


Lakshmi Precision Screws Ltd.

Plant II, Opp. Northern Bye-Pass, Hissar Road,
Rohtak-124001, Haryana (India)
Tel. : +91-1262-248288-89 / 249920-21
Fax : +91-1262-249922 / 248297
Email : mktg@lpsindia.com / purchase@lpsindia.com
Website : www.lpsindia.com

LPS/CSO/2016/

February 12, 2016

Bombay Stock Exchange Limited
Listing Department,
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze JeeJeeBhoy Towers,
Dalal Street, Fort
Mumbai – 400 001.

The National Stock Exchange
of India Limited
Exchange Plaza,
Bandra –Kurla Complex,
Bandra – East
Mumbai – 400 051

Company Code: 506079

LAKPRE

Dear Sir,

Sub. : **Outcome of the Board Meeting.**

We are pleased to inform you that the 293rd Board Meeting of the Board of Directors of the Company was held on February 12, 2016.

The meeting was started at 2:30 p.m. and approved all items of Agenda of the Meeting except consideration and approval of Un-audited Financial Statement and the meeting was adjourned at 4:30p.m., for want of some clarification/information in the Audit Committee relating to the Un-audited financial statements.

The Audit Committee meeting was reassumed after its adjournment at 6:30 p.m. and recommended to the Board approval of Un-audited Financial Statement and was concluded at 7:00 p.m.

Upon recommendation of Audit Committee on the Un- Audited Financial Statement for quarter/Nine month ended on 31st December 2015, The Board of Directors meeting was reassumed at 8:15 p.m. and approved Un-audited Financial Statement and noted Limited review Report on Un-Audited Financial Statement and concluded with vote of thanks to the Chair 8:40 p.m.

The outcome of the Board meeting are as under:

1. Approved the Un-audited Financial Results for the Quarter /Nine Months ended on December 31, 2015 and noted the Limited review Report of Statutory Auditors (copy enclosed).
2. Approved various policies as required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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3. Pursuant to provision of Regulation 30(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Lalit Kumar Jain, Chairman & Managing Director, Mr. Dinesh Kumar Jain, Vice Chairman & Managing Director, Mr. Kanai Lal Ghorui, Chief Financial Officer and Mr. Santosh Kumar Sharma, Company Secretary, those are the Key Managerial Personnels (KMPs) authorized severally for determining materiality of events/ informations and to sign and disclose to the Stock Exchanges.

You are requested to find the above in order and oblige.

Thanking you,

Yours sincerely,
for **Lakshmi Precision Screws Ltd.**

Lalit Kumar Jain
Chairman and Managing Director
DIN: 00061293

for **Lakshmi Precision Screws Ltd.**

Santosh Kumar Sharma
Company Secretary
FCS-6817

Encl.: As above



V.R. BANSAL & ASSOCIATES

Chartered Accountants

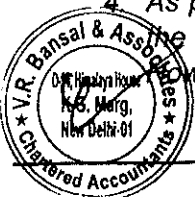
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New Delhi-110001 • Tel.: 23316181, 23316191

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Limited Review Report

To
The Board of Directors
Lakshmi Precision Screws Limited

1. We have reviewed the accompanying statement of unaudited financial results of Lakshmi Precision Screws Limited ('the Company'), 46/1, Mile Stone, Hissar Road, Rohtak-124001, for the quarter and nine months ended December 31, 2015 (the "Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information* performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We are unable to observe physical inventories due to the size and nature of inventories, and we also unable to satisfy ourselves by alternative means concerning the inventories held at 31st December, 2015 which are stated in Balance Sheet at Rs. 2,74,18,51,692/- and in respect of which entity's control are not effective. The entity has not carried any physical verification in respect of Inventories comprising of Raw Materials, Work in Progress, Finished Goods, Stock in Trade (Traded goods), Consumables Stores and Spares and Dies and Tools. The total size of inventory as on 31st December, 2015 is Rs. 2,74,18,51,692/- which is material in relation to size and nature of the business of the Company. The management has not devised any plans nor informed us of its intentions to conduct the physical verification as per the prescribed norms inspite of qualifications / Emphasis of matter supplied in our earlier year audit reports. Further they have taken no note of our negative comments in clause 2 a, b and c, reported under Companies (Auditor's Report) Order, 2003 in earlier years and clause 2 a, b, c, reported under Companies (Auditor's Report) Order, 2015.
4. As per the policy of the Company, Dies and Tools are amortized on the basis of the useful lives as per technical assessment conducted by a technical committee. However no technical assessment has been carried out in the quarters and in



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preceding quarter as well and the company has amortized a sum of Rs.4,50,40,891/- as consumption of dies and tools in the statement of profit and loss for the nine months ended 31st December, 2015. As explained to us the effect of consumption of Dies and Tools will be provided in the Statement of Profit and Loss as and when the technical assessment is conducted. However in view of the size of the Inventory of Dies and Tools which is at Rs.59,53,09,797/-, as on 31st December, 2015 and considering that the useful lives are greater than one year, the Dies and Tools(except Loose Tools of consumable nature) should be capitalized under Fixed Assets and depreciated according to the rates and manner as prescribed under Schedule II of the Companies Act, 2013. Pending such capitalization the effect thereof cannot be quantified and hence cannot be commented upon.

5. The Company has capitalized Borrowing Costs amounting to Rs 86,21,903/- For the quarter ended 31st December, 2015 in respect of capital work in progress at IMT,Rohtak. However in our opinion the same is not in compliance with Accounting Standard-16 "Accounting for Borrowing Costs", since capitalization of Borrowing Cost is not permitted in the extended periods during which active development is interrupted. Since no substantial development activity has been carried out at IMT, Rohtak, borrowing costs of Rs. 86,21,903/- should be charged to the Statement of Profit and Loss and to that extent the loss for the Quarter is understated.
6. Certain advances aggregating to Rs 12,73,51,076/- were outstanding as on 31/12/2015. As explained to us, these advances are given for procurement of materials and services. However, no confirmation from parties to whom these advances are given is available to us. A few advances are very old and no provision for doubtful advances has been made.
7. A sum of Rs. 1,60,59,342/- is due from an ex-employee of the Company which is under litigation and pending before the Hon'ble Delhi High court. In our opinion provision for doubtful debts should be recognized for the same.
8. 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.5,22,59,742/- having balance outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) such advances are liable to be treated as deposits read together with section 73 of the Companies Act, 2013 and hence the Company is in violation of the same.
9. Balances under Sundry Debtors and Sundry Creditors, loans and advances, given by the Company and parties from whom unsecured loans have been taken the Company have not been confirmed in some cases by the parties.





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Adjustments, if any, required upon such confirmation are not ascertainable and hence not provided for.

10. The Company has taken unsecured loans from Companies amounting to Rs. 8,14,00,000/- which are outstanding as at the end of the quarter. The same are yet to be confirmed and subject to consequential adjustment and treatment, if any on confirmation of balances.

11. 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.

12. The Company has not disclosed the impact of qualifications reported in our earlier years/periods reports as required under para (IV)(c) of Clause 41 of the listing agreement.

13. Based on our review conducted as above, subject to statements in point no 3 to 12 and consequential effect on the loss for the quarter, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For V.R. Bansal & Associates
Chartered Accountants
Registration number: 016534N



Place : New Delhi
Date : 12/02/2016

Membership No.: 008843


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LAKSHMI PRECISION SCREWS LIMITED

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Rohtak - 124 001 (Haryana) Ph.01262-248288-89, Fax : 01262-248297
Email : complianceofficer@lpsindia.com, website : www.lpsindia.com
CIN : L35999HR1968PLC004977

**Statement of Un-audited (Standalone) Financial Results
for the Quarter/ Nine Months Ended 31st December, 2015**

		(Rs. In Lacs.)					
PART-I		Quarter Ended			Nine Months Ended		Year Ended
S. No.	Particulars	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net sales/ income from operations (net of excise duty)	7,412.11	9,301.09	9,173.11	24,674.81	26,961.20	37,159.37
	(b) Other operating income	6.67	17.63	42.97	42.07	192.95	233.81
	Total Income from operations(net) (a+b)	7,418.78	9,318.72	9,216.08	24,716.88	27,154.15	37,393.18
2	Expenses						
	a. Cost of materials consumed	2,442.40	2,950.89	3,312.89	8,078.22	10,222.75	13,862.35
	b. Purchases of stock-in-trade	851.96	1,375.82	966.77	2,759.12	1,604.85	3,835.99
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	286.37	(539.48)	(460.72)	(309.74)	(774.84)	(1,678.30)
	d. Employee benefits expense	1,743.00	1,734.29	1,857.82	5,345.12	5,156.67	7,336.88
	e. Depreciation and amortisation expense	346.41	297.64	352.32	920.61	885.88	1,128.08
	f. Other expenses	2,170.07	2,293.93	2,191.63	6,497.38	6,986.48	9,281.77
	Total Expenses (a+b+c+d+e+f)	7,840.22	8,113.08	8,220.72	23,290.72	24,081.80	33,766.77
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(421.43)	1,205.64	995.36	1,426.17	3,072.35	3,626.41
4	Other income	64.53	52.35	51.15	291.88	145.11	144.13
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(356.90)	1,257.99	1,046.52	1,718.05	3,217.47	3,770.55
6	Finance costs	827.05	1,023.20	912.16	2,883.06	2,789.51	3,732.24
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,183.95)	234.79	134.36	(1,165.01)	427.96	38.31
8	Exceptional Items	-	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	(1,183.95)	234.79	134.36	(1,165.01)	427.96	38.31
10	Tax Expense	-	-	(35.00)	-	0.08	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(1,183.95)	234.79	169.36	(1,165.01)	427.88	38.31
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(1,183.95)	234.79	169.36	(1,165.01)	427.88	38.31
14	Paid-up equity share capital (Face value of Rs.10/- per share)	1,094.17	1,094.17	1,094.17	1,094.17	1,094.17	1,094.17
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	6,315.37
16.i	Earnings Per Share (before extraordinary items) (not annualised) (Rs.)						
	(a) Basic	(10.82)	2.15	1.55	(10.65)	3.91	0.35
	(b) Diluted	(10.82)	2.15	1.55	(10.65)	3.91	0.35
16.ii	Earnings Per Share (after extraordinary items) (not annualised) (Rs.)						
	(a) Basic	(10.82)	2.15	1.55	(10.65)	3.91	0.35
	(b) Diluted	(10.82)	2.15	1.55	(10.65)	3.91	0.35

Notes:

- The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on February 12, 2016. The Statutory Auditors of the Company have carried out a limited review of the same.
- The Company operates only in one segment viz. Fasteners.
- The Company has not recognized deferred tax assets amounting to Rs. 1516.77 lacs. In respect of timing differences capable of reversal in future periods in absence of virtual certainty that sufficient taxable income will be available for set-off of deferred tax assets.
- Action on earlier Audit Reports is in progress.
- Figures for the previous periods have been regrouped and reclassified to confirm the classification of the current period, wherever considered necessary.
- Subsequent to the quarter ended on 31st Dec, 2015, the Board of Directors have passed a resolution in the meeting held on 25th January, 2016, for sale of 23,52,019 equity shares of Rs. 10/- each in the joint venture Company M/s LPS Bossard Private Limited, for a consideration of Rs. 40.18 crore, to Mr. Rajesh Jain & his associates. The said sale is subject to the approval of members in General meeting and necessary accounting entries shall be passed after the aforesaid approval.

By order of the Board
for Lakshmi Precision Screws Ltd.

Lalit Kumar Jain
Chairman & Managing Director
DIN:00061293

Place: New Delhi
Date : 12.02.2016