks have been paid during the year with a delay of 1 to 40 days.*
- (c) *Term loans (Principal) and interest thereon amounting to Rs.5,25,78,835/- from Banks, HSIIDC and other financial institutions remained outstanding as on the date of Balance Sheet with a delay of 1 to 336 days.*
- (d) *Deferred payment liabilities (including interest) from HSIIDC amounting to Rs.18212048/- remained outstanding as on the date of Balance Sheet with a delay of 27 to 701 days.*
- (e) *Cash credit facilities from Canara Bank and State Bank of India was overdrawn on different dates during the year for a period of 1 to 60 days.*

However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.

- (x) Based on the information and explanation given to us and the report of other auditor, the Holding Company and Subsidiary Company has not given corporate guarantees for loans taken by others from bank and financial institutions.

However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.

- (xi) *Based on overall cash flow analysis, the Holding Company has applied term loans for the purpose for which the loans were obtained except a sum of Rs.85951264/-(availed for investment in Machinery/ Capex) which has been utilized for Working capital purposes.* However, the other auditor of the Subsidiary Company has commented that the provisions of the said clause are not applicable to the Company.
- (xii) Based upon audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Group has been noticed or reported during the year.

For V. R. Bansal & Associates
Chartered Accountants
Firm Registration No. 016534N

V.P. Bansal
Partner
Membership No: 08843

Place : **Noida**
Dated : **May 29, 2015**

CONSOLIDATED BALANCE SHEET

| Description | Note No. | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|---|----------|--|--|--|--|--|
| A. EQUITY AND LIABILITIES | | | | | | |
| a) Shareholder's Funds | | | | | | |
| Share Capital | 2 | 109416670 | 23520190 | 1847490 | 134784350 | 134784350 |
| Less:- Investment in joint ventures | | | | | 25367680 | 25367680 |
| | | 109416670 | 23520190 | 1847490 | 109416670 | 109416670 |
| Reserves and Surplus | 3 | 646987731 | 230931906 | 814012 | 878733647 | 854360571 |
| | | 756404401 | 254452096 | 2661502 | 988150317 | 963777241 |
| b) Minority Interest | 31(v)(d) | 5411682 | - | - | 5411682 | 5203268 |
| c) Non Current Liabilities | | | | | | |
| Long Term Borrowings | 4 | 879535400 | - | - | 879535400 | 524800155 |
| Deferred Tax Liabilities (Net) | 5A | 853375 | - | - | 853375 | 953764 |
| Other Long Term Liabilities | 6 | 10864865 | - | - | 10864865 | 10791561 |
| Long Term Provisions | 7 | 292824086 | 232027 | - | 293056113 | 243330713 |
| | | 1184077726 | 232027 | - | 1184309753 | 779876192 |
| d) Current Liabilities | | | | | | |
| Short Term Borrowings | 8 | 1562777621 | 47818619 | - | 1610596240 | 1871422125 |
| Trade Payables | 9 | 836540500 | 51348250 | - | 885575586 | 602621730 |
| Other Current Liabilities | 10 | 763708286 | 13171451 | 4900 | 776884637 | 725928487 |
| Short Term Provisions | 11 | 17561718 | 7904045 | - | 25465763 | 25609541 |
| | | 3180588125 | 120242365 | 4900 | 3298522226 | 3225581883 |
| TOTAL | | 5126481934 | 374926488 | 2666402 | 5476393978 | 4974438583 |
| B. ASSETS | | | | | | |
| a) Non Current Assets | | | | | | |
| Fixed Assets: | 12 | | | | | |
| Tangible Assets | | 847351712 | 47986038 | - | 895337750 | 877183625 |
| Intangible Assets | | 2871747 | 380307 | - | 3252054 | 5992136 |
| Capital Work in Progress | | 243035539 | - | - | 243035539 | 44745253 |
| | | 1093258998 | 48366345 | - | 1141625344 | 927921014 |
| Non Current Investments | 13 | 47052052 | - | - | 47052052 | 45130125 |
| Less:- Investment in joint venture companies | | | | | 25367680 | 25367680 |
| | | 47052052 | - | - | 21684372 | 19762445 |
| Deferred Tax Assets (Net) | 5B | - | 11604100 | - | 11604100 | 11926582 |
| Long Term Loans and advances | 14 | 76575438 | 5018881 | - | 81594319 | 83569202 |
| Other Non-current assets | 15 | - | - | - | - | 475366 |
| | | 1216886488 | 64989326 | - | 1256508135 | 1043654609 |
| b) Current Assets | | | | | | |
| Inventories | 16 | 2721696971 | 111318617 | - | 2833015588 | 2612975361 |
| Trade Receivables | 17 | 777460903 | 180919314 | - | 956067053 | 920013616 |
| Cash and Bank balances | 18 | 147344401 | 9956956 | 2612828 | 159914184 | 139155846 |
| Short Term Loans and Advances | 19 | 206254161 | 6945376 | 53573 | 213253110 | 217693646 |
| Other Current Assets | 20 | 56839010 | 796898 | - | 57635908 | 40945506 |
| | | 3909595446 | 309937161 | 2666402 | 4219885843 | 3930783974 |
| TOTAL | | 5126481934 | 374926488 | 2666402 | 5476393978 | 4974438583 |
| C. Significant Accounting Policies | 1 | | | | | |
| Contingent Liabilities and Commitments | 30 | | | | | |
| Other notes on Accounts | 31 | | | | | |

The accompanying notes are an integral part of the financial statements.

Auditors' Report:-

As per our report of even date

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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

| Description | Note No. | Year Ended 31.03.2015 (Rs.) (Consolidated) | Year Ended 31.03.2015 (Rs.) (LP SBPL) | Year Ended 31.03.2015 (Rs.) (LP SBISPL) | Year Ended 31.03.2015 (Rs.) (Consolidated) | Year Ended 31.03.2014 (Rs.) (Consolidated) |
|--|----------|---|--|--|---|---|
| A. INCOME | | | | | | |
| Revenue from operations | 21 | 3739318189 | 541341607 | - | 4277597686 | 3967854943 |
| Other Income | 22 | 14336444 | 3277175 | 97518 | 17711136 | 16421552 |
| Share in Associates | | 1921927 | - | - | 1921927 | 2278874 |
| Total Revenue | | 3755576560 | 544618781 | 97518 | 4297230749 | 3986555369 |
| B. EXPENDITURE | | | | | | |
| Cost of materials consumed | 23 | 1237852764 | - | - | 1237852764 | 1287797827 |
| Purchases of Stock in Trade | 24 | 383599163 | 340177769 | - | 720714823 | 361404524 |
| Purchases of semi finished goods | 25 | 148381822 | - | - | 148381822 | 119748855 |
| Changes in inventories of finished goods, work in progress and Stock in Trade | 26 | (167829687) | (617358) | - | (168447045) | (93571429) |
| Employee benefits expense | 27 | 733932255 | 49783775 | - | 783716030 | 962235680 |
| Finance costs | 28 | 373223874 | 8256252 | - | 381480126 | 372660020 |
| Depreciation and amortisation expense | 12 | 113881248 | 5695164 | - | 119576413 | 173584351 |
| Other Expenses | 29 | 926221132 | 101819330 | 30821 | 1028071283 | 1058903989 |
| | | 3749262571 | 505114931 | 30821 | 4251346215 | 4242763816 |
| Net Profit/(Loss) before Tax and prior period item | | 6313989 | 39503850 | 66698 | 45884535 | (256208446) |
| Add: Prior period items | | - | - | - | - | (12398385) |
| Net Profit/(Loss) before Tax | | 6313989 | 39503850 | 66698 | 45884535 | (268606831) |
| Tax Expense: | | | | | | |
| - Current Tax | | 2080115 | 14824155 | 20833 | 16925104 | 8218107 |
| - Excess provision of Income Tax written back | | (16636) | - | - | (16636) | (95509) |
| - Deferred Tax | | (100389) | (2080313) | - | (2180702) | (1409359) |
| - MAT Credit Entitlement | | (1806163) | - | - | (1806163) | - |
| Less: Transfer to Minority Interest | 31(v)(d) | 208414 | - | - | 208414 | 17403 |
| C. NET PROFIT/(LOSS) FOR THE YEAR CARRIED DOWN | | 5948648 | 26760008 | 45865 | 32754520 | (275337473) |
| D. EARNING PER SHARE (Face value of Rs. 10 per share) | | | | | | |
| - Basic and Diluted | 31(xx) | | | | 2.99 | - |
| E. Significant Accounting Policies | 1 | | | | | |
| Contingent Liabilities and Commitments | 30 | | | | | |
| Other notes on Accounts | 31 | | | | | |

The accompanying notes are an integral part of the financial statements.

Auditors' Report:-

As per our report of even date

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

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

Chairman and
Managing Director

D.K.Jain

Vice Chairman and
Managing Director

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

CONSOLIDATED CASH FLOW STATEMENT

| Description | Year Ended March 31, 2015 (Rs.) | Year Ended March 31, 2014 (Rs.) |
|--|---------------------------------------|---------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit after tax | 32754519 | (275337473) |
| Adjustments for: | | |
| Tax -Current Tax | 12921604 | 6713239 |
| Wealth Tax | 306508 | 286197 |
| Net profit before tax and extraordinary items | 45982630 | (268338037) |
| Adjustments for: | | |
| Depreciation | 119576412 | 173584351 |
| Deferred payment interest and Technical know how fee written off | 1084134 | 1090350 |
| Rent and Interest received (Gross) | (12450333) | (13415669) |
| Interest and Financial charges | 381480126 | 372660019 |
| Provisions for Bad and Doubtful Debts | 3133700 | 3698955 |
| (Profit)/Loss on sale of assets (Net) | 1484709 | 774350 |
| Transferred to Minority Interest | 208415 | 17403 |
| Share of Profit in Associates | (1921927) | (2278874) |
| Reduction in Reserve due to change in accounting policy* | - | 1912591 |
| Operating profit before working capital changes | 538577866 | 269705439 |
| Adjustments for: | | |
| Increase / (Decrease) in Trade Payables | 279120938 | 69130862 |
| Increase / (Decrease) in Other Liability & Provisions | 49448433 | 312896802 |
| (Increase) / Decrease in Trade Receivables | (39722771) | (92717773) |
| (Increase) / Decrease in Loan and Advances | (11793905) | (71563860) |
| (Increase) / Decrease in Other Current Assets | (335772) | 14488072 |
| (Increase) / Decrease in Inventories | (214498124) | (182669588) |
| Cash generated from operations | 600796666 | 319269954 |
| Direct Taxes paid (net of refund and TDS) | (6906298) | (33529503) |
| Net cash from operating activities | 593890368 | 285740451 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (348233243) | (165607974) |
| Proceeds from Sale of fixed assets | 872808 | 503231 |
| Bank deposits (having original maturity of more than 3 months) held as margin money | (21547085) | (46120883) |
| Creditors for Capital goods | 87618777 | 24588470 |
| Capital Advances | 10055381 | (42115077) |
| Rent and Interest received | 11174024 | 11647938 |
| Net cash used in investing activities | (260059338) | (217104295) |

*Pursuant to Notification no: G.S.R 225(E) dated 31st March, 2009 and as amended by notification dated 11th May, 2011 in respect of foreign exchange variation on long term foreign currency items.

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

| Description | Year Ended March 31, 2015 (Rs.) | Year Ended March 31, 2014 (Rs.) |
|--|---------------------------------------|---------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowings | 231092213 | 405590379 |
| Proceeds from short term borrowings | 153250079 | 192643972 |
| Repayment of long term borrowings | (151340127) | (219877403) |
| Repayment of short term borrowings | (414128076) | (244953310) |
| Proceeds from Directors and others | 266961709 | 143725108 |
| Repayment to Directors and others | (36698444) | (800000) |
| Deposits as cash collateral against borrowings | (3605431) | 5460000 |
| Interest received from deposits as cash collaterals against borrowings | 1276309 | 1767729 |
| Dividend paid | 444608 | (10141024) |
| Interest and financial charges | (381480126) | (372660019) |
| | (334227286) | (99244568) |
| D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (396256) | (30608411) |
| Cash and Cash equivalents (Opening Balance)* | 11776273 | 42332565 |
| Cash and Cash equivalents (Closing Balance) | 11380017 | 11724154 |

* Difference in opening balance of Rs. 52112/- because of provisional and audited figures in joint ventures and associates [Refer note no (31(v)(c))]

Note:-

- The cash flow statement has been prepared under the indirect method set out in "Accounting Standard (AS) 3 Cash Flow Statements" [specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rule, 2014].
- Additions to Fixed Assets include movements of capital work-in-progress during the year.
- Figures for the previous year have been regrouped/reclassified wherever necessary.
- Components of cash and bank balances:

Cash and Cash Equivalents

| | | |
|---|-----------------|-----------------|
| Balances with Banks in current accounts | 10049008 | 11247573 |
| Cash on hand | 1233174 | 426378 |
| Cheque in hand | 97835 | 50202 |
| | 11380017 | 11724153 |

Other Bank Balances

| | | |
|---|------------------|------------------|
| Fixed Deposits: | | |
| Pledged as margin money against bank guarantees | 9217331 | 1684463 |
| Pledged as margin money against letter of credits | 127859854 | 108926296 |
| Pledged as Loan against FDR | - | 2747606 |
| Lien against public deposits | 8001675 | 7342628 |
| No lien account | 1298523 | 4129305 |
| Unpaid Dividend Accounts* | 2156784 | 2601392 |
| | 148534167 | 127431690 |
| | 159914184 | 139155843 |

*Unpaid dividend can be utilised only for payment of unpaid dividend liability.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates

for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

Umesh Agarwal

Chief Financial Officer (CFO)

Place : **Noida**

Dated : **May 29, 2015**

NOTE-1

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The financial statements have been prepared and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.02 Change in Accounting Policies

(i) Depreciation on fixed assets

From the current year Schedule XIV of the Companies Act, 1956 has been replaced by Schedule II of the Companies Act, 2013. Due to such change, depreciation is being provided as given below.

a) Useful Lives / Depreciation Rates

Schedule II of the Companies Act, 2013 prescribes useful lives of the assets and the depreciation is being provided on the written down value method as per their useful lives prescribed in Schedule II of the Companies Act, 2013. However, Schedule II allows companies to use higher/ lower useful lives and residual values ; if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. Unless stated otherwise, the impact of such change in policy for the current year is likely to hold good for future years also.

b) Assets for a value not exceeding Rs. 5000/-

The depreciation on assets for a value not exceeding Rs. 5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

1.03 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

1.04 Principles of Consolidation

The consolidated financial statements relate to Lakshmi Precision Screws Limited ('the Holding Company'), its subsidiary Company (Indian Fasteners Limited) (the Holding Company and its Subsidiary together referred to as "the Group"), its Associate Companies (J.C. Fasteners Limited, Hanumat Wire Udyog Private Limited and Lakshmi Extrusion Limited) and Joint Venture Companies (LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the parent and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions has also been eliminated except to the extent that recoverable value of related assets is lower than their cost to group.
- b) In accordance with Accounting Standard 27 "Financial reporting of interest in joint venture" notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 the financial statements of the joint venture are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, incomes and expenses of jointly controlled entity after eliminating intra-group balances / transactions and unrealized profits to the extent of the group's proportionate share.
- c) Investment in Associate Companies have been accounted under equity method as per Accounting Standard, AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements".
- d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements
- e) Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the Company.
- f) Minority interest's share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

1.05 Inventories

- a) Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of semi-finished goods at 66% less on the price-list and finished goods have been valued at 57% less on the price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in the case of finished goods of selling price, based on overall cost data and gross margins, since exact cost is not ascertainable.
- b) 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.
- c) Inventories are consumed on FIFO (First in First out) basis.
- d) Scrap material has been valued at net realisable value.
- e) Dies and tools are amortised over their residual useful lives based on the assessment made by the technical committee of the Company.
- f) In case of subsidiary Company and joint venture Companies inventories are valued at lower of cost and net realizable value. Cost includes freight and other related incidental expenses and is arrived at weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on ageing of inventory.

1.06 Fixed Assets and Capital work-in-progress

- a) Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable and subsidy directly attributable to the cost of fixed asset. Interest and other borrowing costs during construction period to finance qualifying fixed assets is capitalised if capitalisation criteria are met.
- b) Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- c) Capital work-in- progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses and interest on borrowings their against.
- d) Preoperative expenditure and trial run expenditure accumulated as capital work in progress is allocated on the basis of prime cost of fixed assets in the year of commencement of commercial production.
- e) Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
 - i) Computer Software

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
 - ii) Research and development costs

Research costs are expensed as incurred. Research and development cost include salaries and other related cost of personnel, cost of material and services consumed and other overhead costs related to research and development. Development expenditure incurred on an individual project is recognised as intangible asset when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the assets can be measured reliably.
- f) Gains or losses arising from disposal of an asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed off.

1.07 Depreciation and amortization

- a) Depreciation on fixed assets is provided on prorata basis on written down value method using the useful lives of assets and in the manner prescribed in Schedule II of The Companies Act, 2013.
- b) Intangible assets are amortised on a straight line basis over six years being estimated useful life of the assets.

- c) Depreciation on fixed assets in case of joint ventures charged on SLM basis at the following rates :-

| Sl.No. | Particulars | Depreciation as per SLM basis in LPS Bossard Private Limited | Depreciation as per SLM basis in LPS Bossard Information Systems Private Limited |
|--------|------------------------|--|--|
| 1 | Computer Hardware | 20% | 20% |
| 2 | Computer Software | 33% | 33% |
| 3 | Office Equipments | 5% | 5% |
| 4 | Warehousing Racks | 5% | - |
| 5 | Furniture and Fixtures | 10% | - |
| 6 | Vehicles | 9.50% | - |
| 7 | Vehicles (Commercial) | 11.31% | - |
| 8 | Leasehold Improvements | (over the period of lease or estimated useful life , if shorter) | - |

1.08 Prior period items/Extraordinary items

Prior Period expenses/incomes, are shown as prior period items in the profit and loss account as per the provisions of Accounting Standard-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" notified under the Companies (Accounting Standards) Rules ,2006 (as amended).

Items of income or expenses that arise from events or transactions that are distinct from ordinary activities of the enterprise and are not expected to recur frequently or regularly are treated as extraordinary items.

1.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- Sale of Goods:**
Revenue from sale of Goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer and are recorded net of returns and trade discount. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economics benefits flowing to the company and therefore are excluded from revenue. Excise Duty is deducted from revenue(Gross) to arrive at revenue from operations (net). Sales do not include inter-divisional transfers. Export sales are recognised at the time of clearance of goods and approval from Excise Authorities.
- Rental Income**
Rental Income is recognized on a time proportionate basis
- Dividend income:**
Dividend income is accounted for when the right to receive the payment is established.
- Interest Income**
Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- Other Income**
Income from services (LPSBISPL) is recognized on rendering of the services to the customer using completed service contract method.

1.10 Foreign currency transactions

- Initial recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- Conversion**
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- Exchange differences**
Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to fixed assets acquisition are recognised as income or expense in the year in which they arise. In case of exchange variation arising on reporting of long term foreign currency monetary item 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 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.
- Bank Guarantee and Letter of Credit**
Bank Guarantee and Letter of Credits are recognized at the point of negotiation with Banks and converted at the rates prevailing on the date of Negotiation. However, outstanding at the period end are recognized at the rate prevailing as on that date and total sum is considered as contingent liability.

1.11 Government Grants/ Subsidies

Government grants available to the Company are recognized in accounts:

- a) Where there is reasonable assurance that the enterprise will comply with the conditions attached to them and;
- b) Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made

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

1.12 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.13 Retirement Benefits

a) Gratuity

The employee's Gratuity Scheme, which is defined benefit plan, is managed by trust maintained with Life Insurance Corporation of India (LIC). The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as assets/(liability) in the books. Actuarial gains/(losses) for defined plans are recognised in full and are immediately taken to the statement of profit and loss and are not deferred.

ii) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to provident fund are made in accordance with the relevant scheme and are charged to the statement of profit and loss for the year when contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.

b) Leave Encashment

Accrual for leave encashment benefit is based on actuarial valuation as on the balance sheet date in pursuance of the company's leave rules.

1.14 Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.15 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.16 Earning per share

Basic earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earning per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

1.17 Taxes on Income

Tax expense for the year comprises of direct taxes and indirect taxes.

DIRECT TAXES

- a) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- b) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

- c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as Current Tax. The Company recognizes MAT Credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the 'Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961', the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under loans and advances. The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.
- d) Wealth tax is ascertained in accordance with the provisions of the Wealth Tax Act 1957.

INDIRECT TAXES

- a) Excise duty (including education cess) has been accounted for in respect of the goods cleared. The company is providing excise duty liability in respect of finished products.
- b) Service Tax has been accounted for in respect of services rendered.
- c) Final sales tax / Value added tax liability is ascertained on the finalization of assessments in accordance to provisions of sales tax / value added tax laws of respective states where the group is having offices/works.

1.18 Research and Development

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

1.19 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.

1.20 Impairment of assets

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

1.21 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.22 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 2 | | | | | |
| SHARE CAPITAL | | | | | |
| a. Authorised: | | | | | |
| 24970000 Equity Shares of Rs. 10/- each | 249700000 | 29400000 | 3675000 | 282775000 | 282775000 |
| Less : Authorised capital of joint ventures | | | | 33075000 | 33075000 |
| 9.5% Cumulative Preference Shares of Rs. 10/- each | 300000 | - | - | 300000 | 300000 |
| | 250000000 | 29400000 | 3675000 | 250000000 | 250000000 |
| Issued: | | | | | |
| 10941667 Equity Shares of Rs. 10/- each | 109416670 | 23520190 | 1847490 | 134784350 | 134784350 |
| Less :Investment in joint venture companies | 0 | 23520190 | 1847490 | 25367680 | 25367680 |
| | 109416670 | - | - | 109416670 | 109416670 |
| Subscribed and paid up: | | | | | |
| 10941667 Equity Shares of Rs. 10/- each | 109416670 | 23520190 | 1847490 | 134784350 | 134784350 |
| Less :Investment in joint venture companies | - | 23520190 | 1847490 | 25367680 | 25367680 |
| | 109416670 | - | - | 109416670 | 109416670 |
| b. Reconciliation of the number of shares outstanding at the beginning of the year | | | | | |
| 10941667 Equity shares of Rs. 10/- each outstanding at the beginning of the year | 109416670 | - | - | 109416670 | 109416670 |
| NIL Equity shares of Rs. 10/- each issued during the year | - | - | - | - | - |
| NIL Equity shares of Rs. 10/- each bought back during the year | - | - | - | - | - |
| 10941667 Equity shares of Rs. 10/- each outstanding at the end of the year | 109416670 | - | - | 109416670 | 109416670 |

c. Terms/right attached to equity shares:

The Company has issued equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognized as distributions to equity shareholders is Rs. Nil (Previous Year Rs. NIL)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% shares in the Company is set out below

| Name of Shareholder | As at 31.03.2015 | | As at 31.03.2014 | |
|-----------------------|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Shri Rajesh Jain | 1430804 | 13.08 | 1430804 | 13.08 |
| Shri Lalit Kumar Jain | 1159600 | 10.60 | 1159600 | 10.60 |
| Shri Vijay Kumar Jain | 1132593 | 10.35 | 1132593 | 10.35 |
| Shri Arun Kumar Jain | 798959 | 7.30 | 798959 | 7.30 |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of shares issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance Sheet

| Particulars | 2014-15 | 2013-14 |
|---------------|---------|---------|
| Equity Shares | Nil | Nil |

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|---|--|--|--|--|--|
| NOTE - 3 | | | | | |
| RESERVES AND SURPLUS | | | | | |
| a. Capital Reserve | | | | | |
| As per the last Balance Sheet | 13931192 | - | - | 13931192 | 13931192 |
| Add : Reserve of subsidiary company till 24.12.1990 | 239600 | - | - | 239600 | 239600 |
| Add : Reserve of associates till 31.03.2007 | (1055969) | - | - | (1055969) | (1055969) |
| | 13114823 | - | - | 13114823 | 13114823 |
| b. Securities Premium Account | | | | | |
| As per the last Balance Sheet | 318336034 | - | - | 318336034 | 318336034 |
| c. General Reserve: | | | | | |
| As per the last Balance Sheet | 30414385 | 4735552 | - | 35149937 | 35149937 |
| Less : Adjustment related to transitional provision as per Schedule II of the Companies Act, 2013 [refer note no. 31(xii)] | (12594987) | - | - | (12594987) | - |
| | 17819398 | 4735552 | - | 22554950 | 35149937 |
| d. Reserve of subsidiary company after 24.12.1990 | | | | | |
| As per the last Balance Sheet | 5890962 | - | - | 5890962 | 5855156 |
| Add : Transfer from surplus as per statement of profit and loss | 428842 | - | - | 428842 | 35806 |
| | 6319804 | - | - | 6319804 | 5890962 |
| e. Foreign Currency Monetary Item Translation Difference Account: | | | | | |
| As per the last Balance Sheet | - | - | - | - | (1912590) |
| Add: Foreign Currency Variation during the year | - | - | - | - | (1236412) |
| | - | - | - | - | (3149002) |
| Less: Amortized during the year | - | - | - | - | 3149002 |
| | - | - | - | - | - |
| f Surplus as per Statement of Profit and Loss | | | | | |
| Opening balance | 284063463 | 197035990 | 769363 | 481868814 | 749502696 |
| Add/(Less): Adjustment on account of Audited figures* | 8240 | 2400356 | (1216) | 2407380 | 7739398 |
| | 284071703 | 199436346 | 768147 | 484276194 | 757242094 |
| Add : Net Profit/(Loss) for the current year | 5948648 | 26760008 | 45865 | 32754521 | (275337473) |
| Provision for minimum alternate tax (MAT) | 1806163 | - | - | 1806163 | - |
| | 291826514 | 226196354 | 814012 | 518836877 | 481904621 |
| Appropriation | | | | | |
| Transfer to Reserve of Subsidiary company after 25.12.1990 | 428842 | - | - | 428842 | 35806 |
| | 291397672 | 226196354 | 814012 | 518408035 | 481868814 |
| | 646987731 | 230931906 | 814012 | 878733647 | 854360571 |

*Adjustment on account of audited figures (Refer note no. 31(v)(c))

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 4 | | | | | |
| LONG TERM BORROWINGS | | | | | |
| Secured: | | | | | |
| a. Term Loans | | | | | |
| From Banks | 67563636 | - | - | 67563636 | 188745525 |
| Less: Current Maturities of long term debts (Refer note no 10) | (36172852) | - | - | (36172852) | (113592274) |
| | 31390784 | - | - | 31390784 | 75153251 |
| From Other Parties | 653857157 | - | - | 653857157 | 431629577 |
| Less: Current Maturities of long term debts (Refer note no 10) | (139354868) | - | - | (139354868) | (61998058) |
| | 514502289 | - | - | 514502289 | 369631519 |
| | 545893073 | - | - | 545893073 | 444784770 |
| b. Deferred Payment Liabilities | | | | | |
| From Haryana State Industrial and Infrastructure Development Corporation Limited | 15293494 | - | - | 15293494 | 14599894 |
| Less: Current Maturities of Deferred Payment Liabilities (Refer note no 10) | (15293494) | - | - | (15293494) | (14599894) |
| | - | - | - | - | - |
| c. Long Term Maturities of Finance Lease Obligations | | | | | |
| against hypothecation of vehicles | 7374122 | - | - | 7374122 | 11728688 |
| Less: Current Maturities of finance lease obligation (Refer note no 10) | (3750864) | - | - | (3750864) | (7970124) |
| | 3623258 | - | - | 3623258 | 3758564 |
| against hypothecation of plant and machinery | 777576 | - | - | 777576 | 1255057 |
| Less: Current Maturities of finance lease obligation (Refer note no 10) | (535600) | - | - | (535600) | (477480) |
| | 241976 | - | - | 241976 | 777577 |
| | 3865234 | - | - | 3865234 | 4536141 |
| Unsecured: | | | | | |
| d. Term Loans | | | | | |
| From Other Parties | 50386044 | - | - | 50386044 | 67541204 |
| Less: Current Maturities of long term debts (Refer note no 10) | (26351460) | - | - | (26351460) | (67541204) |
| | 24034584 | - | - | 24034584 | - |
| e. Loans and Advances from Related Parties | | | | | |
| From Directors * | 297734127 | - | - | 297734127 | 37977158 |
| From Others * | 8008382 | - | - | 8008382 | 37502086 |
| | 305742509 | - | - | 305742509 | 75479244 |
| | 879535400 | - | - | 879535400 | 524800155 |

*Interest free deposits under stipulations of lending financial institutions and banks.

a. Term Loans from Bank (secured)

- (i) Term loans are from Canara Bank.
(ii) Details of term loans from Canara Bank and security furnished are as under:

| Nature of Loan | Date of Saction | Amount Outstanding (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Prime Security |
|---------------------------|-----------------|--------------------------|--|--------------------------|---|
| Term Loan | 03.04.2013 | 50000000 | 18 quarterly installments varying from Rs.20 lacs to Rs.46.67 lacs | 35017103 | Exclusive charge on assets i.e. accessories of machines, dies and tools acquired valued at Rs. 7.00 crores. |
| Term Loan | 08.09.2011 | 50000000 | 20 equal quarterly installments of Rs.25000000/- | 17503042 | 1st pari passu charge with existing term lenders on existing fixed assets and dies and tools acquired out of the loan. |
| Working Capital Term Loan | 22.09.2010 | 105000000 | 20 equal quarterly installments of Rs.5250000/- | 15043491 | 1st pari passu charge on existing tools and dies valued at Rs. 25 crores. Collateral Security for the term loans from Canara Bank : 1. 1st pari passu charge on land measuring 10640 sq yards and building thereon in the name of Smt Sushila Devi Jain, Director of the Company situated at NH 10, Hissar Road, Rohtak. 2. 1st pari passu charge on land measuring 4.6125 acre and building there on in name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of the Directors of the Company, situated at Mauza Kharawar, Tehsil- Sampla , District - Rohtak, Haryana. |
| | | | Total | 67563636 | |
| | | | Current Maturities | 36172852 | |

(iii) In the previous years, the Company had availed term loan from IDBI Bank Limited, State Bank of India and Canara Bank which has been repaid during the year. The terms and security furnished are as under:

| Name of Bank | Date of Saction | Amount Outstanding (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Prime Security |
|---------------------|-----------------|--------------------------|--|--------------------------|--|
| IDBI Bank Limited | 27.01.2010 | 100000000 | 15 quarterly installments varying from Rs. 25 lacs to Rs. 100 lacs | NIL | 1st pari passu charge on fixed assets of the Company alongwith ICICI Bank Limited, Karvy Financial Services Limited and Intec Capital Limited. |
| State Bank of India | 03.11.2011 | 45000000 | 10 quarterly installments varying from Rs. 37.50 lacs to Rs. 58.5 lacs | NIL | 1st pari passu charge alongwith other consortium bankers on current assets and existing tools and dies capitalised. Collateral Security Securities are the same as against CC/ BD/ LC and other facilities sanctioned by the bank. IInd pari passu charge on entire fixed assets of the Company comprising of land and building, plant and machinery, other fixed assets including capital work in progress alongwith equitable mortgage of the land and building of Plant I and Plant II Hissar Road, Rohtak and Plot No. 153 Sector-3 & Plot No. 256 Sector-6 at IMT Manesar and Plant IV at Kharawar, Rohtak and EMT of property situated at NH-10 Hissar Road, in the name of Smt. Sushila Devi Jain and land and building situated at Kharawar in the name of Shri Nikhlesh Jain and Shri Saurabh Jain, relatives of Director. |
| Canara Bank | 06.03.2013 | 3067912 | Repayable on maturity | NIL | Against pledge of fixed deposits of the Company having a maturity value of Rs. 3473941/- |

Term loans from IDBI Bank Limited, State Bank of India and Canara Bank have been repaid during the year and securities furnished have been duly discharged by IDBI Bank Limited and Canara Bank. Discharge of security by State Bank of India is under process.

| (iv) | Aggregate amount of Term Loans from Banks secured by way of personal guarantees of Directors of the Company and their relatives are: | Consolidated (Rs.) | LPSBPL (Rs.) | LPSISPL (Rs.) | Consolidated (Rs.) | Consolidated (Rs.) |
|------|--|--------------------|--------------|---------------|--------------------|--------------------|
| | Non Current | 31390784 | - | - | 31390784 | 75153251 |
| | Current | 36172852 | - | - | 36172852 | 110525082 |

(v) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults, regularised after date of Balance Sheet.)

| Name of Banks | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|---------------|------------------------|-------------------------|-------------------|-------------------------|
| Canara Bank | 29.03.2015 | 2500000 | 2496958 | 3042 |
| Canara Bank | 25.03.2015 | 2500000 | 1373683 | 1126317 |
| | | | | 1129359 |

Interest accrued and due Rs.833627/- (previous year Rs..6632117/-) remained unpaid as on the date of Balance Sheet in respect of term loans from banks.

Term Loans from other parties (secured)

(vi) Term loans from other parties are from Intec Capital Limited, Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC), Karvy Financial Services Limited and Hero Fincorp Limited are as under:

| | 2015 | | 2014 | |
|--|-------------------|---------------|-------------------|---------------|
| | Non Current (Rs.) | Current (Rs.) | Non Current (Rs.) | Current (Rs.) |
| Intec Capital Limited | 33107924 | 13018386 | 33424264 | 12853746 |
| Haryana State Industrial and Infrasturcture Development Corporation Limited (HSIIDC) | 154427923 | 76923077 | 150997000 | 27454000 |
| Karvy Financial Services Limited | 163440294 | 22654197 | 134156130 | 13744437 |
| Hero Fincorp Limited | 163526148 | 26759208 | 51054125 | 7945875 |
| | 514502289 | 139354868 | 369631519 | 61998058 |

(vii) Details of term loans from other parties are as under:-

| Nature of facility | Date of Sanction | Amount sanctioned (Rs.) | Term of repayment | Amount Outstanding (Rs.) | Cash margin (Rs.) | Other Security |
|--------------------|------------------|-------------------------|-------------------|--------------------------|-------------------|----------------|
|--------------------|------------------|-------------------------|-------------------|--------------------------|-------------------|----------------|

(A) Intec Capital Limited

| | | | | | | |
|-----------|------------|----------|--|----------|---------|---|
| Term Loan | 29.11.2012 | 21400000 | 60 equal monthly installments of Rs.505843/-(including interest) | 13226377 | 6420000 | 1st and exclusive charge on the entire assets and equal to the loan amount. |
| Term Loan | 22.02.2013 | 29500000 | 60 equal monthly installments of Rs.697268/-(including interest) | 20642175 | 8850000 | 1st and exclusive charge on the entire assets and equal to the loan amount and further secured by way of 1st charge on fixed assets of the Company including land and building and plant and machinery with ICICI Bank Limited and IDBI Bank Limited on pari passu basis. |
| Term Loan | 23.06.2014 | 13605400 | 60 equal monthly installments of Rs.309569/-(including interest) | 12257758 | 3605431 | 1st Charge by the way of exclusive hypothecation lien mark on the Performa invoice in favour of Intec Capital Ltd covering the entire assets. |
| | | | Total | 46126310 | | |
| | | | Current Maturities | 13018386 | | |

Cash margin of Rs. 15270000/- furnished to Intec Capital Limited is entitled to interest at 9% per annum.

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|-----------------------|------------------------|-------------------------|-------------------|-------------------------|
| Intec Capital Limited | 01.03.2015 | 444288 | Nil | 444288 |
| Intec Capital Limited | 16.03.2015 | 176771 | Nil | 176771 |
| | | | | 621059 |

Interest accrued and due Rs.385778/- (previous year NIL) remained unpaid as on the date of Balance Sheet in respect of term loans from Intec Capital Limited.

(B) Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC)

| | | | | | | |
|-----------|------------|-----------|---|-----------|-----|--|
| Term Loan | 17.04.2012 | 250000000 | 26 equal quarterly installments of Rs.9615385/-, starting from 30.04.2014 | 231351000 | NIL | First charge on all the present and future fixed assets of proposed expansion project at IMT Rohtak and remaining assets of the company (except book debts) subject to prior charges created or to be created in favour of bankers for working capital requirements. |
| | | | Total | 231351000 | | |
| | | | Current Maturities | 76923077 | | |

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|---------------|------------------------|-------------------------|-------------------|-------------------------|
| HSIIDC | 30.04.2014 | 9615385 | Nil | 9615385 |
| | 31.07.2014 | 9615385 | Nil | 9615385 |
| | 31.10.2014 | 9615385 | Nil | 9615385 |
| | 31.01.2015 | 9615385 | Nil | 9615385 |
| | | | | 38461538 |

Interest accrued and due Rs.7465266/- (previous year 410177/-) remained unpaid as on the date of Balance Sheet in respect of term loans from HSIIDC.

(C) Karvy Financial Services Limited

| | | | | | | |
|-----------|------------|-----------|---|-----------|-----|---|
| Term Loan | 25.03.2013 | 150000000 | 78 equal monthly installments of Rs. 3275468/-(including interest) | 134156130 | NIL | 1st pari passu charge on fixed assets of the Company alongwith ICICI bank Limited, IDBI Bank Limited and Intec Capital Limited. |
| Term Loan | 27.12.2014 | 52198474 | 71 equal monthly installments of Rs. 1199900/- (including interest) | 51938361 | NIL | 1st pari passu charge along with IDBI Bank Limited & Intec Capital Limited on Fixed Assets of the Company which comprises of Industrial Land & Building and Plant & machinery and original property documents to be mortgaged. The creation of charge is under process. |
| | | | Total | 186094491 | | |
| | | | Current Maturities | 22654197 | | |

Period and principal amount overdue and unpaid as on the Balance Sheet date (continuing defaults)

| Name of Party | Due Date of instalment | Instalment Amount (Rs.) | Amount Paid (Rs.) | Amount of Default (Rs.) |
|----------------------------------|------------------------|-------------------------|-------------------|-------------------------|
| Karvy Financial Services Limited | 05.03.2015 | 264015 | Nil | 264015 |
| Karvy Financial Services Limited | 05.02.2015 | 156810 | Nil | 156810 |
| Karvy Financial Services Limited | 05.03.2015 | 159162 | Nil | 159162 |
| | | | | 579987 |

Interest accrued and due Rs.3102219/- (previous year 2011156/-) remained unpaid as on the date of Balance Sheet in respect of term loans from Karvy Financial Services Limited.

(D) Hero Fincorp Limited

The Company has been sanctioned term loans vide sanction letters dated 06.09.2013 for Rs.100000000/- and sanction letter dated 30.10.2013 for Rs.100000000/- for purchase of plant and machinery. The outstanding balance as on the balance sheet was Rs.190285356/-. (Current Maturities of Rs.26759208/-)

| Nature of facility | Amount sanctioned (Rs.) | Terms of repayment | Cash collateral security (Rs.) | Other Security |
|--------------------|-------------------------|---|--------------------------------|---|
| Term Loan | 200000000 | 54 installments of Rs. 101282/- (including interest) 54 installments of Rs. 379806/- (including interest) 54 installments of Rs. 506408/- (including interest) 54 installments of Rs. 506408/- (including interest) 54 installments of Rs. 1331702/- (including interest) 54 installments of Rs. 245760/- (including interest) 54 installments of Rs. 1519225/- (including interest) 54 installments of Rs. 253204/- (including interest) 54 installments of Rs. 81026/- (including interest) 52 installments of Rs. 143073/- (including interest) | NIL | Hypothecation by way of lien and charge on the Equipment/ Plant and Machinery purchased/ to be purchased out of the loan. |

| (viii) | Aggregate amount of term loan from other parties and further secured by way of personal guarantee | Consolidated (Rs.) | LPSBPL (Rs.) | LPSISPL (Rs.) | Consolidated (Rs.) | Consolidated (Rs.) |
|--------|---|--------------------|--------------|---------------|--------------------|--------------------|
| | Shri Lalit Kumar Jain (Chairman and Managing Director) and Shri Dinesh Kumar Jain (Vice Chairman and Managing Director) | | | | | |
| | Non Current | 163440294 | - | - | 163440294 | 134156130 |
| | Current | 22654197 | - | - | 22654197 | 13744437 |
| | Shri Lalit Kumar Jain (Chairman and Managing Director) | | | | | |
| | Non Current | 187535847 | - | - | 187535847 | 184421264 |
| | Current | 89941463 | - | - | 89941463 | 40307746 |
| | Shri Dinesh Kumar Jain (Vice Chairman and Managing Director) | | | | | |
| | Non Current | 163526148 | - | - | 163526148 | 51054125 |
| | Current | 26759208 | - | - | 26759208 | 7945875 |

b. Deferred Payment Liabilities:

(i) Deferred payment credits from Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) are secured against the following properties:-

1. Plot no. 153, Sector 3 at IMT Manesar, Gurgaon
2. Plot no. 257, Sector 6 at IMT Manesar, Gurgaon
3. Working Housing unit at IMT Manesar, Gurgaon
4. Dormitory House at IMT Manesar, Gurgaon

(a) The above properties shall continue to belong to HSIIDC until and unless the full price of the properties with interest and other amount, if any, due to HSIIDC is paid by the Company.

(b) On the payment of total price of the properties, the HSIIDC would execute a deed of conveyance in favour of the Company.

(ii) Term of repayments

| Name of Lendor | Nature of facility | Terms of repayment (including interest) |
|---|---|---|
| Haryana State Industrial and Infrastructure Development Corporation Limited | Deferred Payment Liabilities Plot no. 153, Sector 3 at IMT Manesar, Gurgaon Plot no. 257, Sector 6 at IMT Manesar, Gurgaon Working Housing unit at IMT Manesar, Gurgaon Dormitory House at IMT Manesar, Gurgaon | (i) 5 half yearly instalments of Rs. 551646/- (ii) Enhanced cost of Rs. 14385600/- payable in 5 half yearly instalments of Rs. 2877120/- each commencing from 31/10/2012. (i) 5 half yearly instalments of Rs. 201353/- (ii) Enhanced cost of Rs. 6393600/- payable in 5 half yearly instalments of Rs. 1278720/- each commencing from 31/10/2012 8 half yearly instalments of Rs. 71250/- 8 half yearly instalments of Rs. 140625/- |

(iii) Period and amount overdue and unpaid as on the Balance Sheet date (continuing defaults):

| a) | Nature of facility | | Amount of default (Rs.) | Due date | Status |
|---|------------------------------|--|-------------------------|------------|--------|
| | Deferred Payment Liabilities | | | | |
| | | Working Housing unit at IMT Manesar, Gurgaon | 285000 | 02.03.2013 | Unpaid |
| | | Dormitory House at IMT Manesar, Gurgaon | 562500 | 05.03.2013 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No. 153 | 1952931 | 01.08.2011 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No. 153 | 2168103 | 30.04.2013 | Unpaid |
| | | | 2877120 | 31.10.2013 | Unpaid |
| | | | 2877120 | 30.04.2014 | Unpaid |
| | | | 2877120 | 31.10.2014 | Unpaid |
| | | IMT Manesar, Gurgaon Plot No153 | 414880 | 30.04.2014 | Unpaid |
| | | | 1278720 | 31.10.2014 | Unpaid |
| | | Total | 15293494 | | |
| (b) Interest accrued and due Rs.2918554/-(previous year Rs. 1523710/-) remained unpaid as on the date of Balance Sheet. | | | | | |

c. Long term maturities of finance lease obligations

(i) Long term maturities of finance lease obligations are secured by way of hypothecation of vehicles acquired under finance lease are as under:

| Name of Lendor | Nature of facility | Terms of repayment (including interest) |
|------------------------|--------------------|---|
| State Bank of India | Finance Lease | 36 monthly instalments of Rs. 107798/- |
| HDFC Bank Limited | Finance Lease | 35 monthly instalments of Rs.57201/- |
| ICICI Bank Limited | Finance Lease | 60 monthly instalments of Rs. 143113/- |
| Volkswagon Finance Ltd | Finance Lease | 60 monthly instalments of Rs. 121264/- |

(ii) Long term maturities of finance lease obligations secured by way of hypothecation of plant and machinery acquired under finance lease are as under:

| | | |
|-------------------|---------------|--|
| HDFC Bank Limited | Finance Lease | 35 monthly instalments of Rs. 49800/- (including interest) |
|-------------------|---------------|--|

d. Term loans (unsecured) from other parties

(i) Term loans (unsecured) from other parties are as under:-

| Name of Lendor | Nature of facility | Amount (Rs.) | Terms of repayment (including interest) |
|--------------------------|--------------------|--------------|---|
| Religare Finvest Limited | Term Loans | 5802088 | 36 monthly installments of Rs. 271143/- (including interest) |
| Hero Fincorp Limited | Term Loans | 44583956 | 24 monthly installments of Rs. 2448156/- (including interest) |
| | Total | 50386044 | |
| | Current Maturities | 26351460 | |

| (ii) | Aggregate amount of Term Loans from other parties secured by way of personal guarantees of | Consolidated (Rs.) | LPSBPL (Rs.) | LPSISPL (Rs.) | Consolidated (Rs.) | Consolidated (Rs.) |
|------|--|--------------------|--------------|---------------|--------------------|--------------------|
| | Shri Lalit Kumar Jain, Chairman and Managing Director | | | | | |
| | Non Current | 3401049 | - | - | 3401049 | - |
| | Current | 2401039 | - | - | 2401039 | 75412014 |
| | Shri Dinesh Kumar Jain, Vice Chairman and Managing Director | | | | | |
| | Non Current | 20633535 | - | - | 20633535 | - |
| | Current | 23950421 | - | - | 23950421 | 60000000 |

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 5 | | | | | |
| 5A DEFERRED TAX LIABILITY (NET) | | | | | |
| Deferred tax liability | | | | | |
| On account of difference in rates and method of depreciation | 853375 | - | - | 853375 | 953764 |
| Gross deferred tax liability | 853375 | - | - | 853375 | 953764 |
| Deferred Income tax Liability (NET) | | | | | |
| At the end of year | 853375 | - | - | 853375 | 953764 |
| For the year | 100389 | - | - | 100389 | 991975 |
| 5B DEFERRED TAX ASSETS (NET) | | | | | |
| Deferred tax liability | | | | | |
| On account of difference in rates and method of depreciation | - | 1193077 | - | 1193077 | 2000153 |
| On account of difference in treatment of certain payments under Income Tax Act, 1961 | - | 55224 | - | 55224 | - |
| Gross deferred tax liability | - | 1248301 | - | 1248301 | 2000153 |
| Deferred tax asset | | | | | |
| On account of difference in treatment of certain payments under Income Tax Act, 1961 | - | 12852401 | - | 12852401 | 13926735 |
| Gross deferred tax asset | - | 12852401 | - | 12852401 | 13926735 |
| Deferred Income tax Liability (NET) | | | | | |
| At the end of year | - | 11604100 | - | 11604100 | 11926582 |
| For the year | - | (2080313) | - | (2080313) | (2401335) |

Deferred tax resulting from timing differences between book profit and taxable income is accounted for using the current tax rate.

Deferred tax assets in respect of timing differences capable of reversal in future and carried forward losses under the Income Tax Act, 1961 has not been recognised in case of the Holding Company in view of absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future for reversal of deferred tax assets. The total deferred tax assets not recognised amounted to Rs. 120139276/- as on 31.03.2015.

Difference in opening balances of Rs. 2402787/- is because of provisional and audited figures in joint venture Companies [Refer note no 31(v)(c)]

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|---|--|--|--|--|--|
| NOTE - 6 | | | | | |
| OTHER LONG TERM LIABILITIES | | | | | |
| a. Others: | | | | | |
| Security Deposits from customers/employees | 10864865 | - | - | 10864865 | 10791561 |
| | 10864865 | - | - | 10864865 | 10791561 |
| NOTE - 7 | | | | | |
| LONG TERM PROVISIONS | | | | | |
| a. Provisions for employee benefits [Refer note no.31(xxv)] | | | | | |
| Gratuity | 210332202 | 232027 | - | 210564229 | 177027479 |
| Leave Encashment | 82491884 | - | - | 82491884 | 66303234 |
| | 292824086 | 232027 | - | 293056113 | 243330713 |

- (i) The liability towards Gratuity is as certified by an actuary.
- (ii) The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on numbers of days of unutilized leave at each Balance Sheet date as certified by an actuary.
- (iii) In case of the Joint Venture Company (LPSBPL) the provision of gratuity has been provided on estimated basis.

| | | | | | |
|--|------------|----------|---|------------|------------|
| NOTE - 8 | | | | | |
| SHORT TERM BORROWINGS | | | | | |
| Secured: | | | | | |
| a. Loans repayable on demand | | | | | |
| Working capital limits from Banks | 1304944399 | 47818619 | - | 1352763018 | 1672402123 |
| | 1304944399 | 47818619 | - | 1352763018 | 1672402123 |
| Unsecured: | | | | | |
| b. Deposits | | | | | |
| Fixed Deposits from Directors and others | 173520002 | - | - | 173520002 | 173520002 |
| Other loans and advances- from Companies | 84313220 | - | - | 84313220 | 25500000 |
| | 257833222 | - | - | 257833222 | 199020002 |
| | 1562777621 | 47818619 | - | 1610596240 | 1871422125 |

a. Working capital limits from banks (secured)

- 1) Working capital limits from consortium banks are from Canara Bank and State Bank of India in the ratio of 70:30 and are secured by way of pari passu first charge against hypothecation of entire chargeable current assets i.e stock and book debts (present and future) of the Company and pari passu second charge on fixed assets of the Company consisting of land and building, plant and machinery and other fixed assets including capital work in progress (present and future) and guaranteed by Directors of the Company and their relatives. Working capital limits from consortium banks are further secured by way of equitable mortgage of:
 - (i) Plant I & II of the Company
Property part of Khewal No 124/115, Khatoni No 171, Killa No 96/(713/2(3-8, 14/2 (10-3), 15/1(1-12)-17(9-4)-24(7-12) and Part of Khewat No 129/120, Khatoni No 183 min, Killa No 96(4/1(2-17)-7/3/1(4-1) situated at 8.5 lane Mile Stone, Village Totoli, Jind Road, Rohtak-124001 Haryana

Plant III of the Company
Plot No 153, Sector 3 IMT Manesar, Gurgaon-122050 Haryana measuring 4050 sq mtrs.

Packaging Unit of the Company
Plot No 257 Sector 6 IMT Manesar Gurgaon-122050, Haryana measuring 1800 sq mtrs.

Plant IV of the Company
Part of Khewat No 141 Min, Khatoni No 176 Min, Killa No 122/1(5-4) and Part of Kheat No 140 Min, Khatoni No 175 Min Killa No 103/108 (8-0), 11(6-0), 20(8-0) and Part of Khewat No 103/1(6-0), 104(5/2(4-0), 5/3(2-0) and Part of Khewat No 140 N.H. 10 Near Sudhir Automotive NH-10, Kharwae Delhi Road Rohtak 124001 Haryana, measuring 45496 sq yards.
 - (ii) Property situated at adjacent LPS Plant-II and near Canara Bank and Honda Showroom Hissar Road Industrial Area, Rohtak in the name of Smt. Sushila Devi Jain W/o Late Shri Bimal Prasad Jain measuring 10640 sq yards of land.
 - (iii) Agriculture land part of Khewat no 97 Min, Khatoni no 117 Min. and Killa no 126/12/2/1(2-3) and part of Khewat no 90 Min, Khatoni No 103 Min and Killa no 126/19/2(7-13), 22/1(6-5) and Part of Kheat no 88/97 Min, Khatoni no 10 Min and Killa no 126/22/2(1-8) 23(8-0) and part of Khewat no 97 Min, Khatoni no 117 Min and Killa no 147/1/(8-0)3(6-17)4(7-7) and part of Khewat no 91 Min, Khatoni no 103 Min & Killa no 147/3 Min Northern 4-9 situated at near LPS Bossard and Khawar village Rohtak Delhi Road NH 10, Village Kharwar, Distt Rohtak, Haryana measuring 46125 acres.
 - (iv) First pari passu charge with other consortium members on Dies and Tools capitalised during financial year 2010-2011 and 2011-12.
 - (v) Exclusive charge on Dies and Tools capitalised during financial year 2012-13.
- 2) Working capital limits from Corporation Bank Limited (outside consortium) are secured against equitable mortgage of industrial plot measuring 16 Kanal 3 Marla situated in the Revenue Village Kutana, Tehsil and District Rohtak, Hayana in the name of the Company.
- 3) In case of Joint Venture company, LPSBPL cash credit account and bills discounted with banks are secured by way of first charge on current assets, stock and book debts (present and future) of the company and further secured by way of first charge on fixed assets (excluding computer software and vehicles), machinery, office equipments, computer hardware and furniture and fixtures.

| | | (Consolidated) 31.03.2015 | LPSBPL 31.03.2015 | LPSBISPL 31.03.2015 | (Consolidated) 31.03.2015 | (Consolidated) 31.03.2014 |
|----|--|------------------------------|----------------------|------------------------|------------------------------|------------------------------|
| 4) | Aggregate amount of loans guaranteed by the Directors of the Company and their relatives (Rs.) | 1304944399 | 47818619 | - | 1352763018 | 1672402123 |

- 5) Period and amount of overdue and unpaid as on the Balance Sheet date:

| Nature of facility | Amount of Defaults (Continuing as on Balance Sheet Date) (Rs.) | Period of overdue and unpaid (Days) |
|---|--|--|
| Working capital limits with Canara Bank | 3894891/- | 1 Day |
| Working capital limits with State Bank of India | 75869802/- | 1 Day |

- 6) Interest accrued and due Rs.1708774/- (previous year Rs.1708771/-) on fixed deposit from Directors and Others remained unpaid as on the Balance Sheet date.

b. Other loans and advances from a Company (unsecured)

- (i) Other loans and advances received from a Company are repayable on demand.
- (ii) Interest accrued and due Rs.514110/- (previous year Rs.760932/-) remained unpaid as on the Balance sheet date.

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--------------------------------|--|--|--|--|--|
| NOTE - 9 | | | | | |
| TRADE PAYABLES | 836540500 | 51348250 | - | 887888750 | 607239500 |
| Less: Intra group transactions | - | - | - | (2313164) | (4617770) |
| | 836540500 | 51348250 | - | 885575586 | 602621730 |

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, 2015. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

| Sr. no. | Particulars | (Consolidated) | LPSBPL | LPSBISPL | (Consolidated) | (Consolidated) |
|---------|--|----------------|--------|----------|----------------|----------------|
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier. | Nil | Nil | Nil | Nil | 8100 |
| 2 | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil | Nil | 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 | Nil | Nil | Nil |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil | Nil | Nil | 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 sec 23 of the MSMED Act, 2006. | Nil | Nil | Nil | Nil | Nil |

NOTE - 10

| | | | | | |
|---|-----------|----------|------|-----------|-----------|
| OTHER CURRENT LIABILITIES | | | | | |
| Current maturities of long term debts (Refer note no 4a and 4d) | 201879180 | - | - | 201879180 | 243131536 |
| Current maturities of Deferred Payment Liabilities (Refer note no 4b) | 15293494 | - | - | 15293494 | 14599894 |
| Current maturities of finance lease obligations (Refer note no 4c) | 4286464 | - | - | 4286464 | 8447604 |
| Interest accrued but not due on Borrowings | 10536038 | - | - | 10536038 | 7129538 |
| Interest accrued and due on Borrowings | 16928328 | - | - | 16928328 | 13046862 |
| Unpaid dividend | 2156784 | - | - | 2156784 | 2601393 |
| Advances and progress payments from customers | 89695883 | 3291013 | - | 92986896 | 202019782 |
| Creditors for capital goods | 117180469 | 30539 | - | 117211008 | 29539786 |
| HDFC Bank, Rohtak (Current Account) | 3863703 | - | - | 3863703 | 13783442 |
| Excise duty payable | 50974629 | - | - | 50974629 | 50328743 |
| Employees benefit expense | 60839038 | 7866147 | - | 68705185 | 38670450 |
| Statutory dues | 127390432 | 1983752 | - | 129374184 | 61785064 |
| Other payables | 62683844 | - | 4900 | 62688744 | 40844393 |
| | 763708286 | 13171451 | 4900 | 776884637 | 725928486 |
| (i) Current maturities of long term debt includes: | | | | | |
| a) Current maturities of long term debt (secured) (Refer note no. 4a) | 175527720 | - | - | 175527720 | 175590332 |
| b) Current maturities of long term debt (unsecured) (Refer note no. 4d) | 26351460 | - | - | 26351460 | 67541204 |
| | 201879180 | - | - | 201879180 | 243131536 |

- (ii) Investor Protection and Education Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The company has transferred and deposited a sum of Rs.427941/- (Previous year Rs.216095/-) of unclaimed dividend pertaining to the F.Y. 2006-07 to Investor Education and Pretection Fund of Central Government in accordance with the provision of section 205C of the Companies Act, 1956.
- (iii) The Company has made a provision of Excise duty amounting Rs.50974629/- (previous year Rs.50328743/-) payable on stocks of Finished and Scrap material. Excise duty is considered as an element of cost at the time of manufacture of goods.
- (iv) Employees benefit expense includes Rs.4691032/- (Previous year Rs.6829277/-) payable to Directors of the Company.
- (v) Statutory dues are in respect of PF,ESI,Sales Tax, Income Tax , Wealth Tax,Service Tax,Labour Welfare Fund, Work Contract Tax, Professional Tax, R.D. Cess,Excise Duty, TDS ,TCS and Interest on TDS, Sales Tax, PF, ESI and Inocme tax.
- (vi) Other payables include expenses payable, advance against sale of assets and other payables.
- (vii) Other payables include Rs.3211753/- (previous year Rs.1070754/-) payable to Directors of the Company.
- (viii) Credit Balance with HDFC Bank Limited, Rohtak is due to uncashed cheques.

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 11 | | | | | |
| SHORT TERM PROVISIONS | | | | | |
| Provision for Employee Benefits: [Refer note no.31(xxv)] | | | | | |
| Leave encashment | 8063726 | - | - | 8063726 | 9097404 |
| Gratuity | 9049756 | - | - | 9049756 | 16218252 |
| | 17113482 | - | - | 17113482 | 25315656 |
| Others: | | | | | |
| Statutory Dues* | 448236 | 7904045 | - | 8352281 | 293885 |
| | 448236 | 7904045 | - | 8352281 | 293885 |
| | 17561718 | 7904045 | - | 25465763 | 25609541 |

* Statutory dues are in respect of Income Tax and Wealth Tax.

- (i) Provisions are recognized for expenses such as gratuity, income tax, wealth tax, leave encashment. 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 2014-15.

The movements in provisions are as under:

1. Carrying amount as on 01.04.2014

| | | | | | |
|---|-----------|---------|-------|-----------|----------|
| Income Tax | 21532664 | 8030142 | 23030 | 29585836 | 49215234 |
| Wealth Tax | 286196 | - | - | 286196 | 164849 |
| Leave encashment (Long term Rs.66036459 /-) | 75133863 | - | - | 75133863 | 13542593 |
| Gratuity (Long term Rs.177027479 /-) | 193245731 | 232027 | - | 193477758 | 5795309 |
| Total | 290198454 | 8262169 | 23030 | 298483653 | 67717985 |

2. Additional provisions made during the financial year 2014-15.(including increase to existing provisions.)

| | | | | | |
|------------------|----------|----------|-------|----------|-----------|
| Income Tax | 273952 | 14824155 | 20833 | 15118940 | 10368108 |
| Wealth Tax | 306508 | - | - | 306508 | 286196 |
| Leave encashment | 27806537 | - | - | 27806537 | 67188761 |
| Gratuity | 39828407 | - | - | 39828407 | 198337033 |
| Total | 68215404 | 14824155 | 20833 | 83060392 | 276180098 |

3. Amounts used (incurred and charged against the provisions) during the financial year 2014-15

| | | | | | |
|------------------|----------|----------|-------|----------|----------|
| Income Tax | 21516028 | 14950252 | 23030 | 36489310 | 29901996 |
| Wealth Tax | - | - | - | - | 164849 |
| Leave encashment | 8611341 | - | - | 8611341 | 5597491 |
| Gratuity | 13692180 | - | - | 13692180 | 10654584 |
| Total | 43819549 | 14950252 | 23030 | 58792831 | 46318920 |

4. Unused amounts reversed during the financial year 2014-15

| | | | | | |
|------------------|---------|---|---|---------|-------|
| Income Tax | 16636 | - | - | 16636 | 95509 |
| Wealth Tax | - | - | - | - | - |
| Leave encashment | 3773449 | - | - | 3773449 | - |
| Gratuity | - | - | - | - | - |
| Total | 3790085 | - | - | 3790085 | 95509 |

5. Carrying amount of provisions as on 31.03.2015

| | | | | | |
|---|-----------|---------|-------|-----------|-----------|
| Income Tax | 273952 | 7904045 | 20833 | 8198830 | 29585837 |
| Wealth Tax* | 592704 | - | - | 592704 | 286196 |
| Leave encashment (Long term Rs.82491884 /-) | 90555610 | - | - | 90555610 | 75133863 |
| Gratuity (Long Term Rs. 210564229/-) | 219381958 | 232027 | - | 219613985 | 193477758 |
| Total | 310804224 | 8136072 | 20833 | 318961129 | 298483654 |

*Includes Rs.286196/- under Statutory Dues payable (Note No 10)

NOTE - 12
FIXED ASSETS

| Sr. No. | DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|---------|-----------------------------------|----------------------------|------------------|-----------------------------|----------------------------|--------------------------|------------------------|--------------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| | | As at 01.04.2014 Rs. | Additions Rs. | Sales/ Adjustment Rs. | As at 31.03.2015 Rs. | Upto Last Year Rs. | For the year Rs. | Set-off from Retained Earnings | Sales/ Adjustment Rs. | As at 31.03.2015 Rs. | As at 31.03.2015 Rs. | As at 31.03.2014 Rs. |
| 1 | Tangible | | | | | | | | | | | |
| | Industrial Land: | | | | | | | | | | | |
| | Freehold Land | 212343801 | 6393600 | (486389) | 218251012 | 0 | 0 | 0 | 0 | 0 | 218251012 | 212343812 |
| | Leasehold Land | 18398416 | 0 | 0 | 18398416 | 0 | 0 | 0 | 0 | 0 | 18398416 | 18398416 |
| | 2 Factory Building | 228513348 | 328302 | 0 | 228841650 | 88522555 | 7617407 | 0 | 0 | 96139962 | 132701688 | 139990791 |
| | 3 Office Premises: | | | | | | | | | | | |
| | Freehold | 813362 | 0 | 0 | 813362 | 515568 | 47540 | 0 | 0 | 563108 | 250254 | 297794 |
| | Leasehold Group | 553040 | 0 | 0 | 553040 | 373938 | 36720 | 0 | 0 | 410658 | 142382 | 179102 |
| | Share in LPSBPL | 12831662 | 0 | 0 | 12831662 | 9077447 | 1091699 | 0 | 0 | 10169146 | 2662516 | 3754215 |
| | 4 Plant and Machinery | 1767222979 | 123236346 | 0 | 1890459325 | 1391355063 | 79847957 | 16604 | 0 | 1471219624 | 419239701 | 375867916 |
| | 5 Furnitures and Fixtures | 47900483 | 62095 | (88436) | 47874142 | 34991622 | 3859260 | 526932 | (25250) | 39352564 | 8521578 | 12908864 |
| 2 | Share in LPSBPL | 40681219 | 6570948 | (693507) | 46558659 | 12071680 | 2485428 | 0 | (324411) | 14232697 | 32325962 | 26861918 |
| | 6 Electric fans and Installations | 44555928 | 287619 | (2594901) | 42248646 | 31927390 | 3971809 | 1128604 | (74394) | 36953409 | 5295237 | 12628525 |
| | 7 Office Equipments (Group) | 30839777 | 2155394 | 2387067 | 35382238 | 16085912 | 3756248 | 8103918 | 1462740 | 29408818 | 5973420 | 14753865 |
| | Share in LPSBPL | 8195960 | 624742 | (465974) | 8354728 | 2022960 | 431929 | 0 | (157651) | 2297238 | 6057490 | 6173000 |
| | Share in LPSBISPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 8 Computer (Group) | 81401843 | 1659691 | (251584) | 82809950 | 76138510 | 2079349 | 2773278 | (1415008) | 79576129 | 3233821 | 2479940 |
| | Share in LPSBPL | 4756616 | 805524 | (476285) | 5085855 | 2518594 | 863430 | 0 | (379573) | 3002451 | 2083404 | 2238023 |
| | 9 Vehicles (Group) | 115012474 | 5784499 | (4486466) | 116310507 | 73379336 | 11310304 | (39504) | (3416384) | 81233752 | 35076755 | 41633138 |
| | Share in LPSBPL | 6222171 | 1370465 | (1023708) | 6568929 | 1611647 | 622866 | 0 | (518679) | 1715834 | 4853094 | 6358144 |
| | 10 Weighing Scales | 1633560 | 31440 | 0 | 1665000 | 1367416 | 42360 | 6646 | 0 | 1416422 | 248578 | 266144 |
| | 11 Fire Extinguishers | 897621 | 0 | 0 | 897621 | 847603 | 12582 | 78509 | (63,514) | 875180 | 22441 | 50017 |
| 12 | Total | 2622774261 | 149310665 | (8180183) | 2763904743 | 1742807241 | 118076888 | 12594987 | (4912123) | 1868566993 | 895337750 | 877183625 |
| | Intangible | | | | | | | | | | | |
| | Computer software | | | | | | | | | | | |
| | Consolidated | 7942472 | 1182294 | 0 | 9124766 | 4920453 | 1299711 | 0 | 36430 | 6256594 | 2868172 | 5805413 |
| | Share in LPSBPL | 2425574 | 396971 | (260419) | 2562126 | 2238852 | 199812 | 0 | (260419) | 2178244 | 383882 | 186723 |
| | Total | 2633142307 | 150889929 | (8440602) | 2775591634 | 1749966548 | 119576411 | 12594987 | (5136113) | 1877001831 | 898589804 | 883175761 |
| | Add: Capital Work -In Progress | 44745253 | 198290286 | 0 | 243035539 | 0 | 0 | 0 | 0 | 0 | 243035539 | 44745253 |
| | Total : Current Year | 2677887554 | 349180215 | (8440602) | 3018627173 | 1749966548 | 119576411 | 12594987 | (5136113) | 1877001831 | 1141625344 | 927921014 |
| | Previous Year | 2518294582 | 165607974 | (6015001) | 2677887561 | 1581119620 | 173584350 | 0 | (4737420) | 1749966547 | 927921014 | 937176369 |

NOTES:

- Depreciation has been provided as per useful life prescribed in Schedule II of Companies Act, 2013 as per written down value method except in case of Plant-II, Manesar Plants, Recoil Business Division, subsidiary Company and joint venture Companies where depreciation has been provided on straight-line method.
- The Addition in fixed assets include Rs. 36843267/- (Previous year Rs 16730445/-) capitalised on account of borrowing costs in accordance with AS-16 "Borrowing Cost" issued by the Institute of Chartered Accountants of India .
- Leasehold Offices Premises are in respect of office flats at Bangalore.
- Freehold Offices Premises are in respect of office flats at Mumbai and Delhi.
- Plant and Machinery include capital expenditure of Rs. 12326476/- (Previous year Rs.5963676/-) incurred during the year on Research and Development.
- Vehicles under finance lease are as under:-

| | |
|-------------|----------------|
| Gross Block | Rs. 36032248/- |
| New Block | Rs. 19426302/- |
- Machines under finance lease are as under:-

| | |
|-------------|----------------|
| Gross Block | Rs . 1565758/- |
| New Block | Rs. 1360372/- |

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|---|--|--|--|--|--|
| NOTE - 13 | | | | | |
| NON CURRENT INVESTMENTS | | | | | |
| (Long term, trade, unquoted, at cost) | | | | | |
| Investment in Equity Instruments | | | | | |
| Associate Companies | | | | | |
| Hanumat Wires Udyog Private Limited | | | | | |
| 279300 Equity Shares of Rs. 10/- each | 2793000 | | | | |
| Add:- Accumulated Income upto 31.03.2014 | 7215718 | | | | |
| (including Goodwill Rs. Nil on acquisition) | 10008718 | | | | |
| Add:- Share in profit for the year ended 31.03.2015 | 2114075 | 12122793 | - | 12122793 | 10008718 |
| J.C. Fasteners Limited | | | | | |
| 700000 Equity Shares of Rs. 10/- each | 7000000 | | | | |
| Add:- Accumulated Income upto 31.03.2014 | 2382378 | | | | |
| (including Goodwill Rs. Nil on acquisition) | 9382378 | | | | |
| Add:- Share in profit for the year ended 31.03.2015 | (192148) | 9190230 | - | 9190230 | 9382378 |
| Lakshmi Extrusion Limited | | | | | |
| 30000 Equity Shares of Rs. 100/- each | 3000000 | | | | |
| Add:- Accumulated Income upto 31.03.2014 | (2628651) | | | | |
| (including Goodwill Rs. Nil on acquisition) | 371349 | | | | |
| Add:- Share in profit for the year ended 31.03.2015 | - | 371349 | - | 371349 | 371349 |
| Joint Ventures | | | | | |
| LPS Bossard Private Limited | | | | | |
| 2352019 Equity Shares of Rs.10/- each | | 23520190 | - | 23520190 | 23520190 |
| LPS Bossard Information Systems Private Limited | | | | | |
| 184749 Equity Shares of Rs.10/- each | | 1847490 | - | 1847490 | 1847490 |
| | | 47052052 | - | 47052052 | 45130125 |
| Less: Investment in Joint Venture companies | | | - | 25367680 | 25367680 |
| Aggregate amount of unquoted investments | | 47052052 | - | 21684372 | 19762445 |
| NOTE - 14 | | | | | |
| LONG TERM LOANS AND ADVANCES | | | | | |
| Unsecured, considered good: | | | | | |
| Capital Advances | 34512205 | 496795 | - | 35009000 | 45015381 |
| Prepaid Expenses | 1648254 | - | - | 1648254 | - |
| Security Deposits | | | | | |
| With Electricity Departments | 13041806 | - | - | 13041806 | 12746705 |
| With Sales Tax/VAT Departments | 20000 | - | - | 20000 | 91050 |
| With Other Government Departments | 446411 | - | - | 446411 | 448862 |
| Others Deposits | 6225168 | 4522086 | - | 10747254 | 9997204 |
| Deposits with Intec Capital Limited as cash margin against borrowings | 18875431 | - | - | 18875431 | 15270000 |
| MAT Credit Entitlement | 1806163 | - | - | 1806163 | - |
| | | 5018881 | - | 81594319 | 83569202 |
| NOTE - 15 | | | | | |
| OTHER NON CURRENT ASSETS | | | | | |
| Unsecured, considered good: | | | | | |
| Technical knowhow fee | | | | | |
| As per last Balance Sheet | 1559500 | - | - | 1559500 | 2649850 |
| Less: Written off | 1084134 | - | - | 1084134 | 1090350 |
| | 475366 | - | - | 475366 | 1559500 |
| Non Current assets | - | - | - | - | 475366 |
| Current Portion Assets (Refer note no 20) | 475366 | - | - | 475366 | 1084134 |

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 16 | | | | | |
| INVENTORIES | | | | | |
| Raw Materials | 176959986 | - | - | 176959986 | 192334134 |
| Work in Progress | 1002733521 | - | - | 1002733521 | 844809952 |
| Finished goods [including in transit Rs. 135738/- (previous year Rs. 2378884/-)] | 498155383 | 140548399 | - | 638703782 | 617690889 |
| Add / (Less): Unrealised profit on intra group transactions | - | 138837 | - | 138837 | (461777) |
| Stock in Trade (Traded goods) | 2450554 | - | - | 2450554 | 3228212 |
| Consumables stores and Spares | 394886690 | - | - | 394886690 | 404481290 |
| Dies and tools | 588783235 | - | - | 588783235 | 523569649 |
| Packing materials | 47050097 | - | - | 47050097 | 46224993 |
| Stationary in hand | 360477 | - | - | 360477 | 363959 |
| Postage and foreign stamps | 2412 | - | - | 2412 | 2163 |
| Scrap materials (at realisable value) | 10314616 | - | - | 10314616 | 8761460 |
| | 2721696971 | 140687236 | - | 2862384207 | 2641004924 |
| Less: Provision for slow moving inventory | - | (29368619) | - | (29368619) | (28029563) |
| | 2721696971 | 111318617 | - | 2833015588 | 2612975361 |

Inventories have been valued at lower of cost and net realizable value. Cost has been ascertained in case of Semi-finished goods at 66% less on price-list and finished goods have been valued at 57% less on price-list and special items have been valued at 31% less in case of semi-finished goods and 22% less in case of finished goods of the selling price; since exact cost is not ascertainable. Excise duty payable on finished goods and scrap materials are shown separately as part of manufacturing cost and is included in the valuation of finished goods and scrap materials. Inventories are consumed on FIFO (First in First out) basis. Scrap material has been valued at net realisable value. In case of subsidiary company and joint venture companies inventories are valued at lower of cost and net realisable value. Cost includes freight and other related incidental expenses and is arrived on weighted average basis using specific identification method. Provision for slow moving inventory is determined by the management which is based on the ageing of inventory.

| | | | | | |
|--|-----------|-----------|---|-----------|-----------|
| NOTE - 17 | | | | | |
| TRADE RECEIVABLES | | | | | |
| (Unsecured Considered good) | | | | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | | | | |
| Considered good | 119591780 | 191163582 | - | 310755362 | 110390334 |
| Considered doubtful | 2479965 | - | - | 2479965 | 14045229 |
| | 122071745 | 191163582 | - | 313235327 | 124435563 |
| Less: Allowance for doubtful debts | 2479965 | 10244268 | - | 12724233 | 12951895 |
| | 119591780 | 180919314 | - | 300511095 | 111483668 |
| Other Trade receivables | 657869123 | - | - | 657869123 | 813147718 |
| | 777460903 | 180919314 | - | 958380217 | 924631386 |
| Less: Intra group transaction | - | - | - | (2313164) | (4617770) |
| | 777460903 | 180919314 | - | 956067053 | 920013616 |

Trade receivables include:

- Rs.779216/- (previous year Rs.271723/-) due from LPS Bossard Private Limited, a Joint Venture Company.
- Rs.67880/- (previous year Rs.7880/-) due from J C Fasteners Limited, an Associate Company.
- Rs.448058/- (previous year Rs.448058/-) due from Lakshmi Extrusion Limited, an Associate Company.
- Rs.8945990/- (previous year Rs.7745249/-) due from Universal Precision Screws, a firm in which directors are partners.
- Rs.129855/- (previous year Rs.139019/-) due from LPS Industrial Supplies Private Limited, an Associate Company.

| | | | | | |
|---|-----------|---------|---------|-----------|-----------|
| NOTE - 18 | | | | | |
| CASH AND BANK BALANCES | | | | | |
| Cash and Cash Equivalents | | | | | |
| Balances with Banks in current accounts | 5604250 | 1832156 | 2612602 | 10049008 | 11247573 |
| Cash on hand | 1231958 | 990 | 226 | 1233174 | 426378 |
| Cheques in hand | 97835 | - | - | 97835 | 50202 |
| Cash Margin Account | - | - | - | - | - |
| | 6934043 | 1833146 | 2612828 | 11380017 | 11724154 |
| Other Bank Balances | | | | | |
| Fixed Deposits:* | | | | | |
| Pledged as margin money against bank guarantees | 1093521 | 8123810 | - | 9217331 | 1684463 |
| Pledged as margin money against letter of credits | 127859854 | - | - | 127859854 | 108926296 |
| Pledged as Loan against FDR | - | - | - | - | 2747606 |
| Lien against public deposits | 8001675 | - | - | 8001675 | 7342628 |
| No lien account | 1298523 | - | - | 1298523 | 4129305 |
| Unpaid Dividend Accounts** | 2156784 | - | - | 2156784 | 2601392 |
| | 140410357 | 8123810 | - | 148534167 | 127431690 |
| | 147344400 | 9956956 | 2612828 | 159914184 | 139155845 |

*Fixed deposits with banks include deposits of Rs.36965901/- (Previous Year of Rs.39371809/-) with maturity of more than 12 months.

**Unpaid dividends can be utilised only for payment of unpaid dividend liability.

| Description | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2015 (Rs.) LPSBPL | As at 31.03.2015 (Rs.) LPSBISPL | As at 31.03.2015 (Rs.) (Consolidated) | As at 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 19 | | | | | |
| SHORT TERM LOANS AND ADVANCES | | | | | |
| (Unsecured, considered good) | | | | | |
| Loans and Advances to Related Parties | 16151512 | - | - | 16151512 | 16407048 |
| Others: | | | | | |
| Advance against Material and Services | 114939459 | - | - | 114939459 | 95413395 |
| Prepaid Expenses | 6943481 | 1720219 | - | 8663700 | 14383325 |
| Security Deposits | - | 308210 | - | 308210 | - |
| Balance with Central Excise Department | 19660837 | - | - | 19660837 | 18940107 |
| Cenvat on capital goods | 14569594 | - | - | 14569594 | 9375425 |
| Advance to staff | 6309728 | - | - | 6309728 | 7028589 |
| Employee advance under litigation [refer note no. 31(x)] | 16059342 | - | - | 16059342 | 16059342 |
| Advance Income Tax and TDS | 613256 | - | 53573 | 666829 | 16243358 |
| Other advances | 11006952 | 4916947 | - | 15923899 | 23843057 |
| | 206254161 | 6945376 | 53573 | 213253110 | 217693646 |

(i) Details of Loans and advances to related parties:

| Name of party | Relationship | Nature | (Rs.) | (Rs.) |
|------------------------------------|---|-----------------------|----------|----------|
| Lakshmi Extrusion Limited | An associate Company | Material and Services | 10196685 | 10196685 |
| Hanumat Wire Udyog Private Limited | An associate Company | Loan | 5500003 | 5500003 |
| J.C. Fasteners Limited | An associate Company | Material and Services | 258396 | 117196 |
| Nav Bharat Agencies | A partnership firm in which directors are partner | Material and Services | 196428 | 593164 |
| | | | 16151512 | 16407048 |

(ii) That the balance with central excise department includes balance in central excise account at head office, duty paid on stocks lying at the branches and with consignees.

(iii) Other advances include Service Tax to be availed, VAT refund due and staff imprest accounts.

| | | | | | |
|---|----------|--------|---|----------|----------|
| NOTE - 20 | | | | | |
| OTHER CURRENT ASSETS | | | | | |
| (Unsecured, considered good) | | | | | |
| Interest accrued on deposits | 10771102 | 796898 | - | 11568000 | 10029512 |
| Claim Receivable | 2466374 | - | - | 2466374 | 1000000 |
| Income Tax Refund Due | 17050839 | - | - | 17050839 | - |
| Export incentive receivable | 20749006 | - | - | 20749006 | 13893959 |
| Licence in hand | 5326323 | - | - | 5326323 | 14937901 |
| Technical knowhow fee (Refer note no. 15) | 475366 | - | - | 475366 | 1084134 |
| | 56839010 | 796898 | - | 57635908 | 40945506 |

| Description | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2015 (Rs.) LPSBPL | Year Ending 31.03.2015 (Rs.) LPSBISPL | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 21 | | | | | |
| REVENUE FROM OPERATIONS (GROSS) | | | | | |
| Sale of Machine Screws | 3619812073 | - | - | 3619812073 | 3715269111 |
| Sale of Machine Screws (Traded) | 389046174 | 541262246 | - | 930308420 | 516819510 |
| Sale of Scrap Materials | 77132994 | 79360 | - | 77212354 | 78974592 |
| Job work receipts | 121946 | - | - | 121946 | 759596 |
| Export Incentives | 23259484 | - | - | 23259484 | 23431313 |
| | 4109372671 | 541341607 | - | 4650714279 | 4335254122 |
| Less: Excise Duty | (370054482) | - | - | (370054482) | 367399178 |
| Less: Intra Group Transactions | - | - | - | (3062109) | - |
| Revenue from operations (net) | 3739318189 | 541341607 | - | 4277597686 | 3967854943 |

| Description | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2015 (Rs.) LPSBPL | Year Ending 31.03.2015 (Rs.) LPSBISPL | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2014 (Rs.) (Consolidated) |
|---|--|--|--|--|--|
| NOTE - 22 | | | | | |
| OTHER INCOME | | | | | |
| Rent | 50400 | - | - | 50400 | 50400 |
| Interest on fixed deposits with banks, loans, securities and from customers | 10177411 | 2125005 | 97518 | 12399933 | 13365269 |
| Exchange rate variation (net) | (79029) | 964352 | - | 885323 | - |
| Miscellaneous receipts | 4187662 | 187818 | - | 4375480 | 3005882 |
| | 14336444 | 3277175 | 97518 | 17711137 | 16421551 |

(i) Interest received includes a sum of Rs.7834430/- (previous year Rs.10114587/-) on bank deposits, Rs. 1285904/- (previous year Rs. 90661/-) from trade customers, Rs. 930426/- (previous year Rs. 664590/-) on loans, Rs. 2249035/- (previous year Rs. 2477645/-) on securities and Rs. Nil (previous year Rs. 17786/-) on interest on income tax refund.

(ii) Miscellaneous receipts includes excise claims, unclaimed balances written off and other miscellaneous receipts.

| | | | | | |
|--|-------------|-----------|---|------------------------|----------------|
| NOTE - 23 | | | | | |
| COST OF MATERIALS CONSUMED | | | | | |
| Wire/Wire Rods Alloys | 1221828488 | - | - | 1221828488 | 1266231584 |
| Stainless Steel/Bars | 16024276 | - | - | 16024276 | 21566243 |
| | 1237852764 | - | - | 1237852764 | 1287797827 |
| NOTE - 24 | | | | | |
| PURCHASES OF TRADED GOODS | | | | | |
| Machine Screws | 383599163 | 340177769 | - | 723776932 (3062109) | 361404524 - |
| Less: Intra Group Transactions | 383599163 | 340177769 | - | 720714823 | 361404524 |
| NOTE - 25 | | | | | |
| PURCHASES OF SEMI FINISHED GOODS | | | | | |
| Washer,Cap and Springs | 148381822 | - | - | 148381822 | 119748855 |
| | 148381822 | - | - | 148381822 | 119748855 |
| NOTE - 26 | | | | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE | | | | | |
| Opening Stocks: | | | | | |
| Machine Screws | | | | | |
| Finished goods | 488770644 | - | - | 488770644 | 500687534 |
| Finished goods (traded) | 3228212 | 133746415 | - | 136974627 | 110233581 |
| Finished goods in transit | 254119 | - | - | 254119 | 2378884 |
| Semi finished goods | 779932987 | - | - | 779932987 | 734907883 |
| Semi finished goods (Washer, Cap and Springs) | 64876965 | - | - | 64876965 | 19893253 |
| Scrap materials | 8761460 | - | - | 8761460 | 7791694 |
| | 1345824387 | 133746415 | - | 1479570802 | 1375892829 |
| Closing Stocks: | | | | | |
| Machine Screws | | | | | |
| Finished goods | 498019645 | - | - | 498019645 | 488770642 |
| Finished goods (traded) | 2450554 | 140687236 | - | 143137790 | 131432564 |
| Finished goods in transit | 135738 | - | - | 135738 | 254119 |
| Semi finished goods | 907494561 | - | - | 907494561 | 779932987 |
| Semi finished goods (Washer, Cap and Springs) | 95238960 | - | - | 95238960 | 64876965 |
| Scrap materials | 10314616 | - | - | 10314616 | 8761460 |
| | 1513654074 | 140687236 | - | 1654341310 | 1474028737 |
| Less: Provision for slow moving inventory | - | (6323463) | - | (6323463) | (4564479) |
| | 1513654074 | 134363773 | - | 1648017847 | 1469464258 |
| | (167829687) | (617358) | - | (168447045) | (93571429) |
| (Increase) / Decrease in inventory is as under: | | | | | |
| Finished goods | (9249001) | - | - | (9249001) | 11916892 |
| Finished goods (traded) | 777658 | (617358) | - | 160300 | (16634504) |
| Finished goods in transit | 118381 | - | - | 118381 | 2124765 |
| Semi finished goods | (127561574) | - | - | (127561574) | (45025104) |
| Semi finished goods (Washer, Cap and Springs) | (30361995) | - | - | (30361995) | (44983712) |
| Scrap materials | (1553156) | - | - | (1553156) | (969766) |
| | (167829687) | (617358) | - | (168447045) | (93571428) |

| Description | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2015 (Rs.) LPSBPL | Year Ending 31.03.2015 (Rs.) LPSBISPL | Year Ending 31.03.2015 (Rs.) (Consolidated) | Year Ending 31.03.2014 (Rs.) (Consolidated) |
|--|--|--|--|--|--|
| NOTE - 27 | | | | | |
| EMPLOYEE BENEFITS EXPENSES | | | | | |
| Salaries,Wages,Bonus and other amenities | 631787522 | 47003305 | - | 678790827 | 729904242 |
| Contribution towards LIC Gratuity Trust and Leave encashment | 63626235 | - | - | 63626235 | 199385230 |
| Contribution towards P.F., E.S.I and L.W.F. | 23127637 | 1371703 | - | 24499340 | 16627348 |
| Staff welfare | 15390861 | 1408767 | - | 16799628 | 16318860 |
| | 733932255 | 49783775 | - | 783716030 | 962235680 |

- (i) Employee benefits expenses include managerial remuneration Rs.41919360 /- (Previous Year Rs. 49389360/-).
- (ii) The managerial remuneration has been paid in terms of sanction from Central Government u/s 2(94), 2(78), 197 and 200 of the Companies Act, 2013, vide letters dated 17th September 2013 and 29th October 2013.

| | | | | | |
|---|-----------|-----------|-------|------------|------------|
| NOTE - 28 | | | | | |
| FINANCE COST | | | | | |
| Interest expenses | 318048957 | 7065296 | - | 325114253 | 319339753 |
| Financial charges | 2308339 | - | - | 2308339 | 9800771 |
| Exchange difference to the extent considered as an adjustment to borrowing cost | - | - | - | - | 915571 |
| Bank charges and Front end fee | 52866578 | 1190956 | - | 54057534 | 42603924 |
| | 373223874 | 8256252 | - | 381480126 | 372660019 |
| NOTE - 29 | | | | | |
| OTHER EXPENSE | | | | | |
| Consumable stores and spare parts | 74745343 | - | - | 74745343 | 60171849 |
| Electricity,water and fuel | 205969355 | 1665481 | - | 207634836 | 205781146 |
| Rent | 6825151 | 19506596 | - | 26331747 | 26151360 |
| Repairs to building | 4962797 | 620888 | - | 5583685 | 11657872 |
| Repairs to machinery | 3082945 | - | - | 3082945 | 4548384 |
| Insurance | 5125263 | 459937 | - | 5585200 | 5703905 |
| Rates and taxes | 1321779 | 732400 | - | 2054179 | 2250080 |
| Job work charges | 204127213 | - | - | 204127213 | 240002491 |
| Packing expenses | 47160413 | 6107955 | - | 53268368 | 53578668 |
| Dies and tools consumed | 27076172 | - | - | 27076172 | 54906389 |
| Research and development expenses | 25358113 | - | - | 25358113 | 19509325 |
| Travelling and conveyance | 80052056 | 24214003 | - | 104266059 | 95784169 |
| Royalty, Technical know-how fee | 3659792 | - | - | 3659792 | 6066671 |
| Legal and consultancy | 14578598 | 5507719 | 25921 | 20112238 | 22170438 |
| Auditors' Remuneration: | | | | | |
| As auditor: | | | | | |
| Audit fee | 2263200 | 735000 | 4900 | 3003100 | 3043847 |
| Tax Audit Fee | 250000 | - | - | 250000 | 250000 |
| Limited Review | 300000 | - | - | 300000 | 300000 |
| Certification work | 100000 | - | - | 100000 | 100000 |
| Reimbursement of expenses | 77039 | - | - | 77039 | 80578 |
| Freight, insurance and cartage | 73484889 | 8463937 | - | 81948826 | 74025615 |
| Turnover and cash discount | 26984954 | 568036 | - | 27552990 | 33408486 |
| Advertisement,publicity and sales promotion | 22936827 | 6497037 | - | 29433864 | 31035457 |
| Bad Debts,liquidated damages and short recoveries | 5273415 | 147725 | - | 5421140 | 5993277 |
| Provision for bad and doubtful debts | 548460 | 2585240 | - | 3133700 | 3698955 |
| Excise duty and sales tax | 6231177 | - | - | 6231177 | 8868770 |
| Exchange rate fluctuation gain/ (loss) (net) | - | - | - | - | 16019583 |
| Other Expenses | 83726181 | 24007376 | - | 107733557 | 73796673 |
| | 926221132 | 101819330 | 30821 | 1028071283 | 1058903989 |

| Description | 2014-2015 | 2014-2015 | 2014-2015 | 2014-2015 | 2013-2014 |
|--|-----------------------|---------------|-----------------|-----------------------|-----------------------|
| NOTE - 30 | | | | | |
| CONTINGENT LIABILITIES AND COMMITMENTS | (Consolidated) | LPSBPL | LPSBISPL | (Consolidated) | (Consolidated) |
| (a) Contingent liabilities | | | | | |
| 1. Letter of credits and guarantees obtained from bank (Net of margin money) | 254108786 | - | - | 254108786 | 151256824 |
| 2. 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. | 66917398 | - | - | 66917398 | 66917398 |
| 3. Income Tax liabilities on account of appeals pending with various authorities | 7716673 | - | - | 7716673 | 7716673 |
| (b) Commitments | | | | | |
| 1. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances) | 79492544 | - | - | 79492544 | 138018914 |

NOTE - 31
OTHER NOTES ON ACCOUNTS

- (i) In accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements", AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" and AS-27 "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of Lakshmi Precision Screws Limited includes the financial statements of its subsidiary company, its associates and joint ventures as under :-

| Name of the Entity | Country of Incorporation | Extent of Control | Net assets i.e. total assets minus total liabilities | | Share in Profit or Loss | |
|---|--------------------------|-------------------|---|---------------------------------------|-------------------------|---------------------------------------|
| | | | Amount (Rs.) | As % of consolidated net assets | Amount (Rs.) | As % of consolidated net profit |
| Parent Company | | | | | | |
| Lakshmi Precision Screws Limited | India | | 745269092 | 75.01% | 3830364 | 11.69% |
| Subsidiary Company | | | | | | |
| Indian Fasteners Limited | India | 67.295% | 11135310 | 1.12% | 61283 | 0.19% |
| Minority Interest in Subsidiary Company | | | | | | |
| Indian Fasteners Limited | India | 32.705% | 5411682 | 0.54% | 135074* | 0.41% |
| Associates | | | | | | |
| J.C. Fasteners Limited | India | 42.810% | | | (192148) | -0.59% |
| Hanumat Wire Udyog Private Limited | India | 23.250% | | | 2114074 | 6.45% |
| Lakshmi Extrusion Limited | India | 45.000% | | | - | 0.00% |
| Joint Ventures | | | | | | |
| LPS Bossard Private Limited | India | 49.000% | 230931906 | 23.24% | 26760008 | 81.70% |
| LPS Bossard Information Systems Private Limited | India | 49.000% | 814012 | 0.08% | 45865 | 0.14% |

* Rs. 73140/- pertaining to minority interest due to excess depreciation reversed further included in statement of profit and loss.

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

| | |
|--------------------------|--------------------------|
| Name | Indian Fasteners Limited |
| Country of Incorporation | India |
| Extent of Control | 67.295% |

- (iii) The associate companies included 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 | 23.25% |
| Lakshmi Extrusion Limited | India | 45.00% |

- (iv) 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 Private Limited towards allotment of 2352019 equity shares of Rs.10/- each and a sum of Rs.1847490/- in LPS Bossard Information System Private Limited towards allotment of 184749 equity shares of Rs.10/- each, towards 49% holding in the aforesaid Companies. The particulars of the Jointly Controlled Entities are as under:-

| Name of the Jointly Controlled Entities | Country of Incorporation | Proportion of ownership interest |
|---|--------------------------|----------------------------------|
| LPS Bossard Private Limited | India | 49.00% |
| LPS Bossard Information Systems Private Limited | India | 49.00% |

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 jointly controlled entities are added line by line to the assets, liabilities, income and expenditure on the basis of their provisional figures as approved by their respective Boards.

(v) **Principles of consolidation**

The consolidated financial statements relate to Lakshmi Precision Screws Limited (the Holding Company), its Subsidiary Company (Indian Fasteners Limited) (the Holding Company and its subsidiary together referred to as "the Group"), its Associate companies (J.C. Fasteners Limited, Hanumat Wires Udyog Private Limited and Lakshmi Extrusion Limited) and Jointly Controlled Entities (LPS Bossard Private Limited and LPS Bossard Information Systems Private Limited). The financial statement of subsidiary Company is audited up to 31st March, 2015. The financial statements of jointly controlled entities and associates have been incorporated based upon their provisional figures as approved by their respective Boards upto 31st March, 2015. The Consolidated financial statements have been prepared on following basis :-

- (a) The consolidated financial statements have been prepared based on line-by-line consolidation of the statement of profit and loss and the balance sheet of the company and its subsidiary after eliminating intra group balances and unrealized profits / losses if any on intra group transactions.
- (b) Reporting of jointly controlled entities has been prepared using uniform accounting policies except following:

In case of charge of depreciation on fixed assets in case of jointly controlled entities where depreciation is charged on SLM basis at the following rates:

| Sr.no | Particulars | Depreciation as per SLM basis in LPS Bossard Private Limited | Depreciation as per SLM basis in LPS Bossard Information Systems Private Limited |
|-------|------------------------|--|--|
| 1 | Computer Hardware | 20% | 20% |
| 2 | Computer Software | 33% | 33% |
| 3 | Office Equipments | 5% | 5% |
| 4 | Warehousing Racks | 5% | - |
| 5 | Furniture and Fixtures | 10% | - |
| 6 | Vehicles | 9.50% | - |
| 7 | Vehicles (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.

- (c) As stated in para (iv) above, the financial statements of jointly controlled entities and associates have been incorporated based upon their provisional figures. Therefore the effect of audited figures in respect of jointly controlled entities and associates for the previous year have been incorporated during the current year (Refer note no . 3(f)).

| Particulars | Amount of Increase (Rs.) | Amount of Decrease (Rs.) |
|--|-----------------------------|-----------------------------|
| Trade and Other Liabilities | 3699644 | - |
| Trade and other receivables | 1794783 | - |
| Inventories | - | 5542103 |
| Direct Taxes | - | 4765936 |
| Deferred Tax Assets | 2402787 | - |
| Cash and Bank Balance | - | 52112 |
| Short Term Borrowings | 52112 | - |
| Creditors for Capital Goods | 52445 | - |
| Capital Advances | - | 4900 |
| Adjustment on account of audited figures | 2407380 | - |
| | <u>10409151</u> | <u>10409151</u> |

- (d) Minority interest's share of net assets of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders, Minority interest for the year has been calculated as under:-

| Particulars | 31.03.2015 | 31.03.2014 |
|--|----------------|----------------|
| Share of Equity in Subsidiary company | 2340300 | 2340300 |
| Add: Share in Reserves upto 31.03.2014 | 2862968 | 2845565 |
| Add: Profit for the year | 208414 | 17403 |
| | <u>5411682</u> | <u>5203268</u> |

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

- (f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associates profit and loss account and through its reserves for the balance, based on available information.
- (g) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (h) The consolidated financial statement have been prepared after elimination of unrealized profit and intra group transaction are as follows:-

| | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| Intra group transaction deducted from debtors and corresponding creditors | 2313164 | 4617770 |
| Intra group transaction deducted from sales and corresponding purchases | 3062109 | - |
| Unrealized profit deducted from inventory pertaining to intra group transactions. | 138837 | 461777 |

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.

- (vi) The Company has been sanctioned term loan of Rs. 25,00,00,000/- from Haryana State Industrial and Infrastructure Development Corporation Limited to be utilised for setting up plant at IMT, Rohtak. Out of the said loan, Haryana State Industrial and Infrastructure Development Corporation Limited has disbursed a sum of Rs. 231351000/- as on the date of Balance Sheet, which has been utilised for the purpose for which it was sanctioned.
- (vii) The Company has been disbursed a loan of Rs. 13605400/- from Intec Capital Limited for purchase of machinery. The Company has utilised the loan for the purpose it was sanctioned.
- (viii) The Company has been sanctioned a term loan of Rs. 52198474/- from Karvy Financial Services Limited for working Capital Purposes. The Company has utilised the loan for the purpose it was sanctioned.
- (ix) The Company has been sanctioned and disbursed a term loan of Rs.200000000/- from Hero Fincorp Limited for the purchase of equipment/Plant and Machinery. Out of the said loan, the Company has utilized a sum of Rs.114048736/- for the purpose it was sanctioned.
- (x) That there was a misappropriation of funds amounting to Rs.16059342/- by an employee of the Company in the earlier years. An FIR was lodged with City Police Station, Rohtak on 22.06.2006. Investigations are being conducted. The hearing was conducted on 02.05.2011 in the Court of Chief Judicial Magistrate, Rohtak for the purpose of checking of challan and framing of charges against the employee. The next hearing is due on 18th July 2015 for argument on charge, in the court of Chief Judicial Magistrate. The Company had also filed a civil suit for recovery before the Delhi High Court on 13/09/2006. The aforesaid amount has been debited to concerned employee and shown under Short term loans and advances. No provision for the same has been made since the Company expects to recover the entire amount.
- (xi) Till 31st March, 2014 depreciation was being provided on Written Down Value Method except in case of Plant-II, Manesar and Recoil Division where depreciation has been provided on Straight Line method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. The Schedule XIV has been replaced by Schedule II of Companies Act, 2013 and depreciation has been charged on WDV method and straight line method respectively on the basis of useful lives of the assets in the manner as prescribed in Schedule II of the Companies Act, 2013.
- (xii) Till 31st March, 2014, the assets for a value not exceeding Rs. 5000/- were written off in the year of purchase as per Schedule XIV of the Companies Act, 1956. Schedule II of the Companies Act, 2013 does not recognise such a practice. The depreciation on the assets for a value not exceeding Rs. 5000/- has been provided on the basis of their useful lives in the manner as prescribed in the Schedule II of the Companies Act, 2013.

The applicability of Schedule II has resulted in the following impact on financial statements:

| | |
|---|-----------------|
| Decrease in profit during the year | Rs. 110.12 lacs |
| Reduced retained earnings (net of deferred tax) during the year | Rs. 125.95 lacs |

- (xiii) Interest and other borrowing costs amounting to Rs 36843267/- (previous year Rs. 16730445/-) 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.
- (xiv) The Company has capitalized dies and tools amounting to Rs.21634049/- (previous year Rs. 22313167/-) relating to dies and tools purchased/manufactured during the year.

(xv) Research and development expenses debited to the statement of profit and loss include the following

| Particulars | 31.03.2015 (Rs.) (Consolidated) | 31.03.2015 (Rs.) LPSBPL | 31.03.2015 (Rs.) LPSISPL | 31.03.2015 (Rs.) (Consolidated) | 31.03.2014 (Rs.) (Consolidated) |
|---|---------------------------------------|-------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| 1 Employee benefits expense | 11206152 | - | - | 11206152 | 9818910 |
| 2 Cost of material consumed | 965170 | - | - | 965170 | 1044330 |
| 3 Lease rent for research and development equipment | 13186792 | - | - | 13186792 | 8067744 |
| 4 Other expenses | - | - | - | - | 578341 |
| | 25358114 | - | - | 25358114 | 19509325 |

(xvi) Foreign currency exposures not hedged by the Company are as follows:-

| Currency | Nature of Transaction | As at March 31, 2015 | | As at March 31, 2014 | |
|----------|--------------------------------------|----------------------|---------------|----------------------|---------------|
| | | Foreign Currency | Indian Rupees | Foreign Currency | Indian Rupees |
| USD | Export Trade Receivables Group | 120637 | 7550741 | 123891 | 7445861 |
| | Import Trade Payables Group | 1773609 | 110059127 | 901491 | 51376163 |
| | Share in LPS Bossard Private Limited | 76280 | 4772375 | 31651 | 1897006 |
| | Buyer's Credit Group | 477955 | 29915588 | 689672 | 41449127 |
| | Advance to Suppliers Group | 831838 | 52065400 | 603883 | 31714576 |
| | Share in LPS Bossard Private Limited | 74248 | 4648199 | 21347 | 1279482 |
| EURO | Export Trade Receivables Group | 1980540 | 133707066 | 2686010 | 221810739 |
| | Import Trade Payables Group | 10438 | 701484 | 10640 | 878949 |
| | Share in LPS Bossard Private Limited | 83378 | 5628905 | 78000 | 6311790 |
| | Advance to Suppliers Group | | | | |
| | Share in LPS Bossard Private Limited | 466 | 31406 | - | - |
| JPY | Import Trade Payables Group | 202917 | 105265 | - | - |
| | Share in LPS Bossard Private Limited | 385196 | 200997 | 394494 | 229590 |
| GBP | Export Trade Receivables Group | 48531 | 4487135 | 76671 | 7655615 |
| | Import Trade Payables | | | | |
| | Share in LPS Bossard Private Limited | - | - | 20 | 1959 |
| AUD | Advance to Suppliers Group | 10138 | 480932 | 10265 | 480932 |
| CHF | Import Trade Payables | | | | |
| | Share in LPS Bossard Private Limited | 76917 | 4954415 | 81461 | 5528789 |
| CAD | Import Trade Payables | | | | |
| | Share in LPS Bossard Private Limited | 2029 | 100651 | - | - |
| SEK | Import Trade Payables | | | | |
| | Share in LPS Bossard Private Limited | - | - | 534 | 4937 |
| MYR | Import Trade Payables | | | | |
| | Share in LPS Bossard Private Limited | - | - | 62 | 1129 |

(xvii) 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.

(xviii) (a) The Company has taken various residential/commercial premises under cancellable operating lease for a period not exceeding one year. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.

- Lease payments recognised in the statement of profit and loss as an expense for the year is Rs. 6825151/- (Previous year Rs.6499741/-)
- LPSBPL, Jointly Controlled Entity is a lessee under various operating leases for premises taken on lease. These leasing agreements, which are cancellable, range between 11 months to 180 months and are usually renewable on mutually agreeable terms. Lease payment recognized in the statement of profit and loss account during the year amounted to 19506596/- (Previous year Rs.19651619/-) for the year.

- (b) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

| Particulars | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2014 |
|--|-----------------------------------|---------------------------|------------------|-------------------------|-------------------------|
| | Group and its associates (Rs.) | Jointly Controlled Entity | | (Consolidated) (Rs.) | (Consolidated) (Rs.) |
| | | LPSBPL (Rs.) | LPSISPL (Rs.) | | |
| (i) not later than one year | 14976286 | - | - | 14976286 | 34059365 |
| (ii) later than one year and not later than five years | 30916751 | - | - | 30916751 | 94635544 |
| (iii) later than five years | - | - | - | - | 13319244 |
| | 45893038 | - | - | 45893038 | 142014153 |

Lease payments recognised in the statement of profit and loss as under :

| | | | | | |
|------------------------------------|----------|---|---|----------|---------|
| Research and Development expenses. | 13186792 | - | - | 13186792 | 8067744 |
| Other Expenses | 1800000 | - | - | 1800000 | 1800000 |
| | 14986792 | - | - | 14986792 | 9867744 |

- (xix) In the opinion of the Board, assets, other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

- (xx) **Earning per share-** Basic and Diluted

| Particulars | 2014-15 Amount (Rs.) | 2013-14 Amount (Rs.) |
|--|-------------------------|-------------------------|
| Numerator for earning per shares | | |
| Profit before taxation and prior period items | 45884535 | (256208446) |
| Less: Tax Expenses | | |
| Current Tax | 16925104 | 8218107 |
| Excess provision of Income Tax writtern back | (16636) | (95509) |
| Deferred tax | (2180702) | (1409359) |
| MAT credit entitlement | (1806163) | 0 |
| Transferred to Minority Interest | 208414 | 17403 |
| | 32754519 | (262939088) |
| Adjustment to net earning : | | |
| Add: Prior period adjustment | - | (12398385) |
| Profit after taxation and prior period items | 32754519 | (275337473) |
| Denominator for earning per share | | |
| Weighted number of equity shares | 10941667 | 10941667 |
| Outstanding during the period | | |
| Earning per share-Basic and Diluted (Rs. per equity share of Rs. 10/- each) | 2.99 | - |

- (xxi) **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.

| Particulars | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2014 |
|--|-----------------------------------|---------------------------|------------------|-------------------------|-------------------------|
| | Group and its associates (Rs.) | Jointly Controlled Entity | | (Consolidated) (Rs.) | (Consolidated) (Rs.) |
| | | LPSBPL (Rs.) | LPSISPL (Rs.) | | |
| Revenue from operations (Net of Excise): | | | | | |
| Domestic Market | 3324430725 | 540554838 | - | 3864985562 | 3451146750 |
| Overseas Market | 414887464 | 786769 | - | 415674233 | 516708193 |
| | 3739318189 | 541341607 | - | 4280659795 | 3967854943 |
| Segment Assets* | | | | | |
| Within India | 4922561756 | 370246884 | 2666402 | 5295475042 | 4731345658 |
| Outside India | 203920179 | 4679605 | - | 208599784 | 268460605 |
| | 5126481935 | 374926489 | 2666402 | **5504074826 | **4998680263 |
| Capital Expenditure | | | | | |
| Within India | 339411566 | 9768649 | - | 349180215 | 165607974 |
| Outside India | - | - | - | - | - |
| | 339411566 | 9768649 | - | 349180215 | 165607974 |

* Net of Provision for doubtful receivables.

** Includes investment in joint ventures, cancelled on consolidation.

(xxii) **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 | Enterprises where Directors exercise significant influence | I. ii. iii. iv. v. vi. vii. viii. ix. x. xi. xii. xiii. xiv. xv. xvi. xvii. xviii. xix. xx. xxi. xxii. xxiii. xxiv. xxv. xxvi. xxvii. xxviii. xxix. | Amit Screws Private Limited Hanumat Wire Udyog Private Limited J C Fasteners Limited LPS Bossard Private Limited (Joint Venture) LPS Bossard Information System Private Limited (Joint Venture) Lakshmi Extrusion Private Limited LPS Fasteners & Wires Private Limited Nav Bharat Industries (Partnership Firm) Nav Bharat Agencies (Partnership Firm) Shiv Industries (Partnership Firm) Swadesh Engineering Industries (Partnership Firm) Sudhir Automotive Industries Private Limited United Engineers (Partnership Firm) Universal Enterprises (Partnership Firm) Universal Precision Screws (UPS) (Partnership Firm) LPS Industrial Supplies Private Limited Bossard Limited Fasteners, Switzerland Bossard France S.A. Bossard Pte Limited, Singapore Bossard north America Bossard Denmark s.A.s Bossard industrial Fastener Int'l Trading company Limited Lakshmi Precision Screws Limited Precision Fasteners Corporation KVT-Fasteni Dietikon KVT-Fasteni Illerried Bossard (M) SDN BHD Bossard China Bossard Thailand |
| 2 | Key Management Personnel | I. ii. iii. iv. | Shri Lalit Kumar Jain Shri Dinesh Kumar Jain Shri Vijay Kumar Jain Shri Rajesh Kumar Jain |
| 3 | Relative of Key Management Personnel | I. ii. iii. iv. v. vi. vii. viii. ix. x. xi. | Smt. Sushila Devi Jain Shri Sudesh Kumar Jain Shri Nikhlesh Jain Shri Amit Jain Shri Gagan Jain Shri Gautam Jain Shri Rahul Jain Smt.Charul Jain Smt. Rita Jain Smt.Deepa Jain Smt Sandhya Jain |

b) Transactions:

(Amount in Rs.)

| S. NO. | Particulars | Enterprises where Directors exercise significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|--------|---|--|------------------|--------------------------|-----------------|---------------------------------------|-----------------|
| | | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| 1 | Sale of Goods | | | | | | |
| | LPS Bossard Private Limited | 6065832 | 15569119 | | | | |
| | Lakshmi Precision Screws Limited | 1954961 | 2096515 | | | | |
| | Sudhir Automotive Industries Private Limited | 296127 | 12198 | | | | |
| | LPS Industrial Supplies Private Limited | 2353797 | 736713 | | | | |
| | Universal Enterprises | 933151 | 1741636 | | | | |
| | Universal Precision Screws | 10921213 | 1357961 | | | | |
| | Bossard Pte Ltd., Singapore | - | 1870 | | | | |
| | Bossard China | | 55187 | | | | |
| | Bossard Industrial Fastener Int'l Trading Company Limited | 57357 | - | | | | |
| | Total | 22582438 | 21571199 | | | | |
| 2 | Purchase of Goods | | | | | | |
| | Nav Bharat Agencies | - | 417261 | | | | |
| | Bossard Limited. Fasteners, Switzerland | 20455609 | 22771353 | | | | |
| | Bossard France S.A. | 311345 | 519380 | | | | |
| | Bossard Pte Limited., Singapore | 199149 | 17731 | | | | |
| | Bossard north America | 60893 | 596625 | | | | |
| | Bossard Denmark s.A.s | 43232 | 80265 | | | | |
| | Bossard industrial Fastener Int'l Trading Company Limited | 8550 | 19372 | | | | |
| | KVT-Fasteni Dietikon | 169889 | 120264 | | | | |
| | KVT-Fasteni Illerried | 108334 | 34475 | | | | |
| | Bossard (M) SDN BHD | - | 76028 | | | | |
| | Bossard Thailand | 32438 | - | | | | |
| | Lakshmi Precision Screws Limited | 3333437 | 8317636 | | | | |
| | Sudhir Automotive Industries Private Limited | 16697699 | 15022100 | | | | |
| | Universal Precision Screws | 90499618 | 98411674 | | | | |
| | Universal Enterprises | 4178671 | 6977231 | | | | |
| | J C Fasteners Limited | 508168 | 62310 | | | | |
| | LPS Industrial Supplies Private Limited | 35557 | - | | | | |
| | Swedish Engineering Industries | 11532774 | - | | | | |
| | Hanumat Wire Udyog Private Limited | 11154404 | 1298521 | | | | |
| | Total | 159329767 | 154742226 | | | | |
| 3 | Intrest Received | | | | | | |
| | Hanumat Wire Udyog Private Limited | 930426 | 664590 | | | | |
| 4 | Rent received | | | | | | |
| | LPS Fasteners & Wires Private Limited | 50400 | 50400 | | | | |
| 5 | Job Work Received | | | | | | |
| | J C Fasteners Limited | 34454 | - | | | | |
| 6 | Rent paid | | | | | | |
| | Nav Bharat Industries | 840000 | 840000 | | | | |
| | Universal Precision Screws | 16032514 | 16032514 | | | | |
| | Sushila Devi Jain | | | | | 2117700 | 2117700 |
| | Sandhya Jain | | | | | 891914 | 891914 |
| | Total | 16872514 | 16872514 | 0 | 0 | 3009614 | 3009614 |
| 7 | Jobwork paid | | | | | | |
| | Amit Screws Private Limited | 691866 | 768648 | | | | |
| | Hanumat Wire Udyog Private Limited | 58718806 | 74118615 | | | | |
| | J.C. Fasteners Limited | 2052247 | 9594966 | | | | |
| | LPS Fasteners & Wires Private Limited | 9999552 | 9999240 | | | | |
| | Nav Bharat Industries | 4999181 | 4999824 | | | | |
| | Shiv Industries | 1080145 | 1033917 | | | | |
| | Sudhir Automotive Industries Private Limited | 217415 | 14645217 | | | | |
| | United Engineers | 2982999 | 2397230 | | | | |
| | Total | 80742211 | 117557657 | | | | |
| 8 | Unsecured Loan | | | | | | |
| | Loans Accepted | | | | | | |
| | Lalit Kumar Jain | | | 60521919 | 19905108 | | |
| | Dinesh Kumar Jain | | | 206439790 | 74720000 | | |
| | Gagan Jain | | | | | - | 1700000 |
| | Gautam Jain | | | | | - | 2400000 |
| | Rita Jain | | | | | - | 33900000 |
| | Total | | | 266961709 | 94625108 | - | 38000000 |

| | | | | | | | |
|-----------|---|------------------|------------------|------------------|------------------|-----------------|-----------------|
| 9 | Unsecured Loan | | | | | | |
| | Loans Repaid | | | | | | |
| | Gautam Jain | | | | | 10300000 | - |
| | Gagan Jain | | | | | 1000000 | 1500000 |
| | Nikhlesh Jain | | | | | 3450000 | - |
| | Rita Jain | | | | | 10700000 | 23200000 |
| | Total | | | - | - | 25450000 | 24700000 |
| 10 | Remuneration paid | | | | | | |
| | Lalit Kumar Jain | | | 13800000 | 14250000 | | |
| | Dinesh Kumar Jain | | | 10380000 | 13500000 | | |
| | Vijay Kumar Jain | | | 13200000 | 13500000 | | |
| | Rajesh Kumar Jain | | | 4539360 | 8139360 | | |
| | Sudesh Kumar Jain | | | | | 3389130 | 3152262 |
| | Gagan Jain | | | | | 2610000 | 2610000 |
| | Gautam Jain | | | | | 2610000 | 2610000 |
| | Nikhlesh Jain | | | | | 2610000 | 2610000 |
| | Amit Jain | | | | | 2610000 | 2610000 |
| | Rahul Jain | | | | | 2610000 | 2610000 |
| | Total | | | 41919360 | 49389360 | 16439130 | 16202262 |
| 11 | Interest to Directors/Others | | | | | | |
| | Lalit Kumar Jain | | | 239250 | 239250 | | |
| | Dinesh Kumar Jain | | | 21475706 | 2258864 | | |
| | Rajesh Kumar Jain | | | 792000 | 792000 | | |
| | Vijay Kumar Jain | | | 327250 | 327250 | | |
| | Gagan Jain | | | | | 272250 | 272250 |
| | Gautam Jain | | | | | 280499 | 280499 |
| | Amit Jain | | | | | 464749 | 464749 |
| | Total | | | 22834206 | 3617364 | 1017498 | 1017498 |
| 12 | Reimbursement of Expenses | | | | | | |
| | Bossard Pte Limited., Singapore | 107057 | - | | | | |
| 13 | IT Fees | | | | | | |
| | Bossard Limited Fasteners, Switzerland | 5538204 | 6986736 | | | | |
| 14 | Advertisement/Sales Promotion | | | | | | |
| | KVT-Fasteni Illerried | 41476 | - | | | | |
| | Bossard Pte Limited., Singapore | 187621 | - | | | | |
| | Bossard Limited Fasteners, Switzerland | 331453 | 642975 | | | | |
| | Grand Total | 286748021 | 319088297 | 331715275 | 147631832 | 45916242 | 82929374 |
| 15 | Balance receivable | | | | | | |
| | Lakshmi Precision Screws Limited | 1931648 | 1377904 | | | | |
| | LPS Bossard Private Limited | 779216 | 271723 | | | | |
| | Lakshmi Extrusion Limited | 10644743 | 10644743 | | | | |
| | J.C. Fasteners Limited | 326276 | 125076 | | | | |
| | Universal Precision Screws | 8945990 | 7745249 | | | | |
| | Nav Bharat Agencies | 196428 | 593164 | | | | |
| | Hanumat Wire Udyog Private Limited | 5500003 | 5500003 | | | | |
| | LPS Industrial Supplies Private Limited | 129855 | 139019 | | | | |
| | Bossard Pte Limited., Singapore | 161322 | - | | | | |
| | Bossard Industrial Fastener Int'l Trading Company Limited | 54331 | - | | | | |
| | Bossard China | - | 55187 | | | | |
| | Total | 28669812 | 26452068 | | | | |
| 16 | Balance payable | | | | | | |
| | Nav Bharat Industries | 23364790 | 15273831 | | | | |
| | United Engineers | 13903406 | 10980067 | | | | |
| | J.C. Fasteners Limited | 7915 | 5545732 | | | | |
| | Hanumat Wire Udyog Private Limited | 20474435 | 28641838 | | | | |
| | Amit Screws Private Limited | 977854 | 824246 | | | | |
| | Shiv Industries | 4680899 | 3992568 | | | | |
| | Sudhir Automotive Industries Private Limited | 9943051 | 10147510 | | | | |
| | Universal Enterprises | 7482852 | 7544833 | | | | |
| | LPS Fasteners & Wires Private Limited | 75000 | 789994 | | | | |
| | LPS Bossard Private Limited | 3941526 | 2619926 | | | | |
| | Universal Precision Screws | 11481943 | 17761042 | | | | |
| | Bossard Limited. Fasteners, Switzerland | 4931179 | 5439760 | | | | |
| | Bossard France S.A. | 29364 | 81728 | | | | |
| | Bossard Pte Limited., Singapore | 36787 | 12269 | | | | |
| | Bossard north America | 18117 | 1028 | | | | |
| | Bossard Denmark s.A.s | - | 8217 | | | | |
| | Bossard Industrial Fastener Int'l Trading Company Limited | 6075 | - | | | | |

| | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| KVT-Fasteni Dietikon | 15323 | 12862 | | | | |
| KVT-Fasteni Illerried | 23570 | 32792 | | | | |
| Lakshmi Precision Screws Limited | 381816 | - | | | | |
| Bossard (M) SDN BHD | - | 77296 | | | | |
| LPS Industrial Suppliers | - | 25960 | | | | |
| Lalit Kumar Jain | | | 86052027 | 26175308 | | |
| Dinesh Kumar Jain | | | 285216786 | 79550996 | | |
| Vijay Kumar Jain | | | 8877000 | 8909040 | | |
| Rajesh Kumar Jain | | | 16549346 | 16928391 | | |
| Sushila Devi Jain | | | - | 4700 | | |
| Sudesh Kumar Jain | | | | | 274719 | 155978 |
| Nikhlesh Jain | | | | | 2700 | 7449704 |
| Gagan Jain | | | | | 5882598 | 5897058 |
| Gautam Jain | | | | | 5962408 | 15276868 |
| Rahul Jain | | | | | - | 200090 |
| Charul Jain | | | | | - | 66700 |
| Amit Jain | | | | | 9465806 | 8230086 |
| Rita Jain | | | | | - | 10700000 |
| Total | 101775902 | 109813499 | 396695159 | 131568435 | 21588231 | 47976484 |

(xxiii) 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.

(xxiv) **Defined Contribution Plan**

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

| Particulars | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2015 | 31.03.2014 |
|---|--------------------------------|---------------------------|---------------|----------------|----------------|
| | Group and its associates (Rs.) | Jointly Controlled Entity | | (Consolidated) | (Consolidated) |
| | | LPSBPL (Rs.) | LPSISPL (Rs.) | (Rs.) | (Rs.) |
| Employer's Contribution to Provident Fund | 7980444 | 801569 | - | 8782013 | 5691679 |
| Employer's Contribution to Family Pension Scheme | 13270625 | 562944 | - | 13833569 | 9644020 |
| Employer's Contribution to Employee State Insurance | 1876568 | 7190 | - | 1883758 | 2339846 |
| | 23127637 | 1371703 | - | 24499340 | 17675545 |

(xxv) **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 Company is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service and giving rise to additional unit of employee benefit entitlement and measures each unit separately build up the final obligation.

| Gratuity | 2014-15 | 2013-14 |
|--|------------|-----------|
| a) Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined benefit obligation at beginning of the year | 215782213 | 22919335 |
| Interest cost | 16591543 | 1764077 |
| Current Service Cost | 17294593 | 17431178 |
| Benefit paid | (10149461) | (7078416) |
| Actuarial (gain) / loss | 7927452 | 180746039 |
| Defined Benefit obligation at year end | 247446340 | 215782213 |
| b) Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | 22536482 | 17377615 |
| Expected return on plan assets | 2177119 | 1665810 |
| Employer contribution | 10047071 | 12816694 |
| Actuarial gain / (loss) | (6739612) | (61549) |
| Benefits paid | 43322 | (9262088) |
| Fair value of plan assets at year end | 28064382 | 22536482 |

| Gratuity | 2014-15 | 2013-14 |
|---|---------------------------|---------------------------|
| c) Reconciliation of fair value of assets and liabilities | | |
| Fair value of plan assets | 28064382 | 22536482 |
| Present value of obligation | 247446340 | 215782213 |
| Amount recognised in Balance Sheet - Assets / (Liabilities) | (219381958) | (193245731) |
| Current Portion | 9049756 | 16218252 |
| Non-Current Portion | 210332202 | 177027479 |
| d) Expenses Recognised during the year | | |
| Current Service Cost | 17294593 | 17431178 |
| Interest Cost | 16591543 | 1764077 |
| Expected return of plan assets | (2177119) | (1665810) |
| Actuarial gain / (loss) | 7884130 | 180807588 |
| Net cost debited to statement of profit and loss account | 39593147 | 198337033 |
| e) Broad categories of plan assets as a percentage of total assets | | |
| Insurer managed funds | | 100% |
| f) Actuarial assumptions | | |
| Mortality Table | IAL 2006-08 | IAL 2006-08 |
| Attrition Rate | (Ultimate) | (Ultimate) |
| Imputed Rate of Interest | 0% - 1% | 0% - 1% |
| Salary Rise | 7.85% to 7.95% | 9.10%-9.15% |
| Return on plan Assets | 8% to 12% | 8% to 15% |
| Remaining Working Life | 9.00% | 6.75% to 8.75% |
| | 11.87 Year to 20.89 Years | 11.92 Year to 21.29 Years |
| g) Actual return on plan assets | 220441 | 1604261 |
| h) Amount for current and previous periods: * | | |
| Present value of obligation | 247446340 | 215782213 |
| Fair value of plan assets | 28064382 | 22536482 |
| Surplus / (Deficit) | (219381958) | (193245731) |

Note:- 1. The plan assets are maintained with Life Insurance Corporation of India (LIC).

2. The Company expects to contribute Rs. 50.00 lacs (previous year Rs. 35.00 lacs) to the plan during the next financial year.

3. The estimates of rate is escalation in salary's considered in actuarial valuation and other factors such as inflation seniority, promotion and other relevant factors including supply and demand in the employment market have been taken into account. The above information is certified by the actuary.

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

Leave encashment:-

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| Leave encashment:- | 2014-15 | 2013-14 |
|--|-----------|-----------|
| a) Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined benefit obligation at beginning of the year | 75133663 | 13056421 |
| Interest cost | 5587778 | 955887 |
| Current Service Cost | 12954000 | 12910712 |
| Benefit paid | (8611341) | (5111319) |
| Actuarial (gain) / loss | 5491510 | 53322162 |
| Defined Benefit obligation at year end | 90555610 | 75133863 |
| b) Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Employer contribution | - | - |
| Actuarial gain / (loss) | - | - |
| Benefits paid | (8611341) | (5111319) |
| Fair value of plan assets at year end | (8611341) | (5111319) |

| Leave encashment:- | 2014-15 | 2013-14 |
|---|---------------------------|---------------------------|
| c) Reconciliation of fair value of assets and liabilities | | |
| Fair value of plan assets | - | - |
| Present value of obligation | 90555610 | 75133863 |
| Amount recognised in Balance Sheet - Assets / (Liabilities) | (90555610) | (75133863) |
| Current Portion | 8063726 | 9097404 |
| Non-Current Portion | 82491884 | 66036459 |
| d) Expenses Recognised during the year | | |
| Current Service Cost | 12954000 | 12910712 |
| Interest Cost | 5587778 | 955887 |
| Expected return of plan assets | - | - |
| Actuarial gain / (loss) | 5491510 | 53322162 |
| Net cost debited to statement of profit and loss account | 24033288 | 67188761 |
| e) Broad categories of plan assets as a percentage of total assets | | |
| Insurer managed funds | | |
| f) Actuarial assumptions | | |
| Mortality Table | IAL 2006-08 | IAL 2006-08 |
| Attrition Rate | (Ultimate) | (Ultimate) |
| Imputed Rate of Interest | 0% - 1% | 0% - 1% |
| Salary Rise | 7.85% to 7.95% | 9.10%-9.15% |
| Return on plan Assets | 8% to 12% | 8% to 15% |
| Remaining Working Life | N.A. | N.A. |
| | 11.87 Year to 20.89 Years | 11.92 Year to 21.29 Years |
| g) Actual return on plan assets | | |
| h) Amount for current and previous periods: * | | |
| Present value of obligation | 90555610 | 75133863 |
| Fair value of plan assets | - | - |
| Surplus / (Deficit) | (90555610) | (75133863) |

Note:- 1. The estimates of rate is escalation in salary's considered in actuarial valuation and other factors such as inflation seniority, promotion and other relevant factors including supply and demand in the employment market have been taken into account. The above information is certified by the actuary.

2. Since the liability is not funded, thereby information with regard to the plan assets has not been furnished. The estimates of rates of escalation in salary considered in actuarial valuation after taking into account inflation seniority, promotion and other relevant factors including supply and demand in the employment market.

(xxvi) During the year, the Company has valued the inventory of finished goods at 57% and semi-finished goods at 66% less on the price-list and special items have been valued at 22% less in the case of finished goods of the selling price and 31% less in case of semi-finished goods. The exact cost of each item is not ascertainable in case of finished goods and semi-finished goods in view of multiple sizes and nature of products. However, the management believes that its impact on financial statements is not likely to be material on adoption of actual cost vis-a-vis the Standard Costing adopted by the Company. the Company plans to review its standard costing system based on the overall cost data every year.

(xxvii) The Company is amortising dies and tools on the basis of effective residual remaining life based on technical assessment conducted by a committee. However, the said assessment has not undertaken during the year and dies and tools have been amortised to the Statement of Profit and Loss as and when they are scrapped. Pending the technical assessment and determination of effective residual values of dies and tools, the impact of amortisation thereof is not ascertainable and will be provided prospectively as and when the assessment is undertaken.

(xxviii) Disclosure under Section 186(4) of the Companies Act, 2013.

ParticularsParticulars of loans given

| Sr. No. | Loan given to | Loan given during the year | Outstanding Balance as on 31.03.2015 | Purpose of loan |
|---------|------------------------------------|----------------------------|--------------------------------------|-----------------|
| 1 | Hanumat Wire Udyog Private Limited | - | 5500003 | Loan |

(xxix) As per the transfer pricing norms prescribed under section 92 of the Income Tax Act, 1961, the Company is required to use certain specified methods in computing arm's length price of international transactions and specified domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate methods to be adopted will depend on the nature of transaction/ class of transaction, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

(xxx) The figures for the previous year has been regrouped/rearranged wherever necessary to make them comparable with those of the current year.

(xxxi) Figures have been rounded off to the nearest rupee.

(xxxii) Note no. 30 and 31 form integral part of Balance Sheet and Statement of Profit and Loss.

The accompanying notes are an integral part of the financial statements.

Auditors' Report:-

As per our report of even date

for V.R.Bansal & Associates for and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 016534N)

Per V.P. Bansal

Partner

Membership No.8843

L.K.Jain

**Chairman and
Managing Director**

D.K.Jain

**Vice Chairman and
Managing Director**

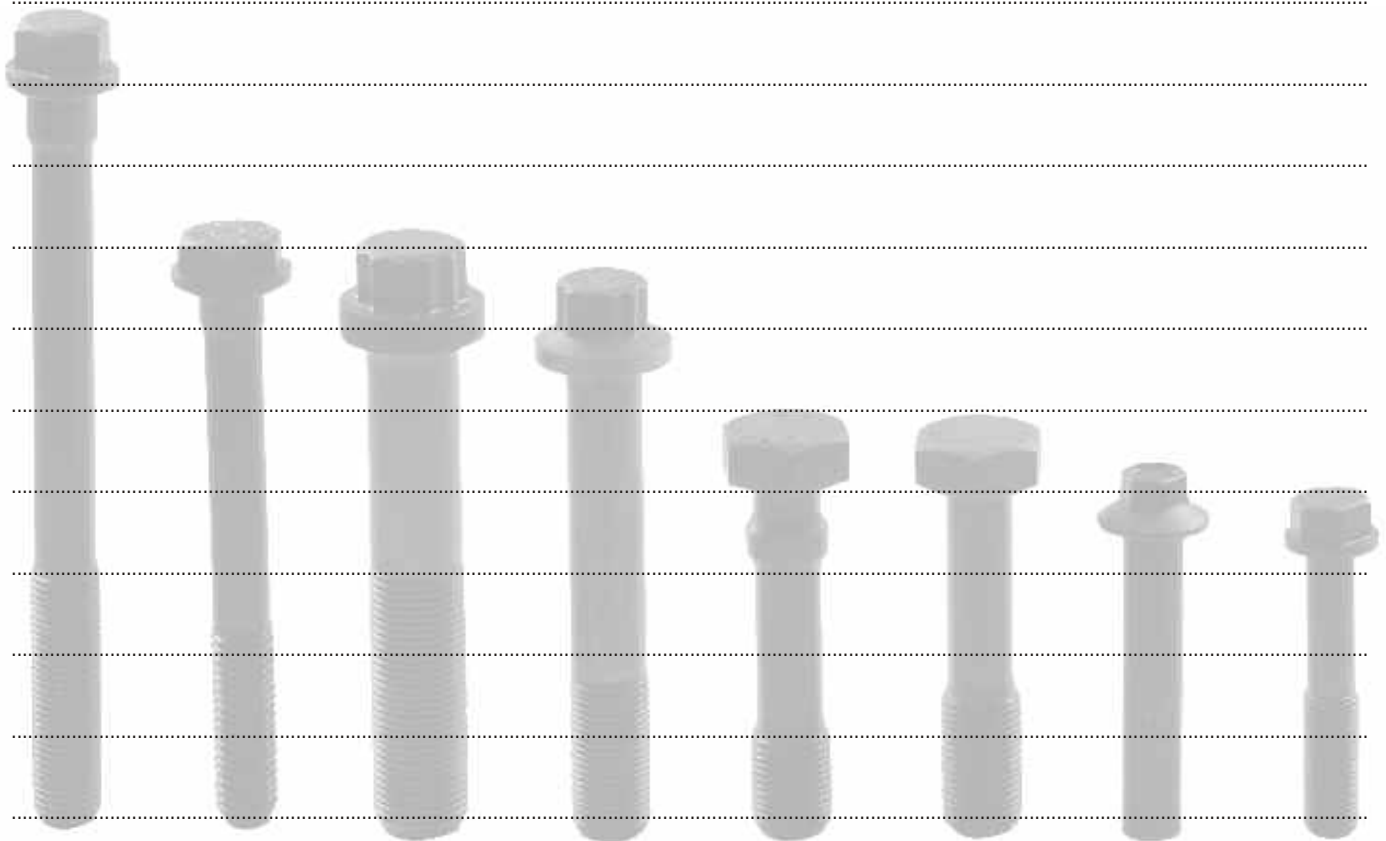
Umesh Agarwal

Chief Financial Officer (CFO)

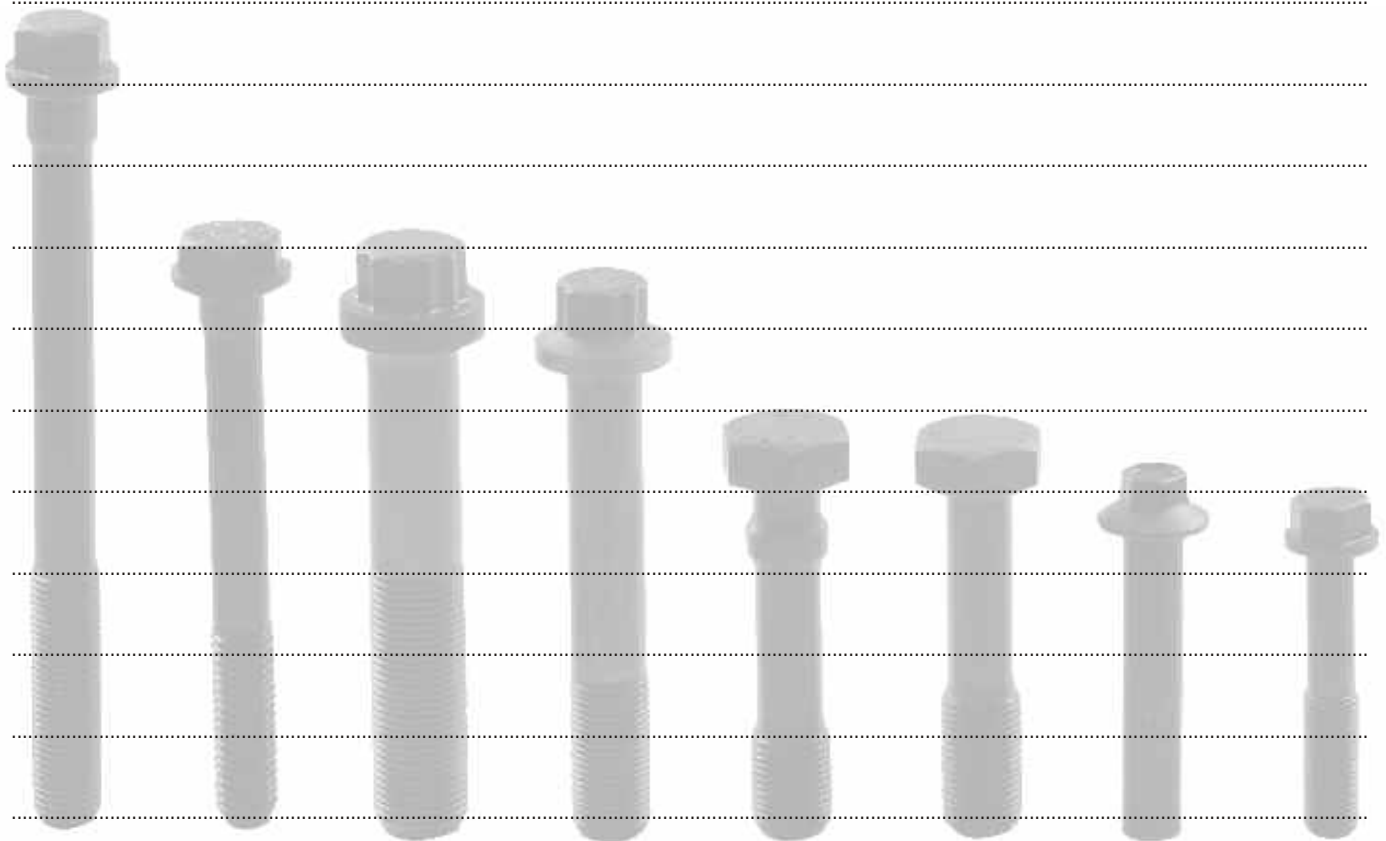
Place : **Noida**

Dated : **May 29, 2015**

NOTES



NOTES





LAKSHMI PRECISION SCREWS LTD.

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