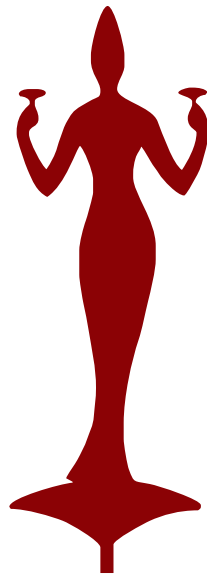


**LAKSHMI  
AUTOMATIC LOOM WORKS  
LIMITED**

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**42nd Annual Report  
2015-16**



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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# Lakshmi Automatic Loom Works Limited

## 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](http://www.lakshmiautomatic.com)  
Email: [contact@lakshmiautomatic.com](mailto: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 & 6549995  
Email : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notice to Shareholders

Notice is hereby given that the Forty Second Annual General Meeting of the Shareholders of the Company will be held on Wednesday the 28<sup>th</sup> day of September, 2016 at 3.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037 for transacting the following business:

#### Agenda

##### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2016 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 R.Santharam** (DIN : 00151333) who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of **Sri N.Jaychander** (DIN : 00015091) who retires by rotation and being eligible offers himself 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 M/s.N.R.Doraiswami & Co. Chartered Accountants (Registration No.0007715) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company."

By Order of the Board of Directors

(Sd.) **R. MUTHUKUMAR**  
Company Secretary  
and Compliance Officer

Registered Office:  
686, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 641 037

CIN:L29269TZ1973PLC000680

12.08.2016

Website: [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)

#### 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 the Annual Report to the Meeting.
5. 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 Members and Share Transfer Books from Thursday, September 22, 2016 to Wednesday, September 28, 2016 (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](http://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 Pin code 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.
  14. **Members who have not registered their e-mail 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 2015-16 are sent through the permitted mode separately.
- VOTING THROUGH ELECTRONIC MEANS**
- I. 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 42nd Annual General Meeting scheduled to be held on Wednesday the 28<sup>th</sup> day of September 2016 at 3.30 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.
  - II. 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:**
    - (a) Date and time of commencement of voting through electronic means: 25<sup>th</sup> September, 2016 at 9.00 A.M.
    - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: 27<sup>th</sup> September, 2016 at 5.00 P.M.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- (c) Details of Website : [www.evoting.nsdl.com](http://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 : +91-422-6549995, 2539835-36  
Fax : +91-422-2539837  
Email : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)  
Website : [www.skdc-consultants.com](http://www.skdc-consultants.com)

The Remote e-voting module shall be disabled for voting on 27<sup>th</sup> September, 2016 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 21<sup>st</sup> September, 2016 (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 Participant(s)] :
- 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.
  - Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com/>
  - Click on Shareholder - Login
  - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- 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.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - Select "EVEN" of "Lakshmi Automatic Loom Works Limited".
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to modify your vote.
  - 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](mailto:bkcacbe@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 (E-voting Event Number)	USER ID	PASSWORD/ PIN
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(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- V. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VI. 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. 21<sup>st</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@skdc-consultants.com](mailto: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](http://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.
- X. 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.

- XI. 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](http://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 - 641 037

CIN:L29269TZ1973PLC000680

12.08.2016

Website: [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 R.Santharam** (DIN : 00151333) has studied Textile Management in USA and is closely associated with the Textile Industry for the last 49 years. He is the Chairman and Managing Director of Lakshmi Card Clothing Manufacturing Company Pvt. Ltd a leading Card Clothing Manufacturing Company in India in Collaboration with GRAF of Switzerland. He is looking after the entire operations including Production, Personnel, Finance and Marketing of the Company. He is the past Chairman of Textile Machinery Manufacturers' Association (India).

#### OTHER DIRECTORSHIPS:

1. The Lakshmi Mills Company Ltd.
2. LCC Investments Ltd.
3. Sri Revati Spinning Mills Ltd.
4. Lakshmi Card Clothing Manufacturing Company Private Ltd.
5. R.Santharam Marketing and Services Private Ltd.

#### COMMITTEE MEMBERSHIPS:

##### Audit Committee :

1. The Lakshmi Mills Company Ltd. : Member
2. Lakshmi Automatic Loom Works Ltd. : Member

##### Stakeholders Relationship Committee

1. The Lakshmi Mills Company Ltd. : Chairman
2. Lakshmi Automatic Loom Works Ltd. : Chairman

##### Nomination and Remuneration Committee:

1. The Lakshmi Mills Company Ltd. : Member
2. Lakshmi Automatic Loom Works Ltd. : Member

Sri R.Santharam does not hold any Equity Shares in the Company.

**Sri N.Jaychander** (DIN : 00015091) is a Post Graduate in Business Administration and has intensive experience in various fields of Management. He is currently the Vice President-Operations in The Lakshmi Mills Company Ltd and has been associated with the Textile Industry for the past 28 years and possesses Management and Financial expertise.

Sri N.Jaychander has been on the Board of Directors of the Company from 30.05.1996

**OTHER DIRECTORSHIPS** : NIL

#### COMMITTEE MEMBERSHIPS:

##### Stakeholders Relationship Committee:

Lakshmi Automatic Loom Works Ltd : Member

Sri N.Jaychander holds 1850 Equity Shares of ₹ 10/- each of the Company.





## Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Second Annual Report together with the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016.

### Financial Summary / Highlights

₹ in lakhs

	2015-16	2014-15
Sales and other income	731.21	790.76
Profit before Depreciation and Amortization Expenses	222.79	265.18
Depreciation and Amortization Expenses	30.45	38.73
	192.34	226.45
Add: Exceptional items	6.60	106.46
	198.94	332.91
Less: Tax expense		
Current tax	70.27	-
MAT Credit entitlement for earlier year	-	35.88
Deferred Tax	(-) 30.85	(-) 107.51
Net Profit / Loss (-)	97.82	261.28
Add: Balance from the Previous year	(-)887.23	(-)1130.64
Add: Written down value of Assets less Deferred Tax thereon transferred as per Schedule II	-	(-)17.87
Balance Carried Over	(-)789.41	(-) 887.23

#### Operations

The operations during the year have resulted in a net profit of ₹198.94 lakhs after providing for depreciation of ₹ 30.45 lakhs.

#### Weaving Machinery and Spares

The sale of Accessories and Spares of Weaving Machines during the year was ₹ 115.69 lakhs against ₹ 105.15 lakhs in the previous year.

The income generated on utilisation of the idle Assets of the Company during the year was ₹ 384.27 lakhs against ₹ 317.98 lakhs in the previous year.

#### Other Engineering Services

The sale of Parts and Accessories for Machine Tools during the year was ₹ 143.17 lakhs against ₹ 250.15 lakhs in the previous year. The export market for Parts and Accessories for Machine Tools is highly competitive and the inflow of orders is fluctuating from year to year.

#### Outlook

The Company is currently manufacturing Spares and Accessories for “C” type Shuttle Weaving Machines and Parts for Machine Tools including Tool Holders. The demand for Parts for Machine Tools depends upon international market and is fluctuating. The market for Spares and Accessories for ‘C’ type Shuttle Weaving Machines is limited.

The proposal for manufacture of Shuttleless Weaving Machines is deferred due to prevailing market conditions and price competition. The import of new and used weaving machines constitutes a major segment of the market.

The Company is exploring new avenue of business in the Defence sector, to augment its revenue.

#### Share Capital

The total paid up Share Capital as on 31<sup>st</sup> March, 2016 is ₹ 1,460.40 lakhs consisting of Equity Capital of



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

₹ 610.40 lakhs and 6% Cumulative Redeemable Preference Shares of ₹ 850.00 lakhs. 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 2016, 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 31<sup>st</sup> March 2016 and of the profit of the Company for the year ended 31<sup>st</sup> March 2016;
- 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 31<sup>st</sup> March, 2016 on a going concern basis.
- v) 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 Auditors

The Board has appointed Mr.M.R.L.Narasimha, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year ended March 31, 2016 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/](http://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 of the performance of the Independent Directors and Non Executive Directors of the Company. Accordingly an evaluation excluding

the Directors being evaluated was carried out by the Board at their meeting held on 10.02.2016. A questionnaire was used whereby each Board Member were requested to give his/her views on the Board's performance, strategy and the performance of its committees and individual Directors.

Some of the performance parameters on which the Independent Directors were evaluated include Contributions made on Corporate Governance practices, Knowledge and Skill and Role in active participation in Board and Committee Meetings.

The Independent Directors at their meeting held on 10.02.2016 reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company.

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

Sri R.Santharam and Sri N.Jaychander, 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.

Sri R.R.Balasundharam (DIN : 00007049) who was appointed as an Independent Director in the intermittent vacancy during the year by the Board of Directors at their meeting held on 20.05.2015 has been appointed as an Independent Director at the 41<sup>st</sup> Annual General Meeting held on 23.09.2015 to hold office from the conclusion of that Meeting upto the expiry of 4(four) consecutive years or the date of expiry of the 45<sup>th</sup> Annual General Meeting whichever is earlier.

No Key Managerial Personnel were appointed or have resigned 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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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, Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting.

As recommended by the Audit Committee, it is proposed to re-appoint M/s.N.R.Doraiswami & Co. as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company. The Members are requested to consider their appointment and may authorize the Board to fix their remuneration.

M/s. N.R.Doraiswami & Co. (ICAI Regn.No.000771S) have confirmed their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### 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.
3. 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.

Coimbatore  
12.08.2016

By Order of the Board  
(Sd.) S. PATHY  
Chairman  
DIN : 00013899



## 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. : ₹ 4.14 lakhs

Total Foreign Exchange outgo during the year. : ₹ 4.35 lakhs

Coimbatore  
12.08.2016

By Order of the Board  
(Sd.) S. PATHY  
Chairman  
DIN : 00013899



# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ANNEXURE-1

FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[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	<b>L29269TZ1973PLC000680</b>
ii)	Registration Date	12.12.1973
iii)	Name of the Company	<b>Lakshmi Automatic Loom Works Limited</b>
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 : 0422 - 2245484 - 85 Fax.No : 0422 - 2244887 Email : contact@lakshmiautomatic.com Website : www.lakshmiautomatic.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrars and Share Transfer Agents (RTA)	<b>M/s. S.K.D.C. Consultants Limited</b> 3 <sup>rd</sup> Floor, Kanapati Towers, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006 Phone : 0422 - 2539835 - 36, & 6549995 Fax No : 0422 - 2539837 Email : 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:-

Sl. 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	44.69%
2.	Parts & Accessories for Machine Tools including Tool Holders	3570	55.31%

### 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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
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	1204747	-	1204747	19.737	1207731	-	1207731	19.786	+ 0.049
	<b>Sub Total (A)(1)</b>	<b>1593187</b>	<b>-</b>	<b>1593187</b>	<b>26.100</b>	<b>1596171</b>	<b>-</b>	<b>1596171</b>	<b>26.149</b>	<b>+0.049</b>
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals									
b)	Other individuals									
c)	Bodies Corporates									
d)	Banks / FI									
e)	Any other									
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1593187</b>	<b>-</b>	<b>1593187</b>	<b>26.100</b>	<b>1596171</b>	<b>-</b>	<b>1596171</b>	<b>26.149</b>	<b>+0.049</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
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	1399886	-	1399886	22.934	1392016	-	1392016	22.805	(-)0.129
g)	FIs									
h)	Foreign Venture Capital Funds									
i)	Others (specify)									
	<b>Sub Total (B)(1)</b>	<b>1399886</b>	<b>23000</b>	<b>1422886</b>	<b>23.311</b>	<b>1392016</b>	<b>23000</b>	<b>1415016</b>	<b>23.182</b>	<b>(-)0.129</b>





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
<b>2</b>	<b>Non-Institutions</b>									
a)	Bodies Corporates	2233	1149695	1151928	18.872	2502	1149095	1151597	18.866	(-)0.006
i)	Indian									
ii)	Overseas									
b)	Individuals									
i)	Individual share holders holding nominal share capital upto ₹ 1 lakh	111569	517463	629032	10.306	136552	505883	642435	10.525	(+)0.219
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	25500	25500	0.418	-	-	-	-	(-) 0.418
c)	Others (specify)									
i)	Trusts	14	-	14	0.000	2	0	2	0.000	0.000
ii)	Directors & their Relatives	594	1850	2444	0.040	594	12150	12744	0.209	(+) 0.169
iii)	Non Resident Indians	3000	146630	149630	2.451	3700	146130	149830	2.455	(+) 0.004
iv)	Overseas Corporate Bodies	-	1125000	1125000	18.431	-	1125000	1125000	18.431	-
v)	Clearing Members	210	-	210	0.003	-	-	-	-	(-) 0.003
vi)	Hindu Un-divided Families	4157	-	4157	0.068	11193	-	11193	0.183	(+) 0.115
	<b>Sub Total (B)(2)</b>	<b>121777</b>	<b>2966138</b>	<b>3087915</b>	<b>50.589</b>	<b>154543</b>	<b>2938258</b>	<b>3092801</b>	<b>50.669</b>	<b>(+) 0.080</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1521663</b>	<b>2989138</b>	<b>4510801</b>	<b>73.900</b>	<b>1546559</b>	<b>2961258</b>	<b>4507817</b>	<b>73.851</b>	<b>(-) 0.049</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>3114850</b>	<b>2989138</b>	<b>6103988</b>	<b>100.000</b>	<b>3142730</b>	<b>2961258</b>	<b>6103988</b>	<b>100.000</b>	<b>-</b>



ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2015			No. of Shares held at the end of the year 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Sri S. Pathy	467944	7.666	0	470078	7.701	0	(+) 0.035
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	731603	11.986	0	732453	12.000	0	(+) 0.014
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. Thayammal	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
		<b>1593187</b>	<b>26.100</b>	<b>0</b>	<b>1596171</b>	<b>26.149</b>	<b>0</b>	<b>(+) 0.049</b>

iii) Change in Promoters' Shareholding:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	<b>Sri S. Pathy</b>				
	<b>At the beginning of the year 01.04.2015</b>	<b>467944</b>	<b>7.666</b>		
	Bought during the year on the following dates:				
	16.11.2015	(+) 125	(+) 0.002	468069	7.668
	17.11.2015	(+) 24	(+) 0.000	468093	7.669
	23.11.2015	(+) 150	(+) 0.003	468243	7.671
	24.11.2015	(+) 500	(+) 0.008	468743	7.679
	26.11.2015	(+) 500	(+) 0.008	469243	7.687
	27.11.2015	(+) 160	(+) 0.003	469403	7.690
	30.11.2015	(+) 500	(+) 0.008	469903	7.698
	01.12.2015	(+) 25	(+) 0.000	469928	7.698
	18.01.2016	(+) 150	(+) 0.003	470078	7.701
	<b>At the end of the year</b>	<b>470078</b>	<b>7.701</b>		
2	<b>Smt Aishwarya Pathy</b>				
	<b>At the beginning of the year 01.04.2015</b>	<b>731603</b>	<b>11.986</b>		
	Bought during the year on the following dates:				
	14.09.2015	(+) 250	(+) 0.004	731853	11.990
	15.10.2015	(+) 600	(+) 0.010	732453	12.000
	<b>At the end of the year</b>	<b>732453</b>	<b>12.000</b>		

Note : There is no change in the shareholding of other promoters.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

S. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	<b>At the beginning of the year 01.04.2015</b>	<b>3581196</b>	<b>58.670</b>		
	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 Limited	441110	7.227	441110	7.227
4	United India Insurance Company Limited	300186	4.918	300186	4.918
5	The New India Assurance Company Limited	300000	4.915	300000	4.915
6	General Insurance Corporation of India	299700	4.909	–	–
	On 11.09.2015 Transfer (Sold)	(-) 5200	(-) 0.085	294500	4.825
7	Life Insurance Corporation of India	200000	3.276	200000	3.276
8	National Insurance Company Ltd	160000	2.621	160000	2.621
9	The Oriental Insurance Company Limited	140000	2.294		
	(Sold during the year on the following dates)				
	On 27.11.2015 Transfer (Sold)	(-) 660	(-) 0.011	139340	2.283
	On 04.12.2015 Transfer (Sold)	(-) 947	(-) 0.016	138393	2.267
	On 11.12.2015 Transfer (Sold)	(-) 500	(-) 0.008	137893	2.259
	On 18.12.2015 Transfer (Sold)	(-) 50	(-) 0.000	137843	2.258
	On 25.12.2015 Transfer (Sold)	(-) 512	(-) 0.009	137331	2.250
	On 25.03.2016 Transfer (Sold)	(-)1	0.000	137330	2.250
10	Terrot Strickmaschinen GmbH, Germany	125000	2.048	125000	2.048
	<b>At the end of the year 31.03.2016</b>	<b>3573326</b>	<b>58.541</b>		



v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	<b>DIRECTORS</b>				
1	Sri S.Pathy				
	At the beginning of the year	467944	7.666		
	Bought during the year on the following dates:				
	16.11.2015	(+) 125	(+) 0.002	468069	7.668
	17.11.2015	(+) 24	(+) 0.000	468093	7.669
	23.11.2015	(+) 150	(+) 0.003	468243	7.671
	24.11.2015	(+) 500	(+) 0.008	468743	7.679
	26.11.2015	(+) 500	(+) 0.008	469243	7.687
	27.11.2015	(+) 160	(+) 0.003	469403	7.690
	30.11.2015	(+) 500	(+) 0.008	469903	7.698
	01.12.2015	(+) 25	(+) 0.000	469928	7.698
	18.01.2016	(+) 150	(+) 0.003	470078	7.701
	At the end of the year	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	731603	11.986		
	Bought during the year on the following dates:				
	14.09.2015	250	0.004	731853	11.990
	15.10.2015	600	0.010	732453	12.000
	At the end of the year	732453	12.000		
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
	<b>KEY MANAGERIAL PERSONNEL</b>				
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	-	-	-	-



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	10.00	10.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	10.00	10.00
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	10.00	10.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	10.00	10.00

### 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	-	-



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

### B. Remuneration to Other Directors

Amount in ₹

S. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / Committee Meetings	Commission	Others, please specify	
<b>1</b>	<b>Independent Directors</b>				
	SRI R.C.H.REDDY	1,30,000	-	-	1,30,000
	SRI R.VARADARAJAN	1,22,000	-	-	1,22,000
	SRI C.KAMATCHI SUNDARAM	48,000	-	-	48,000
	SRI R.R.BALASUNDHARAM	82,000	-	-	82,000
	<b>Total (1)</b>	<b>3,82,000</b>	<b>-</b>	<b>-</b>	<b>3,82,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	SRI S.PATHY	82,000	-	-	82,000
	SRI R.SANTHARAM	1,04,000	-	-	1,04,000
	SMT.AISHWARYA PATHY	40,000	-	-	40,000
	SRI N.JAYCHANDER	48,000	-	-	48,000
	<b>Total (2)</b>	<b>2,74,000</b>	<b>-</b>	<b>-</b>	<b>2,74,000</b>
	<b>Total (B)=(1+2)</b>	<b>6,56,000</b>	<b>-</b>	<b>-</b>	<b>6,56,000</b>
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	-	-	-	-



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

Amount in ₹

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	9,39,161	6,71,321	9,60,300	25,70,782
	(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	-	25,200	-	25,200
	(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				
	Total	9,71,561	6,96,521	9,60,300	26,28,382

### 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 1<sup>st</sup> 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 / compensation / 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ANNEXURE 3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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]

To  
The Members,  
**Lakshmi Automatic Loom Works Limited**  
[CIN: L29269TZ1973PLC000680]  
686, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 6410 37

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 31<sup>st</sup> March, 2016 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 2016 (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) 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;
  - iv) The Depositories Act, 1996 and the regulations and bye-laws framed there under.
  - v) 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, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 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, 2016 that there were no transaction under:
  - a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 / 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.
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 (effective 1<sup>st</sup> July, 2015).
  - ii) The Listing Agreement entered into by the Company with BSE Limited (upto 30<sup>th</sup> November, 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1<sup>st</sup> December, 2015).
4. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March, 2016 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.
5. 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - 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.

Place : Coimbatore  
Date : 12-08-2016

(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 - 6410 38.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 31<sup>st</sup> March, 2016 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.

Place :Coimbatore  
Date :12-08-2016

(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.



#### 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 are not paid any Remuneration other than Sitting Fees.

2. The Number of permanent Employees on the rolls of the Company as on 31-03-2016 : 50 (fifty 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 point out if there are any exceptional circumstances for increase in the managerial remuneration;

Directors were not paid any managerial remuneration other than sitting fees.

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 year was in receipt of remuneration for that Financial Year, in the aggregate, was not less than Rupees One Crore and Two Lakh; None
- b) Details of employees, employed for a part of the year was in receipt of remuneration for any part of that Financial Year, in the aggregate, was not less than Rupees Eight Lakh 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





## Management Discussion and Analysis Report

### I. Industry Structure and Developments:

India has large installed weaving capacity. The Shuttleless Looms developed in Europe, Japan and later by China have overcome the problems created by the dynamics of the picking mechanism on the conventional Fly Shuttle Looms and make use of entirely different methods of weft insertion. Air jet, Water jet, Rapiet, Gripper (Projectile) and Multiphase are the various types of Shuttleless Weaving Machines. The weft insertion rates achieved are higher in Shuttleless Weaving Machines and use of electronics has eased the operation of weavers. The quality of cloth obtained in Shuttleless Weaving Machines is superior and acceptable in the international market.

#### 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 Government has extended the Textile Up-gradation Fund Scheme (TUFS) by granting capital subsidy of 10% on new weaving machines. The manufacture of Shuttleless Weaving Machines requires technology by payment of high technical know-how fee and heavy investment on Machinery and Equipment. Added to the techno economic viability, the threat of import of both new and used machines discourages the manufacture of quality indigenous Shuttleless Weaving Machines.

#### 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. Segment wise or Product wise performance:

#### A. Weaving Machinery and Spares:

Due to lack of orders for 'C' type Shuttle Weaving Machines there was no production of Weaving Machines during the year. Only Spares and Accessories were manufactured amounting to Rs.115.69 lakhs during the year. The Income earned on utilization of idle Assets of the Company was Rs.384.27 lakhs.

#### B. Other Engineering Services :

The deemed export of Parts for Machine Tools including Tool holders during the year was Rs.143.17 lakhs.



**IV. Outlook:**

The income on utilization of the idle Assets of the Company will continue to be earned. New avenue of business in the Defence Sector in line with Make in India Vision is being explored 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. The import of new and used weaving machines inhibits the development of indigenous Shuttleless Weaving Machines.

**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 Rs.731.21 lakhs from operations including utilization of idle Assets of the Company and the net profit during the year was Rs.97.82 lakhs after providing Rs.70.27 lakhs for Taxation.

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

The number of employees engaged during the year were in line with the operational requirement of the company. The relations with labour was cordial during the year. The permanent employees on Roll as on 31-03-2016 were fifty (50).



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 endeavours 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:

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.

#### 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. No.	Name of Directors	Category	Other Directorships *	Board Committees**	
				Member-ship	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	3	3	–
6.	Sri C.Kamatchisundaram	Independent Director	–	–	–
7.	Sri N.Jaychander	Non-Executive Director	–	1	–
8.	Sri R.R.Balasundharam	Independent Director	–	1	–

\* 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.

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

\*\*\* Sri S.Pathy, Chairman and Smt. Aishwarya Pathy are related to each other. None of the other Directors are related. None of the Director is a Member of more than 10 Board Committees or Chairman / Chairperson of more than 5 Board Committees.



### Board Meetings and Attendance :

Five Board Meetings were held on 20.05.2015, 06.08.2015, 23.09.2015, 02.11.2015 and 10.02.2016, during the financial year from 1st April, 2015 to 31st March, 2016. Details of Attendance of each Director at the Meetings of the Board and various committees of the Board during the financial year ended 31st March, 2016 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	-	4	-	Yes
2.	Sri R.Santharam	4	3	4	1	Yes
3.	Sri R.C.H.Reddy	5	4	4	1	Yes
4.	Smt.Aishwarya Pathy	4	-	-	-	Yes
5.	Sri R.Varadarajan	5	4	4	-	Yes
6.	Sri C.Kamatchisundaram	4	-	-	-	Yes
7.	Sri N.Jaychander	4	-	-	1	No
8.	Sri R.R.Balasundharam	5	3	-	-	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

Sl. 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	7,32,453
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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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](http://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, 2016. The Statutory Auditors, Internal Auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee Meetings on invitation. The CEO, CFO and 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.

The Company Secretary is the Secretary of the Committee.

#### **PERFORMANCE EVALUATION**

The Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of the Independent Directors and Non Executive Directors of the Company. Accordingly an evaluation excluding the Director being evaluated was carried out by the Board at their meeting held on 10.02.2016. A questionnaire was used whereby each Board member was requested to give his/her views on the Board's performance, strategy and the performance of its committees and individual Directors.

Some of the performance parameters on which the Independent Directors were evaluated include Contributions made on Corporate Governance practices, Knowledge and Skill and Role in active participation in Board and Committee meetings.

#### **INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors met on 10.02.2016, 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 Directors.
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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 31-03-2016, 2 letters / complaints were received from the investors which were replied / resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31-03-2016 was Nil. The Committee has met once during the financial year ended 31<sup>st</sup> March, 2016.

### 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, 2016.

### 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](http://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	Monday	12.08.2013	2.30 P.M.
- Do -	Thursday	18.09.2014	4.30 P.M.
- Do -	Wednesday	23.09.2015	2.45 P.M.

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

1. No Special Resolution was passed at the Annual General Meeting held on 12.08.2013.
2. 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.
3. 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.

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 2015-16 for re-classification of the objects of the Company in accordance with the provisions of the Companies Act, 2013 by alteration of the Memorandum of Association of the Company.





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 6<sup>th</sup> August, 2015 together with the Explanatory Statement on 22<sup>nd</sup> August, 2015, 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 Friday 14<sup>th</sup> August, 2015.

- (a) through electronic mail to the members whose email ids are registered in the records of Depository Participants and
- (b) through Physical mode, along with a postage prepaid self-addressed envelope to other members.

The Postal Ballot Process / Remote E-voting module was kept open from 24<sup>th</sup> August, 2015 - 9.00 AM to 22<sup>nd</sup> September, 2015 - 5.00 PM to shareholders to cast their vote either through Postal Ballot Form or through electronic mode.

The votes cast through E-Voting were unblocked on 23<sup>rd</sup> September, 2015. Particulars of votes received from the Shareholders using the electronic platform of CDSL 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 PM on 22<sup>nd</sup> September 2015, had been considered for scrutiny and envelopes containing Postal Ballot Forms received thereafter had not been considered for scrutiny.

The result of the Remote E-voting and Postal Ballot on the Special Resolution to approve the re-classification of the Object Clause of the Memorandum of Association of the Company was announced by the Chairman on 25<sup>th</sup> September, 2015 as per the Scrutinizer's Report as below:

Modes	For		Against	
	No. of Members	No. of Votes	No. of Members	No. of Votes
E-Voting	7	7,630	0	0
Ballot Forms Received by Post	120	26,63,699	1	7
Total	127	26,71,329	1	7

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

A Special Resolution by Postal Ballot is proposed 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.

**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.12 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](http://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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 31<sup>st</sup> March, 2016.

A copy of the Vigil Mechanism / Whistle Blower Policy is posted on the Company's website at [www.lakshmiautomatic.com](http://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](http://www.lakshmiautomatic.com). The Compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2015-16 has been affirmed by the CEO.

### **CEO and CFO Certification:**

The CEO 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 Malar (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](http://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	:	Wednesday, the 28 <sup>th</sup> September, 2016
Time	:	3.30 P.M.
Venue	:	Registered Office: 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037.

### **Financial Calendar**

Financial Year	:	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
Results announced	:	23.05.2016
Posting of Annual Reports	:	On or before 02.09.2016
Last date of receipt of Proxy Form	:	26.09.2016 (before 3.30 P.M.)
Announcement of Quarterly Results (Tentative)	:	August 2016, November 2016, February 2017 and May 2017
Date of Book Closure	:	22.09.2016 to 28.09.2016 (both days inclusive)

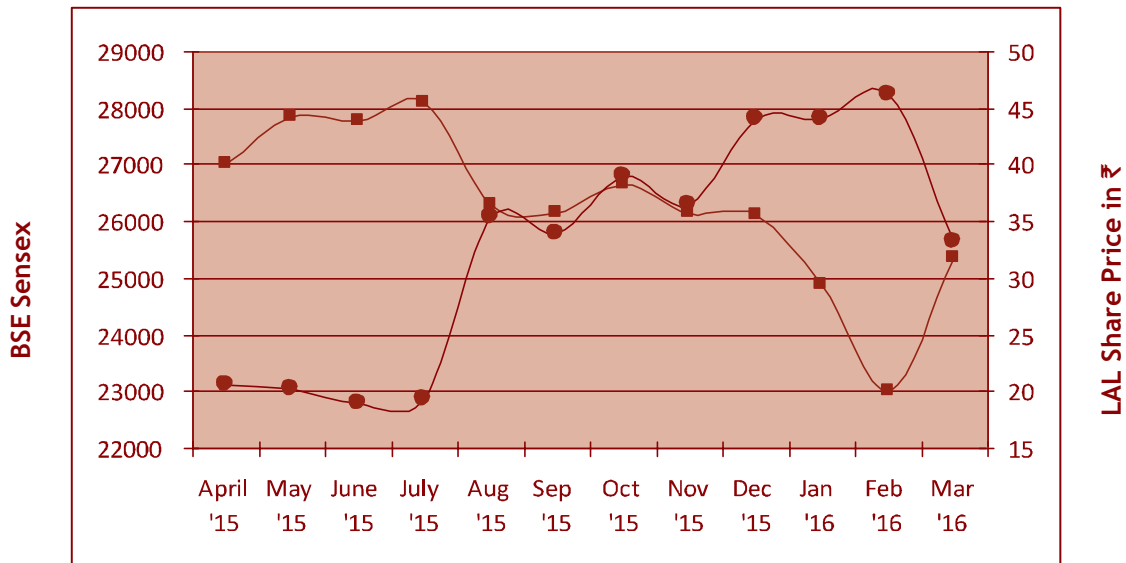


Dividend Payment Date : No dividend recommended  
Listing on Stock Exchanges : The Equity Shares of the Company are listed in BSE Ltd.  
Payment of Listing Fees : Annual Listing Fees for the year 2016-17 has been paid by the Company.  
Stock / Scrip Code : 505302  
ISIN Number : INE718M01014

**Market Price Data :**

Month	Apr'15	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'16	Feb	Mar
High (₹)	20.60	20.60	21.05	19.55	36.15	35.95	41.00	40.80	47.45	44.00	46.20	43.90
Low (₹)	18.60	20.00	18.80	18.00	20.35	33.95	35.70	36.50	35.00	44.00	44.00	33.25
No. of Shares Traded	2,543	244	396	3,675	9,751	9,766	314	2,435	5,234	105	700	367

**SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX**



April 2015 - March 2016

■ CI Sensex ● CI Price

**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 & 6549995 Email : info@skdc-consultants.com



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 31.03.2016:

Range	No. of Equity Shareholders	% of Total Number of Shareholders	No. of Shares	% to Total paid up capital
1 - 5000	7,913	99.68	7,65,980	12.55
5001 - 10000	4	0.05	26,519	0.43
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	51,05,857	83.65
Total	7,939	100.00	61,03,988	100.00

### Shareholding Pattern as on 31.03.2016:

Category	No. of Shareholders	No. of Shares of ₹ 10/- each	% of Shareholding
Promoters	8	15,96,171	26.15
Banks	2	23,000	0.38
Insurance Companies (Government)	6	13,92,016	22.81
Bodies Corporate	41	11,51,597	18.86
Overseas Bodies Corporate	2	11,25,000	18.43
Indian Public	7,744	6,66,374	10.92
NRIs	136	1,49,830	2.45
Total	7,939	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 31-03-2016, 31,42,730 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 No.SH-13) along with instructions is provided to the Members on request.

**Plant Locations:**

The Company has 2 Plants situated at the following locations:

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

Hosur Industrial Complex,  
Hosur - 635 126

**OTHER ENGINEERING SERVICES (UNIT 2)**

Singampalayam, 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 : +91-422-6549995, 2539835 - 36  
Fax : +91-422-2539837  
Email : info@skdc-consultants.com

**Shareholders Complaints Registration E-mail ID : [secretarial@lakshmiautomatic.com](mailto:secretarial@lakshmiautomatic.com)**

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**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 is posted in the Company's website at [www.lakshmiautomatic.com](http://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 31st March 2016.

Coimbatore  
12.08.2016

(Sd.) A. DORAISWAMY  
Chief Executive Officer



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT AND REGULATION 15(2) OF THE LISTING REGULATION WITH BOMBAY STOCK EXCHANGE LIMITED.

To the Members of Lakshmi Automatic Loom Works Limited

We have examined the compliance of conditions of Corporate Governance by Lakshmi Automatic Loom Works Limited for the year ended 31<sup>st</sup> March, 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulation for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

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 Clause 49 of the Listing Agreement and Regulation 15(2) of the Listing Regulation with the Stock Exchange for the year ended 31<sup>st</sup> March, 2016.

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.

Coimbatore  
12.08.2016

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



## 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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  
23.05.2016

(Sd.) A. DORAISWAMY  
Chief Executive Officer

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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 **M/s. Lakshmi Automatic Loom Works Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. 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 31<sup>st</sup> March, 2016 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, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, 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.

Coimbatore  
23.05.2016

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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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<sup>st</sup> March 2016.

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) The Company has not accepted any deposits from the public covered under Section 74 to 76 of the Companies Act, 2013.
- v) 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.
- vi) 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 31<sup>st</sup> March, 2016 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.



- vii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not availed any loans from financial institutions or issued any debentures and has not defaulted in repayment of dues to banks during the year.
- viii) 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.
- ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any 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.
- xv) The Company has not entered into any non-cash transactions with the directors or persons connected with the Directors.
- 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.

Coimbatore  
23.05.2016

For N.R. DORAISWAMI & CO  
Chartered Accountants  
(Firm Regn. No. 0007715)  
(Sd.) **SUGUNA RAVICHANDRAN**  
Partner  
(Membership No. 207893)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### **Annexure B - To the Independent Auditors' Report of even date on the Standalone Financial Statements of Lakshmi Automatic Loom Works Limited**

**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, 2016 in conjunction with our audit of the standalone 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". 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 were 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, 2016, 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  
23.05.2016



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Balance Sheet as at 31<sup>st</sup> March, 2016

₹ in Lakhs

Particulars	Note No.	31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds :			
a) Share Capital	1	1460.40	1460.40
b) Reserves and Surplus	2	(-) 331.49	(-) 429.31
Total Shareholders' Funds		<u>1128.91</u>	<u>1031.09</u>
(2) Non - Current Liabilities :	3		
a) Long - term borrowings		10.00	10.00
b) Deferred Tax Liabilities		26.38	-
c) Other Long Term Liabilities		283.20	298.35
d) Long - term provisions		47.06	46.65
		<u>366.64</u>	<u>355.00</u>
(3) Current Liabilities :	4		
a) Short - term borrowings		-	-
b) Trade payables		20.47	7.89
c) Other current liabilities		78.91	37.77
d) Short - term provisions		154.30	82.00
		<u>253.68</u>	<u>127.66</u>
TOTAL		<u>1749.23</u>	<u>1513.75</u>
<b>II. ASSETS</b>			
(1) Non - Current Assets :			
Fixed Assets :	5		
i) Tangible assets		362.20	385.85
ii) Capital work-in-progress		10.95	9.53
iii) Deferred Tax Assets (Net)	6	-	4.48
iv) Long - term loans and advances	7	92.87	51.46
(v) Other non-current assets	8	20.71	14.99
		<u>486.73</u>	<u>466.31</u>
(2) Current Assets :			
a) Inventories	9	65.43	64.71
b) Trade Receivables	10	67.61	97.11
c) Cash and cash equivalents	11	897.88	670.01
d) Short Term Loans and Advances	12	100.99	91.07
e) Other Current Assets	13	130.59	124.54
		<u>1262.50</u>	<u>1047.44</u>
TOTAL		<u>1749.23</u>	<u>1513.75</u>

Note : Note 1 to 13 and Significant accounting policies and Notes to Statement of Profit and Loss and Balance Sheet form part of this Balance Sheet.

Directors

(Sd.) S. PATHY

Chairman (DIN : 00013899)

(Sd.) R. SANTHARAM

Director (DIN : 00151333)

(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. 0007715)

(Sd.) SUGUNA RAVICHANDRAN

Partner

(Membership No. 207893)

Coimbatore  
23.05.2016



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

₹ in Lakhs

Particulars	Note No.	31.03.2016	31.03.2015
<b>Income :</b>			
I. Revenue from operations	14	263.05	359.31
II. Other income	15	468.16	431.45
III. Total Revenue (I+II)		<u>731.21</u>	<u>790.76</u>
<b>IV. Expenses :</b>			
Cost of Materials consumed	16	83.13	103.78
Changes in inventories of finished goods, work in progress and stock in trade	17	(-) 3.06	9.99
Employee benefits expense	18	223.11	224.93
Finance cost	19	1.07	1.05
Depreciation and Amortisation Expenses		30.45	38.73
Other Expenditure	20	204.17	185.83
Total expenses		<u>538.87</u>	<u>564.31</u>
V. Profit before exceptional and extraordinary items and tax (III – IV)		192.34	226.45
VI. Exceptional items	21	6.60	106.46
VII. Profit before extraordinary items and tax (V+VI)		<u>198.94</u>	<u>332.91</u>
VIII. Extraordinary items		-	-
IX. Profit before tax (VII – VIII)		<u>198.94</u>	<u>332.91</u>
X. Tax expense:			
(1) Current tax		70.27	-
(2) MAT credit entitlement for earlier year		-	35.88
(3) Deferred tax		(-) 30.85	(-)107.51
XI. Profit / (Loss) for the year (IX – X)		<u>97.82</u>	<u>261.28</u>
XII. Earnings per equity share :			
(1) Basic		0.60	3.27
(2) Diluted		0.60	3.27

Note : Note 14 to 21 and Significant accounting policies and Notes to Statement of Profit and Loss and Balance Sheet form part of this Statement of Profit and Loss.

Coimbatore  
23.05.2016

Directors  
(Sd.) **S. PATHY**  
Chairman (DIN : 00013899)  
(Sd.) **R. SANTHARAM**  
Director (DIN : 00151333)  
(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. 0007715)  
(Sd.) **SUGUNA RAVICHANDRAN**  
Partner  
(Membership No. 207893)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the Balance Sheet

₹ in Lakhs

Note No.	Particulars	31.03.2016		31.03.2015	
1	<b>SHARE CAPITAL</b>				
	<b>Authorised :</b>				
	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
	<b>Issued, Subscribed and fully Paid-up :</b>				
	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
	Total		1460.40		1460.40
	2	<b>RESERVES AND SURPLUS</b>			
Securities Premium Reserve :					
As per last Balance Sheet			457.92		457.92
Other Reserves :					
Surplus :					
Net Profit transferred from Statement of Profit and Loss		97.82		261.28	
Debit balance in Profit and Loss Account brought forward from previous year		(-)887.23		(-)1130.64	
Add : WDV of assets transferred as per schedule II		-		(-)26.46	
Deferred tax on WDV transferred as per schedule II		-		8.59	
Total			(-)789.41		(-)887.23
		(-)331.49		(-)429.31	
3	<b>NON-CURRENT LIABILITIES</b>				
	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 liabilities (Refer Note No.6)		26.38		-
	c) Other Long - term liabilities :				
	Trade payables				
	(i) Due to micro, small and medium enterprises	-		0.76	
	Due to others	0.13	0.13	2.77	3.53
(ii) Others :					
Liabilities for other finance		145.12		157.82	
Liabilities for expenses		137.95		137.00	
Total		283.20		298.35	





## Notes to the Balance Sheet

₹ in Lakhs

Note No.	Particulars	31.03.2016		31.03.2015	
<b>3</b>	<b>NON-CURRENT LIABILITIES (CONTD.)</b>				
	d) Long - term provisions :				
	Provision for employee benefits :				
	(i) Provision for Gratuity		36.76		34.53
	(ii) Provision for Leave encashment		9.86		11.83
	(iii) Provision for Taxation		0.29		0.29
	(iv) Provision for Bonus		0.15		-
	<b>Total</b>		<b>47.06</b>		<b>46.65</b>
<b>4</b>	<b>CURRENT LIABILITIES</b>				
	a) Short - term borrowings :		-		-
	b) Trade payables :				
	Due to micro,small and medium enterprises	7.42		-	
	Due to others	13.05	20.47	7.89	7.89
	<b>Total</b>		<b>20.47</b>		<b>7.89</b>
	c) Other Current Liabilities:				
	Liabilities for other finance		53.33		18.93
	Liabilities for expenses		25.58		18.84
	<b>Total</b>		<b>78.91</b>		<b>37.77</b>
	d) Short - term provisions :				
	a) Provision for employee benefits:				
	Provision for Gratuity		4.50		4.09
	Provision for Leave encashment		1.88		1.88
	Provision for Bonus		11.04		9.41
	b) Others:				
	Provision for Taxation		136.88		66.62
	<b>Total</b>		<b>154.30</b>		<b>82.00</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the Balance Sheet

#### NOTE 5 : FIXED ASSETS

₹ in Lakhs

Sl. No.	Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	With-drawn	Upto 31.03.2016	Transfer to Retained Earnings	As at 31.03.2016	As at 31.03.2015
i)	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	724.32	4.13		728.45	409.99	19.79		429.78		298.67	314.33
3	Plant and Equipment	1320.21	1.72	68.70	1253.23	1279.96	9.79	68.70	1221.05		32.18	40.25
4	Vehicles	28.83			28.83	28.72	0.07		28.79		0.04	0.11
5	Furniture & Fixtures	86.14	0.38		86.52	84.65	0.56		85.21		1.31	1.49
6	Others											
	(i) Technical Know-how	187.79			187.79	187.79			187.79			
	(ii) Computer Equipments	36.56	0.57		37.13	36.05	0.24		36.29		0.84	0.51
	(iii) Library	0.93			0.93	0.93			0.93			
	Total	2413.94	6.80	68.70	2352.04	2028.09	30.45	68.70	1989.84		362.20	385.85
	(Previous year figures)	2693.72	2.19	281.97	2413.94	2245.64	38.73	282.74	2001.63	26.46	385.85	448.08
ii)	Capital work in progress	9.53	1.42		10.95						10.95	9.53
	(Previous year figures)	9.53			9.53						9.53	9.53



## Notes to the Balance Sheet

₹ in Lakhs

Note No.	Particulars	31.03.2016		31.03.2015	
<b>6</b>	<b>DEFERRED TAX ASSETS (NET)</b>				
	Deferred Tax Assets		21.22		53.31
	Less : Deferred Tax Liabilities		47.60		48.83
	Total		(-)26.38		4.48
<b>7</b>	<b>LONG - TERM LOANS AND ADVANCES</b>				
	(Unsecured-considered good-recoverable in cash or in kind)				
	Advance for Others		13.83		1.68
	Advance for Central Excise		12.08		12.61
	Deposits		10.13		8.83
	Income Tax Deducted at source		56.83		28.34
	Total		92.87		51.46
<b>8</b>	<b>OTHER NON-CURRENT ASSETS</b>				
	i) Long Term Trade Receivables				
	Unsecured considered good		6.59		1.02
	Unsecured considered doubtful	2.80		2.80	
	Less:Provision for doubtful debts	2.80	-	2.80	-
			6.59		1.02
	ii) Other Non-current Assets :				
	Interest accrued and other receivables		13.14		12.67
	Share Issue Expenses		0.98		1.30
	Total		20.71		14.99
	<b>CURRENT ASSETS</b>				
<b>9</b>	<b>INVENTORIES</b>				
	i) Raw Materials		7.95		6.71
	ii) Components		19.62		21.44
	iii) Work-in-progress		10.45		6.77
	iv) Finished Goods		7.60		8.22
	v) Stock of Stores, Tools and Machinery Spares (Valued at cost or Net realisable value whichever is less)		19.81		21.57
	Total		65.43		64.71
<b>10</b>	<b>TRADE RECEIVABLES</b>				
	Unsecured considered good :				
	Outstanding for more than six months		-		0.10
	Others		67.61		97.01
	Total		67.61		97.11



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the Balance Sheet

₹ in Lakhs

Note No.	Particulars	31.03.2016		31.03.2015	
<b>11</b>	<b>CASH AND CASH EQUIVALENTS</b>				
	i) Cash with Banks :				
	In Current Accounts		25.87		11.40
	In Deposit Accounts		871.47		657.94
	ii) Cash on hand		0.52		0.65
	iii) Stamps and Stamp Papers on hand		0.02		0.02
	Total		897.88		670.01
<b>12</b>	<b>SHORT TERM LOANS AND ADVANCES</b>				
	(Unsecured-considered good-recoverable in cash or in kind)				
	Advance for Purchases		0.02		–
	Advance for Staff		2.12		1.50
	Advance for Others		0.62		14.33
	Advance for Central Excise		4.84		6.53
	Deposits		0.74		–
	Prepaid Expenses		3.16		1.92
	Income Tax Deducted at Source		89.49		66.79
	Total		100.99		91.07
<b>13</b>	<b>OTHER CURRENT ASSETS</b>				
	Interest accrued and other receivables		28.09		22.04
	MAT credit entitlement		102.50		102.50
	Total		130.59		124.54
	Total		1262.50		1047.44
	<b>Notes to Statement of Profit and Loss</b>				
<b>14</b>	<b>REVENUE FROM OPERATIONS</b>				
	Sale of Parts and Accessories for Machine Tools		143.17		250.15
	Sale of Accessories and Spares for Weaving and Circular Knitting Machines		133.68		114.48
	Sale of Components		–		1.24
	Fabrication Charges		2.84		3.99
	LESS :		279.69		369.86
	Excise Duty	13.47		7.48	
	Sales Tax	4.52	17.99	3.09	10.57
	Sale of other items		261.70		359.29
			1.35		0.02
	Total		263.05		359.31



## Notes to Statement of Profit and Loss

₹ in Lakhs

Note No.	Particulars	31.03.2016		31.03.2015	
<b>15</b>	<b>OTHER INCOME</b>				
	Realisation of Scrap		9.43		31.44
	Interest receipts (TDS ₹ 6.70 lakhs)		69.70		49.07
	Miscellaneous income		4.76		32.96
	Income on utilisation of idle assets (TDS ₹ 38.35 lakhs)		384.27		317.98
	Total		468.16		431.45
<b>16</b>	<b>COST OF MATERIALS CONSUMED</b>				
	Opening Stock :				
	Raw Materials	6.71		6.77	
	Components	21.44		30.84	
		28.15		37.61	
	Less : Provision for obsolescence in Inventory	-	28.15	18.30	19.31
	Add : Purchases:				
	Raw Materials		58.74		85.12
	Components		23.82		27.50
	(A)		110.71		131.93
	Closing Stock :				
	Raw Materials		7.95		6.71
	Components		19.63		21.44
	(B)		27.58		28.15
	(A - B)		83.13		103.78
<b>17</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>				
	Opening Stock of Finished Goods		8.22		2.76
	Opening work in progress		6.77		22.22
	(A)		14.99		24.98
	Closing Stock of Finished Goods		7.60		8.22
	Closing work in progress		10.45		6.77
	(B)		18.05		14.99
	(A - B)		(-) 3.06		9.99
<b>18</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>				
	Salaries and Wages		203.64		178.25
	Contribution to Provident Fund, Gratuity, etc.,		10.27		36.45
	Staff and Labour Welfare Expenses		9.20		10.23
	Total		223.11		224.93
<b>19</b>	<b>FINANCE COST</b>				
	Interest Expenses		1.07		1.05
	Total		1.07		1.05



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to Statement of Profit and Loss

₹ in Lakhs

Note No.	Particulars	31.03.2016	31.03.2015
<b>20</b>	<b>OTHER EXPENDITURE</b>		
	Material Fabrication Charges	15.32	14.92
	Power and Fuel	32.18	33.50
	Consumption of Stores and Spares	20.11	28.37
	Repairs to Buildings	19.50	11.80
	Repairs to Machinery	7.30	11.66
	Repairs to Furniture and Equipment	1.82	1.91
	Maintenance Charges to SIPCOT	8.70	2.12
	Printing and Stationery	3.15	3.32
	Postage and Telephone	6.23	5.73
	Travelling and Maintenance of Motor Vehicles	25.31	17.40
	Bank Charges and Filing Fees	0.55	0.76
	Advertisement and Subscription	3.87	3.92
	Insurance	1.54	1.66
	Rates and Taxes	5.08	7.92
	Sales Commission	1.68	2.41
	Sales Expenses	0.32	0.49
	Export Expenses	0.22	0.41
	Directors Sitting Fees	6.56	5.14
	Auditors Remuneration	1.41	1.54
	Legal and Professional Charges	10.82	9.04
	Water Charges	1.55	1.22
	Net loss on Foreign Currency Transactions	0.09	-
	Rent	20.71	11.42
	Miscellaneous Expenses	5.70	4.72
	Transport Vehicle Hire Charges	4.45	4.45
	Total	204.17	185.83
<b>21</b>	<b>EXCEPTIONAL ITEMS</b>		
	Provision for obsolescence in Inventory	-	(-)20.63
	Profit on Sale of Assets	11.37	126.64
	Interest Others	(-)4.44	-
	Share Issue Expenses	(-)0.33	(-)0.33
	Excess provision for depreciation / expenses in earlier years	-	0.78
	Total	6.60	106.46

Signature to Note 1 to 21

Directors

(Sd.) **S. PATHY**

Chairman (DIN : 00013899)

(Sd.) **R. SANTHARAM**

Director (DIN : 00151333)

(Sd.) **N. JAYCHANDER**

Director (DIN : 00015091)

(Sd.) **K.P. KRISHNAKUMAR**

Chief Financial Officer

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(Sd.) **SUGUNA RAVICHANDRAN**

Partner

(Membership No. 207893)

Coimbatore  
23.05.2016



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 AND BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016.

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 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 GAPP) 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 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.

#### 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.

#### 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.

#### 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.

#### 6 Depreciation :

- i) Depreciation on Fixed Assets for the year has been provided in accordance with Schedule II of the Companies Act, 2013. 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.

#### 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.

#### 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.

#### 9 Earnings per Share :

Basic Earnings per share is calculated after considering required dividend on Cumulative Redeemable



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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.

### 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.

### 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.

### 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.

### 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.

### 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.

### 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.




**B. NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET**

₹ in Lakhs

Particulars	31.03.2016	31.03.2015	
<b>1. I. Raw Materials Consumed :</b>			
a) Iron and Steel	53.82 *	98.63 *	
b) Non-metallic items etc.	-	-	
<b>II. Components Consumed :</b>			
(Buffer head, bearings, rings, washers, bushes, springs, etc.,)			
a) Components - Indigenous	25.57	20.60	
b) Components - Imported	0.06	-	
* Net of work-in-progress stock adjustment.			
<b>2. A. Value of Imports (C.I.F) :</b>			
a) Raw Materials	-	-	
b) Components	-	-	
c) Consumable Stores	-	-	
d) Capital Goods	-	-	
<b>B. Expenditure in Foreign Currency :</b>			
Travelling Expenses	4.35	-	
	₹ in Lakhs	% to total consumption	₹ in Lakhs
			% to total consumption
<b>C. Consumption :</b>			
a) Raw Materials - Imported	-	-	-
b) Components - Imported	0.06	0.08	-
c) Raw Materials - Indigenous	53.82	67.74	98.63
d) Components - Indigenous	25.57	32.18	20.60
<b>Total</b>	<b>79.45</b>	<b>100.00</b>	<b>119.23</b>
			<b>100.00</b>
<b>D. Amount remitted during the year in Foreign Currencies on account of dividends (Net after deduction of tax at source)</b>	Nil	Nil	
a) Number of Non-resident Shareholders	136	135	
b) Number of Shares held by Non-resident Shareholders on which dividends are due	N.A.	N.A.	
c) The year to which dividends related	N.A.	N.A.	
<b>E. Earnings in Foreign Exchange :</b>			
Export of goods calculated on F.O.B. Basis	4.14	31.67	
<b>3. Remuneration to Auditors :</b>			
a) Audit Fees	0.87	0.77	
b) Other Fees For :			
Taxation Matters	-	-	
Other Services - Limited Review	0.41	0.66	
Management Services	-	-	
Reimbursement of Expenses	0.13	0.11	
<b>Total</b>	<b>1.41</b>	<b>1.54</b>	



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

₹ in Lakhs

Particulars	31.03.2016		31.03.2015	
	Gratuity (Unfunded)	Leave encashment (Unfunded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
<b>4. Defined Benefit Plans</b>				
<b>A Expenses recognised during year ended 31.3.2016</b>				
1. Current Service Cost	2.92	3.93	2.82	3.14
2. Interest Cost	2.93	0.84	1.58	0.45
3. Expected return on Plan Assets	—	—	—	—
4. Actuarial Losses / (Gains) during the year	(-)2.78	(-)1.28	14.83	4.84
5. Total Expense	3.07	3.49	19.23	8.43
<b>B Actual return on Plan Assets</b>				
1. Expected return on Plan Assets	—	—	—	—
2. Actuarial (Loss) / Gain on Plan Assets	—	—	—	—
3. Actual return on Plan Assets	—	—	—	—
<b>C Net Asset / (Liability) recognised in the Balance Sheet</b>				
1. Present value of the obligation as on 31.3.2016	41.26	11.73	38.62	13.71
2. Fair value of Plan Assets as on 31.3.2016	—	—	—	—
3. Difference	41.26	11.73	38.62	13.71
4. Unrecognised past service cost	—	—	—	—
5. Liability recognised in the Balance Sheet	41.26	11.73	38.62	13.71
<b>D Change in Present value of the obligation during the year ended 31.3.2016</b>				
1. Present value of the obligation as at 1.4.2015	38.62	13.71	20.74	6.13
2. Current Service Cost	2.92	3.93	2.82	3.14
3. Interest Cost	2.93	0.84	1.58	0.45
4. Benefits paid	(-)0.43	(-)5.47	(-)1.35	(-)0.85
5. Actuarial (Gain) / Loss on obligation	(-)2.78	(-)1.28	14.83	4.84
6. Present value of obligation as at 31.3.2016	41.26	11.73	38.62	13.71
<b>E Change in Assets during the year ended 31.3.2016</b>				
1. Fair value of Plan Assets as at 1.4.2015	—	—	—	—
2. Expected return on Plan Assets	—	—	—	—
3. Contributions made	0.43	5.47	1.35	0.85
4. Benefits paid	(-)0.43	(-)5.47	(-)1.35	(-)0.85
5. Actuarial Gain / (Loss) on Plan Assets	—	—	—	—
6. Fair value of Plan Assets as at 31.3.2016	—	—	—	—
<b>F Major categories of Plan Assets as a percentage of total plan</b>				
Qualifying Insurance policies				
Own Plan Assets				
Total	Nil	Nil	Nil	Nil
<b>G Actuarial Assumptions</b>				
1. Discount rate	7.64%	7.64%	7.88%	7.88%
2. Salary escalation	4.50%	4.50%	5.00%	5.00%
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%



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.
6. 8,50,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- each issued and allotted on 24.02.2010 are redeemable in one instalment on expiry of ten years from date of allotment in February, 2020. No provision for payment of Dividend of ₹ 51.00 lakhs and applicable corporate tax thereon for the financial year ending 31.3.2016 has been made due to carry forward previous years losses. The cumulative dividend payable as on 31.3.2016 amounts to ₹ 153.00 lakhs and the applicable corporate tax thereon.
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 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 are set out below :

	As at 31st March,2016		As at 31st March,2015	
	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	467944	7.67
Mrs. Aishwarya Pathy	732453	12.00	731603	11.98
Lakshmi Machine Works Limited	441110	7.23	441110	7.23
The Lakshmi Mills Company Limited	330000	5.41	330000	5.41

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

	₹ in Lakhs	
	2015-16	2014-15
<b>Assets :</b>		
Carry forward losses	-	33.64
Section 43B disallownces	21.22	19.67
<b>Total</b>	<b>21.22</b>	<b>53.31</b>
<b>Liabilities :</b>		
Depreciation	47.60	48.83
Deferred Tax Liabilities / Assets (net) recognized in the accounts	(-) 26.38	4.48

10. The following contingent liabilities have not been provided for :
- |  | 31.03.2016 | 31.03.2015 |
|--|------------|------------|
| a) Contingent Liabilities  |            |            |
| 1) Claims for refund of Security Deposit   | 5.42       | 5.42       |
| 2) Disputed Service Tax on Appeal  |            |            |
| 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. | 8.86       | 8.86       |
| b) Commitments   |            |            |
| Estimated amount of contracts remaining to be executed on Capital account and not provided for   | -          | -          |



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 11. Segment Report for the year ended 31<sup>st</sup> March, 2016

₹ in Lakhs

Primary Business Segment	Weaving Machinery and Spares		Other Engineering Services		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Revenue</b>						
External Sales	1.35	–	258.86	359.31	260.21	359.31
Inter Segment Transfers	6.28	9.84	–	–	6.28	9.84
Allocable other Income	394.77	514.64	13.13	23.27	407.90	537.91
<b>Total Revenue</b>	<b>402.40</b>	<b>524.48</b>	<b>271.99</b>	<b>382.58</b>	<b>674.39</b>	<b>907.06</b>
Less : Inter Segment Transfers	6.28	9.84	–	–	6.28	9.84
Enterprise Revenue	396.12	514.64	271.99	382.58	668.11	897.22
<b>Result</b>						
Segment Result	249.10	315.61	(-)49.09	18.35	200.01	333.96
Less : Unallocated Expenses	–	–	–	–	–	–
<b>Operating Profit</b>	<b>249.10</b>	<b>315.61</b>	<b>(-)49.09</b>	<b>18.35</b>	<b>200.01</b>	<b>333.96</b>
Less : Interest Expenses	1.07	1.05			1.07	1.05
					198.94	332.91
Less : Income Tax						
Current and Deferred	(-)101.12	(-)107.51	–	–	(-)101.12	(-)107.51
Add : MAT credit entitlement	–	35.88	–	–	–	35.88
					97.82	261.28
Add : Other Income					–	–
Net Profit after Tax					97.82	261.28
<b>Other Information</b>						
Segment Assets	1504.90	1222.77	244.33	286.50	1749.23	1509.27
Add : Unallocated Corporate Assets					–	4.48
Enterprise Assets					1749.23	1513.75
Segment Liabilities	442.36	290.61	151.58	192.05	593.94	482.66
Add : Unallocated Corporate Liabilities					1155.29	1031.09
Enterprise Liabilities					1749.23	1513.75
Capital Expenditure	6.16	2.00	2.06	0.18	8.22	2.18
Depreciation	12.36	18.23	18.09	20.50	30.45	38.73

### Secondary-Geographical Segment

₹ in Lakhs

	31.03.2016	31.03.2015
Revenue from external customers by location of customers		
Domestic Segment	670.25	875.39
Export Segment	4.14	31.67
	674.39	907.06
Less : Inter-division revenue	6.28	9.84
Net Income from Sales / Services	668.11	897.22

**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 segment considered for disclosure are Revenue from customers located within India (Domestic Segment) and Revenue from customers located outside India (Export Segment).



**12. Details of transactions with related parties as required under AS-18 are as below :**

<b>a. Names of related parties :</b>	<b>Relationship</b>
The Lakshmi Mills Company Ltd.	Promoters & 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** ₹ in Lakhs

Sl.No	Nature of Transaction	31.03.2016	31.03.2015
1.	Purchase of Goods	0.20	-
2.	Sale of Goods	3.12	1.26
3.	Receiving of Services	31.13	14.40
4.	Agency arrangements	1.31	0.74
	Amount receivable	2.16	-
	Amount payable	137.40	138.50

**13. As defined under Micro, Small and Medium Enterprises Development Act, 2006 the disclosure in respect of the amount payable to such enterprises as at 31.03.2016 has been made in the financial statement based on information received and available with the Company.**

₹ in Lakhs

	31.03.2016	31.03.2015
a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	7.42	0.76
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 Enterprises Development Act, 2006.	Nil	Nil



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

₹ in Lakhs

Particulars	31.03.2016	31.03.2015
<b>14. Earnings per share as per AS - 20 :</b>		
Profit as per Statement of Profit and Loss	97.82	261.28
Less : Dividend on Cumulative Preference Shares required for the year ended 31.03.2016	51.00	51.00
Corporate Tax on Dividend	10.38	10.38
a) Net Profit for EPS	36.44	199.90
b) No. of Equity Shares outstanding	6103988	6103988
c) EPS (Face value of ₹ 10/- per Share)		
Basic	0.60	3.27
Diluted	0.60	3.27

15. 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.) <b>K.P. KRISHNAKUMAR</b>	Chartered Accountants
	(Sd.) <b>R. SANTHARAM</b>	Chief Financial Officer	(Firm Regn. No. 0007715)
	Director (DIN : 00151333)		(Sd.) <b>SUGUNA RAVICHANDRAN</b>
Coimbatore	(Sd.) <b>N. JAYCHANDER</b>	(Sd.) <b>R. MUTHUKUMAR</b>	Partner
23.05.2016	Director (DIN : 00015091)	Company Secretary	(Membership No. 207893)



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

₹ in Lakhs

Particulars	31.03.2016		31.03.2015	
<b>A. Cash flow from operating activities</b>				
Net Profit as per Statement of Profit and Loss		198.94		332.91
Add :				
Depreciation and Amortisation Expenses	30.45		38.73	
Interest	1.07		1.05	
Less :				
Interest Income	69.70		49.07	
Profit on sale of assets	11.37	(-)49.55	126.64	(-)135.93
Operating Profit Before Working Capital Changes		149.39		196.98
Adjustments for				
Increase in Inventories	(-)0.72		23.57	
Decrease in Debtors	29.50		(-)47.57	
Increase in Other Current Assets	(-)6.05		(-)117.51	
Increase in Loans and Advances	(-)9.92		(-)52.05	
Increase in Current Liabilities	126.02		17.02	
Increase in other Non Current assets	(-)42.65	96.18	(-)1.47	(-)178.01
MAT Credit / Direct Taxes paid		(-)101.12		35.88
Net Cash used in operating activities (A)		144.45		54.85
<b>B. Cash Flow from Investment Activities</b>				
Purchase of Fixed Assets	(-) 8.22		(-)2.19	
Interest Income	69.70		49.07	
Sale of Fixed Assets	11.37		125.87	
Net Cash used in Investing activities (B)		72.85		172.75
<b>C. Cash Flow from Financial Activities</b>				
Interest	(-)1.07		(-)1.05	
Increase in Non Current Liabilities	11.64		(-)22.42	
Net Cash used in Financing activities (C)		10.57		(-)23.47
Net Increase in cash and cash equivalents (A+B+C)		227.87		204.13
Cash and cash equivalents as at 01.04.2015		670.01		465.88
Cash and cash equivalents as at 31.03.2016		897.88		670.01
-ve sign before the figures represent cash outflows.				

Directors  
(Sd.) **S. PATHY**  
Chairman (DIN : 00013899)

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

Coimbatore 23.05.2016 (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)







## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 Second Annual General Meeting  
on Wednesday the 28<sup>th</sup> September,2016 at 3.30 P.M.**

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 42nd Annual General Meeting of the Company at 3.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 on Wednesday, the 28<sup>th</sup> September, 2016

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

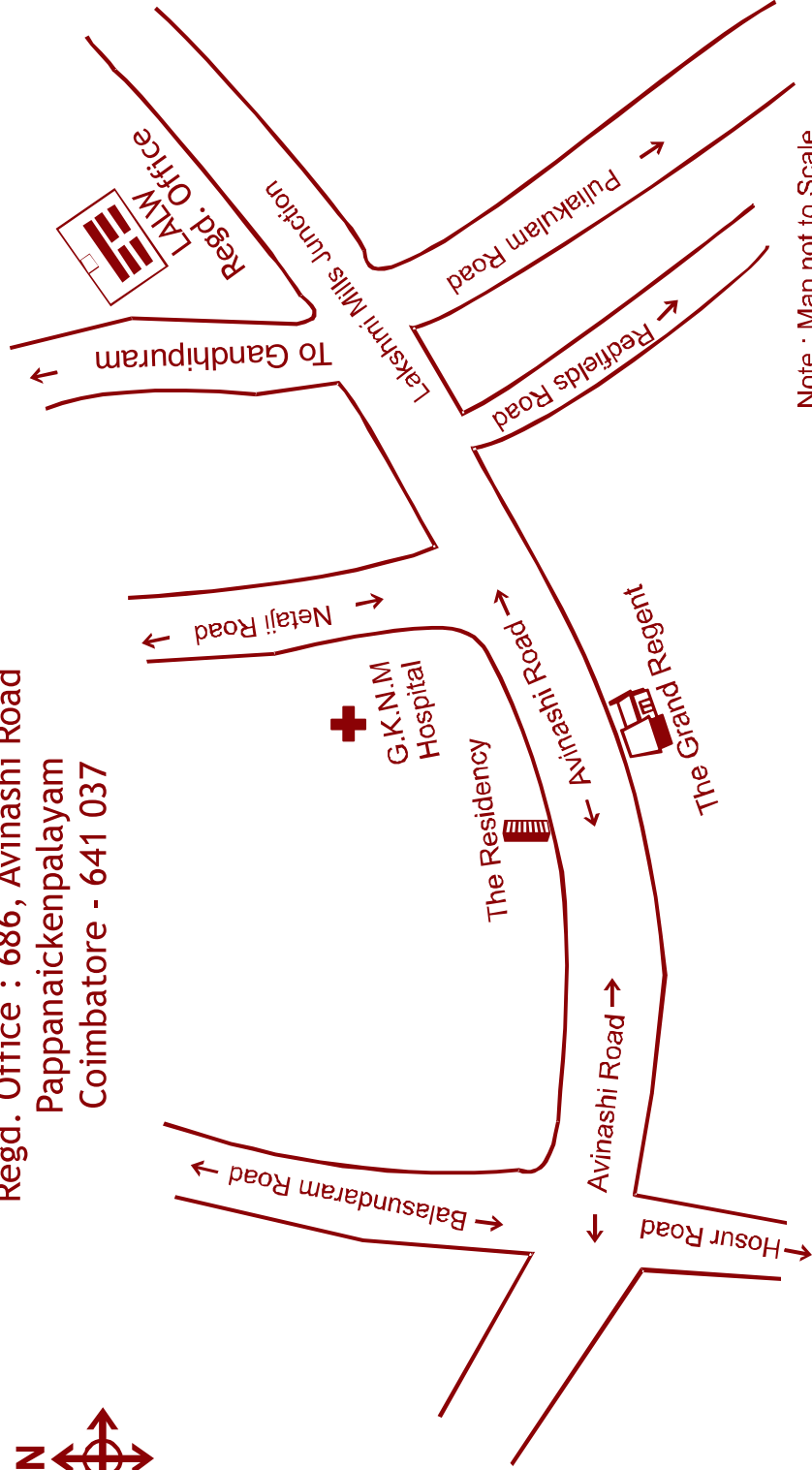
Note:

- 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.



**Route Map to the Venue of the AGM**

Regd. Office : 686, Avinashi Road  
Pappanaickenpalayam  
Coimbatore - 641 037



Note : Map not to Scale







# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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]

### 42<sup>nd</sup> ANNUAL GENERAL MEETING

28<sup>th</sup> September, 2016

Folio No./Client ID & DP ID  
Name & Address of  
the member(s):

E-mail ID:

1) Name:.....Address.....

Email ID.....Signature.....

or failing him / her;

2) Name:.....Address.....

Email ID.....Signature.....

or failing him / her;

3) Name:.....Address.....

Email ID.....Signature.....

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company, to be held on **Wednesday, the 28<sup>th</sup> September, 2016 at 3.30 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
<b>105183</b>		



S.No.	Resolution	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Balance Sheet as at 31 <sup>st</sup> March, 2016 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. R. Santharam, who retires by rotation as a Director.		
3.	Re-appointment of Sri. N. Jaychander, who retires by rotation, as a Director.		
4.	Appointment of Auditors and fix their remuneration.		

Signed this ..... day of ..... 2016

Signature of Shareholder : .....

Signature of Proxy holder : .....

Affix ₹1/- Revenue Stamp
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**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 42<sup>nd</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 resolution, 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.