



**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

Date: 29/01/2016

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, Bandra -Kurla Complex  
Bandra - East  
Mumbai - 400 051  
Reg. : Company Code - LAKPRE

KA: Charmi Dharod

Dear Sir/Madam

Subject: Clarification\_ LAKPRE

Ref: Your email dated 27.01.2016

With reference to above, National Stock Exchange has sought clarification from the Company with respect to announcement dated January 25, 2016, regarding the Outcome of Board Meeting held on January 25, 2016 convened for approving the proposal, which was also approved by the Audit Committee, subject to approval of Shareholders by Special Resolution through Postal Ballot, for selling of entire investment 49% of **Lakshmi Precision Screws Limited (The Company) in LPS Bossard Private Limited** to Mr. Rajesh Jain & his associates, in which Mr. Rajesh Jain, Director of the Company holds majority of shareholding,

On basis of above the, we are pleased to clarify as under on the point raised by the National Stock Exchange:

1. The amount and percentage of the turnover or revenue or income and net worth contributed by LPS Bossard Private Limited during the last financial year;

*Clarification from the Company: As per Audited Financial Statements of LPS Bossard Private Limited for the financial year ended 31<sup>st</sup> March 2015, the net worth was of Rs.50,82,09,370 (Rupees Fifty crores eighty two lakhs nine thousand and three hundred seventy only), Revenue from operation was of Rs. 109,60,14,150 (Rupees one hundred nine crores sixty lakhs fourteen thousand and one hundred fifty only) and Net profit after Tax was of Rs. 5,50,86,066 (Rupees five crores fifty lakhs eighty six thousands and sixty six only).*

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The Company had invested 49% in equity shares of the LPS Bossard Private limited, hence for consolidation of financial statement 49% of above was considered for financial year ended 31<sup>st</sup> March 2015, which were as under:

**Net worth(49% of total net worth):** Rs. 24,90,22,591( Rupees Twenty four crores, ninty lakhs twenty two thousands and five hundred ninety one only)

**Revenue from operations (49% of total revenue from operation):** Rs. 53,70,46,934 (Rupees Fifty three croress seventy lakhs forty six thousand and nine hundred thirty four only)

**Profit after Tax (49% of total profit after tax):** Rs. 2,69,92,172 (Rupees two crore sixty nine lakhs ninety two thousands and one hundred seventy two only)

**2. Date on which the agreement for sale has been entered into;**

**Clarification from the Company:** The sale of entire stake of 49% in LPS Bossard Private Limited by the Company is coming under the purview of Material related party transaction as per Regulation 23 of SEBI (LODR) 2015, Section 188 of the Companies Act 2013 and rules made there under, which can not be executed unless approved by Audit Committee, Board of Directors and shareholders in General meeting.

We have obtained the approval of Audit Committee and Board of Directors on 25<sup>th</sup> January 2016, subject to approval of shareholders by special resolution through Postal Ballot.

**As on 25<sup>th</sup> January, 2016 (the date of Board meeting and Audit Committee), no formal Agreement was entered between the parties.**

However, once formal Agreement will be entered, the Company will inform in due course to stock exchanges pursuant to provisions of Regulation 30 of the SEBI(LODR) 2015.

**3. The expected date of completion of sale/disposal;**

**Clarification from the Company :** As per calendar of Events for postal Ballot process, the last date for receipt of postal ballot form is 9<sup>th</sup> March 2016, and as per Secretarial

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*Standard 2 clause no. 16.6.3, the resolution by postal ballot shall deemed to have been passed on the last date on which duly filled postal ballot forms to be received i.e. 9<sup>th</sup> March 2016.*

*After 9<sup>th</sup> March 2016, the Company could be able to complete the transaction to sell of investment.*

*Tentatively it will take 3 months from the date of Board meeting i.e. 25<sup>th</sup> January 2016, subject to shareholders' approval through postal ballot.*

4. Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.

*Clarification from the Company: The Audit Committee and Board of Directors has approved the transaction for selling of entire stake of 49% by the Company to Mr. Rajesh Jain & his Associates, where Mr. Rajesh Jain hold majority of shareholding (the Buyer), and transaction is Material related party transaction as per provision of Regulation 23 of SEBI(LODR), 2015 read with the provisions of Section 188 (1)(a) of the Companies Act, 2013.*

*Mr. Rajesh Jain is a Promoter of Lakshmi Precision Screws Limited. He also holds Directorship in The Company.*

5. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";

*Clarification from the Company: Yes, The sale of entire stake of 49% in LPS Bossard Private Limited by the Company is falling under the purview of Material related party transaction as per Regulation 23 of SEBI (LODR) 2015, Section 188 of the Companies Act, 2013 and rules made there under, which can not be executed unless approved by Audit Committee, Board of Directors and shareholders in General meeting.*

*The transaction price of LPS Bossard Private Limited is arrived based on the fair value i.e. Rs. 820.80 million (around Rs.82 crores), which is based on discounted cash flow method as per*



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*the valuation report submitted by M/s. G. Jain Associates, Chartered Accountants (Membership No. 504941), an Independent Agency.*

*49% above mentioned transaction price i.e. around Rs. 401.80 million (i.e. around Rupees 40.18 crores) is transaction value, which is at arm's length basis as per explanation of Section 188 of the Companies Act, 2013, since it is a material related party transaction, we are obtaining shareholders approval.*

You are requested to take above clarifications in your record and oblige us.  
Thanking you

Yours sincerely,

for LAKSHMI PRECISION SCREWS LIMITED



LALIT KUMAR JAIN  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00061293