

43rd Annual Report 2016-17



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#### **Board of Directors**

Mr. S. PATHY Chairman

Mr. R. SANTHARAM

Mr. R.C.H. REDDY

Smt. AISHWARYA PATHY

Mr. R. VARADARAJAN

Mr. C. KAMATCHISUNDARAM

Mr. N. JAYCHANDER

Mr. R.R. BALASUNDHARAM

**Chief Executive Officer** 

Mr. A. DORAISWAMY

**Chief Financial Officer** 

Mr. K.P. KRISHNAKUMAR

**Company Secretary** 

Mr. R. MUTHUKUMAR

**Registered Office** 

686, Avanashi Road

Pappanaickenpalayam

Coimbatore - 641 037

Tamilnadu

CIN : L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com

Email : contact@lakshmiautomatic.com

Works

Weaving Machinery and Spares

Unit 1

**Hosur Industrial Complex** 

Hosur - 635 126

Tamilnadu

Other Engineering Services

Unit 2

Singarampalayam

Kinathukadavu Taluk

Pollachi - 642 109

**Coimbatore District** 

Tamilnadu

#### **Statutory Auditors**

M/s. N.R. DORAISWAMI & CO Chartered Accountants

**Bankers** 

**INDIAN BANK** 

#### Registrars and Share Transfer Agents

S.K.D.C. Consultants Ltd Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road,

Ganapathy, Coimbatore - 641 006

Phone: 91-422-2539835, 2539836 & 4958995

Email: info@skdc-consultants.com



#### **Notice to Shareholders**

Notice is hereby given that the Forty Third Annual General Meeting of the Shareholders of the Company will be held on Friday the 28<sup>th</sup> day of July, 2017 at 4.35 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 for transacting the following business:

#### Agenda

#### **Ordinary Business**

- 1. To receive, consider and adopt the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and the Report of the Auditors thereon.
- 2. To appoint a Director in the place of Sri S.Pathy (DIN No.00013899) who retires by rotation and being eligible offers himself for re-election.
- 3. To appoint a Director in the place of Smt.Aishwarya Pathy (DIN No. 00062114) who retires by rotation and being eligible offers herself for re-election.
- 4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved that in accordance with the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and other applicable provisions if any of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditor) Rules, 2014, M/s. Subbachar & Srinivasan, Chartered Accountants, (ICAI Registration No. 004083S) be and are hereby appointed as the Statutory Auditors of the Company for a term of five financial years commencing from 2017-18 to 2021-22 to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2022, subject to ratification as to the said appointment at every Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

By Order of the Board of Directors
(Sd.) R. MUTHUKUMAR
Company Secretary and
Compliance Officer
Registered Office:
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037
CIN:L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com

29.05.2017

#### Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3. Brief resume of Directors those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Notice.
- 4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
- 6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.



- 7. The Company has notified closure of Register of 14. Members who have not registered their e-mail Members and Share Transfer Books from Saturday, July 22, 2017 to Friday, July 28, 2017 (both days inclusive).
- 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA S.K.D.C.Consultants Ltd.
- 9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website at www.lakshmiautomatic.com, under the section "Investors".
- 10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA M/s. S.K.D.C.Consultants Ltd., for consolidation into a single folio.
- 11. Non-Resident Indian Members are requested to inform RTA M/s.S.K.D.C. Consultants Ltd., immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pincode number, if not furnished earlier.
- 12. No unpaid and unclaimed Dividend amounts as referred to in sub section (5) of Section 124 of the Companies Act, 2013 for a period of 7 years remain to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- 13. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the Meeting, so that the information required can be made available at the Meeting.

addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.

#### 15. Electronic Voting

Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose e-mail id is registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their e-mail id, physical copy of Annual Report and AGM Notice for the year 2016-17 are sent through the permitted mode separately.

#### **VOTING THROUGH ELECTRONIC MEANS**

- In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 43rd Annual General Meeting scheduled to be held on Friday the 28th day of July 2017 at 4.35 P.M. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the remote e-voting facilities as per instructions below.
- The facility for voting through Ballot paper shall be made available at the Annual General Meeting and the members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by 'Remote e-voting', may vote at the meeting through Ballot paper.
- III. Instructions to Members for e-voting are as under:
  - Date and time of commencement of voting through electronic means: 25th July, 2017 at 9.00 A.M.
  - Date and time of end of voting through electronic means beyond which voting will not be allowed:27th July, 2017 at 5.00 P.M.



- (c) Details of Website: www.evoting.nsdl.com
- (d) Details of persons to be contacted for issues relating to e-voting:

S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006

Phone: 91-422 4958995, 2539835-36

Fax : 91-422 2539837

Email Id: info@skdc-consultants.com Website: www.skdc-consultants.com

The Remote e-voting module shall be disabled for voting on 27th July, 2017 at 5.00 P.M. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of members shall be in proportion to their share in the paid up equity share capital of the Company as on 21st July, 2017 (cut-off date).

- IV. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "LALW AGM remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
    - (iii) Click on Shareholder Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Lakshmi Automatic Loom Works Limited".
- (viii) Now you are ready for Remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bkcacbe@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:
  - Initial password is provided as below/ at the bottom of the Proxy Form for the Annual General Meeting



EVEN	USER ID	PASSWORD/
(E-voting		PIN
Event Number)		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- ٧. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and Remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990.
- If you are already registered with NSDL for Remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.

However, if you are already registered with NSDL for Remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990.

- IX. A member may participate in the Annual General Meeting even after exercising his right to vote through Remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- Χ. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-voting as well as voting at the Annual General Meeting through Ballot paper. | 29.05.2017

- Sri.B.Krishnamoorthi, Practising Chartered Accountant (Membership No. 20439) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the Remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through Remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will collate the votes downloaded from the e-voting system, and the votes cast at the Annual General Meeting and make a Scrutinizer's Report of the votes cast in favour or against, if any, within 2 days of conclusion of the meeting to the Chairman of the Company who shall countersign the same and declare the results of the voting forthwith.
- XIV. The results declared along with the Scrutinizer's Report shall be available on the Company's website: www.lakshmiautomatic.com and on the website of NSDL and communicated to the BSE Limited, Mumbai immediately after the declaration of the result by the Chairman.

By Order of the Board of Directors (Sd.) R. MUTHUKUMAR **Company Secretary** and Compliance Officer Registered Office: 686, Avanashi Road Pappanaickenpalayam Coimbatore - 641037 CIN:L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com



#### Details of Directors seeking Re-appointment at the ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Sri S.Pathy (DIN No.00013899) has been on the Board of Directors of the Company from inception and held offices as Joint Managing Director, Managing Director and Vice Chairman and is presently the Chairman of the Company. Sri S.Pathy is a Commerce Graduate from the University of Madras and has intensive experience in various fields of Management. He has been associated with the Textile Machinery Manufacturing Industry for more than 42 years. He was a Member of the Executive Council of the Textile Machinery Manufacturers' Association (India).

Sri S.Pathy is the Chairman and Managing Director of The Lakshmi Mills Company Ltd.

#### **OTHER DIRECTORSHIPS:**

- 1. The Lakshmi Mills Company Ltd.
- 2. Lakshmi Machine Works Ltd.
- 3. LCC Investments Ltd.
- 4. Lakshmi Card Clothing Manufacturing Company Private Ltd.
- 5. The Coimbatore Lakshmi Cotton Press Private Ltd.
- 6. Sans Craintes Stud Farm Private Ltd.
- 7. Sans Craintes Livestock Private Ltd.
- 8. Sans Craintes Racing & Bloodstock Private Ltd.
- 9. Rasakondalu Developers Private Ltd.
- 10. Sans Craintes Power Private Ltd.

#### **COMMITTEE MEMBERSHIPS:**

#### Nomination and Remuneration Committee:

- 1. Lakshmi Machine Works Ltd Member
- 2. Lakshmi Automatic Loom Works Ltd Member

#### TRUSTS:

- 1. G.Kuppurswamy Naidu Memorial Trust President
- 2. Neelaveni Thayarammal Memorial Trust Trustee
- 3. G.K.Sundaram Endowment for Technical and Vocational Training Trustee

Sri S.Pathy holds 4,70,078 Equity Shares of ₹ 10/- each of the Company. Sri S.Pathy is related to Smt.Aishwarya Pathy, Director.

Smt. Aishwarya Pathy (DIN No.00062114) aged about 35 years is a BA graduate of the Wheaton College, Norton, MA(MASSACHUSETTS) and Int'l. Baccalaureate in Art History, Business and Organisation, Spanish.

She had her schooling in Kodaikanal International School, Tamil Nadu and earned 'The Achievement Award' for outstanding performance. She has undergone training in PricewaterhouseCoopers, Mexico D.F., Mexico for one year. She has worked as Manager - Business Development in Rajshree Sugars and Chemicals Ltd, Coimbatore for an year and currently is the Vice President - Corporate Affairs of the Company. She is well acquainted with Business Management Practices including Financial Management.

Smt. Aishwarya Pathy, is on the Board of Directors of the Company since 23.05.2012.

#### **OTHER DIRECTORSHIPS:**

- 1. Aloha Tours & Travels India Private Ltd
- 2. Balakumar Shipping & Clearing Agency Private Ltd
- 3. RSCL Properties Private Ltd
- 4. Lavik Holdings Private Ltd
- 5. Argead Enterprises Private Ltd
- 6. Sans Craintes Power Private Ltd
- 7. Cocca Art & Design Institute Private Ltd
- 8. Vaidya Investments Private Ltd
- 9. Petals Hotels Private Ltd
- 10. Lavik Estates Ltd

#### **COMMITTEE MEMBERSHIPS: NIL**

#### **TRUSTS**

- 1. GV Memorial Trust Trustee
- 2. Neelaveni Thayarammal Memorial Trust Trustee

Smt. Aishwarya Pathy holds 7,32,559 Equity Shares of ₹ 10/- each of the Company.

Smt. Aishwarya Pathy is related to Sri S. Pathy, Chairman.



## Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Third Annual Report together with the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended 31st March, 2017.

#### Financial Summary / Highlights

₹ in lakhs

	2016-17	2015-16
Sales and other income	790.42	731.21
Profit before Depreciation and Amortization Expenses	220.78	218.35
Depreciation and Amortization Expenses	29.96	30.45
	190.82	187.90
Add: Exceptional items	85.01	11.04
	275.83	198.94
Less: Tax Expense		
Current Tax	(-) 95.77	(-) 70.27
Deferred Tax	4.87	(-) 30.85
For earlier years	(-) 138.09	
Net Profit / Loss (-)	46.84	97.82
Add: Balance from the Previous year	(-) 789.41	(-) 887.23
Balance Carried Over	( <del>-)</del> 742.57	(-) 789.41

#### **Operations**

The operations during the year have resulted in a net profit of ₹ 190.82 lakhs after providing for depreciation of ₹ 29.96 lakhs. The net profit after Exceptional Items, current and earlier years tax is ₹ 46.84 lakhs.

#### **Weaving Machinery and Spares**

The sale of Accessories and Spares of Weaving Machines during the year was ₹ 113.49 lakhs against ₹ 115.69 lakhs in the previous year.

The income generated on utilisation of the idle Assets of the Company during the year was ₹ 414.06 lakhs against ₹ 384.27 lakhs in the previous year.

#### **Other Engineering Services**

The sale of Parts and Accessories for Machine Tools during the year was ₹ 163.81 lakhs against ₹ 143.17 lakhs in the previous year. The inflow of orders for Parts and Accessories for Machine Tools is fluctuating based on the demand in the international market.

#### **Outlook**

The Company is currently manufacturing Spares and Accessories for "C" type Shuttle Weaving Machines, Circular Knitting Machines and Parts for Machine Tools including Tool Holders. The market for Spares and Accessories for 'C' type Shuttle Weaving Machines and Circular Knitting Machines is limited. The demand for Parts and Accessories for Machine Tools is based on international market and is varying.

The proposal for manufacture of shuttleless looms is deferred due to the prevailing uncertain market conditions and availability of cheaper versions of imported looms.

The Company is constructing additional Buildings at Hosur to augment its revenue.

#### **Share Capital**

The total paid up Share Capital as on March 31, 2017 is ₹ 1,210.40 lakhs consisting of Equity Capital of ₹ 610.40 lakhs and 6% Cumulative Redeemable Preference



Capital of ₹ 600 lakhs. The Company bought back 2,50,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 250 lakhs during the year by utilization of Securities Premium Amount.

During the year under review the Company has not issued any shares or any convertible instruments.

#### **Deposits**

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013.

#### **Extract of Annual Return**

The Extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is furnished in Annexure 1 forming part of the Board's Report.

# Board and its Committees Meetings conducted during the year under review

During the year under review five Meetings of the Board of Directors, four Meetings of the Audit Committee, three Meetings of the Nomination and Remuneration Committee and one Meeting of the Stakeholders Relationship Committee were held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **Directors Responsibility Statement**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company state that:

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable Accounting Standards have been followed;
- ii) the Directors have selected such accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended 31st March, 2017;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual account for the Financial Year ended 31st March, 2017 on a going concern basis.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Declaration by Independent Directors**

The Company has received declaration from all the Independent Directors of the Company in terms of Section 149(7) of the Companies Act, 2013 confirming that they meet with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and Regulations 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration in terms of Section 178(3) of the Companies Act, 2013. The Nomination and Remuneration Policy as approved by the Board is furnished as Annexure 2 to this Report.

#### **Auditors' Report**

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, M/s. N.R.Doraiswami & Co., Chartered Accountants, in the Auditors' Report.



#### **Secretarial Auditor**

The Board has appointed Mr.M.R.L.Narasimha, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed to this Report (Annexure 3). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

#### **Related Party Transactions**

All Related Party Transactions entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. There are no materially significant Related Party Transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Hence Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at the link at www.lakshmiautomatic.com/investors/policies/related-party-transaction-policy/

#### Dividend

The Directors were unable to recommend a dividend on the Preference and Equity Shares for the year on account of carried over previous years losses.

#### Risk Management

The Company has laid down the Risk Assessment and Minimisation Procedures and on evaluation by the Audit Committee are reviewed by the Board from time to time.

### **Corporate Social Responsibility**

Your Company is not coming under the purview of the Corporate Social Responsibility under Section 135 of the Companies Act, 2013.

#### **Annual Performance Evaluation**

The Nomination and Remuneration Committee has laid down the criteria for evaluation by the Board of its own performance and that of its Committees and individual Directors. Accordingly a peer evaluation excluding the Director being evaluated was carried out by the Board on 06.02.2017. By a questionnaire circulated, each Board member was requested to give his/her views in evaluation of the Company performance, strategy and the effectiveness of the Board as a whole, its committees and individual Directors. Some of the performance parameters on which the Independent Directors were evaluated include contribution and commitment, integrity, independent views and judgment, fulfillment of functions, qualifications, knowledge, experience and skill and role in active participation in Board and Committee meetings.

The Independent Directors at their meeting held on 06.02.2017 reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company.

The performance of the Key Managerial Personnel of the Company were evaluated based on their qualifications, experience and the duties and responsibilities carried out by them.

#### **Directors and Key Managerial Personnel**

Sri. S.Pathy and Smt. Aishwarya Pathy, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief profile of the Directors retiring by rotation and seeking re-election, is annexed to the Notice of Annual General Meeting.

Mr.A.Doraiswamy, Chief Executive Officer of the Company on completion of his term of office on 31.03.2017 retired from the services of the Company. The Board appreciates his long tenure of services rendered as Company Secretary and Chief Executive Officer of the Company. There was no other changes in the Key Managerial Personnel during the year.

The details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are furnished in Annexure 4 forming part of the Board's Report.



#### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. The Internal Audit - objectives, scope, functioning, periodicity and methodology is defined in the Internal Audit Programme. The quarterly internal Audit Report is placed before the Audit Committee of the Board. The Internal Auditors monitor the adequacy of internal control systems, Accounting Procedures and Policies of the Company and corrective actions based on the observations are taken wherever necessary. During the year, such controls were reviewed and no reportable material weakness in the system or operation was observed.

#### **Auditors**

M/s.N.R.Doraiswami & Co., Chartered Accountants have been the Statutory Auditors of the Company since inception of the Company. In terms of Section 139 of the Companies Act 2013, they cease to be the Auditors at the conclusion of the Annual General Meeting. In view of the 3<sup>rd</sup> proviso to sub-Section (2) of Section 139, they cannot be considered for re-appointment.

The matter was discussed by the Audit Committee and the Audit Committee has recommended, which recommendation has been accepted by the Board, to appoint M/s.Subbachar & Srinivasan, Chartered Accountants, as the Statutory Auditors of the Company, for a term of five financial years, commencing from 2017-18 and ending with 2021-22 and hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2022. The necessary resolutions are being placed before you for your approval. The necessary Certificates have been obtained from the proposed Appointee.

# Report on Corporate Governance and Management Discussion and Analysis

The report on Management Discussions and Analysis (Annexure 5) and the report on Corporate Governance (Annexure 6) along with the Auditors' Certificate of compliance on Corporate Governance form part of the Annual Report.

#### Vigil Mechanism

The Company has a Whistle Blower Policy to deal with unethical or improper practice or violation of Companies Code of Business Conduct or concerns about unethical behavior, actual or suspected fraud or disclosure practices of the Company. No person is denied access to the Audit Committee.

#### General

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended hereto.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1. Details relating to Deposits covered under Chapter V of the Companies Act, 2013.
- 2. Issue of equity shares with differential rights as to dividend, voting or otherwise in terms of Section 43 and 47 of the Companies Act, 2013 and the Rules made there under.
- 3. Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme.

Your Directors further state that during the year under review:

- 1. There were no complaints pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year under review and the date of this report.

By Order of the Board

(Sd.) S. PATHY Chairman DIN: 00013899

29.05.2017

Coimbatore



# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies(Accounts) Rules, 2014]

#### A. Conservation of Energy:

- a) The Textile Machinery Manufacture is not energy intensive. Efforts are continuously made to reduce the waste of energy to the minimum.
- b) The Company currently manufactures Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines and the consumption of energy is minimal. There was no significant capital investment on energy conservation equipments during the year.

#### B. Technology Absorption:

- (i) Efforts made towards technology absorption.
  - The Company has fully absorbed the technology in manufacturing Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
  - The Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines supplied by the Company as OE equipment manufacturers at affordable price are well received by the users.
- (iii) The Company has not imported any new technology during the last three financial years.
- (iv) The expenditure incurred on R&D during the year was not material.

#### C. Foreign Exchange Earnings and Outgo:

Total Foreign Exchange earned by the Company during the year. : ₹ 24.79 lakhs

Total Foreign Exchange outgo during the year. : -

By Order of the Board

(Sd.) **S. PATHY** Chairman

DIN: 00013899

Coimbatore 29.05.2017



**ANNEXURE-1** 

#### FORM NO. MGT-9

#### **EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L29269TZ1973PLC000680
ii)	Registration Date	12.12.1973
iii)	Name of the Company	Lakshmi Automatic Loom Works Limited
iv)	Category of the Company	Public Company
	Sub-Category of the Company	Limited by Shares
V)	Address of the Registered Office and contact details	686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 Phone : 91 - 0422 - 2245484 - 85 Fax.No : 91 - 0422 - 2244887 E Mail ID : contact@lakshmiautomatic.com Website : www.lakshmiautomatic.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent. (RTA)	M/s. S.K.D.C. Consultants Limited 3rd Floor, Kanapati Towers, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006 Phone : 91 - 0422 - 2539835 - 36, & 4958995 Fax No : 91 - 0422 - 2539837 E Mail ID: info@skdc-consultants.com Website : www.skdc-consultants.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

SI. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Accessories & Spares for Weaving & Knitting Machines	3538	40.93%
2.	Parts & Accessories for Machine Tools including Tool Holders	3570	59.07%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary or Associate Companies.



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

gory	Category of	No. of Shares held at the beginning of the year (as on 1st April, 2016)			No. of Shares held at the end of the year (as on 31st March, 2017)				inge ng ear	
Category Code	Shareholders	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	% Change during the year
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	58440	-	58440	0.957	58440	-	58440	0.957	-
b)	Central Govt									
c)	State Govt(s)									
d)	Bodies Corporates	330000	-	330000	5.406	330000	-	330000	5.406	-
e)	Banks / FI									
f)	Any other									
f. (i)	Director & their Relatives	1207731	-	1207731	19.786	1207837	-	1207837	19.788	+ 0.002
	Sub Total (A)(1)	1596171	-	1596171	26.149	1596277	-	1596277	26.151	+0.002
(2)	Foreign									
a)	NRIs - Individuals									
b)	Other individuals									
c)	Bodies Corporates									
d)	Banks / FI									
e)	Any other									
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of									
	Promoter									
	(A) = (A)(1)+(A)(2)	1596171	-	1596171	26.149	1596277	-	1596277	26.151	+0.002
В.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds									
b)	Banks / FI	-	23000	23000	0.377	-	23000	23000	0.377	-
c)	Central Govt									
d)	State Govt(s)									
e)	Venture Capital Funds									
f)	Insurance Companies	1392016	-	1392016	22.805	1392016	-	1392016	22.805	-
g)	Flls									
h)	Foreign Venture Capital Funds									
i)	Others (specify)									
•	Sub-total (B)(1)	1392016	23000	1415016	23.182	1392016	23000	1415016	23.182	-



## i) Category-wise Share Holding (Contd...)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2016)			No. of Shares held at the end of the year (as on 31st March, 2017)				% Change during the year	
Cate	Shareholders	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	% Ct du the
2.	Non-Institutions									
a)	Bodies Corporates	2502	1149095	1151597	18.866	7857	1149095	1156952	18.954	(+) 0.088
i)	Indian									
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders									
	holding nominal share capital upto ₹1 lakh	136552	505883	642435	10.525	156987	472394	629381	10.311	(-) 0.035
ii)	Individual shareholders holding nominal share capital in excess of									
	₹ 1 lakh	-	-	-	-	-	-	-		-
c)	Others (specify)									
c-i)	Trusts	2	-	2	0.000	2	-	2	0.000	-
c-ii)	Directors & their Relatives	594	12150	12744	0.209	594	27350	27944	0.458	(+) 0.249
c-iii)	Non Resident Indians	3700	146130	149830	2.455	3700	146130	149830	2.455	-
c-iv)	Overseas Corporate									
	Bodies	-	1125000	1125000	18.431	-	1125000	1125000	18.431	-
c-v)	Clearing Members	-	-	-	-	233	-	233	0.004	(+)0.004
c-vi)	Hindu Un-divided									
	Families	11193	-	11193	0.183	6353	-	6353	0.104	(-) 0.079
	Sub-total (B)(2)	154543	2938258	3092801	50.669	175726	2916969	3092695	50.667	(-) 0.002
	Total Public Shareholding									
	(B)=(B)(1)+(B)(2)	1546559	2961258	4507817	73.851	1567742	2939969	4507711	73.849	(-) 0.002
C.	Shares held by Custodian									
	for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	3142730	2961258	6103988	100.000	3164019	2939969	6103988	100.000	-



## ii) Shareholding of Promoters

			No. of Shares held at the beginning of the year 01.04.2016			No. of Shares held at the end of the year 31.03.2017			
S. No.	Shareholders Name	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	%change in share holding during the year	
1	Sri S. Pathy	470078	7.701	0	470078	7.701	0	0	
2	Smt Rajshree Pathy	5000	0.082	0	5000	0.082	0	0	
3	Sri Aditya Krishna Pathy	200	0.003	0	200	0.003	0	0	
4	Smt Aishwarya Pathy	732453	12.000	0	732559	12.002	0	(+)0.002	
5	Sri K. Arjun	38966	0.638	0	38966	0.638	0	0	
6	Sri K. Nithin	17166	0.281	0	17166	0.281	0	0	
7	Smt D. Thayarammal	2308	0.038	0	2308	0.038	0	0	
8	M/s. The Lakshmi Mills Company Ltd	330000	5.406	0	330000	5.406	0	0	
		1596171	26.149	0	1596277	26.151	0	(+)0.002	

## iii) Change in Promoters' Shareholding

S.			olding at the ng of the year	Cumulative Share holding during the year	
No.	Shareholders Name	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Smt. Aishwarya Pathy				
	At the beginning of the year 01.04.2016	732453	12.000		
	Bought during the year on the following dates:	-	-	-	-
	13.01.2017	(+) 6	(+) 0.000	732459	12.000
	09.02.2017	(+) 100	(+) 0.002	732559	12.002
	At the End of the year 31.03.2017	732559	12.002		

Note: There is no change in the Shareholding of other Promoters.



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

s.			nolding at the ng of the year	Cumulative Share holding during the year		
No.	For each of the top 10 Shareholders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
	At the beginning of the year 01.04.2016	3573326	58.541			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):					
1	ITEMA (Switzerland) Ltd	1000000	16.383	1000000	16.383	
2	Voltas Ltd	615200	10.079	615200	10.079	
3	Lakshmi Machine Works Ltd	441110	7.227	441110	7.227	
4	United India Insurance Company Ltd	300186	4.918	300186	4.918	
5	The New India Assurance Company Ltd	300000	4.915	300000	4.915	
6	General Insurance Corporation of India	294500	4.825	294500	4.825	
7	Life Insurance Corporation of India	200000	3.277	200000	3.277	
8	National Insurance Company Ltd	160000	2.621	160000	2.621	
9	The Oriental Insurance Company Ltd	137330	2.250	137330	2.250	
10	Terrot Strickmaschinen Gmbh, Germany	125000	2.048	125000	2.048	
	At the end of the year 31.03.2017	3573326	58.541			



## v) Shareholding of Directors and Key Managerial Personnel

S.			olding at the ng of the year	Cumulative Share holding during the year		
No.	Shareholder's Name	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
	DIRECTORS					
1	Sri S.Pathy					
	At the beginning of the year	470078	7.701	470078	7.701	
	Bought or Sold during the year	-	-	-	-	
	At the end of the year	470078	7.701	470078	7.701	
2	Sri R.Santharam	-	-	-	-	
3	Sri R.C.H.Reddy					
	At the beginning of the year	594	0.010	594	0.010	
	Bought or Sold during the year	-	-	-	-	
	At the end of the year	594	0.010	594	0.010	
4	Smt. Aishwarya Pathy					
	At the beginning of the year	732453	12.000			
	Bought during the year on the following dates:					
	13.01.2017	6	0.000	732459	12.000	
	09.02.2017	100	0.002	732559	12.002	
	At the end of the year	732559	12.002			
5	Sri R. Varadarajan	-	-	-	-	
6	Sri C.Kamatchisundaram	-	-	-	-	
7	Sri N.Jaychander					
	At the beginning of the year	1850	0.030	1850	0.030	
	Bought or Sold during the year	-	-	-	-	
	At the end of the year	1850	0.030	1850	0.030	
8	Sri R.R.Balasundharam					
	At the beginning of the year	10300	0.169	10300	0.169	
	Bought or Sold during the year	-	-	-	-	
	At the end of the year	10300	0.169	10300	0.169	
	KEY MANAGERIAL PERSONNEL					
9.	Sri A.Doraiswamy					
	At the beginning of the year	5000	0.082	5000	0.082	
	Bought or Sold during the year	-	-	-	-	
	At the end of the year	5000	0.082	5000	0.082	
10.	Sri K.P.Krishnakumar	-	-	-	-	
11.	Sri R.Muthukumar	-	-	-	-	



#### V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	_	_	10.00	10.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	_	_	10.00	10.00
Change in Indebtedness during the financial year				
Addition	46.44	_	_	46.44
Reduction				
Net Change	46.44	_	_	46.44
Indebtedness at the end of the financial year				
i) Principal Amount	46.44	_	10.00	56.44
ii) Interest due but not paid	_	_	0.53	0.53
iii) Interest accrued but not due				
Total (i+ii+iii)	46.44	_	10.53	56.97

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-Time Directors and / or Manager

			₹ in Lakhs
S. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	_	_
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others		
5	Others		
	Total (A)	NIL	NIL
	Ceiling as per the Act		_



## Amount in ₹

#### **B.** Remuneration to Other Directors

		Partio	ulars of Remune	ration	
S. No.	Name of Directors	Fee for attending Board / Committee Meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Sri R.C.H.Reddy	1,22,000	_	_	1,22,000
	Sri R. Varadarajan	1,14,000	_	_	1,14,000
	Sri C.Kamatchi Sundaram	48,000	_	_	48,000
	Sri R.R.Balasundharam	90,000	_	_	90,000
	Total (1)	3,74,000	_	_	3,74,000
2	Other Non-Executive Directors				
	Sri S.Pathy	74,000	_	_	74,000
	Sri R.Santharam	1,14,000	_	_	1,14,000
	Smt Aishwarya Pathy	50,000	_	_	50,000
	Sri N.Jayachander	58,000	_	_	58,000
	Total (2)	2,96,000	_	_	2,96,000
	Total (B)=(1+2)	6,70,000	_	_	6,70,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	_	_	_	_



#### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount in ₹

s.	Particulars of Remuneration	Key Managerial Personnel			Total
No.		CEO	CS	CFO	iotai
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act,1961	9,59,981	7,53,781	10,41,500	27,55,262
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961				
	i Motor Car with Driver	32,400	-	-	32,400
	ii Medical expenses reimbursed	-	28,220	-	28,220
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission - as % of profit	NA	NA	NA	NA
	- others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	9,92,381	7,82,001	10,41,500	28,15,882

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

ANNEXURE - 2

## **Nomination and Remuneration Policy**

#### Introduction:

In pursuance of the Company's Policy to pay equitable remuneration to Directors, Key Managerial Personnel (KMP) and employees of the Company consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, this Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become
  Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key
  Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the manufacturing sector.
- To carryout evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To compensate them to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons. In the context of the aforesaid criteria the following Policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 01-08-2014.



#### **Effective Date:**

This Policy shall be effective from 1st August, 2014.

#### Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee on 30.05.2014. The Nomination and Remuneration Committee comprises of following Directors:

1.	Sri R.C.H. Reddy	Chairman	Independent Non-Executive Director
2.	Sri S.Pathy	Member	Non-Executive Chairman
3.	Sri R.Santharam	Member	Non-Executive Director
4.	Sri R. Varadarajan	Member	Independent Non-Executive Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### **Definitions:**

- Board means Board of Directors of the Company.
- Director means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Board of Directors of the Company as constituted or reconstituted by the Board.
- Company means LAKSHMI AUTOMATIC LOOM WORKS LIMITED.
- Independent Director means a Director referred to in Section 149(6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means:
  - i) Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;
  - ii) Company Secretary;
  - iii) Chief Financial Officer
- Senior Management means

All Members of Company's Management team one level below the Executive Director including functional heads and such other Officer as may be prescribed under the applicable statutory provisions / regulations.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### Applicability:

The Policy is applicable to

- Directors
- Key Managerial Personnel
- Senior Management Personnel

#### General:

This Policy is divided in three parts: Part - A covers the matters to be dealt with and recommended by the Committee to the Board, Part - B covers the appointment and nomination and Part - C covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.



#### PART - A

# MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

#### The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- Recommend to the Board, appointment and removal of Directors, KMP and Senior Management Personnel.

#### PART - B

#### POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

#### Appointment criteria and qualifications:

- 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- 3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure:

1. Managing Director / Whole Time Director:

The Company shall appoint or re-appoint its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed Companies as an Independent Director and three listed Companies as an Independent Director in case such person is serving as a Whole Time Director of a listed Company.

#### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (but atleast once in a year).



#### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### PART - C

#### POLICY RELATING TO THE REMUNERATION FOR THE KMP AND SENIOR MANAGEMENT PERSONNEL

#### General:

- 1. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 2. The remuneration and commission to be paid to the KMP shall be in accordance with the slabs / conditions/ percentage approved by the Board subject to the provisions of the Companies Act, 2013, and the rules made thereunder.
- 3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Manager or Whole Time Director.
- 4. Where any insurance is taken by the Company on behalf of its Managing Director or Manager or Whole Time Director, Chief Executive Officer, the Company Secretary and Chief Financial Officer or any other Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### Minimum Remuneration:

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Manager or Whole Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **Sitting Fees:**

The Company may pay sitting Fees to Directors for attending Meetings of the Board or Committees thereof such sum as may be decided by the Board of Directors which shall not exceed One Lakh Rupees per meeting of the Board or Committee thereof or such amount as may be prescribed by the Central Government from time to time.

#### Commission:

Commission to Non Executive Director may be paid within the monetary limit approved by shareholders, subject to the prescribed limit on the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **Stock Options:**

An Independent Director shall not be entitled to any Stock Option of the Company.



**ANNEXURE 3** 

# SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

То

The Members **Lakshmi Automatic Loom Works Limited**[CIN: L29269TZ1973PLC000680]

686, Avanashi Road Pappanaickenpalayam Coimbatore - 641037

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. Lakshmi Automatic Loom Works Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the Financial Year ended 31st March, 2017 and the information provided by the Company, its officers, agents and authorized representatives during my conduct of Secretarial Audit.

I hereby report that, in my opinion, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter of even date annexed to this report as Annexure - A.

- 1. I have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
  - i. The Companies Act, 1956, The Companies Act, 2013 (the Act), the rules made thereunder.
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under.
  - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and



- 2. I am informed that, for the Financial Year ended on March 31, 2017 that there were no transaction under:
  - a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 3. The Company is not engaged in an industry regulated by a Sectoral Regulator.
  - i. I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - iii. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2017 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.

#### 4. I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Independent Directors, Non Independent Directors and a Women Director. There were no changes in the composition of the Board of Directors during the period under review.
- (ii) Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings along with agenda and detailed notes on agenda were sent at least seven days in advance before the Meeting.
- (iii) A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting Directors' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Sd/-)

M.R.L.NARASIMHA

Practicing Company Secretary

Membership No. F2851

Certificate of Practice No.799

34-C, 3rd Cross, R.L.Nagar

K.K. Pudur, Coimbatore - 641 038

Place: Coimbatore Date: 29.05.2017



#### Annexure A to Secretarial Audit Report of even date

To
The Members,
Lakshmi Automatic Loom Works Limited
[CIN: L29269TZ1973PLC000680]
686, Avanashi Road
Pappanaickenpalayam

Coimbatore - 641037

My Secretarial Audit Report (Form MR-3) of even date for the Financial Year ended 31st March, 2017 is to be read along with this letter.

- 1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
- 3. I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- 4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- 6. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Sd/-)
M.R.L.NARASIMHA
Practicing Company Secretary
Membership No. F2851
Certificate of Practice No.799
34-C, 3rd Cross, R.L.Nagar
K.K. Pudur, Coimbatore - 641 038

Place : Coimbatore Date : 29.05.2017



**ANNEXURE 4** 

Disclosure pertaining to remuneration and other details required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report.

- 1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:
  - Directors were not paid any Remuneration other than Sitting Fees during the Financial Year.
- 2. The Number of permanent Employees on the rolls of the Company as on 31-03-2017: 55 (Fifty Five only).
- 3. Average percentile increase in the salaries other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and if there are any exceptional circumstances for increase in the managerial remuneration:
  - Directors were not paid any Managerial Remuneration other than Sitting Fees during the Financial Year.
- 4. Affirmation that the remuneration is as per the remuneration policy of the Company: YES
- 5. Particulars of Employees
  - a) Details of employees, employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crore and Two Lakhs: None
  - b) Details of employees, employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate, was not less than Rupees Eight Lakhs and Fifty Thousand per month: None
  - c) Details of employees, if employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None



**ANNEXURE 5** 

### Management Discussion and Analysis Report

#### I. Industry Structure and Developments:

India has large installed weaving capacity consisting of organized and unorganized sectors. The organized sector represents composite Mills such as Spinning and Weaving Mills. The unorganized sector represents small and medium enterprises having loom sheds ranging from 6 to 40/50 looms; while the organized sector has the latest Weaving Machines like Airjet and Rapier, the unorganized sector still uses Shuttle Looms both automatic and semi automatic. Lately this sector is also replacing their old looms with Rapier and Airjet looms with the availability of new and used imported Shuttleless Looms at affordable prices by utilising the State Government incentives and the Central Government Technology Upgradation Fund benefits extended to them. The Government is also encouraging setting up of power loom parks by group of individuals.

#### A. Weaving Machinery and Spares:

The demand for High Speed Automatic 'C' type Shuttle Weaving Machines manufactured by the Company was affected due to advent of shuttleless technology. While the organized sector is choosing new Shuttleless Looms, the power loom sector is opting for more of used looms which are available at affordable prices. Thereby the market for the Company's 'C' type Shuttle Loom was eroded and only Spares and Accessories were manufactured during the year.

#### B. Other Engineering Services:

The demand for Parts for Machine Tools including Tool Holders depends upon the International Market and is price competitive.

#### II. Opportunities and Threats:

#### A. Weaving Machinery and Spares:

The manufacture of Shuttleless Weaving Machines requires technology on payment of high technical know-how fee and heavy investment in Machinery and Equipment. Due to the techno economic viability and the threat of import of both new and used machines, the manufacture of Shuttleless Weaving Machines is deferred by the Company.

#### B. Other Engineering Services:

The orders from the Export Oriented Unit for supply of Parts for Machine Tools including Tool Holders are based on the export orders bagged by them. As the international market for parts for Machine Tools and Tool Holders is fluctuating the inflow of orders to the Company is not consistent.

#### III. Product wise performance:

#### A. Weaving Machinery and Spares:

Due to lack of orders for 'C' type Shuttle Weaving Machines only Spares and Accessories for ₹ 113.49 lakhs were manufactured during the year. The Income earned on utilization of idle Assets of the Company was ₹ 384.27 lakhs.



#### B. Other Engineering Services:

The manufacture of Parts for Machine Tools including Tool holders during the year was ₹ 163.81 lakhs.

#### IV. Outlook:

The income on utilization of the idle Assets of the Company at Hosur will continue to be earned. Additional Buildings are under construction at Hosur and the space will be let out for Industrial/Warehousing operations to augment the revenue of the Company.

#### V. Risks and Concerns:

The manufacture of Shuttleless Weaving Machines requires heavy investment in capital equipment as well as in acquiring technology. Due to techno economic viability the manufacture of Shuttleless Weaving Machines is deferred.

#### VI. Internal Control System and the adequacy:

The company has adequate internal control system commensurate with its size and nature of its business. The Management has overall responsibility for the company's internal control systems to safeguard the assets and to ensure reliability of financial records. The Audit Committee reviews the Financial Statements and ensures adequacy of internal control systems.

#### VII. Discussion of Financial Performance with respect to Operational Performance:

The Company has achieved revenue of ₹ 414.06 lakhs from operations including utilization of idle Assets of the Company and the net profit during the year was ₹ 275.83 lakhs after providing ₹ 29.96 lakhs for Depreciation.

#### VIII. Material development in Human Resources / Industrial relations front, including number of people employed:

The number of employees engaged during the year was in line with the operational requirement of the company. The relation with labour was cordial during the year. The permanent employees on Roll as on 31-03-2017 were Fifty Five (55).



**ANNEXURE 6** 

#### **Report on Corporate Governance**

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the requirement of compliance with the corporate governance provisions as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V is not mandatory to the Company. However, as a good Corporate Governance practice a report on the implementation of the Corporate Governance provisions by the Company is furnished below:

#### Company's Philosophy on Code of Governance:

Lakshmi Automatic Loom Works Ltd is committed to sound practice of corporate functioning and customer satisfaction needs by offering the quality products and after sales service and complying with the regulations from time to time. The Company always endeavors its best to maintain quality at affordable cost by adopting highest standards of personal and professional integrity and ethical standards in all its business activities.

#### **BOARD OF DIRECTORS:**

#### Composition:

The Board of Directors (Board) comprises of eight Non Executive Directors, of which four are Independent Directors. The Board is headed by a Non Executive Chairman.

#### **Position of Board of Directors**

Sl.	Name of Divastors	Name of Directors	Other	Board Committees**	
No.	Name of Directors	Category	Director- ships *		Chairman- ship
1.	Sri S.Pathy ***	Non-Executive Chairman - Promoter	3	_	_
2.	Sri R.Santharam	Non-Executive Director	3	2	2
3.	Sri R.C.H. Reddy	Independent Director	5	3	1
4.	Smt. Aishwarya Pathy ***	Non-Executive Director	1	_	_
5.	Sri R.Varadarajan	Independent Director	2	3	_
6.	Sri C.Kamatchisundaram	Independent Director	_	_	_
7.	Sri N.Jaychander	Non-Executive Director	_	1	_
8.	Sri R.R.Balasundharam	Independent Director	_	1	_

<sup>\*</sup> The Directorships held by the Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 8 Companies under Companies Act, 2013 and Private Limited Companies.

None of the Director is a Member of more than 10 Board Committees or Chairman / Chairperson of more than 5 Board Committees.

<sup>\*\*</sup> The Chairmanship and Membership of the Board Committees consist of Audit Committee and Stakeholders Relationship Committee.

<sup>\*\*\*</sup> Sri S.Pathy, Chairman and Smt. Aishwarya Pathy are related to each other. None of the other Directors are related.



#### **Board Meetings and Attendance:**

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material information are placed before the Board at the meetings.

Five Board Meetings were held on 23.05.2016, 12.08.2016, 28.09.2016, 10.11.2016 and 06.02.2017 during the Financial Year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. Details of Attendance of each Director at the Meetings of the Board and various Committees of the Board during the Financial Year ended 31<sup>st</sup> March, 2017 are as below:

Sl. No.	Name of Directors	Board Meetings Attended	Audit Committee Meetings Attended	Nomination & Remuneration Committee Meetings Attended	Stakeholders Relationship Committee Meeting Attended	Last AGM Attended (Yes/No)
1.	Sri S.Pathy	5	-	3	-	Yes
2.	Sri R.Santharam	5	4	3	1	Yes
3.	Sri R.C.H.Reddy	5	4	3	1	Yes
4.	Smt.Aishwarya Pathy	5	-	-	-	Yes
5.	Sri R.Varadarajan	5	4	3	-	Yes
6.	Sri C.Kamatchisundaram	4	-	-	-	Yes
7.	Sri N.Jaychander	5	-	-	1	Yes
8.	Sri R.R.Balasundharam	5	4	-	-	Yes

#### **Remuneration of Directors:**

No remuneration other than Sitting Fees within the limits prescribed under the Companies Act, 2013 was paid to the Directors during the year.

#### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

SI. No.	Name of Directors	No. of Equity Shares of ₹ 10/- each held
1.	Sri S.Pathy	4,70,078
2.	Sri R.Santharam	NIL
3.	Sri R.C.H.Reddy	594
4.	Smt.Aishwarya Pathy	7,32,559
5.	Sri R.Varadarajan	NIL
6.	Sri C.Kamatchisundaram	NIL
7.	Sri N.Jaychander	1,850
8.	Sri R.R.Balasundharam	10,300

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors are well versed in the field of Textile Machinery Manufacturing by virtue of their educational qualification and working experience and are familiar with the operations of the Company. The details on the operations of the company and regulatory changes from time to time are appraised to the Directors at the Meetings. New Directors are oriented with the operations of the Company by Senior Managerial Personnel.

The senior management provides information such as specific project, activity or process of the Company at the meetings of the Board of Directors and during their visit to the plant.



The familiarization process enables an understanding of businesses and the markets and regulatory environment in which it operates and equip the Independent Directors to perform their role on the Board effectively.

Upon appointment, Independent Directors are issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments as posted on the Company's website at www.lakshmiautomatic.com

#### **COMMITTEE OF DIRECTORS**

The Board has constituted various Committees of Directors to deal with matters referred to it for timely decisions:

#### **AUDIT COMMITTEE:**

The Independent Audit Committee as below consists of three Independent Directors and one Non-Executive Director as its members. Sri R.C.H.Reddy, Independent Director is the Chairman of the Committee.

1.	Sri R.C.H. Reddy	Chairman	Independent Director
2.	Sri R.Santharam	Member	Non-Executive Director
3.	Sri R.Varadarajan	Member	Independent Director
4.	Sri R.R.Balasundharam	Member	Independent Director

The Company Secretary is the Secretary of the Audit Committee.

The Audit Committee is empowered as per the Terms of Reference specified by the Board in terms of Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief description of such terms of reference are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered;
- Review of accounting and financial policies and practices;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the Quarterly / Annual Financial Statements and Auditors' Report before submission to the Board for approval;
- Approval or any subsequent modification of related party transactions;
- Other terms of reference are included from time to time based on the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Companies Act, 2013.

The Committee has met four times during the Financial Year ended 31<sup>st</sup> March, 2017. The Statutory Auditors, Internal Auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee Meetings on invitation. The Senior Managerial Personnel attend the meetings as may be required by the Committee.



#### NOMINATION AND REMUNERATION COMMITTEE:

The Committee has been constituted as below with four Directors as members of which two members are Independent Directors. The Chairman of the Committee Sri R.C.H.Reddy is an Independent Director.

1.	Sri R.C.H.Reddy	Chairman	Independent Director
2.	Sri S.Pathy	Member	Chairman of the Board
3.	Sri R.Santharam	Member	Non-Executive Director
4.	Sri R.Varadarajan	Member	Independent Director

The Committee has interalia formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel in terms of Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board of Directors.

The Nomination and Remuneration Policy of the Company is annexed to the Board's Report in terms of the proviso to Section 178(4) of the Companies Act, 2013.

The Company Secretary is the Secretary of the Committee.

#### PERFORMANCE EVALUATION:

The Nomination and Remuneration Committee has laid down the criteria for evaluation by the Board of its own performance and that of its Committees and individual Directors. Accordingly a peer evaluation excluding the Director being evaluated was carried out by the Board on 06.02.2017. Some of the performance parameters on which the Independent Directors were evaluated include contribution and commitment, Integrity, Independent views and judgment, fulfillment of functions, qualifications, knowledge, experience and skill and role in active participation in Board and Committee meetings.

The performance of the Key Managerial Personnel of the Company were evaluated based on their qualifications, experience and the duties and responsibilities carried out by them.

#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on 06.02.2017, to:

- 1. Review the performance of Non Independent Directors and the Board as a Whole;
- 2. Review the performance of the Chairperson of the Company taking into account the views of Non Executive
- 3. Assessment of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee consists of the following Directors as its members with Sri R.Santharam as the Chairman of the Committee.

1.	Sri R.Santharam	Chairman	Non Executive Director
2.	Sri R.C.H.Reddy	Member	Independent Director
3.	Sri N.Jaychander	Member	Non Executive Director

Mr.R.Muthukumar, Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee.



The Committee considers and resolves the grievances of shareholders of the Company and look into their complaints, if any, on transfer of shares, non-receipt of Annual Report, non receipt of declared dividends etc. and also the action taken by the Company on the above matters.

During the Financial Year ended 31.03.2017, no letters / complaints were received from the investors. The outstanding letters / complaints as on 31.03.2017 was Nil. The Committee has met once during the Financial Year ended 31st March, 2017.

#### **SHARE TRANSFER COMMITTEE:**

The Share Transfer Committee consists of three Members of the Board of Directors and two Members representing the Registrars and Transfer Agents. The Committee has met Sixteen times during the Financial Year ended 31<sup>st</sup> March, 2017.

#### PREVENTION OF INSIDER TRADING:

The Company has adopted the Code of Conduct to regulate, monitor and report Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as posted in the Company's website at www.lakshmiautomatic.com.

#### **GENERAL BODY MEETINGS:**

Information regarding the last three Annual General Meetings of the shareholders are given below:

Location	Day	Date	Time
Registered Office : 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037	Thursday	18.09.2014	4.30 P.M.
- Do -	Wednesday	23.09.2015	2.45 P.M.
- Do -	Wednesday	28.09.2016	3.30 P.M.

#### Special Resolutions passed during the previous three Annual General Meetings:

- 1. Two Special Resolutions were passed at the Annual General Meeting held on 18.09.2014 to consider and approve.
  - a. Consent to the Board of Directors of the Company for borrowing monies in excess of Paid up Capital and Free Reserves.
  - b. Creation of mortgage and / or charging of assets of the Company.
- 2. A Special Resolution was passed at the Annual General Meeting held on 23.09.2015 to consider and adopt the new set of Articles as the Articles of Association of the Company in place/in substitution and to the entire exclusion of the existing Articles of Association.
- 3. A Special Resolution by Postal Ballot was passed for buy-back of 2,50,000 unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each out of 8,50,000 unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each.

The details of Special Resolution(s) passed through Postal Ballot, Voting Pattern and Procedure for Postal Ballot are as under:

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made there under, a Special Resolution



was passed by the members of the Company through Postal Ballot during the year 2016-17 for buy-back of fully paid up unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each for an amount not exceeding ₹ 2.50 Crores being 22.15% of the paid up Share Capital and Free Reserves (including Share Premium) as on 31st March, 2016 for a price not exceeding the face value of ₹ 100/- per share.

The Board of Directors of the Company had appointed Mr.B.Krishnamoorthi, Chartered Accountant (Membership No.20439) to act as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Company had completed the dispatch of the Postal Ballot Notice dated 12.08.2016 together with the Explanatory Statement on Friday the 2<sup>nd</sup> September, 2016, along with Postal Ballot Form to all the shareholders whose name(s) appeared on the Register of Members / list of beneficiaries as on the cut-off date of 26<sup>th</sup> August, 2016:

- (a) through electronic mail to the members whose email ids were registered in the records of Depository Participants and
- (b) through Physical mode, along with a self-addressed Business Reply Envelope (Postage paid by the Company) to the other members (whose email IDs were not registered with the Depository Participants).

The Postal Ballot Process / Remote E-voting module was kept open from 2<sup>nd</sup> September, 2016 to 1<sup>st</sup> October, 2016 to shareholders to cast their vote either through Postal Ballot Form or through electronic mode.

The votes cast through E-Voting were unblocked on 1<sup>st</sup> October, 2016 around 5.15 P.M. Particulars of votes received from the Shareholders using the electronic platform of NSDL were entered in a register separately maintained for the purpose.

The Postal Ballot Forms were kept under Scrutinizers safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot Forms.

All Postal Ballot Forms received up to 5.00 P.M. on 1<sup>st</sup> October 2016, had been considered for scrutiny and envelopes containing Postal Ballot Forms received thereafter had not been considered for scrutiny.

Two Shareholders holding 8,50,000 Preference Shares of ₹ 100/- each have voted for the resolution. Since the dividend for the last two years was not declared on the Preference Shares, the Preference Shareholders were entitled to vote on the resolution passed by way of Postal Ballot. The Voting rights for each Preference Share was 10 (Ten) votes for ₹ 100/- paid up as against the voting rights for each Equity Share of 1 (one) vote for ₹ 10/-paid up.

The result of the Remote E-voting and Postal Ballot on the Special Resolution to approve the buy-back of 2,50,000 - unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each out of 8,50,000 - unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each of the Company was announced by the Chairman on 4<sup>th</sup> October, 2016 as per the Scrutinizer's Report as below:

	F	or	Against		
Modes	No. of Members	No. of Votes	No. of Members	No. of Votes	
E-Voting	9	7,695	1	12	
Ballot Forms Received by Post	80	1,11,97,125	2	305	
Total	89	1,12,04,820	3	317	

No Special Resolution is proposed to be passed at the ensuing Annual General Meeting.



#### **Disclosures:**

There are no materially significant Related Party Transactions that would have potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in Note No.24.13 to the Annual Accounts. The Board has approved a policy for Related Party Transactions as posted on the Company's website at www.lakshmiautomatic.com.

No penalty or strictures have been imposed on the Company by the Capital Market Authorities for non-compliance of law, during the last three years.

The Company has complied with the requirements of the Listing Agreement with the BSE Ltd and Regulations of SEBI.

All the Mandatory requirements have been complied with as stated in this report on Corporate Governance. The Board has taken cognizance of the non-mandatory requirements. The Company has a Non-Executive Chairman and a separate Chief Executive Officer. The financial Statements are with unmodified opinion(s).

#### Vigil Mechanism / Whistle Blower Policy:

The Company has adopted the Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. No personnel is denied access to the Audit Committee. No protected disclosures were received by the Nodal Officer during the year ended 31st March, 2017.

A copy of the Vigil Mechanism / Whistle Blower Policy is posted on the Company's website at www.lakshmiautomatic.com.

# Code of Conduct:

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and is posted on the website of the Company at www.lakshmiautomatic.com. The Compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2016-17 has been affirmed by the Chairman.

#### CEO and CFO Certification:

The Chairman and the CFO have given a Certificate to the Board as contemplated in terms of the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed.

### Means of Communication:

The Quarterly Results are published in leading news papers like Financial Express (English) and Malai Malai (Tamil).

The Quarterly Results, Shareholding Pattern, Annual Report, applicable policies and announcements of the Company and Company information are available in the Company's Website www.lakshmiautomatic.com.

## Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Director's Report and forms part of the Annual Report.

## SHAREHOLDERS INFORMATION

## Annual General Meeting:

Day & Date : Friday, the 28<sup>th</sup> July, 2017

Time : 4.35 P.M.

Venue : Registered Office: 686, Avanashi Road,

Pappanaickenpalayam, Coimbatore - 641 037.



#### Financial Calendar

Financial Year 1st April, 2016 to 31st March, 2017

Results announced 29.05.2017

On or before 02.07.2017 **Posting of Annual Reports** 

26.07.2017 (before 4.35 P.M.) Last date of receipt of Proxy Form

**Announcement of Quarterly Results** 

(Tentative)

August 2017, November 2017, February 2018

and May 2018

Date of Book Closure 22.07.2017 to 28.07.2017 (both days inclusive)

**Dividend Payment Date** No dividend recommended

The Equity Shares of the Company are listed in BSE Ltd. Listing on Stock Exchanges Payment of Listing Fees Annual Listing Fees for the year 2017-18 has been paid

by the Company.

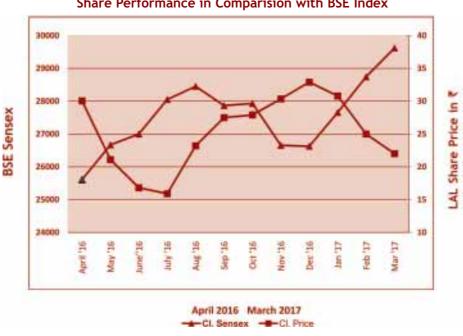
Stock / Scrip Code 505302

INE718M01014 **ISIN Number** 

#### Market Price Data:

Month	Apr'16	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'17	Feb	Mar
High (₹)	31.60	29.00	20.05	18.90	23.20	30.40	29.40	31.90	33.30	31.30	30.80	28.90
Low (₹)	30.05	21.10	16.50	15.90	16.00	24.35	23.75	26.55	31.50	28.00	21.70	22.00
No. of Shares Traded	106	873	5.334	2,494	6,998	8,653	5,186	3,968	1,935	1,890	3,620	3,874

## Share Performance in Comparision with BSE Index





### Registrars and Share Transfer Agents:

(For Shares held in both Physical and Demat mode)

M/s. S.K.D.C. Consultants Ltd,

Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Phone: +91-422-2539835, 2539836 & 4958995 Email: info@skdc-consultants.com

## **Share Transfer System:**

The Company's shares are transferable through the depository system. The physical share transfers are processed and the share certificates are returned within a period of 15 days from the date of receipt if documents are in order and on approval by the Share Transfer Committee.

## Distribution of Shareholding as on 31.03.2017:

	Range		No.of Equity Shareholders	% of Total Number of Shareholders	No. of Shares	% to Total paid up capital
1	-	5000	7,882	99.69	7,72,593	12.66
5001	-	10000	3	0.04	19,800	0.32
10001	-	20000	6	0.08	86,666	1.42
20001	-	30000	1	0.01	30,000	0.49
30001	-	40000	1	0.01	38,966	0.64
40001	-	50000	1	0.01	50,000	0.82
100001	and	above	13	0.16	51,05,963	83.65
	Total		7,907	100.00	61,03,988	100.00

## Shareholding Pattern as on 31.03.2017:

Category	No. of Shareholders	No. of Shares of ₹ 10/- each	% of Shareholding
Promoters	8	15,96,277	26.151
Banks	2	23,000	0.377
Insurance Companies	6	13,92,016	22.805
Bodies Corporate	43	11,56,952	18.954
Overseas Bodies Corporate	2	11,25,000	18.431
Individuals	7,711	6,63,913	10.877
NRIs	135	1,46,830	2.405
Total	7,907	61,03,988	100.00



#### **Dematerialisation of Shares:**

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL).

As on 31-03-2017, 31,64,019 Equity Shares were dematerialized representing 51.49% of the total paid up Equity Share Capital of the Company.

## **Nomination Facility:**

Section 72 of the Companies Act, 2013 provides the facility for Nomination of the shares. The nomination Form (SH-13) along with instructions is provided to the Members on request.

#### **Plant Locations:**

The Company has 2 Units situated at the following locations:

#### WEAVING MACHINERY AND SPARES (UNIT 1)

Hosur Industrial Complex, Hosur - 635 126

#### OTHER ENGINEERING SERVICES (UNIT 2)

Singarampalayam, Kinathukadavu Taluk Pollachi - 642 109, Coimbatore District

#### Address for Correspondence:

All correspondence from shareholders should be addressed to the Registrars and Share Transfer Agents:

M/s. S.K.D.C. Consultants Limited

Unit: Lakshmi Automatic Loom Works Limited

Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy,

Coimbatore - 641 006.

Phone: +91-422-4958995, 2539835 - 36

Fax : +91-422-2539837

Email: info@skdc-consultants.com

Shareholders Complaints Registration Email ID: secretarial@lakshmiautomatic.com

#### CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company and the same has also been posted in the Company's website at www.lakshmiautomatic.com and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct for the Financial Year ended 31-03-2017.

Coimbatore 29.05.2017

(Sd.) **S. PATHY** Chairman



AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER REGULATION 15(2) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015.

To the Members of Lakshmi Automatic Loom Works Limited

We have examined the compliance of conditions of Corporate Governance by M/s.Lakshmi Automatic Loom Works Limited for the year ended 31<sup>st</sup> March, 2017, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulation.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

On the basis of the records, maintained by the Stakeholders Relationship Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S) (Sd.) SUGUNA RAVICHANDRAN Partner (Membership No. 207893)

Coimbatore 29.05.2017



#### **CEO & CFO CERTIFICATE**

The Board of Directors
Lakshmi Automatic Loom Works Ltd
686, Avanashi Road
COIMBATORE - 641 037

Sub: Annual Confirmation pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required by Regulation 17(8) and as specified in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i) these Statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes, if any, in internal control over Financial Reporting during the year;
  - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - iii) that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Coimbatore 29.05.2017

(Sd.) **S. PATHY** Chairman

(Sd.) **K.P. KRISHNAKUMAR** Chief Financial Officer



# **Independent Auditors' Report**

To The Members of M/s. Lakshmi Automatic Loom Works Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Lakshmi Automatic Loom Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Managements' Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view



in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- 2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operative effectiveness of such control, refer to our separate report in Annexure B; and
  - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - iii. There is no amount required to be transferred to Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
    - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same are in accordance with the books of accounts maintained by the company.

For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S) (Sd.) SUGUNA RAVICHANDRAN Partner (Membership No. 207893)

Coimbatore 29.05.2017



# Annexure A - To Independent Auditors' Report

Annexure referred to in our Independent Auditors' report to the members of Lakshmi Automatic Loom Works Limited ('the Company') on the financial statements for the year ended 31 March 2017.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. The title deeds of immovable properties are held in the name of the company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
  - b. The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery/repayment of overdue amounts of such loans are taken does not arise.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, security and guarantees for loans taken by others from banks or financial institutions. Hence, compliance with the provisions of section 185 and 186 of the Companies Act, 2013 is not required.
- v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act 2013.
- vi) The Company is not covered under maintenance of cost records pursuant to section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii) a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess and other statutory dues applicable to it.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.



c. According to the records of the Company, there are no dues to Sales Tax, Income Tax, Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute, except as under:

Name of Statute	Nature of Dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act/ Service Tax Act	Service Tax	8.86	February 2007 to September 2008	Customs, Excise & Service Tax Appellate Tribunal, Chennai.

- viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, we are of the opinion that the company has not raised any money by way of initial public offer or further public offer (including debt instruments), and term loans during the year.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have been informed of any such instance by the management.
- xi) The company has not paid any managerial remuneration during the period. Hence the requirement of getting requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013 is not applicable.
- xii) The company is not a Nidhi and hence not covered by the Nidhi Rules, 2014.
- xiii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence compliance of section 42 of the Companies Act, 2013 is not required.
- xv) The company has not entered into any non-cash transactions with the directors or persons connected with the directors, hence compliance of section 192 of the Companies Act, 2013 is not required.
- xvi) As the company is not a Non Banking Financial Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S) (Sd.) SUGUNA RAVICHANDRAN

Coimbatore 29.05.2017

Partner (Membership No. 207893)



# Annexure B - To Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Lakshmi Automatic Loom Works Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable



assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S) (Sd.) SUGUNA RAVICHANDRAN Partner (Membership No. 207893)

Coimbatore 29.05.2017



# Balance Sheet as at 31st March, 2017

₹ in Lakhs

Particulars	Note No.	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
a) Share Capital	3	1210.40	1460.40
b) Reserves and Surplus	4	(-) 284.65	(-) 331.49
Total Shareholders' Funds		925.75	1128.91
(2) Non - Current Liabilities:	5		
a) Long-term borrowings		10.00	10.00
b) Deferred tax liabilities		21.51	26.38
c) Other Long Term Liabilities		152.70	283.20
d) Long-term provisions		51.73	46.77
		235.94	366.35
(3) Current Liabilities:	6		
a) Short-term borrowings		46.43	-
b) Trade payables		14.22	20.47
c) Other current liabilities		41.93	78.91
d) Short-term provisions		20.95	17.42
		123.53	116.80
TOTAL		1285.22	1612.06
II. ASSETS			
(1) Non - Current Assets:			
Fixed assets	7		
i) Tangible assets		366.67	362.20
ii) Capital work-in-progress		34.74	10.95
iii) Deferred tax assets (Net)	8	-	_
iv) Long Term loans and advances	9	38.44	45.19
v) Other non-current assets	10	14.98	20.71
		454.83	439.05
(2) Current Assets:	44	50.54	(5.45
a) Inventories	11	59.54	65.43
b) Trade Receivables	12	106.31	67.61
c) Cash and cash equivalents	13	586.79	897.88
d) Short-Term loans and advances	14	60.99	11.50
e) Other current assets	15	16.76	130.59
		830.39	1173.01
TOTAL		1285.22	1612.06

Accompanying Notes 2 to 24 form part of the Financial Statements.

	Directors		As per our report of even date
	(Sd.) S. PATHY		For N.R. DORAISWAMI & CO
	Chairman (DIN:00013899)	(Sd.) K.P. KRISHNAKUMAR	Chartered Accountants
	(Sd.) R. SANTHARAM	Chief Financial Officer	(Firm Regn. No. 000771S)
	Director (DIN:00151333)		(Sd.) SUGUNA RAVICHANDRAN
Coimbatore	(Sd.) N. JAYCHANDER	(Sd.) R. MUTHUKUMAR	Partner
29.05.2017	Director (DIN:00015091)	Company Secretary	(Membership No. 207893)



# Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lakhs

Particulars	Note No.	31.03.2017	31.03.2016
ncome:			
. Revenue from operations	16	303.39	263.05
I. Other income	17	487.03	468.16
II. Total Revenue (I+II)		790.42	731.21
V. Expenses:			
Cost of Materials consumed	18	73.41	83.13
Changes in Inventories of Finished Goods,	19	6.46	(-) 3.06
Work in Progress and Stock in Trade			
Employee Benefits Expense	20	244.83	223.11
Finance Costs	21	4.79	5.51
Depreciation and Amortization Expenses		29.96	30.45
Other Expenditure	22	240.15	204.17
Total Expenses		599.60_	543.31
/. Profit before exceptional			
and extraordinary items and tax (III-IV)		190.82	187.90
/I. Exceptional items	23	85.01	11.04
/II. Profit before extraordinary items and tax (V+VI)		275.83	198.94
/III.Extraordinary items		_	_
X. Profit before tax (VII – VIII)		275.83	198.94
K. Tax expense:			
(1) Current tax		(-) 95.77	(-) 70.27
(2) Deferred tax		4.87	(-) 30.85
(3) For earlier years		<u>(-) 138.09</u>	
(I. Profit / (Loss) for the year (IX – X)		46.84	97.82
(II. Earnings per equity share :			
(1) Basic		(-) 0.12	0.60
(2) Diluted		(-) 0.12	0.60

Accompanying Notes 2 to 24 form part of the Financial Statements.

	Directors (Sd.) S. PATHY Chairman (DIN:00013899) (Sd.) R. SANTHARAM Director (DIN:00151333)	(Sd.) <b>K.P. KRISHNAKUMAR</b> Chief Financial Officer	As per our report of even date For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S) (Sd.) SUGUNA RAVICHANDRAN
Coimbatore 29.05.2017	(Sd.) N. JAYCHANDER Director (DIN:00015091)	(Sd.) <b>R. MUTHUKUMAR</b> Company Secretary	Partner (Membership No. 207893)



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

₹ in Lakhs

	Particulars	31.0	3.2017	31.03.2016		
Α.	Cash flow from operating activities					
	Net Profit as per Statement of Profit and Loss		275.83		198.94	
	Add:					
	Depreciation and amortisation expenses	29.96		30.45		
	Interest	4.79		5.51		
	Less:					
	Interest Income	57.77		69.70		
	Profit on sale of assets	_	(-) 23.02	11.37	(-) 45.11	
	Operating Profit Before Working Capital Changes		252.81		153.83	
	Adjustments for					
	Decrease in Inventories	5.89		(-) 0.72		
	Increase in Debtors	(-) 38.70		29.50		
	Decrease in Other Current Assets	113.83		(-) 6.05		
	Increase in Loans & Advances	(-) 49.49		(-) 9.92		
	Decrease in Current Liabilities	6.73		126.02		
	Decrease in other Non Current Assets	12.48	50.74	(-) 42.65	96.18	
	MAT Credit / Direct Taxes paid		(-) 228.99		(-) 101.12	
	Net Cash used in operating activities (A)		74.56		148.89	
В.	Cash Flow from Investment Activities					
	Purchase of Fixed Assets	(-) 58.22		(-) 8.22		
	Interest Income	57.77		69.70		
	Sale of Fixed Assets	_		11.37		
	Net Cash used in Investing activities (B)		(-) 0.45		72.85	
C.	Cash Flow from Financial Activities					
	Interest	(-) 4.79		(-) 5.51		
	Buyback of Preference Shares	(-) 250.00				
	Increase in Non Current Liabilities	(-) 130.41		11.64		
	Net Cash used in Financing activities (C)		(-) 385.20		6.13	
	Net Increase in cash and cash equivalents (A+B+C)		(-) 311.09		227.87	
	Cash and cash equivalents as at 01.04.2016		897.88		670.01	
	Cash and cash equivalents as at 31.03.2017		586.79		897.88	
	-ve sign before the figures represent cash outflows.					

**Directors** 

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM Director (DIN:00151333)

Coimbatore (Sd.) N. JAYCHANDER Director (DIN:00015091) (Sd.) K.P. KRISHNAKUMAR Chief Financial Officer

(Sd.) R. MUTHUKUMAR **Company Secretary** 

As per our report of even date For N.R. DORAISWAMI & CO **Chartered Accountants** (Firm Regn. No. 000771S)

(Sd.) SUGUNA RAVICHANDRAN Partner (Membership No. 207893)

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29.05.2017



## **Notes to the Financial Statements**

#### 1 CORPORATE INFORMATION

Lakshmi Automatic Loom Works Limited is incorporated under the Companies Act, 1956. The company's shares are listed with BSE Ltd, Mumbai. The company is manufacturing Spares and Accessories for C type Automatic Weaving Machines, Circular Knitting Machines and parts for Machine Tools.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

## 2.1 Method of Accounting:

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with the Accounting Principles generally accepted in India (Indian GAAP) and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended) and the guidelines issued by the Securities and Exchange Board of India (SEBI) and the relevant provisions of the Companies Act, 2013 to the extent applicable.

#### 2.2 Fixed Assets:

Fixed Assets are stated at cost inclusive of expenses in connection with acquisition of the assets and net of cenvat credit / value added tax including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any.

#### 2.3 Investments:

The investments if any are accounted at cost. Diminution in the value of Investments if any, in respect of long term Investments is recognized.

#### 2.4 Valuation of Inventories:

Inventories are valued at lower of cost and net realizable value after providing for obsolescence where necessary. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### 2.5 Translation of Foreign Currency Transactions:

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the statement of profit and loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference adjusted as income or expense in the statement of profit and loss.

The premium or discount arising at the inception of forward exchange contracts if any is accounted as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

#### 2.6 Depreciation:

- Depreciation on Fixed Assets for the year has been provided in accordance with Schedule II of the Companies Act, 2013 on straight line method. For additions and deletions depreciation is provided on pro-rata basis.
- ii) Payments towards Technical Know-how have been classified under Fixed Assets and has been appropriately depreciated.

#### 2.7 Recognition of Revenue

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized when invoiced / upon completion of work based on confirmed contracts. Dividend from Investments if any and Export Incentives under Duty drawback scheme are recognized when the right to receive payment / credit is established and no significant uncertainty as to measurability or collectability exists.



#### 2.8 Borrowing Cost:

Borrowing costs, if any, attributable to acquisition / construction of qualifying assets are capitalized and included in the cost of the asset, as appropriate.

#### 2.9 Earnings per Share:

Basic Earnings per share is calculated after considering required dividend on Cumulative Redeemable Preference Shares and by dividing the Net Profit after tax attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

#### 2.10 Employee Benefits:

Provision for gratuity and Leave encashment are made as per actuarial valuation at the end of the Year as per AS15 (revised) of The Institute of Chartered Accountants of India.

#### 2.11 Taxes on Income:

- a. Current tax liability on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment / appeals.
- b. Deferred tax is recognized on timing differences between the accounting Income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future Income will be available against which such deferred tax assets can be realized.

# 2.12 Provisions, Contingent Liabilities and Contingent Assets:

Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### 2.13 Cash Flow Statements:

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

#### 2.14 Impairment of Assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine (i) the provision for impairment loss, if any, required or (ii) the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount

#### 2.15 Segment Reporting:

Business segments are identified on the basis of the nature of products / services, the risk-return profile of individual businesses, the organizational structure and the internal reporting system of the Company.

Segment revenue, segment expenses, segment assets and liabilities include those directly identifiable with the respective segments.



# Notes to the Balance Sheet

Note No.	Particulars	31.03	.2017	31.03	.2016
3	SHARE CAPITAL				
	Authorised:				
	65,00,000 Equity Shares of ₹10/- each		650.00		650.00
	9,00,000 - 6% Cumulative Redeemable				
	Preference Shares of ₹ 100/- each		900.00		900.00
	Total		1550.00	•	1550.00
	Issued, Subscribed and fully Paid-up:			•	
	61,03,988 Equity Shares of ₹ 10/- each fully paid up		610.40		610.40
	8,50,000 - 6% Cumulative Redeemable				
	Preference Shares of ₹ 100/- each	850.00		850.00	
	Less: 2,50,000 - 6% Cumulative Redeemable				
	Preference Shares Bought back	250.00	600.00	_	850.00
	Total		1210.40		1460.40
4	RESERVES AND SURPLUS		1 1 1 1 1 1 1		
7	1. Securities Premium Reserve :				
	As per last Balance Sheet	457.92		457.92	
	Less: 2,50,000 - 6% Cumulative Redeemable				
	Preference Shares Bought back	250.00	207.92		457.92
	2. Capital Redemption Reserve		250.00		_
	3. Other Reserves:				
	Surplus:				
	Net Profit transferred from Statement				
	of Profit and Loss	46.84		97.82	
	Debit balance in Profit and Loss Account				
	brought forward from previous year	(-) 789.41	( ) 742 57	(-) 887.23	( ) 700 44
	Total		(-) 742.57 (-) 284.65		(-) 789.41 (-) 331.49
5			(-) 204.03	<del>.</del>	(-) 331.49
2	NON-CURRENT LIABILITIES  a) Long - term borrowings :				
	Unsecured Loans				
	Agency Deposit (Rate of interest 10.5%)		10.00		10.00
	Total		10.00		10.00
	b) Deferred tax liabilites (Refer Note No.8)		21.51		26.38
	c) Other Long - term liabilities :		21.31		20.30
	Trade payables				
	(i) Due to micro, small and medium enterprises	_		_	
	Due to others	0.16	0.16	0.13	0.13
	(ii) Others:				
	Liabilities for other finance		148.17		145.12
	Liabilities for expenses		4.37		137.95
	Total		152.70		283.20



# Notes to the Balance Sheet

Note No.	Particulars	31.03.	2017	31.03.2016	
	NON-CURRENT LIABILITIES (CONTD.) d) Long - term provisions :    Provision for employee benefits :    (i) Provision for Gratuity    (ii) Provision for Leave encashment    (iii) Provision for Bonus		40.53 10.99 0.21		36.76 9.86 0.15
	Total		51.73		46.77
6	a) Short - term borrowings : Secured Loans Loans repayable on demand- Over Draft Working Capital Borrowings- Open Loan b) Trade payables : Due to Micro, Small and Medium Enterprises Due to Others c) Other Current Liabilities Liabilities for Capital Expenditure	7.93 6.29	39.84 6.59 14.22 1.93	7.42 13.05	_ _ 20.47 _
	Liabilities for Other Finance		15.68		53.33
	Liabilities for Expenses  Total		24.32		25.58 78.91
	d) Short - term provisions : a) Provision for employee benefits Provision for Gratuity		5.26		4.50
	Provision for Leave encashment Provision for Bonus b) Others		4.55 11.14 –		1.88 11.04 –
	Total		20.95		17.42



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<u> </u>	מוסוב לי זוואבן אמניבו ז											k in Lakns
			GROSS BLOCK	BLOCK			DEPRECIATION	IATION			¥	NET BLOCK
SI. Š	Assets	Asat 01.04.2016	Addi- tions	Sales/ Adjust- ments	Asat 31.03.2017	Asat 01.04.2016	For the year	With- drawn	Upto 31.03.2017	Transfer to Retained Earnings	Asat 31.03.2017	Asat 31.03.2016
į.	Tangible Assets											
	1 Land											
	Free hold	28.04			28.04						28.04	28.04
	Lease hold	1.12			1.12						1.12	1.12
	2 Buildings	728.45			728.45	429.78	19.87		449.65		278.80	298.67
	3 Plant and	1753 73	77 33		1280 56	100101	2 67		1770 77		78 78 87	37 18
	4 Vehicles	28.83	5.00		33.83	28.79	0.37		29.16		4.67	0.04
	5 Furniture & Fixtures	86.52	1.28		87.80	85.21	0.63		85.84		1.96	1.31
	6 Others											
	(i) Technical Know-how	187.79			187.79	187.79			187.79			
	(ii) Computer Equipments	37.13	0.82		37.95	36.29	0.42		36.71		1.24	0.84
	(iii) Library	0.93			0.93	0.93			0.93			
	Total	2352.04	34.43		2386.47	1989.84	29.96		2019.80		29.998	362.20
	(Previous year figures)	2413.94	6.80	68.70	2352.04	2028.09	30.45	68.70	1989.84		362.20	385.85
ii	Capital work in progress	10.95	23.79		34.74						34.74	10.95
	(Previous year figures)	9.53	1.42		10.95						10.95	9.53



# Notes to the Balance Sheet

Note No.	Particulars		31.03	.2017	31.03	.2016
8	DEFERRED TAX ASSETS (NET) Deferred Tax Asset Less: Deferred Tax Liability	Total		24.03 45.54 (-) 21.51		21.22 47.60 (-) 26.38
9	LONG - TERM LOANS AND ADVANCES (Unsecured-considered good-recoverable in cash or in kind) Advance for Central Excise Advance for Others Deposits Income Tax Deducted at Source			10.37 17.31 10.76		12.08 13.83 10.13 9.15
10	OTHER NON-CURRENT ASSETS  i) Long Term Trade Receivables Unsecured considered good Unsecured considered doubtful Less: Provision for doubtful debts	Total	2.80 2.80	38.44 - -	2.80 2.80	45.19 6.59
	ii) Other Non-current Assets: IT Refund Receivable AY 2017-18 Interest accrued and other receivables Share Issue Expenses	Total	-	- 6.52 7.81 0.65 14.98		6.59 - 13.14 0.98 20.71
11	CURRENT ASSETS INVENTORIES  i) Raw Materials  ii) Components  iii) Work in progress  iv) Finished goods  v) Stock of Stores, Tools and Machinery Spar  (Valued at cost or Net realisable value  whichever is less)			7.57 19.46 4.03 7.56 20.92		7.95 19.62 10.45 7.60 19.81
12	TRADE RECEIVABLES Unsecured considered good: Outstanding for more than six months Others	Total	-	0.63 105.68 106.31		65.43 - 67.61 67.61



# Notes to the Balance Sheet

Note No.	Particulars		31.03.2	2017	31.03.	2016
13	CASH AND CASH EQUIVALENTS					
	i) Cash with Banks :					
	In Current Accounts			4.93		25.87
	In Deposit Accounts			433.02		871.47
	In Deposit Accounts - pledged with Bar	nk		148.55		_
	(ii) Cash on hand			0.28		0.52
	(iii) Stamps and Stamp Papers on hand			0.01		0.02
		Total		586.79		897.88
14	SHORT TERM LOANS AND ADVANCES					
	(Unsecured-considered good-recoverable					
	in cash or in kind)					
	Advance for Capital Expenditure			46.85		_
	Advance for Purchases			-		0.02
	Advance for Staff			2.13		2.12
	Advance for Others			0.94		0.62
	Advance for Central Excise			8.08		4.84
	Deposits			-		0.74
	Prepaid Expenses			2.99		3.16
		Total	_	60.99		11.50
15	OTHER CURRENT ASSETS					
	Interest accrued and other receivables			16.76		28.09
	MAT credit entitlement			-		102.50
		Total		16.76		130.59
		Total		830.39		1173.01
	Notes to Statement of Profit and	Loss				
16	REVENUE FROM OPERATIONS					
	Sale of Parts and Accessories for					
	Machine Tools			163.81		143.17
	Sale of Accessories and Spares for Weaving and Circular Knitting Machines			127.77		133.68
	Sale of Components			127.77		133.00
	Fabrication Charges			24.94		2.84
	Less:			316.52		279.69
	Excise Duty		10.93		13.47	
	Sales Tax		3.35	14.28	4.52	17.99
	Cala of athority			302.24		261.70
	Sale of other items		_	1.15		1.35
		Total		303.39		263.05



# Notes to Statement of Profit and Loss

HER INCOME  lisation of Scrap  Prest Receipts (TDS ₹ 5.75 Lakhs)  Cellaneous Income  Ome on utilisation of idle assets (TDS ₹ 41.19 Lakhs)  Perence in Exchange  Total  ST OF MATERIALS CONSUMED  Pening Stock:  Materials  Purchases:  Materials  Poponents  (A)  Sing Stock:  Materials	7.95 19.63	14.72 57.77 0.03 414.06 0.45 487.03 27.58 55.72 17.14 100.44	6.71 21.44	9.43 69.70 4.76 384.27 - 468.16 28.15 58.74 23.82
erest Receipts (TDS ₹ 5.75 Lakhs) cellaneous Income ome on utilisation of idle assets (TDS ₹ 41.19 Lakhs) erence in Exchange  Total  ST OF MATERIALS CONSUMED ening Stock:  / Materials hponents  : Purchases:  / Materials hponents  (A) sing Stock:  / Materials		57.77 0.03 414.06 0.45 487.03 27.58 55.72 17.14		69.70 4.76 384.27 - 468.16 28.15
cellaneous Income ome on utilisation of idle assets (TDS ₹ 41.19 Lakhs) berence in Exchange  Total  ST OF MATERIALS CONSUMED ening Stock:  / Materials hponents  : Purchases:  / Materials hponents  (A)  sing Stock:  / Materials		0.03 414.06 0.45 487.03 27.58 55.72 17.14		4.76 384.27 - 468.16 28.15 58.74
ome on utilisation of idle assets (TDS ₹ 41.19 Lakhs) erence in Exchange  Total  ST OF MATERIALS CONSUMED ening Stock:  / Materials hponents  E. Purchases: / Materials hponents  (A)  Sing Stock: / Materials		414.06 0.45 487.03 27.58 55.72 17.14		384.27 - 468.16 28.15 58.74
Total  ST OF MATERIALS CONSUMED  Prining Stock:  / Materials  I: Purchases:  / Materials  Inponents  (A)  Sing Stock:  / Materials		0.45 487.03 27.58 55.72 17.14		28.15 58.74
Total  ST OF MATERIALS CONSUMED  ening Stock:  / Materials  i: Purchases:  / Materials  inponents  (A)  sing Stock:  / Materials		27.58 55.72 17.14		28.15 58.74
ST OF MATERIALS CONSUMED  ening Stock:  / Materials  nponents  : Purchases:  / Materials  nponents  (A)  sing Stock:  / Materials		27.58 55.72 17.14		28.15 58.74
ening Stock:  / Materials  nponents  : Purchases:  / Materials  nponents  (A)  sing Stock:  / Materials		55.72 17.14		58.74
/ Materials nponents  I: Purchases: / Materials nponents  (A) sing Stock: / Materials		55.72 17.14		58.74
riponents  I: Purchases:  / Materials  riponents  (A)  sing Stock:  / Materials		55.72 17.14		58.74
l: Purchases:  / Materials  nponents  (A)  sing Stock:  / Materials	19.63	55.72 17.14	21.44	58.74
w Materials inponents  (A) sing Stock: w Materials	_	55.72 17.14		58.74
w Materials inponents  (A) sing Stock: w Materials	-	17.14		
w Materials inponents  (A) sing Stock: w Materials	-	17.14		
nponents  (A) sing Stock:  Materials	_	17.14		
(A) sing Stock:  Materials	_		_	
sing Stock :  / Materials	_	100.44		110.71
/ Materials				110.71
		7.57		7.95
nponents		19.46		19.63
(B)	-	27.03		27.58
· /	-	73.41		83.13
(A – B)	_	/3.41		03.13
ANGES IN INVENTORIES OF				
ISHED GOODS AND WORK IN PROGRESS		7.40		0.00
ening Stock of Finished Goods		7.60		8.22
ening work in progress	_	10.45		6.77
(A)	_	18.05		14.99
sing Stock of Finished Goods		7.56		7.60
sing work in progress	_	4.03		10.45
(B)		11.59		18.05
(A - B)	-	6.46		(-) 3.06
PLOYEE BENEFITS EXPENSE		51.5		( ) 3.00
aries and Wages		223.63		203.64
				10.27
				9.20
•	-			223.11
		244.03	-	773.11
MITCE COST	5.01			
		4 70		5.51
erest Expenses	0.22			
erest Expenses s : Interest Capitalised		4.79		5.51
t	ribution to Provident Fund, Gratuity, etc f and Labour Welfare Expenses Total NNCE COST rest Expenses	ribution to Provident Fund, Gratuity, etc f and Labour Welfare Expenses  Total ANCE COST rest Expenses  5.01	rribution to Provident Fund, Gratuity, etc f and Labour Welfare Expenses  Total  ANCE COST rest Expenses  Interest Capitalised  11.29 9.91 244.83  5.01 244.83	rribution to Provident Fund, Gratuity, etc f and Labour Welfare Expenses  Total  ANCE COST rest Expenses  Interest Capitalised  11.29 9.91 244.83  5.01 1.1.29 9.91 244.83



# Notes to Statement of Profit and Loss

		31.03.2017	31.03.2016
HER EXPENDITURE			
terial Fabrication Charges		14.97	15.32
wer and Fuel		32.41	32.18
nsumption of Stores and Spares		20.64	20.11
pairs to Buildings		16.02	19.50
pairs to Machinery		7.25	7.30
pairs to Furniture and Equipment		0.90	1.82
intenance Charges to SIPCOT		8.14	8.70
nting and Stationery		3.12	3.15
stage and Telephone		6.43	6.23
avelling and Maintenance of Motor Vehicles		21.45	25.31
nk Charges and Filing Fees		0.77	0.55
vertisement and Subscription		3.61	3.87
urance .		1.81	1.54
tes and Taxes		7.53	5.08
es Commission		2.43	1.68
les Expenses		0.24	0.32
port Expenses		0.62	0.22
ectors Sitting Fees		6.70	6.56
ditors Remuneration		1.60	1.41
gal and Professional Charges		50.98	10.82
iter Charges		1.03	1.55
t loss on Foreign Currency Transactions		_	0.09
nt		21.76	20.71
scellaneous Expenses		5.29	5.70
ansport Vehicle Hire Charges		4.45	4.45
	Total	240.15	204.17
CEPTIONAL ITEMS		2.001.0	
ofit on Sale of Assets		_	11.37
		(-) 0.33	(-) 0.33
·			( ) 5.55
,	Total	85.01	11.04
ofit are		on Sale of Assets Issue Expenses ty written back on one time settlement	on Sale of Assets – Issue Expenses (-) 0.33 ty written back on one time settlement 85.34



	03.2017 62.70 * –		3.82 *
	62.70 * -	5:	3.82 *
			-
	17.13 -		5.57 0.06
	- - - -		- - - -
₹ in Lakhs	% to total consump-	₹ in Lakhs	% to total consump- tion
- 62.70 17.13	- 78.54 21.46	- 0.06 53.82 25.57	- 0.08 67.74 32.18 100.00
77.03	Nil 135 N.A. N.A. 24.79 0.87 - 0.61 0.12 1.60	(	Nil 136 N.A. N.A. 4.14 D.87 — D.41 D.13
	Lakhs 62.70	Lakhs consumption	



lote		31.03	3.2017	31.0	3.2016
No.	Particulars	Gratuity (Unfunded)	Leave encashment (Unfunded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
4.4	Defined Benefit Plans				
	A Expenses recognised during year ended 31.3.2017				
	1. Current Service Cost	3.00	4.81	2.92	3.93
	2. Interest Cost	3.12	0.87	2.93	0.84
	3. Expected return on plan assets	_			
	4. Acturial Losses / (Gains) during the year	(-) 0.86	(-) 1.13	(-) 2.78	(-) 1.28
	5. Total Expense	5.26	4.55	3.07	3.49
	B Actual return on plan assets				
	1. Expected return on Plan Assets	_	_	_	_
	Acturial (Loss) / Gain on Plan assets     Actual return on Plan assets	_	_	_	_
		_	_	_	_
	C Net Asset / (Liability) recognised in the Balance Sheet				
	1. Present value of the obligation				
	as on 31.3.2017	45.80	15.54	41.26	11.73
	2. Fair value of plan assets as on 31.3.2017	45.60	13.54	41.20	11./3
	3. Difference	45.80	15.54	41.26	11.73
	Unrecognised past service cost	13.00	13.51		
	5. Liability recognised in the Balance Sheet	45.80	15.54	41.26	11.73
	D Change in Present value of the obligation	13.00	13131	20	
	during the year ended 31.3.2017				
	1. Present value of the obligation as at 1.4.2016	41.26	11.73	38.62	13.71
	2. Current Service Cost	3.00	4.81	2.92	3.93
	3. Interest Cost	3.12	0.87	2.93	0.84
	4. Benefits paid	(-) 0.72	(-) 0.74	(-) 0.43	(-) 5.47
	5. Acturial (gain) / loss on obligation	(-) 0.86	(-) 1.13	(-) 2.78	(-) 1.28
	6. Present value of obligation as at 31.3.2017	45.80	15.54	41.26	11.73
	E Change in Assets during the year ended 31.3.2017				
	1. Fair value of plan assets as at 1.4.2016	_	_	_	-
	2. Expected return on plan assets	_	_	_	_
	3. Contributions made	0.72	0.74	0.43	5.47
	4. Benefits paid	(-) 0.72	(-) 0.74	(-) 0.43	(-) 5.47
	5. Acturial gain / (loss) on plan assets	_	_	_	-
	6. Fair value of plan assets as at 31.3.2017	_	_	_	-
	F Major categories of plan assets as				
	a percentage of total plan				
	Qualifying Insurance policies				
	Own plan assets	N I 2 I	N121	NI21	N12
	Total	Nil	Nil	Nil	Ni
	G Acturial Assumptions 1. Discount rate	7.06%	7.06%	7.64%	7.64%
	2. Salary escalation	7.06% 5.00%	7.06% 5.00%	4.50%	7.64% 4.50%
	3. Expected rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
	4. Attrition rate	10.00%	10.00%	10.00%	10.00%
	4. ALLI LIUII TALE	10.00%	10.00%	10.00%	10.00%



- 24.5 The open loan availed from bank is secured by exclusive charge on the current assets and extension of charge on the fixed assets of the Company. The loan is further secured by personal guarantee of the Chairman. The over draft loan availed from bank is secured by pledge of Fixed Deposits.
- 24.6 Out of 8,50,000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each issued and allotted on 24.2.2010, the Company bought back 2,50,000 shares on 07.11.2016 utilising the Securities Premium Reserve. No provision for payment of Dividend on 8,50,000 Shares upto 6.11.2016 and thereafter on 6,00,000 Shares amounting to ₹ 45.04 lakhs and applicable corporate tax thereon for the financial year ending 31.3.2017 has been made due to carry forward previous years losses. The cumulative dividend payable as on 31.3.2017 amounts to ₹ 198.04 lakhs and the applicable corporate tax thereon.
- 24.7 (i) The Company has only one class of equity shares referred to as equity shares having a face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.
  - (ii) The details of shareholders holding more than 5% shares as at 31st March, 2017 and 31st March, 2016 are set out below:

	As 31st Mar		As 31st Mar	at ch, 2016
	No. of Shares	% held	No. of Shares	% held
ITEMA (Switzerland) Ltd	1000000	16.38	1000000	16.38
Voltas Ltd	615200	10.08	615200	10.08
Mr. S. Pathy	470078	7.70	470078	7.70
Mrs. Aishwarya Pathy	732559	12.00	732453	12.00
Lakshmi Machine Works Ltd	441110	7.23	441110	7.23
The Lakshmi Mills Company Ltd	330000	5.41	330000	5.41

- 24.8 There are no derivative financial Instruments either for hedging or for speculation outstanding as at the Balance Sheet date.
- 24.9 Deferred Tax Assets /Liabilities comprises timing differences on account of :

₹ in Lakhs

2016-17

1 1	Assets:		
	Carry forward losses	_	-
9	Section 43B disallownces	24.03	21.22
	Total	24.03	21.22
	Liabilities:		
	Depreciation	45.54	47.60
L	Deferred Tax Liabilities / Assets (net) recognized in the accounts	(-) 21.51	(-)26.38
24.10 Th	e following contingent liabilities have not been provided for :	31.03.2017	31.03.2016
a)	Contingent Liabilities		
	1) Claims for refund of Security Deposit	5.42	5.42
	2) Disputed Service Tax on Appeal	8.86	8.86
	Disputed Tax dues are under Appeal before		
	the concerned Appellate Authorities.		
	The Company is advised that the matters are likely		
	to be disposed off in favour of the Company.		
b)	Commitments		
	1. Estimated amount of contracts remaining to be executed		
	on Capital account and not provided for	279.91	_
	·		



# 24.11 Details of Specified Bank Notes(SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	500 x112	₹ 30535	₹ 86535
(+) Permitted receipts		696757	696757
(-) Permitted payments	500 x 10	639054	644054
(-) Amount deposited in Banks	500 x102		51000
Closing cash in hand as on 30.12.2016		88238	88238

# 24.12 Segment Report for the year ended 31st March, 2017

Primary Business		Machinery	Other Eng	gineering	То	tal
Segment		spares	Serv			
Revenue	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
External Sales	0.15	1.35	278.30	258.86	278.45	260.21
Intersegment Transfers	1.24	6.28	_		1.24	6.28
Allocable other Income	471.76	394.77	125.22	13.13	596.98	407.90
Total Revenue	473.15	402.40	403.52	271.99	876.67	674.39
Less : Inter Segment						
Transfers	1.24	6.28	_	_	1.24	6.28
Enterprise Revenue	471.91	396.12	403.52	271.99	875.43	668.11
Result						
Segment Result	231.78	253.54	48.84	(-) 49.09	280.62	204.45
Less: Unallocated Expenses	_	_	_	_	_	-
Operating Profit	231.78	253.54	48.84	(-) 49.09	280.62	204.45
Less: Interest Expenses	4.79	5.51	-	-	4.79	5.51
					275.83	198.94
Less: Income Tax Current						
and Deferred	(-) 228.99	(-) 101.12	_	_	(-) 228.99	(-) 101.12
Add: MAT credit entitlement	_	_	_	_	_	_
					46.84	97.82
Add: Other Income					_	_
Net Profit after Tax					46.84	97.82
Other Information						
Segment Assets	1014.51	1367.73	270.71	244.33	1285.22	1612.06
Add: Unallocated						
Corporate Assets					_	_
Enterprise Assets					1285.22	1612.06
Segment Liabilities	318.82	305.19	62.16	151.58	380.98	456.77
Add: Unallocated			3			
Corporate Liabilities					904.24	1155.29
Enterprise Liabilities					1285.22	1612.06
Capital Expenditure	30.66	6.16	27.56	2.06	58.22	8.22
Depreciation	12.71	12.36	17.25	18.09	29.96	30.45



#### Secondary-Geographical Segment

₹ in Lakhs

	31.03.2017	31.03.2016
Revenue from external customers by location of customers		
Domestic Segment	851.88	670.25
Export Segment	24.79	4.14
	876.67	674.39
Less: Inter-division revenue	1.24	6.28
Net Income from Sales / Services	875.43	668.11

**Notes :** The Company has two main business segments ie (a) Weaving Machinery and Spares and (b) Other Engineering Services Comprising of Textile Machinery, Spares and parts for machine tools including Tool holders.

The Secondary geographical segments considered for disclosure are Revenue from customers located within India (Domestic Segment) and Revenue from customers located outside India (Export Segment).

#### 24.13 Details of transactions with related parties as required under AS-18 are as below:

## a. Names of related parties: Relationship

The Lakshmi Mills Company Ltd. Promotors & Two Common Directors

Infocus Marketing and Services Ltd.

Three Directors hold more than 2% shares and Key

Managerial Person is a Director

Aloha Tours & Travels (India) Pvt Ltd Director is a Director

Prathista Weaving and Knitting Company P Ltd. Relative of Director is the Managing Director

Texcity Sales and Services Pvt Ltd Director is a Director

# b. Transactions during the year

Sl. No	Nature of Transaction	31.03.2017	31.03.2016
1.	Purchase of Goods	5.37	0.20
2.	Sale of Goods	3.70	3.12
3.	Receiving of Services	28.48	31.13
4.	Agency arrangements	1.14	1.31
	Amount receivable	1.47	2.16
	Amount payable	2.20	137.40



24.14 As defined under Micro, Small and Medium Enterprises Development Act, 2006 the disclosure in respect of the amount payable to such enterprises as at 31.03.2017 has been made in the financial statement based on information received and available with the company.

₹ in Lakhs

		31.03.2017	31.03.2016
a)	The principal amount remaining unpaid to any supplier as at the end of each accounting year.	7.93	7.42
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium	N. I	\
	Enterprises Development Act, 2006.	Nil	Nil

₹ in Lakhs

	Particulars	31.03.2017	31.03.2016
24.15	Earnings per share as per AS - 20 :		
	Profit as per Statement of Profit and Loss	46.84	97.82
	Less: Dividend on Cumulative Preference Shares		
	required for the year ended 31.03.2017	45.04	51.00
	Corporate tax on Dividend	9.17	10.38
	a) Net Profit for EPS	(-) 7.37	36.44
	b) No. of Equity Shares outstanding	6103988	6103988
	c) EPS (Face value of ₹ 10/- per Share)		
	Basic	(-) 0.12	0.60
	Diluted	(-) 0.12	0.60

24.16 Figures have been rounded off in terms of decimals in thousands and previous year figures have been regrouped/rearranged wherever necessary.

	Directors		As per our report of even date
	(Sd.) <b>S. PATHY</b>		For N.R. DORAISWAMI & CO
	Chairman (DIN:00013899)	(Sd.) K.P. KRISHNAKUMAR	Chartered Accountants
	(Sd.) R. SANTHARAM	Chief Financial Officer	(Firm Regn. No. 000771S)
	Director (DIN:00151333)		(Sd.) <b>SUGUNA RAVICHANDRAN</b>
Coimbatore	(Sd.) N. JAYCHANDER	(Sd.) R. MUTHUKUMAR	Partner
29.05.2017	Director (DIN:00015091)	Company Secretary	(Membership No. 207893)





CIN: L29269TZ1973PLC000680

Regd. Office: 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641037

Ph.No: 0422-2245484, 2245485, Fax No.: 0422-2244887,

E-mail:contact@lakshmiautomatic.com Website: www.lakshmiautomatic.com

#### ATTENDANCE SLIP

# Forty Third Annual General Meeting on Friday the 28<sup>th</sup> July, 2017 at 4.35 PM

#### For Demat Shareholders

Name & Address of the Shareholder	DP / Client ID	No. of Shares held

## For Physical Shareholders

Name & Address of the Shareholder	Regd. Folio No.	No. of Shares held

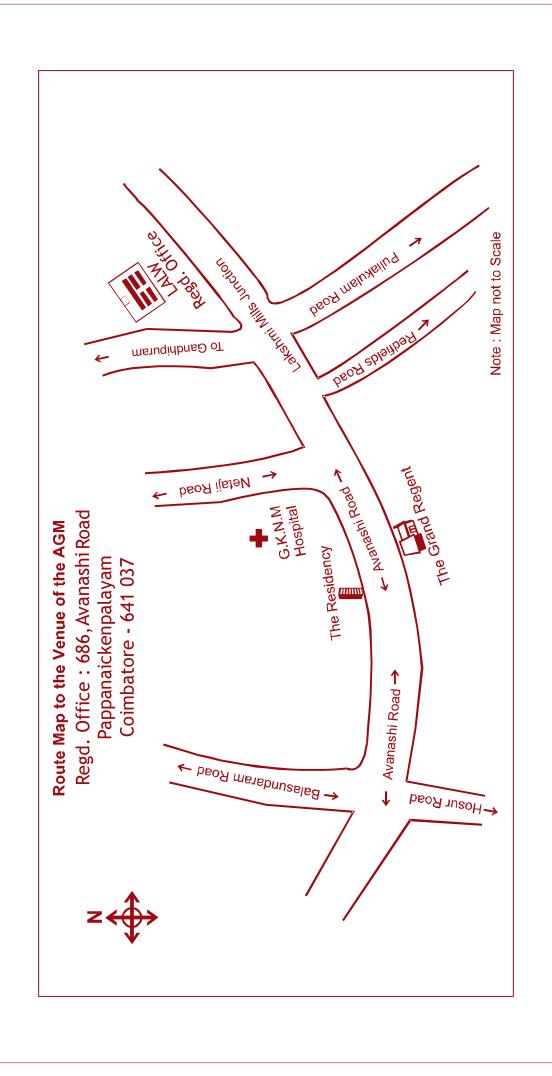
I hereby record my presence at the 43rd Annual General Meeting of the Company at 4.35 PM at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 on Friday, the 28th July, 2017

If Shareholder, please sign here	If Proxy, please sign here

#### Note:

- 1) Members attending the meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.
- 2) Members are requested to bring their copy of Annual Report to the meeting.





CIN: L29269TZ1973PLC000680, Website: www.lakshmiautomatic.com

Registered Office: 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641037

Phone: 91-422-2245484, 2245485, Fax: 91-422-2244887,

E-mail:contact@lakshmiautomatic.com

#### FORM MGT 11

# **PROXY FORM**

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

# 43<sup>rd</sup> ANNUAL GENERAL MEETING 28<sup>th</sup> July, 2017

Folio No./Client ID & DP ID Name & Address of the member(s):
E-mail ID:  I/We being the member(s) holdingshares of the above named Company, hereby appoint:
with the member (s) holdingshares of the above hamed Company, hereby appoint.
1) Name:
Email IDSignature or failing him / her;
2) Name:
Email IDSignatureor failing him / her;
3) Name:
Email IDSignature

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43<sup>rd</sup> Annual General Meeting of the Company, to be held on Friday, the 28<sup>th</sup> July, 2017 at 4.35 p.m. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore-641 037 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

## **E-Voting Particulars**

EVEN (E - Voting Event Number)	USER ID	PASSWORD
106376		

S.No.		Optional	
	Resolution	For	Against
	Ordinary Business		
1.	Adoption of Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date, Report of Board of Directors and the Report of Auditors thereon.		
2.	Re-appointment of Sri S. Pathy, (DIN: 00013899) who retires by rotation as a Director.		
3.	Re-appointment of Smt Aishwarya Pathy, (DIN: 00062114) who retires by rotation as a Director.		
4.	Appointment of Auditors and fix their remuneration.		

Signed this	day of	2017	
Signature of Shareholder	:		Affix ₹1/- Revenue Stamp
Signature of Proxy holder	:		, and the second

#### Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. For the resolutions and Notes please refer to the Notice of the 43<sup>rd</sup> Annual General Meeting.
- 3. It is optional to put "✓" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- 4. Please complete all details including details of member(s) in the above box before submission.