

ANNEXURE -8

To the Board's Report

REPORT ON CORPORATE GOVERNANCE

(1) Company's philosophy on Code of Governance

In the context of modern business environment where the stakeholders are scattered all over the country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and better corporate governance. The Company has recognized its importance long before the introduction of erstwhile Clause 49 of the Listing Agreement, now Regulation 17 to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has always believed in self-discipline and adherence to proper and efficient system. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as independent Directors and represented in the various Board Committees. Systematic attempt is made to eliminate informational asymmetry between executive and non-executive directors.

Key elements in the Corporate Governance are transparency, accountability and equity, in all facets of its operations, and all interactions with its stakeholders, including the shareholders, employees, the Government and the Bankers.

Your Company's Corporate Governance philosophy is based on the following principles:

- 1) Comply with all the applicable laws of the country.
- 2) Have simple and transparent corporate structure driven by business needs.
- 3) Management is the trustee of the shareholders capital.
- 4) Be transparent and to maintain high degree of disclosure levels.

The Company's Board and Senior Level Management comprise of individuals with rich experience and expertise across a range of disciplines including fasteners industry.

COMPANY'S VALUES

All employees are committed to living the Company's values given below:

- Customer obsession
- Continuous improvement
- Respect for people

DISCLOSURE OF INFORMATION TO INVESTORS

Your Company ensures the timely disclosure of all material information in compliance with applicable laws.

(2) Board of Directors

COMPOSITION OF THE BOARD

During the year Board of the Company consists of Ten Directors which comprises Three Executive Directors, Seven Non Executive Directors out of whom Five are independent. The Company is chaired by an Executive Director Mr. Lalit Kumar Jain, Chairman & Managing Director is son of Smt. Sushila Devi Jain, Director and brother of Mr. Vijay Kumar Jain, Joint Managing Director and Mr. Rajesh Jain, Director. All the remaining Directors are not related to other Directors.

The functions of the Board include formulation of strategic and business plans, setting up of goals and evaluation of performance, approving corporate philosophy and mission; monitoring corporate performance against strategic business plans, overseeing operations, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

During the financial year 2016-17, Twelve Board Meetings were held on 28.05.2016 (Original), 30.05.2016 (Adjourned meeting of the Original meeting dated 28.05.2016), 14.06.2016, 13.08.2016, 27.08.2016, 05.11.2016, 14.11.2016 (Original), 21.11.2016 (Adjourned meeting of the Original meeting dated 14.11.2016), 30.12.2016, 14.02.2017, 25.02.2017 and 31.03.2017. The maximum gap between two Board Meetings was less than 120 days.

None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he is a Director. Necessary disclosures regarding Committee position in other public companies as at March 31, 2017 have been made by the Directors. Also none of the Independent Directors serve as an Independent Director on the Board of more than 7 listed companies and as whole time Director not more than 3 listed companies.

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

S. NO.	NAME OF THE DIRECTOR	CATEGORY	ATTENDANCE RECORD		NO. OF OTHER DIRECTORSHIP#	NO. OF MEMBERSHIP(S)/ CHAIRMANSHIP(S) OF BOARD COMMITTEE IN OTHER COMPANIES*
			BOARD MEETINGS	LAST AGM		
1.	Mr. Lalit Kumar Jain	Promoter & ED (CMD)	12	Yes	6	1 (as Member)
2.	Mr. Dinesh Kumar Jain	Promoter & ED (VCMD)	12	Yes	3	1 (as Member)
3.	Mr. Vijay Kumar Jain	Promoter & ED (JMD)	3	No	4	Nil
4.	Mr. Rajesh Jain	Promoter & NED	3	No	12	2 (including 1 as Chairman)
5.	Mrs. Sushila Devi Jain	Promoter & NED	2	No	Nil	Nil
6.	Mr. Bhuwan Kumar Chaturvedi	NEID**	5	No	4	2 (as Chairman)
7.	Mr. Rakesh Puri	NEID**	0	No	1	NIL
8.	Mr. Ramesh Chandra Jain	NEID**	5	No	7	3 (as Member)
9.	Dr. Sushant Umre	NEID@ **	0	No	1	Nil
10.	Mr. Indradip Banerjee	NEID@ **	0	No	3	Nil
11.	Mr. Ravi Shankar Sharma	NEID@	6	No	Nil	1 (as Chairman)
12.	Mr. Bijendra Singh	NEID@	5	No	Nil	1 (as Member)
13.	Mr. Madhav Roy	NEID@	6	No	Nil	1 (as Member)
14.	Mr. Kailash Sarup Bhatnagar	NEID@	2	No	Nil	Nil
15.	Mr. Saumitra Choudhury	NEID@	3	No	Nil	Nil

* Board Committee for this purpose includes Audit Committee and Stakeholder Relationship Committee (including Board Committees of Lakshmi Precision Screws Ltd.).

** Mr. Rakesh Puri, Mr. Sushant Umre, Mr. Indradip Banerjee, Mr. Bhuwan Kumar Chaturvedi and Mr. Ramesh Chandra Jain, NEID resigned from the office of Director w.e.f. 29.06.2016, 29.06.2016, 30.06.2016, 31.08.2016 and 07.09.2016 respectively.

@ Mr. Sushant Umre, Mr. Indradip Banerjee, Mr. Ravi Shankar Sharma, Mr. Bijendra Singh, Mr. Madhav Roy, Mr. Kailash Sarup Bhatnagar and Mr. Saumitra Choudhury, NEID appointed w.e.f 05.11.2016, 05.11.2016, 05.11.2016, 14.11.2016 and 30.12.2016 respectively.

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

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

TERMS OF REFERENCE TO THE BOARD OF DIRECTORS

Apart from placing the statutory information before the Board Members, it is the policy of the Company to regularly place the information(s)/ matter involving major decisions like Joint Ventures and Technology Collaboration, Investments, Quarterly Results, Minutes of Meeting of Audit Committee(s) and other Committee(s) of the Board and other material information. The Board also periodically reviews the compliance reports of all laws applicable to the Company. Normally, the relevant information, required to be placed before the Board of Directors as per Regulation 17(3) read with Schedule II of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are duly considered and taken on record/ approved by the Board. Pursuant to Regulation 25(3) of SEBI (LODR) Regulations, 2015 during the year, two separate meetings of the Independent Directors were held on 07.05.2016 and 30.12.2016 without the attendance of Non Independent Directors. All the independent Directors attended the meeting held on 07.05.2016 in the Chairmanship of Mr. Rakesh Puri, but the meeting was deferred as all the Independent Directors were recently appointed in the Company and they did not know much about the Company. Thereafter, the 2nd meeting held on 30.12.2016.

During the year, one familiarization programme was imparted to Independent Directors on November 14, 2016 the web link of the same is <http://www.lpsindia.com/director-familiarisation-programme.aspx>.

PECUNIARY RELATIONSHIP

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

DISCLOSURES REGARDING APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS.

Mr. Dinesh Kumar Jain, Vice Chairman and Managing Director and Smt. Sushila Devi Jain, Director are retiring by rotation and being eligible, offer themselves for appointments at the forthcoming 48th Annual General Meeting. Dr. Sushant Umre and Mr. Indradip Banerjee were appointed as additional Directors by the Board w.e.f. 28.05.2016 in the category of the independent director to comply with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, they were resigned w.e.f. 29.06.2016 and 30.06.2016 respectively. The following Independent Directors were appointed as Additional (Independent) Directors by the Board in the category of the Independent Directors to comply with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. Mr. Ravi Shankar Sharma (DIN: 07564995) with effect from 05.11.2016.
2. Mr. Bijendra Singh (DIN: 00099116) with effect from 05.11.2016.
3. Mr. Madhav Roy (DIN: 05018263) with effect from 05.11.2016.
4. Mr. Kailash Sarup Bhatnagar (DIN: 07652637) with effect from 14.11.2016.
5. Mr. Saumitra Choudhury (DIN: 07671014) with effect from 30.12.2016.

Further, all the above said Additional (independent) Directors were appointed as Independent Directors by the Members in their Extra-Ordinary General Meeting held on 14.04.2017.

CODE OF CONDUCT AND COMPLIANCE

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated and applicable to all the Board Members and Senior Management Personnel of the Company as laid down by the Board and is hosted on the website of the Company www.lpsindia.com.

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance of Code of Conduct for the financial year ended March 31, 2017. A declaration to this effect, duly signed by the Chairman and Managing Director (CEO) is given in the Annual Report.

INSIDER TRADING

Presently, the Company's shares are listed at the National Stock Exchange and Bombay Stock Exchange. With the intention of preventing insider dealing in the securities of the Company, the Company has formulated a "Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure Practices" in accordance with the terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended which was uploaded at web link of the same is <http://www.lpsindia.com/code-of-conduct-for-fair-disclosure.pdf>

RISK MANAGEMENT

In terms of the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down procedures to inform Board members about the Risk Assessment and Minimization Procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined frame work. However at present the Regulation 21 of the SEBI (LODR) Regulations, 2015 is not applicable to the Company.

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

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

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

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

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

SUBSIDIARY COMPANIES

The Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a 'material non-listed subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As such the Company does not have a 'material non-listed Indian subsidiary' under this definition.

BOARD COMMITTEES

The Board has reconstituted three committees viz. The Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee. These all committees are chaired by Non Executive Directors. The Board/ Committee meet regularly and are responsible for the proper management of the Company.

(3) Audit Committee and composition:

TERMS OF REFERENCE AND COMPOSITION:

The terms of reference and composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee acts as a link between the Statutory, Internal Auditors and the Board of Directors. The Audit Committee was reconstituted on 05.11.2016 which comprises of three Non-Executive Independent Directors and one Non-Executive Director. Mr. Ravi Shankar Sharma is Chairman of the Committee, other members are Mr. Bijendra Singh, Mr. Madhav Roy and Mr. Rajesh Jain.

During the year 2016-17 Nine Audit Committee meetings were held on 28.05.2016(Original), 30.05.2016 (Adjourned to Original meeting dated 28.05.2016), 14.06.2016, 13.08.2016, 27.08.2016, 14.11.2016(Original), 21.11.2016 (Adjourned to Original meeting dated 14.11.2016), 14.02.2017, 25.02.2017 and 31.03.2017. The maximum gap between two meetings was less than 120 days. The attendance of Members during these meetings was as follows:

NAME OF MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Bhawan Kumar Chaturvedi	Chairman*	5
Mr. Rajesh Jain	Member	2
Mr. Rakesh Puri	Member*	0
Mr. Ramesh Chandra Jain	Member*	5
Mr. Ravi Shankar Sharma	Chairman**	5
Mr. Bijendra Singh	Member**	5
Mr. Madhav Roy	Member**	5

* Mr. Rakesh Puri, Mr. Bhuwan Kumar Chaturvedi and Mr. Ramesh Chandra Jain, NEID resigned from the office of Director w.e.f. 29.06.2016, 31.08.2016 and 07.09.2016 respectively.

** Mr. Ravi Shankar Sharma, Mr. Bijendra Singh and Mr. Madhav Roy, NEID appointed w.e.f. 05.11.2016.

The Chief Financial Officer, Internal Auditors, partner of Statutory Auditors, Cost Auditors and other executives generally attended the meetings on invitation. As there was no Chairman of the Audit Committee on the date of last Annual General Meeting of the Company. Mr. Bhuwan Kumar Chaturvedi was the Chairman of the Audit Committee who had resigned from the Directorship of the Company w.e.f. 31.08.2016 and Mr. Ravi Shankar Sharma was appointed as Chairman of the Audit Committee w.e.f. 05.11.2016.

The Company Secretary acts as the Secretary of the Audit Committee.

POWERS OF AUDIT COMMITTEE

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ROLE OF AUDIT COMMITTEE

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of the Statutory Auditor of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings

- e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors of any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle Blower/ Vigil mechanism.
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- REVIEW OF INFORMATION BY AUDIT COMMITTEE**
- The Audit Committee shall mandatorily review the following information:
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- (4) Nomination and Remuneration Committee**
- TERMS OF REFERENCE AND COMPOSITION:**
- The Committee's terms of reference and reconstitution are in compliance with the provisions of the Section 178 of The Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides other terms as may be referred by the Board of Directors.
- The terms of reference include:
- (a) Formulation of policy for determining qualifications, positive attributes and independence of a Director & Remuneration for the Directors, Key Managerial Personnel and Senior Management and recommending the same to the Board and

(b) Identification of person who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria as per the policy approved by the Board. The policy of the company is to remain competitive in the industry, to attract and retain the best talent and appropriately reward employed for their individual performance and contribution to the business.

(c) The Nomination and Remuneration Committee lays down the criteria for the performance evaluation of Independent Directors and other Directors, Board of Directors and committee of the Board of Directors.

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

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act.

The Company has a Nomination and Remuneration Committee. The Committee was reconstituted on 05.11.2016 which comprises of four (4) Non-executive Directors, out of which three (3) Directors are Independent Director. Mr. Madhav Roy, Non-executive Independent Director is the Chairman of the Committee, Mr. Ravi Shankar Sharma, Mr. Bijendra Singh and Mr. Rajesh Jain, are the members of the Committee. The said Committee reviewed the appointment of the Independent Directors and Senior Executives in the Company from time to time. In the earlier year, the committee revised the remuneration package of Whole Time Executive Directors of the Company and subsequently Company obtained the approval of the Board and Members through the postal ballot, the results of which was declared on 01.01.2016 effective from 30.12.2015 for the remaining period of 2 years of their appointment i.e. 01.01.2016 to 31.12.2017. Consequently the applications made to the Central Government for their approval. The Central Government approved the above said remuneration vide its letters No.SRN C78374097/3/2016-CL.VII, SRN C78372254/3/2016-CL.VII and SRN C78372638/3/2016-CL.VII dated 17.10.2016.

During the year 2016-17, four Nomination and Remuneration Committee meeting were held on 28.05.2016, 05.11.2016, 14.11.2016 and 30.12.2016. The attendance of Members during the meeting was as follows:

NAME OF MEMBER	CATEGORY	NO. OF MEETING ATTENDED
Mr. Rajesh Jain	Member	2
Mr. Bhuwan Kumar Chaturvedi	Member*	1
Mr. Ramesh Chandra Jain	Chairman*	1
Mr. Ravi Shankar Sharma	Member**	2
Mr. Bijendra Singh	Member**	1
Mr. Madhav Roy	Chairman**	2

* Mr. Bhuwan Kumar Chaturvedi and Mr. Ramesh Chandra Jain, NEID resigned from the office of Director w.e.f. 31.08.2016 and 07.09.2016 respectively.

** Mr. Ravi Shankar Sharma, Mr. Bijendra Singh and Mr. Madhav Roy, NEID appointed w.e.f. 05.11.2016.

The Company Secretary acts as the Secretary of Nomination and Remuneration Committee.

REMUNERATION POLICY

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

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

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

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

DETAILS OF REMUNERATION PAID IN THE FINANCIAL YEAR 2016-2017:

(a) Executive Directors:

MANAGING DIRECTORS/ JOINT MANAGING DIRECTOR	SALARY (₹)	PERQUISITES (₹)	RETIREMENT BENEFITS (₹)
Mr. Lalit Kumar Jain	66,00,000	64,08,000	7,92,000
Mr. Dinesh Kumar Jain	0	0	0
Mr. Vijay Kumar Jain	66,00,000	58,08,000	7,92,000
TOTAL	1,32,00,000	1,22,16,000	15,84,000

The appointment and remuneration of the above said executive directors were approved by the by the Central Government vide its letters no.SRNo.B60507860/04/2012-CL.VII, SRNo. B60508405/4/2012-CL.VII dated 17.09.2013 and SRNo.B60508736/0422011-CL.VII dated 29.10.2013 for a period of 5 years from 01.01.2013 to 31.12.2017 and 3 years from 01.01.2013 to 31.12.2015 respectively. Company has made applications to the Central Government for approval of remunerations for the remaining period of 2 years of their appointment from 01.01.2016 to 31.12.2017. The Central Government approved the above remuneration vide its letters No. SRN C78374097/3/2016-CL.VII, SRN C78372254/3/2016-CL.VII and SRN C78372638/3/2016-CL.VII dated 17.10.2016.

(b) Non-executive Directors:

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

NAME OF THE DIRECTORS	SITTING FEE (₹)
Mr. Rajesh Jain	140000
Mrs. Sushila Devi Jain	40000
Mr. Bhuwan Kumar Chaturvedi	240000
Mr. Rakesh Puri	20000
Mr. Ramesh Chandra Jain	240000
Mr. Ravi Shankar Sharma	280000
Mr. Bijendra Singh	220000
Mr. Madhav Roy	280000
Mr. Kailash Sarup Bhatnagar	60000
Mr. Saumitra Choudhury	60000
TOTAL	1580000

DETAILS OF NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS IN THE COMPANY:

NAME OF THE DIRECTORS	NO. OF SHARES
Mr. Rajesh Jain	1430804
Mrs. Sushila Devi Jain	310415
Mr. Bhuwan Kumar Chaturvedi*	NIL
Mr. Rakesh Puri*	NIL
Mr. Ramesh Chandra Jain*	NIL
Mr. Ravi Shankar Sharma**	NIL
Mr. Bijendra Singh**	NIL
Mr. Madhav Roy**	NIL
Mr. Kailash Sarup Bhatnagar**	5935
Mr. Saumitra Choudhury**	NIL

* Mr. Rakesh Puri, Mr. Bhuwan Kumar Chaturvedi and Mr. Ramesh Chandra Jain, NEID resigned from the office of Director w.e.f. 29.06.2016, 31.08.2016 and 07.09.2016 respectively.

** Mr. Ravi Shankar Sharma, Mr. Bijendra Singh, Mr. Madhav Roy, Mr. Kailash Sarup Bhatnagar and Mr. Saumitra Choudhury, NEID appointed w.e.f. 05.11.2016, 05.11.2016, 05.11.2016, 14.11.2016 & 30.12.2016 respectively.

(5) Stakeholder Relationship Committee:

COMPOSITION:

Stakeholder Relationship Committee comprises of three directors under the Chairmanship of Mr. Rajesh Jain, Non-executive Director and other members being Mr. Lalit Kumar Jain and Mr. Dinesh Kumar Jain. The Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder or investor concern including the followings.

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

The members of the Committee meet with in a 10 days time, as when required for share transfer and other said purposes. During the year 2016-17, seven Stakeholder Relationship Committee meetings were held.

Mr. Santosh Kumar Sharma, Company Secretary acts as the Secretary of Stakeholder Relationship Committee and Compliance officer of the Company.

During the year, the Company has not received any complaint of Members from SEBI/ Stock Exchange. However, the Company endeavors to reply and resolved all the complaints received from the SEBI/ Stock Exchanges/ Members within a period of 10 days. As on March 31, 2017, there was no pending cases of complaint, share transfer and dematerialization requests with the Company/ RTA.

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

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

TERMS OF REFERENCE:

The Committee's terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(6) Corporate Social Responsibility (CSR) Committee:

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

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

The Corporate Social Responsibility (CSR) Committee was reconstituted on 05.11.2016 which comprises of one Executive Director and two Non-Executive Independent Directors. Mr. Lalit Kumar Jain is the Chairman of the Committee, the other members are Mr. Madhav Roy and Mr. Bijendra Singh.

(7) General Body Meeting:

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

MEETINGS	DATE	TIME	VENUE	NO. OF SPECIAL RESOLUTION(S) PASSED
Annual General Meeting	29.09.2016	11:30 A.M	46/1, Mile Stone, Hissar Road, Rohtak (Haryana)	NIL
Annual General Meeting	29.09.2015	11:30 A.M	46/1, Mile Stone, Hissar Road, Rohtak (Haryana)	NIL
Annual General Meeting	30.09.2014	11:30 A.M	46/1, Mile Stone, Hissar Road, Rohtak (Haryana)	Ten 1. Obtained post facto approval of the contract for purchase of industrial items from M/s. Sudhir Automotive Industries Pvt. Ltd. 2. Approved new set of Articles of Association. 3. Authority to borrow under Section 180(1)(c). 4. Authority to borrow under Section 180(1)(a). 5. Appointment and revision in the remuneration package of Mr. Sudesh Kumar Jain as Executive Vice President (Marketing), relative of one of the Directors of the Company. 6. Appointment and revision in the remuneration package of Mr. Nikhlesh Kumar Jain as Vice President (Marketing), relative of one of the Directors of the Company. 7. Appointment and revision in the remuneration package of Mr. Amit Kumar Jain as Vice President (Exports), relative of some of the Directors of the Company. 8. Appointment and revision in the remuneration package of Mr. Gagan Jain as Vice President (Operations), relative of some of the Directors of the Company. 9. Appointment and revision in the remuneration package of Mr. Gautam Jain, Vice President (Business Development), relative of one of the Directors of the Company. 10. Appointment and revision in the remuneration package of Mr. Rahul Jain, Vice President (Supply Chain), relative of one of the Directors of the Company.

(b) No special resolution was passed through postal ballot in last year 2015-16.

(c) No special resolution requiring postal balloting as recommended under the provisions of the SEBI (LODR) Regulations, 2015, is proposed to be placed for members' approval at this meeting therefore procedure for postal ballot is not required to be mentioned.

(8) Means of communication:

Information like Quarterly/ Half-yearly/ Annual Audited Financial Results are published by the Company in newspapers viz. Financial Express (English edition) and Jansatta (Hindi edition). The quarterly shareholding pattern, quarterly/ half-yearly/ yearly results and Corporate Governance Report are also placed on the Company's website <http://www.lpsindia.com> under the head of 'Overview' for the purpose of household of the Members. As the Company publishes the Unaudited Financial Results within a stipulated period of 45 days and Audited Annual Results within a period of 75 days against stipulated period of 60 days from the close of financial year i.e. March 31, 2017 as permitted under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The various other reports and returns are also filed with the Stock Exchanges and the Registrar of Companies.

All the data required to be filled electronically, such as quarterly financial results, shareholding pattern are being regularly uploaded on the Company's website pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the year, the Company has not made any formal presentation to institutional investors or analysts. A Management Discussion & Analysis Report which also forms part of the annual report is given by means of a separate annexure and is attached to the Board's Report.

(9) General Shareholders Information and financial calendar 2016-17:

I) Annual General Meeting is proposed to be held on Friday, 29th September, 2017 at 11:30 A.M. at the Registered Office i.e. 46/1, Mile Stone, Hissar Road, Rohtak – 124001 (Haryana).

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

Financial Reporting for the quarter ending June 30, 2017	Mid of August, 2017
Mailing of Annual Reports to the Members	Starting of September, 2017
Annual General Meeting for the financial year 2016-17	End of September, 2017
Financial Reporting for the half-year ending September. 30, 2017	Mid of November, 2017
Financial Reporting for the quarter ending December 31, 2017	Mid of February, 2018
Financial Reporting for the year ending March 31, 2018	End of May, 2018

III) Dates of Book closure: Friday, 22nd September, 2017 to Friday, 29th September, 2017. (both days inclusive))

IV) Dividend payment date: The Board has not recommended any dividend for the Financial year 2016-17 to the members of the Company.

V) LISTING OF EQUITY SHARES ON STOCK EXCHANGES AT:

The Bombay Stock Exchange Ltd. (BSE) - Stock Code 506079
The National Stock Exchange of India Ltd. (NSE) - Stock Code LAKPRE

The Annual Listing fees for the year 2017-18 have not been paid to the above Stock Exchanges till date. The Company has paid the annual custody fee for the year 2017-18 to National Securities Depository Limited (NSDL). Further, the Company has not paid the annual custody fee for the year 2017-18 to Central Depository Services (India) Limited (CDSL) till date.

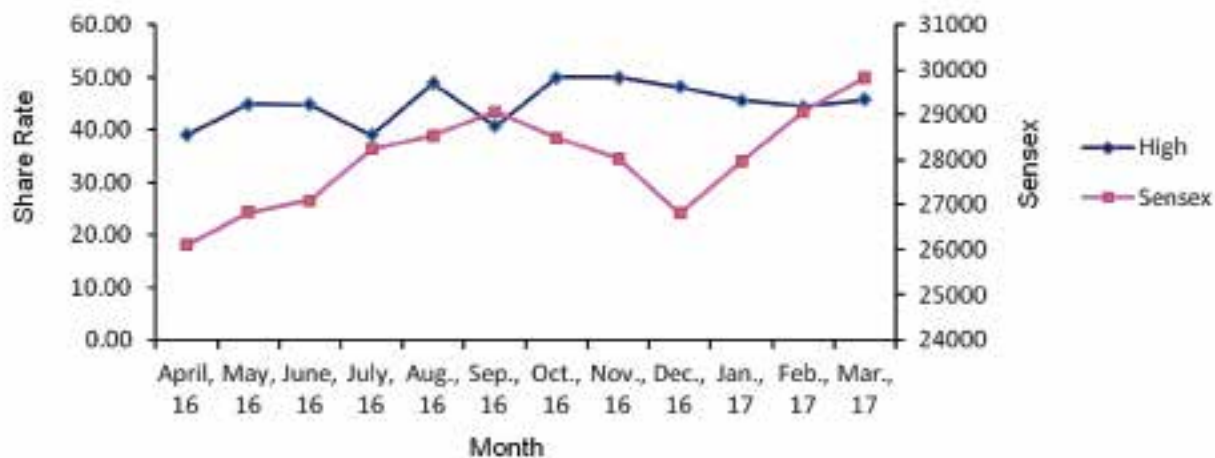
(VI) MARKET PRICE DATA:

Market Price Data for the financial year 2016-17

YEAR	NATIONAL STOCK EXCHANGE		BOMBAY STOCK EXCHANGE		
	2016-17 (MONTH)	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
Apr. - 2016	37.95	32.25	39.00	31.70	26100
May - 2016	45.00	34.20	44.90	32.30	26837
Jun. - 2016	40.00	34.45	44.75	34.10	27105
Jul. - 2016	38.20	33.60	39.00	35.15	28240
Aug. - 2016	44.10	34.00	48.85	35.40	28532
Sep. - 2016	42.95	35.00	40.70	35.20	29077
Oct. - 2016	49.00	35.90	50.00	36.45	28478
Nov. - 2016	50.90	34.15	50.00	35.50	28030
Dec. - 2016	47.50	35.10	48.15	35.10	26804
Jan. - 2017	44.45	38.30	45.60	39.10	27980
Feb. - 2017	41.65	35.20	44.40	37.00	29065
Mar. - 2017	45.65	35.50	45.70	35.75	29825

(VII) PERFORMANCE OF SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX:

Index Comparison – LPS Share Price Vs BSE Sensex



(VIII) CHANGE IN REGISTRAR AND SHARE TRANSFER AGENT (W.E.F. 28.07.2015)

M/s. MCS Share Transfer Agent Limited

F- 65, First Floor, Phase – I, Okhla Industrial Area, New Delhi – 110 020.

Tel: +91-11-41406150 • Fax: +91-11-41709881

E-mail: admin@mcsregistrars.com • Website: www.mcsregistrars.com

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

(IX) SHARE TRANSFER SYSTEM:

The Shares of the Company are traded in the compulsory demat mode for all investors. The shares sent for transfer in physical form are registered within a prescribed period (if in order and complete in all respects) and the shares certificates are immediately returned to the shareholders. In respect of requests received for dematerialization of shares, the same is confirmed to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within the stipulated time. All the Share Transfers request received are being approved by Stakeholder Relationship Committee, which meets as and when required.

In compliance with the Regulation 40 (9) & (10) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, after end of each half of the financial year, a practicing Company Secretary audits the system of transfer and a compliance certificate to that effect is issued which, in turn, is submitted to the Stock Exchanges. Also, in compliance with the SEBI (Depositories and Participants) Regulations, 1996, for timely dematerialization of the shares of the Company and for reconciliation of share capital of the Company, a quarterly Reconciliation of Share Capital Audit is being conducted by a practicing Company Secretary and the Reconciliation of Share Capital Audit is issued which, in turn, is submitted to the Stock Exchanges. The above said compliance certificate and Reconciliation of Share Capital Audit are also placed before the Board from time to time for their noting.

International Securities Identification Number: INE651C01018

(Demat ISIN Code for NSDL & CDSL)

(X) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

SHAREHOLDING OF NOMINAL VALUE (₹)	NO. OF SHAREHOLDERS	% OF TOTAL	NO. OF SHARES	NOMINAL VALUE (₹)	% OF NOMINAL VALUE
Up to 5000	5881	88.22	746680	7466800	6.82
5001 to 10000	369	5.54	293102	2931020	2.68
10001 to 20000	201	3.03	304203	3042030	2.78
20001 to 30000	62	0.93	151714	1517140	1.39
30001 to 40000	26	0.39	90963	909630	0.83
40001 to 50000	24	0.36	111432	1114320	1.02
50001 to 100000	43	0.64	314461	3144610	2.87
100001 and above	59	0.89	8929112	89291120	81.61
TOTAL	6665	100.00	10941667	109416670	100.00

(XI) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

PARTICULARS OF SHAREHOLDERS	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDING
Banks & Financial Institutions	6	1925	0.018
Foreign Institutional Investors	3	1250	0.011
NRIs/ OCBs	51	30258	0.277
Mutual Funds	2	700	0.006
Private Corporate Bodies	151	216617	1.980
Promoter and Promoter Group	23	6880287	62.882
Persons acting in concert	2	30733	0.281
General Public	6427	3779897	34.545
TOTAL	6665	10941667	100.000

(XII) DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on 31st March, 2017, 96.94% of Company's total paid up capital representing 1,06,07,389 equity shares of Rs.10/- each were held in dematerialized form [i.e. 78,78,480 shares (72%) with NSDL and 27,28,909 shares (24.94%) with CDSL] and balance 3.06% representing 3,34,278 equity shares of Rs.10/- each shares were held in physical form.

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

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

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

(XIV) PLANT LOCATIONS

Plant – I:

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

Plant – II:

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

Plant – III:

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

Plant – IV:

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

(XV) ADDRESS FOR CORRESPONDENCE

The Company Secretary & Compliance officer

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

(XVI) COMPLIANCE

The Company obtains a certificate dated 20.06.2017 from the Practising Companies Secretary, regarding compliance of conditions of SEBI (LORD) Regulations, 2015 on Corporate Governance', and (said certificates is attached to the Board's Report and forms a part of the Annual Report, The said certificate is sent to the Members and Stock Exchanges along with this Annual Report of the Company.

(XVII) NON-MANDATORY REQUIREMENTS PRESCRIBED IN SEBI (LORD) REGULATIONS, 2015:

The Company has complied with all mandatory requirements of Regulation SEBI (LORD) Regulations, 2015. The Company has also adopted following non-mandatory requirements:

1. Reporting of Internal Auditor

The Internal Auditor is directly reporting to members of the Audit Committee in respective Audit Committee Meeting.

(10) Other disclosures

- The Company has disclosed the transactions with related parties as per Accounting Standard 18 in **Note No.34 (13)(a)(b)** of the Annual Accounts, which have been entered with its Subsidiary, Associates, Key Managerial Personnel, their relatives and other related parties. Pursuant to the Regulation 23 of the SEBI (LODR) Regulations, 2015 the Company has formulated a Related Party Transactions Policy on dealing with related party transaction and a web link thereto is <http://lpsindia.com/related-party-transaction-policy.pdf>. During the year, there were no transactions of material nature with the Directors or the Management or its subsidiaries or relatives that had potential conflict with the interest of the Company. All related party transactions are generally with its Joint Venture/ associates and are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are intended to further the Company's interest. The Audit Committee of the Company reviews the significant related party transactions in its meetings.

- There were neither any non-compliance by the Company on any matters relating to capital markets during the last three years; (except delay in filing of shareholding pattern and financial results during

the financial year 2016-17, nor did the Company attract any penalties or strictures by the Stock Exchanges, SEBI or any Statutory Authority except as stipulated in Secretarial Auditor Report which is annexed to this report.

- The Company has Whistle Blower/ Vigil Mechanism Policy and no personnel has been denied access to the Audit Committee. Details about the Whistle Blower Policy can be accessed at www.lpsindia.com/overview.aspx
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

REPORT ON CORPORATE GOVERNANCE

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

CEO/ CFO CERTIFICATION

The Chairman and Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO and CFO certification for the financial year ended March 31, 2017.