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/

June 14, 2016

Bombay Stock Exchange Limited
Listing Department,
Ist 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

Sub. : **Outcome of the 295th Board Meeting held on 14.06.2016.**

Dear Sir,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, we are pleased to inform interalia the outcome of the Meeting of the Board of Directors of the Company held on 14th June, 2016:

1. Approved audited financial statement for the period quarter/ year ended March 31, 2016. (Copy enclosed)

2. Took note of Auditors Report on Annual Audited Financial Statement for the financial year ended March 31, 2016. (Copy enclosed)

3. Approved impact on Auditor Qualification. (Copy enclosed)

4. The Board of Directors has not recommended any payment of dividend to the Members of the Company for the financial year 2015-16.

You are requested to take the above information in your record and oblige us.

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

Santosh Kumar Sharma
Company Secretary
FCS-6817

1.

LPS

Lakshmi Precision Screws Ltd.

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LAKSHMI PRECISION SCREWS LIMITED

Regd. Office: 46/1, Mile Stone, Hissar Road,
Rohtak - 124 001 (Haryana) Ph.01262-248288-89, Fax : 01262-248297
Email : complianceofficer@lpsindia.com, website : www.lpsindia.com
CIN : L35999HR1968PLC004977

Statement of Standalone & Consolidated Audited Financial Results for the Quarter and Year Ended 31st March, 2016

PART-I (Rs. In Lacs.)

S. No.	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	Year Ended
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Audited *	Unaudited	Audited *	Audited	Audited	Audited	Audited
1	Income from operations							
	(a) Net sales/ income from operations (net of excise duty)	6252.97	7412.11	10198.17	30927.78	37159.37	37395.89	42542.16
	(b) Other operating income	21.87	6.67	40.87	63.94	233.81	63.94	233.81
	Total Income from operations(net) (a+b)	6274.84	7418.78	10239.04	30991.72	37393.18	37459.83	42775.97
2	Expenses							
	a. Cost of materials consumed	2465.49	2442.40	3639.59	10543.71	13862.35	10543.71	13862.35
	b. Purchases of stock-in-trade	484.87	851.96	2231.14	3244.00	3835.99	7326.74	7207.15
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	618.77	286.37	(903.46)	309.03	(1678.30)	247.15	(1684.47)
	d. Employee benefits expense	1751.74	1743.00	2180.22	7096.87	7336.88	7687.48	7837.16
	e. Depreciation and amortisation expense	601.89	346.41	242.20	1522.51	1128.08	1591.09	1195.76
	f. Other expenses	1479.04	2170.07	2355.20	7976.42	9281.77	9286.12	10280.71
	Total Expenses (a+b+c+d+e+f)	7401.80	7840.21	9744.89	30692.52	33766.77	36682.28	38698.66
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,126.97)	(421.43)	494.15	299.20	3626.41	777.55	4077.31
4	Other income	97.62	64.53	58.93	389.50	144.13	417.96	177.11
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,029.34)	(356.90)	553.08	688.70	3770.54	1195.51	4254.42
6	Finance costs	916.49	827.05	942.73	3799.55	3732.24	3866.69	3814.80
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1945.83)	(1183.95)	(389.65)	(3110.85)	38.30	(2671.17)	439.62
8	Exceptional Items	2459.55	0.00	0.00	2459.55	0.00	(157.68)	0.00
9	Profit/(Loss) from ordinary activities before tax (7+8)	513.72	(1183.95)	(389.65)	(651.30)	38.30	(2828.86)	439.62
10	Prior period items	(55.45)	0.00	0.00	(55.45)	0.00	(55.45)	0.00
11	Profit/(Loss) from ordinary activities before tax (9+10)	458.28	(1183.95)	(389.65)	(706.74)	38.30	(2884.30)	439.62
12	Tax Expense	250.00	0.00	0.00	250.00	0.00	397.12	129.22
13	Net Profit/(Loss) from ordinary activities after tax (11-	208.28	(1183.95)	(389.65)	(956.74)	38.30	(3281.43)	310.40
14	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Net Profit/(Loss) for the period (13-14)	208.28	(1183.95)	(389.65)	(956.74)	38.30	(3281.43)	310.40
16	Share of profit of associates	0.00	0.00	0.00	0.00	0.00	47.93	19.22
17	Minority interest	0.00	0.00	0.00	0.00	0.00	(3.11)	2.08
18	Net Profit/(Loss) after taxes, minority interest and share of profit of associates (15-16-17)	208.28	(1183.95)	(389.65)	(956.74)	38.30	(3230.39)	327.54
19	Paid-up equity share capital (Face value of Rs.10/- per	1094.17	1094.17	1094.17	1094.17	1094.17	1094.17	1094.17
20	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	5339.47	6315.37	5490.06	8787.32
21.i	Earnings Per Share (before extraordinary items) (not							
	(a) Basic	1.90	(10.82)	(3.56)	(8.74)	0.35	(29.52)	2.99
	(b) Diluted	1.90	(10.82)	(3.56)	(8.74)	0.35	(29.52)	2.99
21.ii	Earnings Per Share (after extraordinary items) (not							
	(a) Basic	1.90	(10.82)	(3.56)	(8.74)	0.35	(29.52)	2.99
	(b) Diluted	1.90	(10.82)	(3.56)	(8.74)	0.35	(29.52)	2.99

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PART-II	Select Information for the year ended 31st March, 2016					
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding:					
	No. of shares	4030647	4030647	4030647	4030647	4030647
	Percentage of shareholding	36.84	36.84	36.84	36.84	36.84
2	Promoters and Promoter Group Shareholding					
a)	Pledged/ Encumbered					
	- Number of shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of	NIL	NIL	NIL	NIL	NIL
b)	Non-encumbered					
	- Number of shares	6911020	6911020	6911020	6911020	6911020
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of	63.16	63.16	63.16	63.16	63.16

B	INVESTOR COMPLAINTS	3 Months ended 31st March, 2016
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed off during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Statement of Assets and Liabilities

(Rs. In Lacs.)

		Standalone		Consolidated	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
		Audited	Audited	Audited	Audited
A	EQUITY AND LIABILITIES				
	1 Shareholders' Funds:				
	(a) Share Capital	1094.17	1094.17	1094.17	1094.17
	(b) Reserves and Surplus	5339.47	6315.36	5490.06	8787.32
	(c) Money received against share warrants		0.00		0.00
	Sub-total - Shareholders' funds	6433.64	7409.53	6584.22	9881.49
	2 Share application money pending allotment	0.00	0.00	0.00	0.00
	3 Minority interest	0.00	0.00	51.01	54.12
	4 Non-current liabilities				
	(a) Long-term borrowings	7763.17	8795.35	7763.17	8795.35
	(b) Deferred tax liabilities (net)	0.00	0.00	7.15	0.00
	(c) Other long-term liabilities	119.05	108.65	119.05	108.65
	(d) Long-term provisions	3071.18	2928.24	3071.18	2930.56
	Sub-total - Non-current liabilities	10953.40	11832.24	10960.55	11834.56
	5 Current liabilities				
	(a) Short-term borrowings	14731.96	15627.78	14731.96	16105.96
	(b) Trade payables	7329.82	8450.00	7249.98	8855.76
	(c) Other current liabilities	8736.43	7636.40	8740.56	7768.85
	(d) Short-term provisions	516.42	172.88	516.42	254.66
	Sub-total - Current liabilities	31314.63	31887.05	31238.93	32985.23
	TOTAL - EQUITY AND LIABILITIES	48701.67	51128.82	48834.71	54755.39
B	ASSETS				
	1 Non-current assets				
	(a) Fixed Assets	16771.18	10850.18	16842.84	11416.25
	(b) Goodwill on consolidation	0.00	0.00	0.00	0.00
	(c) Non-current investments	192.16	427.37	214.46	216.84
	(d) Deferred tax assets (net)	0.00	0.00	0.00	107.51
	(e) Long-term loans and advances	586.21	764.46	587.50	815.93
	(f) Other non-current assets	7.97	0.00	7.97	0.00
	Sub-total - Non-current assets	17557.52	12042.00	17652.76	12556.53
	2 Current assets				
	(a) Current investments	0.00	0.00	0.00	0.00
	(b) Inventories	20058.01	27216.97	20058.01	28330.15
	(c) Trade receivables	7419.71	7763.90	7429.78	9560.67
	(d) Cash and cash equivalents	1049.00	1471.42	1074.32	1599.14
	(e) Short-term loans and advances	2169.38	2066.14	2169.74	2132.53
	(f) Other current assets	448.04	568.39	450.10	578.36
	Sub-total - Current assets	31144.15	39086.82	31181.95	42198.85
	TOTAL - ASSETS	48701.67	51128.82	48834.71	54755.39

3.

Registered Office : 46/1 Mile Stone, Hissar Road, Rohtak-124001, Haryana (India)
Corporate Identity Number : L35999HR1968PLC004977

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Website : www.lpsindia.com

Notes:

1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 14, 2016.

2 The Board of Directors did not recommended any dividend payment to the members of the Company.

3 * The figures of the quarter ended March 31, 2016 and for the corresponding quarter ended March 31, 2015 are the balancing figures in respect of standalone financial results between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year ending on March.

4 The consolidated financial results have been prepared in accordance with Accounting Standard -21 on "Consolidated Financial Statements", Accounting Standard -23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard -27 on "Financial Reporting of interest in Joint Ventures" and includes Company's subsidiaries, joint ventures and associates.

5 The Company operates only in one segment viz. Fasteners.

6 The Company has not recognized deferred tax asset amounting to Rs. 1591.22 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.

7 The Company has entered into a Share Purchase Agreement dated 10th March, 2016 with Sh. Rajesh Jain, Smt. Sandhya Jain, Sh Rahul Jain, Smt Samridhi Jain, M/s Sun Shares T rading & Consultancy Private Limited and M/s LPS Industrial Supplies Private Limited for the sale of 100% stake in its Joint Venture, LPS Bossard Private Limited for purchase consideration equivalent to Rs. 40,18,00,000/-. Pursuant to aforesaid sale of shares, the Company has received a sum of Rs.40,18,00,000/- against sale on 23,52,019 Equity shares of LPS Bossard Private Limited as aforesaid resulting in a Profit of Rs.37,82,79,810/- on the said transaction being the difference between consideration received and historical cost of share as on the date of transaction.

8 Exceptional items relate to profit on sale of long term investments,write down of inventories and loss due to work suspension as under:

Particulars	Standalone	Consolidated
Gain on sale of long term investments (as referred in point	378279810	378279810
Write down of inventories	(118583437)	(118583437)
Loss due to work suspension	(13741115)	(13741115)
Share in Net Worth of Joint Venture, LPS Bossard Private Limited eliminated on disposal	-	(261723475)
	245955258	(15768217)

9 Prior period items relate to refund of interest, interest expense & cost of recharge in respect of common facilities

10 Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, wherever considered necessary.

11 The figures have been rounded off to the nearest lakh of rupees upto two decimal places.

FOR LAKSHMI PRECISION SCREWS LIMITED

LALIT KUMAR JAIN
CHAIRMAN & MANAGING DIRECTOR
DIN:00061293

PLACE: GURGAON
DATE: 14/06/2016

4

2.

V.R. BANSAL & ASSOCIATES

Chartered Accountants

D-94, 9th Floor, Himalaya House, 23, K. G. Marg,
New Delhi-110001 • **Tel.:** 23316181, 23316191
Mob.: 9810052850, 9810186101 • **Website :** www.cavrb.com

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To Board of Directors of
Lakshmi Precision Screws Limited
46/1, Mile Stone, Hisar Road
Rohtak-124001

1. We have audited the quarterly financial results of Lakshmi Precision Screws Limited ('the Company') for the quarter ended March 31st, 2016 and the financial results for the year ended March 31st, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31st, 2016 and published year-to-date figures up to December 31st, 2015, being the date of the end of third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31st, 2016 and year to the date ended March 31st, 2016, have been prepared on the basis of the financial results for the nine-month period ended December 31st ,2015, the audited annual financial statements as at and for the year ended March 31st , 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended December 31st ,2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting standard (AS) 25 "Interim Financial Reporting", specified under section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31st , 2016; and the relevant requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

3.(A) *We are unable to observe physical inventories of Finished Goods, Semi-Finished Goods, Stock in Trade (Traded goods) and Consumables Stores and Spares due to the size and nature of inventories and we are also unable to satisfy ourselves by alternative means concerning the inventories held at 31st March, 2016. The entity has not carried any physical verification in respect of Inventories comprising of Semi Finished Goods, Finished Goods, Stock- in- Trade (Traded goods), Consumables Stores and Spares. The Company has obtained a physical verification certificate on an inadequate sample*

V.R. Bansal & Associates, D-94, Himalaya House, K. G. Marg, New Delhi-01, Chartered Accountants *basis from an independent firm of Chartered Accountants. In our opinion the same does not commensurate with the size and nature of inventories.*

(B) The Company has capitalized inventory of dies and tools having a value of Rs. 60,64,97,351/- as on 1st January, 2016. However no physical verification has been conducted in respect of dies and tools so capitalized. Adjustments, if any are not ascertainable and will be provided after physical verification of dies and tools.

(C) Certain advances for materials, services and capital goods aggregating to Rs. 14,61,43,791/- were outstanding as on 31/03/2016. The confirmations from parties to whom these advances are given has not been made available. Out of such advances, provision for doubtful advances should be recognized in respect of advances, outstanding for a period of three years or more where no movement has taken place and no confirmations are available. Adjustment ,if any ,are not ascertainable and will be provided on identification of such parties.

(D) Balances under Sundry Debtors and Sundry Creditors, loans and advances given by the Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for.

(E) In respect of loans and advances of Rs. 1,01,96,685/- given to Lakshmi Extrusions Limited, it is observed that the said party is not making any repayment and the said loan is outstanding for more than three years. In our opinion the same should be classified as doubtful advance and provision should be recognized in accounts. To that extent, the loss for the year is understated.

(F) The Company has capitalized Borrowing Costs amounting to Rs.3,54,10,046/- for the year ended 31st March, 2016 in respect of capital work in progress at IMT, Rohtak. However the same is not in compliance with Accounting Standard-16 "Accounting for Borrowing Costs". Since no substantial development activity has been carried out at IMT, Rohtak, borrowing costs of Rs. 3,54,10,046/- should be charged to the Statement of Profit and Loss and to that extent the loss for the year is understated.

(G) A fraud of Rs. 1,60,59,342/- was reported during the Financial Year 2005-06 incurred by 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 debt should be recognized for the same and to that extent the loss for the year is understated.

(H) 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. 2,11,52,638/- 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.

V.R. Bansal & Associates
D-84, Himalaya House
K.G. Marg
New Delhi-01
Chartered Accountants

(I) *The Company has taken unsecured loans from Companies amounting to Rs.7,29,00,000/- 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.*

(J) *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. 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.*

4. In our opinion and to the best of our information and according to the explanations given to us and *subject to our observations in Para 3 above*, these quarterly financial results as well as the year to date results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   (ii) give a true and fair view of the net loss and other financial information for the quarter ended March 31st, 2016 and for the year ended March 31st, 2016.

Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31st , 2016 represent the derived figures between the audited figures in respect of the financial year ended March 31st , 2016 and the published year-to-date figures upto December 31st , 2015, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For V. R. Bansal & Associates
Chartered Accountants
ICAI Firm Registration Number: 016534N

V.R. Bansal & Associates Chartered Accountants D-94, Himalaya House K.G. Marg New Delhi-01

(V.P. Bansal)
Partner
Membership No.: 008843

Place: Delhi
Date: 14th June, 2016

Auditor's Report on Consolidated Year To Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of
Lakshmi Precision Screws Limited
46/1, Mile Stone, Hisar Road,
Rohtak-124001

1. We have audited the yearly consolidated financial results of Lakshmi Precision Screws Limited ('hereinafter referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, for the year ended March 31st, 2016, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial results for the year ended March 31st, 2016 have been prepared on the basis of the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements as at and for the year ended March 31st, 2016 which were prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

3.(A) *We are unable to observe physical inventories of Finished Goods, Semi-Finished Goods, Stock in Trade (Traded goods) and Consumables Stores and Spares due to the size and nature of inventories and we are also unable to satisfy ourselves by alternative means concerning the inventories held at 31st March, 2016 in case of the Holding Company. The entity has not carried any physical verification in respect of Inventories comprising of Semi Finished Goods, Finished Goods, Stock- in- Trade (Traded goods), Consumables Stores and Spares. The Holding 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 the size and nature of inventories.*

V.R. Bansal & Associates
Chartered Accountants

(B) The Holding Company has capitalized inventory of dies and tools having a value of Rs. 60,64,97,351/- as on 1st January, 2016. However no physical verification has been conducted in respect of dies and tools so capitalized. Adjustments, if any are not ascertainable and will be provided after physical verification of dies and tools..

(C) Certain advances for materials, services and capital goods aggregating to Rs. 14,61,43,791/- were outstanding as on 31/03/2016. The confirmations from parties to whom these advances are given has not been made available. Out of such advances, provision for doubtful advances should be recognized in respect of advances, outstanding for a period of three years or more where no movement has taken place and no confirmations are available. Adjustment ,if any ,are not ascertainable and will be provided on identification of such parties..

(D) Balances under Sundry Debtors and Sundry Creditors, loans and advances given by the Holding Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for.

(E) In respect of loans and advances of Rs. 1,01,96,685/- given to Lakshmi Extrusions Limited,, it is observed that the said party is not making any repayment and the said loan is outstanding for more than three years. In our opinion the same should be classified as doubtful advance and provision should be recognized in accounts. To that extent, the loss for the year is understated.

(F) The Holding Company has capitalized Borrowing Costs amounting to Rs.3,54,10,046/- for the year ended 31st March, 2016 in respect of capital work in progress at IMT, Rohtak. However the same is not in compliance with Accounting Standard-16 "Accounting for Borrowing Costs". Since no substantial development activity has been carried out at IMT, Rohtak, borrowing costs of Rs. 3,54,10,046/- should be charged to the Statement of Profit and Loss and to that extent the loss for the year is understated.

(G) A fraud of Rs. 1,60,59,342/- was reported during the Financial Year 2005-06 incurred by an ex-employee of the Holding Company which is under litigation and pending before the Hon'ble Delhi High Court. In our opinion, provision for doubtful debt should be recognized for the same and to that extent the loss for the year is understated.

(H) The Holding 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. 2,11,52,638/- having balance outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) such advances are liable to be treated as deposit read together with section 73 of the Companies Act, 2013 and hence the Company is in violation of the same.

V.R. Bansal & Associates * Chartered Accountants * D-84, Himalaya House, K. G. Marg, New Delhi-01

(I) The Holding Company has taken unsecured loans from Companies amounting to Rs.7,29,00,000/- 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.

(J) As per the accounting policy of the Holding Company, the Holding 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. 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.

(K) The figures of the Subsidiary Company, 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 thereof on the Consolidated Financial Statements is not ascertainable and hence cannot be quantified.

(L) We did not audit the financial statements / financial information of Indian Fasteners Limited, subsidiary, whose financial statements / financial information reflect total assets of Rs.1,93,71,989/- as at March 31, 2016, total revenues of Rs.13,52,552/- and net cash flows of Rs. 70,340/- 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 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 unaudited financial statements/ financial information.

(M) We did not audit the financial statements/ financial information of J.C. Fasteners Limited, Hanumat Wire Udhyog Private Limited and Lakshmi Extrusion Limited, the associates, whose share of net profit/ loss of Rs. 47,92,519/- for the year ended March 31, 2016 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.

V.R. Bansal & Associates
Chartered Accountants
New Delhi

(N) We did not audit the financial statements / financial information of LPS Bossard Information Systems Private Limited, the jointly controlled entity, whose financial statements / financial information reflect total assets of Rs. 47,61,693/- as at March 31, 2016, total revenues of Rs. Nil and net cash flows of Rs. (7,22,460/-) for the year ended on that date, as considered in the consolidated financial statements.

Further, we did not audit the financial statements / financial information of LPS Bossard Private Limited, the jointly controlled entity upto 23rd March, 2016, whose financial statements / financial information reflect total revenues of Rs.1,32,57,72,429/- for the period ended as on 23rd March 2016, as considered in the consolidated financial statements.

These financial statements / financial information of both the jointly controlled entities 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.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

4. In our opinion and to the best of our information and according to the explanations given to us *and subject to our observations in Para 3 above*, these consolidated financial results as well as the year to date results:

a. include the year to date financial results of the following entities:

S. No	Company Name	Nature
1.	Lakshmi Precision Screws Limited	Holding Company
	Subsidiaries	
2.	Indian Fasteners Limited	67.295% held by Lakshmi Precision Screws Limited
	Associates	
3.	Hanumant Wire Udhyog Private Limited	23.25% held by Lakshmi Precision Screws Limited
4.	J.C. Fasteners Limited Lakshmi	42.81% held by Lakshmi Precision

V.R. Bansal & Associates D-5, Himalaya House K.G. Marg, New Delhi-01

	Extrusion Limited	Screws Limited
5.	Lakshmi Extrusions Limited	45% held by Lakshmi Precision Screws Limited
	Joint Ventures	
6.	LPS Bossard Private Limited *	49% held by Lakshmi Precision Screws Limited upto 23rd March, 2016
7.	LPS Bossard Information Systems Private Limited	49% held by Lakshmi Precision Screws Limited

* Only Statement of Profit and Loss has been considered.

b. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

c. give a true and fair view of the consolidated net profit and other financial information for the year ended March 31st, 2016.

For V. R. Bansal & Associates
ICAI Firm Registration Number: 016534N
Chartered Accountants

(V.P. Bansal)
(Partner)
Membership No.008843

Place: Delhi
Date: 14th June, 2016

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	3,138,122,187	3,138,122,187
2	Total Expenditure	3,233,796,270	3,295,462,344
3	Net Profit/(Loss)	(95,674,083)	(157,340,157)
4	Earnings Per Share	(8.74)	(14.38)
5	Total Assets	4,870,167,358	4,834,757,311
6	Total Liabilities	4,226,803,334	4,253,059,361
7	Net Worth	643,364,024	581,697,950
8	Any other financial item(s) (as felt appropriate by the management		-

(1)-a	**Details of Audit Qualification: (As per Auditor's Report)** We are unable to observe physical inventories of Finished Goods, Semi-Finished Goods, Stock in Trade (Traded goods) and Consumables Stores and Spares due to the size and nature of inventories and we are also unable to satisfy ourselves by alternative means concerning the inventories held at 31st March, 2016. The entity has not carried any physical verification in respect of Inventories comprising of Semi Finished Goods, Finished Goods, Stock- in- Trade (Traded goods), Consumables Stores and Spares. 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 the size and nature of inventories.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification.
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has initiated the process of physical verification of inventory of various categories like WIP, FG, Tools and Dies, consumables. Based on the physical verification, shortage/excess if any will be adjusted in financial accounts of F.Y. 2016-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** The impact cannot be stated unless physical inspection of each item is carried out by the Company. This may have a significant impact on the accounts of the Company after such physical verification.
(2)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Company has capitalized inventory of dies and tools having a value of Rs. 60,64,97,351/- as on 1st January, 2016. However no physical verification has been conducted in respect of dies and tools so capitalized. Adjustments, if any are not ascertainable and will be provided after physical verification of dies and tools.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company is in the process of conducting physical verification of tools and dies. Provision for shortage / excess will be made after completion of phyiscal verification
(iii)	**Auditors' Comments on (i) or (ii) above:** Impact can be provided only after physical verification of dies and tools is carried out. After physical verification, shortages may be observed in some items and obsolescence/ impairment in some items. Impact can only be ascertained after the physical verification.

(3)-a	**Details of Audit Qualification: (As per Auditor's Report)** Certain advances for materials, services and capital goods aggregating to Rs. 14,61,43,791/- were outstanding as on 31/03/2016. The confirmations from parties to whom these advances are given has not been made available. Out of such advances, provision for doubtful advances should be recognized in respect of advances, outstanding for a period of three years or more where no movement has taken place and no confirmations are available. Adjustments ,if any ,are not ascertainable and will be provided on identification of such parties.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has started scrutiny of advances and necessary adjustment will be carried out based on bills and other related documents during financial year 2016-17. If necessary, due provision will be made in the accounts for unrecoverable advances during F.Y. 2016-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** The Company has given advances for materials and services amounting to Rs. 14,61,43,791/-. Confirmation from these parties have not been received. Further, few advances are very old and should be provided for. The management should classify such advances as doubtful where there is no movement in the last 3 years and no confirmation is available.
(4)-a	**Details of Audit Qualification: (As per Auditor's Report)** Balances under Sundry Debtors and Sundry Creditors, loans and advances given by the Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has initiated the process of getting confirmation from sundry debtors /sundry creditors. Currently excesses or shortages in the balances in the books are not ascertainable, however the Company will make provision whenever any differences identified after receipt of confirmations from debtors / creditors
(iii)	**Auditors' Comments on (i) or (ii) above:** The said exercise is a necessary internal control process. The debtors and creditors reconciliation system is not effective and necessary entries should be passed after reconciliation of debtors and creditors/ loans and advances/ unsecured loans.

(5)-a	**Details of Audit Qualification: (As per Auditor's Report)** In respect of loans and advances of Rs. 1,01,96,685/- given to Lakshmi Extrusions Limited, it is observed that the said party is not making any repayment and the said loan is outstanding for more than three years. In our opinion the same should be classified as doubtful advance and provision should be recognized in accounts. To that extent, the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in the process of recovery of the loan extended to Lakshmi Extrusions Limited during F.Y. 16-17. If this money is not recovered during F.Y. 16-17, Company will make provision for writing off this loan accordingly.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** The loans and advances given to M/s Lakshmi Extrusions Limited, a related party are outstanding for more than three years. Also, no interest has been charged on the account. In our opinion, said loan should be classified as doubtful.
(6)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Company has capitalized Borrowing Costs amounting to Rs.3,54,10,046/- for the year ended 31st March, 2016 in respect of capital work in progress at IMT, Rohtak. However the same is not in compliance with Accounting Standard-16 "Accounting for Borrowing Costs". Since no substantial development activity has been carried out at IMT, Rohtak, borrowing costs of Rs. 3,54,10,046/- should be charged to the Statement of Profit and Loss and to that extent the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company has taken loan from HSIIDC for financing land and building & machinery. Currently the project is under construction phase and due to this fact the Company has capitalised borrowing cost incurred during F.Y. 15-16. Accordingly, borrowing cost amounting to Rs. 3,54,10,046/- has been capitalised.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:** NA
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** During the year, no significant construction/development have been carried out and the treatment of finance cost is not in accordance with Accounting Standard-16 "Accounting for Borrowing Costs." Further, machinery acquired for the new project have already been installed in Plant II of the Company and put to use in the earlier years.

(7)-a	**Details of Audit Qualification: (As per Auditor's Report)** A fraud of Rs. 1,60,59,342/- was reported during the Financial Year 2005-06 incurred by 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 debt should be recognized for the same and to that extent the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in advance stage of settlement with ex employee in this case where he has agreed with the company to refund money to the company however legal proceedings are yet to be completed for this settlement that is the reason company is not in a position to make any provision. Company will make provision for any short recovery after completion of settlement proceedings.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** The case relates to recovery of Rs. 1,60,59,342/- from an ex-employee of the Company who has committed fraud in the F.Y. 2005-06. The case is pending since then and the Company should classify the amount as doubtful.
(8)-a	**Details of Audit Qualification: (As per Auditor's Report)** 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. 2,11,52,638/- 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.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has taken steps for repayment of advances from customers beyond 365 days. Accordingly Company will file application to CLB for repayment of these advances seeking time for clearing these advances either through repayment or adjustment against supplies.
(iii)	**Auditors' Comments on (i) or (ii) above:** The Company is in violation of Section 73 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rule, 2014. The same should be regularised in accordance with the legal provisions of the Companies Act, 2013.

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(9)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Company has taken unsecured loans from Companies amounting to Rs.7,29,00,000/- 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.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has taken unsecured loans which are repayable on demand. The loan documents are being executed and shall be furnished after such execution. The Company will repay these loans during F.Y. 16-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** In absence of confirmation of unsecured loans, interest, terms of repayment cannot be commented upon and verified. There may be adjustments which may be required in accounts after confirmation of such loans. The effect thereof cannot be quantified pending confirmations.
(10)-a	**Details of Audit Qualification: (As per Auditor's Report)** 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. 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.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y.2011-12 except for F.Y. 2013-14)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** 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.
(iii)	**Auditors' Comments on (i) or (ii) above:** Considering the size of the inventory, the Company should implement cost records. Valuation of inventory at list price less a specified percentage involves approximation and the cost of inventory should be determined on exact cost basis after implementing standard costing and a suitable ERP system which incorporates above.

III.	Signatories:	
	CEO/Managing Director :	
	CFO :	
	Audit Committee Chairman :	
	Statutory Auditor :	
	Place: Delhi	
	Date: 14th June, 2016	

V.R. Bansal & Associates
D-94, Himalaya House
K. G. Marg,
New Delhi-01
Chartered Accountants

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	3,792,572,402	3,792,572,402
2	Total Expenditure	4,115,611,332	4,177,277,406
3	Net Profit/(Loss)	(323,038,931)	(384,705,004)
4	Earnings Per Share	(29.52)	(35.16)
5	Total Assets	4,883,471,049	4,848,061,003
6	Total Liabilities	4,225,048,590	4,251,304,617
7	Net Worth	658,422,460	596,756,386
8	Any other financial item(s) (as felt appropriate by the management	-	-

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(1)-a	**Details of Audit Qualification: (As per Auditor's Report)** We are unable to observe physical inventories of Finished Goods, Semi-Finished Goods, Stock in Trade (Traded goods) and Consumables Stores and Spares due to the size and nature of inventories and we are also unable to satisfy ourselves by alternative means concerning the inventories held at 31st March, 2016 in case of the Holding Company. The entity has not carried any physical verification in respect of Inventories comprising of Semi Finished Goods, Finished Goods, Stock- in- Trade (Traded goods), Consumables Stores and Spares. The Holding 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 the size and nature of inventories.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification.
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has initiated the process of physical verification of inventory of various categories like WIP, FG, Tools and Dies, consumables. Based on the physical verification, shortage/excess if any will be adjusted in financial accounts of F.Y. 2016-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** The impact cannot be stated unless physical inspection of each item is carried out by the Company. This may have a significant impact on the accounts of the Company after such physical verification.
(2)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Holding Company has capitalized inventory of dies and tools having a value of Rs. 60,64,97,351/- as on 1st January, 2016. However no physical verification has been conducted in respect of dies and tools so capitalized. Adjustments, if any are not ascertainable and will be provided after physical verification of dies and tools.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company is in the process of conducting physical verification of tools and dies. Provision for shortage / excess will be made after completion of phyiscal verification
(iii)	**Auditors' Comments on (i) or (ii) above:** Impact can be provided only after physical verification of dies and tools is carried out. After physical verification, shortages may be observed in some items and obsolescence/ impairment in some items. Impact can only be ascertained after the physical verification.

(3)-a	**Details of Audit Qualification: (As per Auditor's Report)** Certain advances for materials, services and capital goods aggregating to Rs. 14,61,43,791/- were outstanding as on 31/03/2016. The confirmations from parties to whom these advances are given has not been made available. Out of such advances, provision for doubtful advances should be recognized in respect of advances, outstanding for a period of three years or more where no movement has taken place and no confirmations are available. Adjustment ,if any ,are not ascertainable and will be provided on identification of such parties.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has started scrutiny of advances and necessary adjustment will be carried out based on bills and other related documents during financial year 2016-17. If necessary, due provision will be made in the accounts for unrecoverable advances during F.Y. 2016-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** The Company has given advances for materials and services amounting to Rs. 14,61,43,791/-. Confirmation from these parties have not been received. Further, few advances are very old and should be provided for. The management should classify such advances as doubtful where there is no movement in the last 3 years and no confirmation is available.
(4)-a	**Details of Audit Qualification: (As per Auditor's Report)** (D) Balances under Sundry Debtors and Sundry Creditors, loans and advances given by the Holding Company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any, required upon such confirmations are not ascertainable and hence not provided for.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has initiated the process of getting confirmation from sundry debtors /sundry creditors. Currently excesses or shortages in the balances in the books are not ascertainable, however the Company will make provision whenever any differences identified after receipt of confirmations from debtors / creditors
(iii)	**Auditors' Comments on (i) or (ii) above:** The said exercise is a necessary internal control process. The debtors and creditors reconciliation system is not effective and necessary entries should be passed after reconciliation of debtors and creditors/ loans and advances/ unsecured loans.

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(5)-a	**Details of Audit Qualification: (As per Auditor's Report)** (E) In respect of loans and advances of Rs. 1,01,96,685/- given to Lakshmi Extrusions Limited, it is observed that the said party is not making any repayment and the said loan is outstanding for more than three years. In our opinion the same should be classified as doubtful advance and provision should be recognized in accounts. To that extent, the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in the process of recovery of the loan extended to Lakshmi Extrusions Limited during F.Y. 16-17. If this money is not recovered during F.Y. 16-17, Company will make provision for writing off this loan accordingly.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** The loans and advances given to M/s Lakshmi Extrusions Limited, a related party are outstanding for more than three years. Also, no interest has been charged on the account. In our opinion, said loan should be classified as doubtful.
(6)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Holding Company has capitalized Borrowing Costs amounting to Rs.3,54,10,046/- for the year ended 31st March, 2016 in respect of capital work in progress at IMT, Rohtak. However the same is not in compliance with Accounting Standard-16 "Accounting for Borrowing Costs". Since no substantial development activity has been carried out at IMT, Rohtak, borrowing costs of Rs. 3,54,10,046/- should be charged to the Statement of Profit and Loss and to that extent the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company has taken loan from HSIIDC for financing land and building & machinery. Currently the project is under construction phase and due to this fact the Company has capitalised borrowing cost incurred during F.Y. 15-16. Accordingly, borrowing cost amounting to Rs. 3,54,10,046/- has been capitalised.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:** NA
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** During the year, no significant construction/development have been carried out and the treatment of finance cost is not in accordance with Accounting Standard-16 "Accounting for Borrowing Costs." Further, machinery acquired for the new project have already been installed in Plant II of the Company and put to use in the earlier years.

(7)-a	**Details of Audit Qualification: (As per Auditor's Report)** A fraud of Rs. 1,60,59,342/- was reported during the Financial Year 2005-06 incurred by an ex-employee of the Holding Company which is under litigation and pending before the Hon'ble Delhi High Court. In our opinion, provision for doubtful debt should be recognized for the same and to that extent the loss for the year is understated.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** First Time
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in advance stage of settlement with ex employee in this case where he has agreed with the company to refund money to the company however legal proceedings are yet to be completed for this settlement that is the reason company is not in a position to make any provision. Company will make provision for any short recovery after completion of settlement proceedings.
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** NA
(ii)	**If Management is unable to estimate the impact, reasons for the same:** NA
(iii)	**Auditors' Comments on (i) or (ii) above:** The case relates to recovery of Rs. 1,60,59,342/- from an ex-employee of the Company who has committed fraud in the F.Y. 2005-06. The case is pending since then and the Company should classify the amount as doubtful.
(8)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Holding 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. 2,11,52,638/- having balance outstanding for more than 365 days. In terms of Rule 2(1)(xii)(a) such advances are liable to be treated as deposit read together with section 73 of the Companies Act, 2013 and hence the Company is in violation of the same.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has taken steps for repayment of advances from customers beyond 365 days. Accordingly Company will file application to CLB for repayment of these advances seeking time for clearing these advances either through repayment or adjustment against supplies.
(iii)	**Auditors' Comments on (i) or (ii) above:** The Company is in violation of Section 73 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rule, 2014. The same should be regularised in accordance with the legal provisions of the Companies Act, 2013.

(9)-a	**Details of Audit Qualification: (As per Auditor's Report)** The Holding Company has taken unsecured loans from Companies amounting to Rs.7,29,00,000/- 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.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2014-15)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Company has taken unsecured loans which are repayable on demand. The loan documents are being executed and shall be furnished after such execution. The Company will repay these loans during F.Y. 16-17.
(iii)	**Auditors' Comments on (i) or (ii) above:** In absence of confirmation of unsecured loans, interest, terms of repayment cannot be commented upon and verified. There may be adjustments which may be required in accounts after confirmation of such loans. The effect thereof cannot be quantified pending confirmations.
(10)-a	**Details of Audit Qualification: (As per Auditor's Report)** (J) As per the accounting policy of the Holding Company, the Holding 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. 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.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y.2011-12 except for F.Y. 2013-14)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** At present the Company is not able to make estimation of this qualification
(ii)	**If Management is unable to estimate the impact, reasons for the same:** 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.
(iii)	**Auditors' Comments on (i) or (ii) above:** Considering the size of the inventory, the Company should implement cost records. Valuation of inventory at list price less a specified percentage involves approximation and the cost of inventory should be determined on exact cost basis after implementing standard costing and a suitable ERP system which incorporates above.

(11)-a	**Details of Audit Qualification: (As per Auditor's Report)** The figures of the Subsidiary Company, 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 thereof on the Consolidated Financial Statements is not ascertainable and hence cannot be quantified.
b	**Type of Audit Qualification :** Qualified
c	**Frequency of qualification:** Repetitive (since F.Y. 2012-13)
d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA
e	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
(i)	**Management's estimation on the impact of audit qualification:** The impact can not be ascertained due to unavailability of audited financial statements.
(ii)	**If Management is unable to estimate the impact, reasons for the same:** The Accounts of the Holding Company are finalised in accordance with the requirements of the Listing agreement since the Holding Company is a listed entity. The Subsidiary Company, Joint Ventures and Associates are unlisted entities and therefore the accounts are finalised and audited at a later date. Therefore, audited financial statements of these Companies are not available. Consolidation is done on the basis of the provisional financial statements as approved by the respective Board of Directors.
(iii)	**Auditors' Comments on (i) or (ii) above:** In absence of audited financial statements of Subsidiary Company, Joint Ventures and Associates, consolidation is done on the basis of provisional financial statements as approved by the repective Board of Directors. The same may have a subsantial impact on financial statements. Therefore, in our opinion, the same should be consolidated on the basis of their audited financial statements.
III.	**Signatories:**
	CEO/Managing Director :
	CFO :
	Audit Committee Chairman :
	Statutory Auditor : V.R. Bansal & Associates, D-94 Himalaya House, K.G. Marg, New Delhi-01, Chartered Accountants
	Place: Delhi
	Date: 14th June, 2016