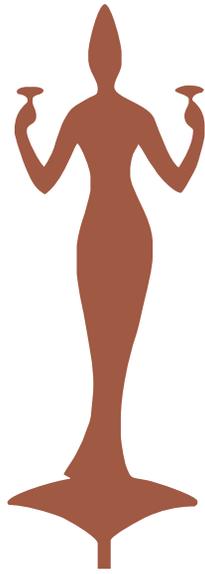


**LAKSHMI  
AUTOMATIC LOOM WORKS  
LIMITED**

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**47th ANNUAL REPORT  
2020-21**





# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

## Board of Directors

Mr.S.PATHY  
Chairman

Smt.AISHWARYA PATHY  
Vice Chairperson

Mr.R.SANTHARAM

Mr.R.C.H.REDDY

Mr.R.VARADARAJAN

Mr.C.KAMATCHISUNDARAM

Mr.N.JAYCHANDER

Mr.R.R.BALASUNDHARAM

Mr.PRADIP ROY

**Chief Executive Officer**  
Mr.R.D.ANANDAKUMAR

**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)

### Business Segments :

1. Warehousing Rental Services  
Hosur Industrial Complex  
Hosur - 635 126  
Tamilnadu
2. Engineering Services  
Singarampalayam  
Kinathukadavu Taluk  
Pollachi - 642 109  
Tamilnadu

### Statutory Auditors

M/s. SUBBACHAR & SRINIVASAN  
Chartered Accountants

### Bankers

INDIAN BANK

### Registrars and Share Transfer Agents

S.K.D.C. Consultants Ltd  
"SURYA" 35, Mayflower Avenue,  
Behind Senthil Nagar, Sowripalayam  
Coimbatore - 641 028  
Phone : +91-422-2539835, 2539836 & 4958995  
Email : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)



# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CIN : L29269TZ1973PLC000680, Website: www.lakshmiautomatic.com

686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037

Phone No:+91 422 2245484,485, Fax : +91 422 2244887

E-mail:contact@lakshmiautomatic.com

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Forty Seventh Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 16th day of September, 2021 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") for transacting the following business:

### AGENDA

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company comprising the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement for the Financial Year ended 31st March, 2021 and the Report of the Board of Directors and the Report of the Auditors thereon.
2. To appoint a Director in the place of Sri S.Pathy (DIN 00013899) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Smt Aishwarya Pathy (DIN 00062114) who retires by rotation and being eligible offers herself for re-appointment.

#### SPECIAL BUSINESS

4. To consider the appointment of Sri Pradip Roy (DIN 09266521) as Independent Director and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri Pradip Roy (DIN 09266521) as Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1) (b) of Listing Regulations and pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office from 11.08.2021 up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 from a member has been received by the Company, proposing his candidature for the office of Independent Director and who is eligible for appointment as Independent Director of the Company, be and is hereby appointed to hold office from the date of his appointment from 11.08.2021 upto the expiry of 5 (Five) consecutive years on 10.08.2026 or the date of Fifty Second Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation.”

By Order of the Board of Directors

Place : Coimbatore

Date : 11.08.2021

(Sd.)R.Muthukumar  
Company Secretary and  
Compliance Officer



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### EXPLANATORY STATEMENT (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”))

#### ITEM NO.4

The Board of Directors of the Company, pursuant to the provisions of Section 149(8) of the Act read with second proviso to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company has appointed Sri Pradip Roy as Additional Independent Director of the Company with effect from 11th August, 2021 as recommended by the Nomination and Remuneration Committee subject to the approval of the Members in the ensuing Annual General Meeting of the Company. In terms of Section 161(4) of the Act, Sri Pradip Roy would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Sri Pradip Roy for the office of the Independent Director of the Company.

It is proposed that as recommended by the Nomination and Remuneration Committee to appoint Sri Pradip Roy as Independent Director under Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) to hold office from 11.08.2021 upto the expiry of 5 (Five) consecutive years or the date of Fifty Second Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation. Sri Pradip Roy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India ('SEBI') order or any other such authority.

Sri Pradip Roy has given his consent to act as a Director along with the declaration stating that he meets with the criteria of independence as prescribed both under sub section (6) of Section 149 of the Act and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board Sri Pradip Roy fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Sri Pradip Roy is independent of the Management.

Brief resume of Sri Pradip Roy, nature of his expertise in specific functional areas and name of Companies in which he holds Directorships and Memberships/Chairmanships of Board Committees, Shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Notice.

Save and except Sri Pradip Roy, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Shareholders.

By Order of the Board of Directors

Place : Coimbatore

Date : 11.08.2021

(Sd.)R.Muthukumar  
Company Secretary and  
Compliance Officer



## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Members intending to authorize their representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting are requested to send a scanned copy (PDF/JPG Format) of the Board Resolution to the Scrutinizer by email through its registered email address to [bk.scrutiniser@gmail.com](mailto:bk.scrutiniser@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of joint holders attending the meeting through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to vote.
6. Information of Directors proposed to be appointed / re-appointed: Brief resume, 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, provided on Page No.14 forms part of the Notice.
7. 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.
8. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive).
9. 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 M/s.S.K.D.C. Consultants Ltd.
10. Members whose Shareholding is in the electronic mode are requested to update Bank Account details (Bank Account No., Name of the Bank, Branch, IFSC code, MICR code and Place with Pincode) to their respective Depository Participants. Members whose shareholding is in the physical mode are requested to send the above details to the Company or to the RTA.
11. 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”.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

12. 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.
13. Non-Resident Indian Members are requested to inform RTA M/s.S.K.D.C. Consultants Ltd. immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account type, Account Number and Address of the Bank with Pincode Number, if not furnished earlier.
14. 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.
15. 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.
16. 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.
17. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the transfer of shares in physical mode is not allowed from 1st April, 2019. Members are requested to dematerialize their shares. However, transmission / transposition of Shareholders name are allowed by following due process and documentation. Necessary intimation has been sent to the concerned Shareholders in this regard.
18. In line with the MCA Circulars and SEBI Circular dated 12th May, 2020, the Notice calling the AGM and Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that Notice and Annual Report 2020-2021 will also be made available on the Company's website at [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (Agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

### A. 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 47th Annual General Meeting scheduled to be held on Thursday, the 16th day of September, 2021 at 11.00 A.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. Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.

### III. VOTE BY REMOTE E-VOTING AND E-VOTING DURING THE AGM

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.



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. 9th September, 2021, 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.

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.

The Scrutinizer shall after the conclusion of the Annual General Meeting, unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company 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.

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 or the person authorized in this regard.

A Member even after exercising his right to vote through Remote e-voting may attend the Annual General Meeting through VC/OAVM but shall not be allowed to vote again.

#### **IV. THE INSTRUCTIONS FOR THE MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins at 09.00 AM on 13.09.2021 and ends on 15.09.2021 at 05.00 PM. The remote e-voting module shall be disabled by NSDL thereafter. The Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 09.09.2021 may cast their vote electronically.

The voting right of Shareholders shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date, being 9th September, 2021.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

##### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nSDL.com/">https://eservices.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com/">https://eservices.nSDL.com/</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li></ol>



Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

#### 4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

#### 5. Password details for Shareholders other than Individual Shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered
- #### 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User "Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.



- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

#### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

##### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

##### **General Guidelines for Shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bk.scrutiniser@gmail.com](mailto:bk.scrutiniser@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarith Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

**Process for those Shareholders whose email ids are not registered with the Company/Depositories/Participants for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@skdc-consultants.com](mailto:info@skdc-consultants.com) (or) [contact@lakshmiautomatic.com](mailto:contact@lakshmiautomatic.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.
3. Alternatively shareholder/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **V. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



**VI. THE INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General Meeting” menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the Meeting.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at [cs@lakshmiautomatic.com](mailto:cs@lakshmiautomatic.com) before 09.09.2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board of Directors

Place : Coimbatore  
Date : 11.08.2021

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



## 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]

Name of Director	Sri S.Pathy
DIN	00013899
Date of Birth	17-11-1949
Date of appointment on the Board	15-12-1973
Relationship with other Directors	Related to Smt Aishwarya Pathy, Vice Chairperson
Qualifications	B.Com.,
Experience	48 Years
Nature of Expertise	Vast Experience in Textile Industry in various fields of Management
Number of Shares held	47,017 shares of ₹ 100/- each
Number of Board Meetings attended during the year	4
Terms and Conditions of appointment	Retires by rotation and eligible for re-appointment
Remuneration sought to be paid	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid ₹ 40,000/-
Directorships held in other Companies	The Lakshmi Mills Company Limited Lakshmi Machine Works Limited LCC Investments Limited Lakshmi Card Clothing Manufacturing Company Private Limited The Coimbatore Lakshmi Cotton Press Private Limited Sans Craintes Stud Farm Private Limited Sans Craintes Livestock Private Limited Rasakondalu Developers Private Limited Sans Craintes Power Private Limited
Committee Chairmanship / Memberships held in other Companies	<b>Nomination and Remuneration Committee:</b> Lakshmi Machine Works Limited - Member



Name of Director	Smt Aishwarya Pathy
DIN	00062114
Date of Birth	24-11-1981
Date of appointment on the Board	23-05-2012
Relationship with other Directors	Related to Sri S.Pathy, Chairman
Qualifications	BA graduate of the Wheaton College, Norton, MA (MASSACHUSETTS) and Intl. Baccalaureate in Art History, Business and Organisation, Spanish.
Experience	9 Years
Nature of Expertise	Well acquainted in Business Management practices including Financial Management
Number of Shares held	83,323 shares of ₹ 100/- each
Number of Board Meetings attended during the year	4
Terms and Conditions of appointment	Retires by rotation and eligible for re-appointment
Remuneration sought to be paid	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid ₹ 56,000/-
Directorships held in other Companies	Aloha Tours & Travels India Private Limited Balakumar Shipping & Clearing Agency Private Limited Vaidya Investments Private Limited RSCL Properties Private Limited Lavik Holdings Private Limited Argead Enterprises Private Limited Rasakondalu Developers Private Limited Sans Craintes Power Private Limited Cocca Art & Design Institute Private Limited Sans Craintes Racing and Blood Stock Private Limited The Coimbatore Lakshmi Cotton Press Private Limited Sans Craintes Stud Farm Private Limited Sans Craintes Livestock Private Limited
Committee Chairmanship / Memberships held in other Companies	NIL



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Details of Directors seeking 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]

Name of Director	Sri Pradip Roy
DIN	09266521
Date of Birth	10-01-1969
Date of appointment on the Board	11-08-2021
Relationship with other Directors	None
Qualifications	B.Sc Tech (Textiles)
Experience	30 Years
Nature of Expertise	Expertise in Textile Industry and Textile Machinery Industry which includes Business Management, Operational Management, Sales and Services, Process Management and Certified Assessor in the assessment of different sectors of the Company including Manufacturing, Hotel, Finance, Insurance etc.
Number of Shares held	-
Number of Board Meetings attended during the year	-
Terms and Conditions of appointment	Appointed as Independent Director for a term of 5 years w.e.f. 11-08-2021 and not liable to retire by rotation
Remuneration sought to be paid	Nil - Other than Sitting Fees
Remuneration last drawn	Nil
Directorships held in other Companies	Nil
Committee Chairmanship / Memberships held in other Companies	Nil



## Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Seventh Annual Report together with the Audited Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss for the year ended 31st March, 2021.

### Financial Summary / Highlights

(₹ in lakhs)

	2020-21	2019-20
Sales and Other Income	1,134.76	1,328.46
Profit before Depreciation and Amortization Expenses	427.30	498.73
Depreciation and Amortization Expenses	88.74	62.25
	338.56	436.48
Add: Comprehensive Income	(-) 2.54	(-) 6.67
	336.02	429.81
Less: Tax Expense:		
Current Tax	(-) 68.67	(-)100.23
Deferred Tax	(-)16.08	(-) 1.53
Net Profit	251.27	328.05
Add: Balance from the Previous Year	(-) 112.66	(-) 440.71
Balance Carried Over	138.61	(-) 112.66

### Indian Accounting Standards

In the preparation of Financial Statements, the Company has followed the Indian Accounting Standards (Ind AS) and the Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the said standards.

### Operations

The operations during the year have resulted in a net profit of ₹ 336.02 lakhs after providing for depreciation and amortization expenses of ₹ 88.74 lakhs. The net profit after Tax for the year is ₹ 251.27 lakhs.

The Company has two revenue segments ie. a) Warehousing Rental Services - Unit 1 at Hosur Industrial Complex, Hosur - 635 126 and b) Engineering Services - Unit 2 at Pollachi Road, Coimbatore - 642 109.

The Warehousing Rental Services segment consists of Warehousing Rental Income on Land and Buildings at Hosur and the Engineering Services segment consists of Manufacture and Sale of Accessories and Spares of Weaving and Knitting Machines, Parts and Accessories for Machine Tools and Spares for other Textile Machineries.

### Warehousing Rental Services - Unit 1

The income generated from Warehousing Rental Services during the year was ₹ 657.47 lakhs against ₹ 594.62 lakhs in the previous year. During the Financial Year due to the COVID-19 pandemic, your Company had to give 50% rental deduction to all the tenants in April 2020 and May 2020.

### Engineering Services - Unit 2

The revenue generated from the Engineering Services Division during the year was ₹ 401.80 lakhs against ₹ 675.47 lakhs in the previous year mainly because of the reduction in export orders for Loom Spares and Accessories. Due to the COVID-19 pandemic the Unit remained closed for 6 weeks from 25th March 2020 to 05th May 2020.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Outlook

The available Building space at the Warehousing Rental Services - Unit 1 at Hosur is leased out to corporate tenants. Further addition of 40,000 Sq ft Building is proposed to be taken up during the current Financial Year. The construction will be taken up on receipt of necessary Building Plan approval from the Government Authorities. The COVID-19 pandemic lockdown has delayed in receiving the Plan approval.

Steps have been taken to increase supply of Spares and Accessories of Looms to overseas and domestic consumers by identifying new supply areas. However the COVID-19 impact may impair the Company's domestic and export market causing an adverse effect on the revenue generation during the Financial Year 2021-22 also.

### Share Capital

The Shareholders at their Extra Ordinary General Meeting held on 24th March 2021 accorded their approval for consolidation of the face value of the Equity Shares of the Company from ₹ 10/- each into ₹ 100/- each and the Authorized Equity Share Capital of the Company has been reclassified from 1,15,00,000 Equity Shares of ₹ 10/- each into 11,50,000 Equity Shares of ₹ 100/- each. As there is no change in the Authorized Preference Share Capital of the Company the total Authorized Share Capital of the Company remains at ₹ 15,50,00,000/-. Consequently the issued and paid up Share Capital of the Company of ₹ 6,68,75,020/- comprising of 66,87,502 Equity Shares of face value of ₹ 10/- each fully paid up has been consolidated into 6,68,750 Equity Shares of ₹ 100/- each fully paid up aggregating to ₹ 6,68,75,000/- with effect from the Record Date of 05th May 2021 in terms of Section 61 of the Companies Act, 2013.

### Deposits

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

### Annual Return

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available in the Company's website at [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)

### Meetings of the Board and its Committees

Four Meetings of the Board of Directors were held on 25.06.2020, 10.08.2020, 11.11.2020, and 11.02.2021, during the Financial Year from 1st April, 2020 to 31st March, 2021. The intervening gap between the Meetings is within the period prescribed under the Companies Act, 2013.

Details of Attendance of Directors at the Meetings of the Board and its Committees during the Financial Year ended 31st March, 2021 are as below:

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



### Audit Committee

The Independent Audit Committee constituted consists of three Independent Directors and one Non-Executive Director as its Members as below.

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.

Four Committee Meetings were held during the Financial Year ended 31st March, 2021 on 25.06.2020, 10.08.2020, 11.11.2020 and 11.02.2021. The Statutory Auditors, Internal Auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee Meetings on invitation.

### Nomination and Remuneration Committee

The Committee has been set up as below with four Directors as Members of which Two Members are Independent Directors.

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

The Company Secretary is the Secretary of the Committee.

The Committee has met two times during the Financial Year ended 31st March, 2021 on 11.11.2020 and 11.02.2021.

### 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 recommending to the Board of their remuneration in terms of Section 178(3) of the Companies Act, 2013. The Nomination and Remuneration Policy as approved by the Board is disclosed on the Company's website at the link at <http://www.lakshmiautomatic.com/investors/policies/nomination-and-remuneration-policy/> in terms of the proviso to Section 178(4) of the Companies Act, 2013.

#### Salient Features of the Policy include:

- 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.
- To perform such other functions as may be necessary as appropriate for the performance of the Directors.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Annual Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria and the manner for effective evaluation of the performance of the Board, its Committees and individual Directors for the Financial Year 2020-21. Accordingly a peer evaluation excluding the Director evaluated was carried out by the Board on 11.02.2021. By a questionnaire circulated, each Board Member was requested to give his/her views in evaluation of the Company performance, strategy and the performance of the Board, its Committees and individual Directors. Some of the performance parameters on which the Independent Directors were evaluated include Contribution, Commitment, Initiative, Integrity, Independence, Independent views and judgment, Fulfillment of Functions, Qualifications, Knowledge, Experience and Competency and Role in active participation in Board and Committee Meetings.

The Independent Directors at their Meeting held on 11.02.2021 reviewed the performance of Non-Independent Directors, the Board and the Chairperson of the Company.

The performance of the Key Managerial and Senior Management Personnel of the Company was evaluated based on their Qualifications, Experience and the Duties and Responsibilities carried out by them.

### Directors Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company state that:

- a) in the preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departure, if any;
- b) the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended 31st March, 2021;
- c) the Directors had 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;
- d) the Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2021 on a going concern basis.
- e) 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.
- f) 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 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, M/s.Subbuchar & Srinivasan, Chartered Accountants, (Membership No.0040835) in the Auditors' Report on the financial statements for the year ended 31-03-2021.



### **Secretarial Auditor**

The Board has appointed Mr.M.R.L.Narasimha, Practising Company Secretary, (Membership No.2851, COP 799) to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended March 31, 2021 is annexed to this Report as Annexure 1. 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 in the ordinary course of the business. No materially significant Related Party Transactions were 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 have not recommended any Dividend for the year due to funds requirements for the capital investment in generating income.

### **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.

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

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

Mr.R.D.Anandakumar, Deputy General Manager - Works was appointed as the Chief Executive Officer of the Company on 11.11.2020 in the casual vacancy caused by the sudden demise of Mr.J.Balasubramaniam, Chief Executive Officer of the Company on 19.05.2020 and there were no other change in the Key Managerial Personnel (KMP) 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 2 forming part of the Board's Report.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Internal Financial Controls

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

### Auditors

M/s.Subbachar & Srinivasan, Chartered Accountants, have been appointed as the Statutory Auditors of the Company, for a term of five Financial Years, commencing from 2017-18 at the 43rd Annual General Meeting held on 28th July 2017.

The Company has received a Certificate from the Statutory Auditors to the effect that their continued appointment as the Statutory Auditors of the Company, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

### Report on Corporate Governance and Management Discussion and Analysis

The Report on Management Discussions and Analysis (Annexure 3) forms part of the Annual Report.

Pursuant to Regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the Corporate Governance provisions as specified in Regulations 17,17A,18,19,20,21,22, 23,24,24A,25,26,27 and Clauses (b) to (i) and (1) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply to the Company. Hence the reporting on Corporate Governance in a separate section is not furnished. The Certificate from the Auditors of the Company to this effect is furnished as Annexure 4 to the Annual Report. However, as a good Corporate Governance practice the Company is implementing the Corporate Governance Provisions and shall report the same in the Annual Report when it becomes applicable to the Company.

### Vigil Mechanism

The Company has adopted the Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. No personnel is denied access to the Audit Committee. No protected disclosures were received by the Nodal Officer during the year ended 31st March, 2021.

A copy of the Vigil Mechanism/Whistle Blower Policy is posted on the Company's website at [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)

### Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal)

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received during the year under review.

### Demat Suspense Account / Unclaimed Suspense Account

The Shares relating to the Share Certificates of the Company issued to the Shareholders on amalgamation of the erstwhile The Coimbatore Pioneer Machine Works Limited in exchange of the Share Certificates held by them, remained unclaimed were transferred to the Unclaimed Suspense Account. The details of the said Shares in Demat suspense Account of the Company are:



Sl. No.	Particulars	No. of Shareholders	No. of Shares of ₹ 10/- each
(a)	Aggregate Number of Shareholders and the outstanding Shares held in Demat Suspense Account lying at the beginning of the year.	1104	3159
(b)	Number of Shareholders who approached the Company for transfer of Shares from Suspense Account during the year	2	6
(c)	Number of Shareholders to whom Share were transferred from Suspense Account during the year	2	6
(d)	Aggregate Number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the year	1102	3153
(e)	The Voting Rights on these Shares shall remain frozen till the rightful owner of such Shares claims the Shares.	1102	3153

#### 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 from the Public 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. 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.
2. 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.
3. In view of the Nationwide lockdown due to COVID-19, pandemic in the first quarter of the Financial Year the Companies operations were shut down from the month of 1st April, 2020 to 5th May, 2020 and the operations resumed from 06.05.2020 in a phased manner confirming with the Guidelines of the Government which impacted the performance of the Year.
4. The Annual Listing Fees for the Year 2021-22 has been paid by the Company to BSE Limited.
5. 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.

Place : Coimbatore  
Date : 23.06.2021

By Order of the Board  
(Sd.) S.PATHY  
Chairman  
DIN No.00013899



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 Manufacture of Spares and Accessories for Textile Machinery and Parts for Machine Tools 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 Weaving and Knitting Machines, Parts for Machine Tools and other Textile Machineries 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 Weaving and Knitting Machines.

- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:  
The quality Spares and Accessories for Weaving and Knitting Machines, Parts for Machine Tools and other Textile Machineries supplied by the Company at market 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 : ₹ 187.38 lakhs

Total Foreign Exchange outgo during the year : -

Place : Coimbatore

Date : 23.06.2021

By Order of the Board

(Sd.) S.PATHY

Chairman

DIN 00013899



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**  
**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 - 641 037

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

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the Financial Year ended 31st March, 2021 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 31st March 2021(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, 2013 (the Act), the rules made thereunder.
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under.
  - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
    - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
2. I am informed that, for the Financial Year ended on March 31, 2021 that there were no transaction under:
  - a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018;
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
  - e) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
3. The Company is not engaged in an industry regulated by a Sectoral Regulator.
- i. I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - iii. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2021 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations mentioned under paragraph 1 above, to the extent applicable.
4. I further report that:
- (i) The Board of Directors of the Company is duly constituted with proper balance of Independent Directors, Non Independent Directors and a Women Director. There were no changes in the composition of the Board of Directors during the period under review.
  - (ii) Adequate Notice is given to all Directors to schedule the Board Meetings. Notice of Board Meetings along with Agenda and detailed notes on Agenda were sent at least seven days in advance before the Meeting.
  - (iii) A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the Meetings and for their meaningful participation at the Meetings. Majority decision is carried through. I am informed that there were no dissenting Directors' views on any of the matters during the year that were required to be captured and recorded as part of the Minutes.
  - (iv) There are adequate systems and processes in the Company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. I further report that
- With the consent of the Board of Directors at their Meeting on 11.02.2021 and on the approval of Shareholders at their Extra Ordinary General Meeting held on 24.03.2021, the Company has consolidated the face value of the Equity Shares of the Company from ₹ 10/- each to ₹ 100/- each with consequential amendments to the Capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company with effect from the Record Date of 5th May 2021.

Place : Coimbatore  
Date : 23.06.2021

(Sd/-)  
**M.R.L. NARASIMHA**  
Practicing Company Secretary  
FCS No. 2851  
COP No. 799  
PR NO 517/2017  
UDIN : F002851C000500007



**Annexure - A to Secretarial Audit Report of even date**

To

The Members,  
Lakshmi Automatic Loom Works Limited  
[CIN:L29269TZ1973PLC000680]  
686, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 641037

My Secretarial Audit Report (Form MR-3) of even date for the Financial Year ended 31st March, 2021 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 followed by me provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

(Sd/-)

**M.R.L. NARASIMHA**

Practicing Company Secretary

FCS No. 2851

COP No. 799

PR NO 517/2017

UDIN : F002851C000500007

Place : Coimbatore

Date : 23.06.2021



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Annexure 2

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

**1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year**

Directors were not paid any remuneration other than Sitting Fees during the Financial Year.

**2. The Number of permanent Employees on the rolls of the Company as on 31-03-2021 :**

57 (Fifty Seven only).

**3. Average percentile increase in the salaries other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and if there are any exceptional circumstances for increase in the Managerial Remuneration**

Directors were not paid any Managerial Remuneration other than Sitting Fees during the Financial Year.

**4. Affirmation that the remuneration is as per the Remuneration Policy of the Company**

YES

**5. Particulars of Employees**

- a) Details of employees, employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crore and Two Lakhs: None
- b) Details of employees, employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate, was not less than Rupees Eight Lakhs and Fifty Thousand per month: None
- c) Details of employees, if employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company: None



## Management Discussion and Analysis Report

### I Industry Structure and Development

On the advent of shuttleless technology, the demand for High Speed Automatic 'C' type Shuttle Weaving Machines manufactured by the Company was affected. As the market for the Company's 'C' type Shuttle Loom eroded, only Spares and Accessories of Shuttle Looms, Parts for Machine Tools and Spares for other Textile Machineries were manufactured by the Company during the year.

The complete warehouse space available at Hosur has been let out to Corporates of repute. The Country's warehousing sector gained prominence in the last 4-5 years as the eco system for efficient supply chain having triggered by the implementation of Goods and Service Tax (GST). Located on the Bangalore Salem / Chennai Highway with proximity to Bangalore the demand for building space in Hosur is growing.

On the onset of Covid -19 pandemic and the nationwide lockdown, large scale supply chain disruptions occurred directly affecting the Warehouse Rental Services. Automobiles, Consumer Durables, Engineering Segments also experienced the slowdown and thus impacting the warehouse demand.

### II. Opportunities and Threats

#### A. Warehousing Rental Services

Though on a short term analysis the warehousing demand may have adversely affected to certain extent, we reckon that the warehousing sector is to be looked with a long term perspective. The locational advantage of the Company's buildings may offset the impact.

#### B. Engineering Services

The Company's Engineering Services largely depend on the orders received from the Export Oriented Unit for supply of Parts for Machine Tools including Tool Holders based on the export orders bagged by them. Your Company has also identified other Textile Machinery Manufacturers for supply of Spares and Accessories.

### III. Outlook

Company's income from Warehouse Rental Services at Hosur has increased. Further addition of warehousing space is awaiting necessary Building Plan approvals from the concerned authorities post COVID-19 situation.

Your Company's efforts in increasing the supply of Loom Spares and Accessories to domestic and overseas consumers and other Textile Machinery Manufacturers are yielding better results.

### IV. 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.

### V. Discussion of Financial Performance with respect to Operational Performance

The Company has achieved a Revenue of ₹ 1134.76 Lakhs from operations and the net profit for the year under review is ₹ 251.27 Lakhs after providing ₹ 88.74 Lakhs for Depreciation and ₹ 84.75 Lakhs towards Taxation. Due to the impact of COVID-19 pandemic, 50% of the lease rent was waived for the month of April 2020 and May 2020 to all the tenants as the Engineering Services - Unit II remained closed from 25th March to 5th May 2020 (42 days) and affected the performance of 2020-21, mainly the direct export of Spares and Accessories.

### VI. Material development in Human Resources / Industrial Relations Front, including Number of People Employed

The number of employees engaged during the year was in line with operational requirement of the Company. The relation with labour continued to be cordial during the year. The permanent employees on Roll as on 31-03-2021 were Fifty Seven (57).



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Annexure 4

### Auditors' Certificate on Corporate Governance

To

The Members of  
Lakshmi Automatic Loom Works Limited  
Coimbatore-641037

We hereby certify that the paid up Equity Share Capital of LAKSHMI AUTOMATIC LOOM WORKS LIMITED ('the Company') is Rs 6.69 crores and the net worth of the Company is Rs 13.56 crores as on the last day of the previous Financial Year ie 31.03.2020. As per Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) and (1) of sub-Regulation (2) of Regulation 46 and paras C,D and E of Schedule V of the Listing Regulations shall not apply in respect of:

- a) the listed entity having paid up Equity Share Capital not exceeding Rupees Ten Crores and Net Worth not exceeding Rupees Twenty Five Crores, as on the last day of the previous Financial Year, provided that where the provisions of the Regulations specified in this Regulation becomes applicable to a listed entity at a later date, such listed entity shall comply with the requirements of those Regulations within six months from the date on which the provisions became applicable to the listed entity.

Accordingly Corporate Governance provisions are not applicable to the Company for the Financial Year ended March 31, 2021.

For M/s Subbachar & Srinivasan  
Chartered Accountants  
Firm Registration No.0040835

(Sd.) T.S.V.RAJAGOPAL  
Partner

Membership No. 200380

UDIN : 21200380AAAAHY7534

Place : Coimbatore

Date : 23.06.2021



## **Independent Auditor's Report**

To the Members of

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

**Report on the Audit of Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement and for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2021**, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

S. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax positions</b> The Company did not have material uncertain tax positions other than an uncertain position of service tax dues under dispute, which involves significant judgment to determine the possible outcome of these disputes.	<b>Principal Audit Procedures</b> We obtained details of completed tax assessments and demands received from management. We analysed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of material uncertain tax positions and other uncertain position of service tax dues under dispute, to evaluate whether any change was required to management's position on these uncertainties.

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with governance for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 in terms of Section 143 (11) of the Act, we give in **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, based on our audit we 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 purposes 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, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e) On the basis of the written representations received from the directors of the Company as on **March 31, 2021** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 2021** from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"** and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



The company has not paid any remuneration to its directors during the year, except sitting fees, and hence in our opinion and to the best of our information and according to the explanations given to us, reporting on whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act does not arise.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - **Refer Note No. 28** to the standalone financial statements.
  - ii The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company.

For M/s Subbchar & Srinivasan  
Chartered Accountants  
Firm Registration No.004083S

(Sd.) T.S.V.RAJAGOPAL  
Partner

Membership No. 200380  
UDIN : 21200380AAAAHZ4003

Place : Coimbatore  
Date : June 23, 2021



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Annexure - “A” to the Independent Auditors’ Report

(Referred to in Paragraph 1 under “Report on Other legal and regulatory requirements” section of our report to the Members of LAKSHMI AUTOMATIC LOOM WORKS LIMITED of even date).

We report that,

1. In respect of its Fixed Assets:

- 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, in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us, the title deeds of all freehold immovable properties are held in the name of the Company.

2. In respect of its inventories:

As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed.

3. The company has not granted any loan, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the Financial Year and hence sub-clauses (a) to (c) of clause (iii) of the Order are not applicable to the company.
4. The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.
5. The company has not accepted any deposits from the public during the year to which the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of the statutory dues:
  - a. The company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State insurance, Income tax, Sales Tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March 2021** for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of dispute is as under:



Name of the Statute	Nature of the dues	Amount [₹ in lakhs]	Amount paid/ adjusted [₹ in lakhs]	Period to which the amount relates	Forum where dispute is pending
Central Excise Act / Service Tax Act	Service Tax	8.86	NIL	February 2007 to September 2008	Customs, Excise & Service Tax Appellate Tribunal, Chennai

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of term loan for the purposes for which it was raised. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. To the best of our knowledge and belief and according to the information and explanations given to us 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, no fraud on or by the company was noticed or reported during the year that causes the standalone financial statements to be materially misstated.
11. The company has not paid any managerial remuneration during the year and 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.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For M/s Subbachar & Srinivasan**  
Chartered Accountants  
Firm Registration No.004083S  
(Sd.) **T.S.V.RAJAGOPAL**  
Partner  
Membership No. 200380  
UDIN : 21200380AAAAHZ4003

Place : Coimbatore  
Date : June 23, 2021



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Annexure - “B” to the Independent Auditors’ Report

(Referred to in Paragraph 2(f) under “Report on Other legal and regulatory requirements” section of our report to the Members of LAKSHMI AUTOMATIC LOOM WORKS LIMITED of even date).

### Report on the Internal Financial Controls over Financial reporting 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 as of 31st March 2021 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 Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

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

#### **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, to the best of our information and according to the explanations given to us, 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 **31st March 2021**, based on the 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.

Place : Coimbatore  
Date : June 23, 2021

For M/s Subbachar & Srinivasan  
Chartered Accountants  
Firm Registration No.004083S  
(Sd.) **T.S.V.RAJAGOPAL**  
Partner  
Membership No. 200380  
UDIN : 21200380AAAAHZ4003



# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

## Balance Sheet as at March 31, 2021

₹ in Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, plant and equipment	3	111.03	129.48
(b) Right-of-use assets	3A	56.87	73.12
(c) Capital work-in-progress	3B	0.99	-
(d) Investment Property	4	1,278.80	1,300.10
(e) Financial assets			
- Other financial assets	5	609.20	55.12
(f) Other non-current assets	6	32.24	17.08
<b>Total Non-current Assets</b>		<b>2,089.13</b>	<b>1,574.90</b>
<b>2 Current Assets</b>			
(a) Inventories	7	42.96	42.06
(b) Financial assets			
(i) Trade receivables	8	182.13	121.30
(ii) Cash and cash equivalents	9	19.95	41.27
(iii) Bank balances other than cash and cash equivalents	9	300.15	626.48
(iv) Other financial assets	5	19.02	13.63
(c) Current tax assets (net)		18.91	7.04
(d) Other current assets	6	15.56	16.07
<b>Total Current Assets</b>		<b>598.68</b>	<b>867.85</b>
<b>TOTAL ASSETS</b>		<b>2,687.81</b>	<b>2,442.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	668.75	668.75
(b) Other equity	11	938.18	686.91
<b>Total Equity</b>		<b>1,606.93</b>	<b>1,355.66</b>
<b>LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	341.23	332.34
(ii) Lease liabilities	15	44.82	60.28
(iii) Other financial liabilities	15	239.98	115.54
(b) Provisions	13	61.06	58.97
(c) Deferred tax liabilities (Net)	24	46.51	31.28
<b>Total Non-current Liabilities</b>		<b>733.60</b>	<b>598.41</b>



₹ in Lakhs

**Balance Sheet as at March 31, 2021 (Contd..)**

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	-	0.02
(ii) Trade payables	14		
(a) Total outstanding dues of Micro enterprises and Small enterprises		6.85	1.05
(b) Total outstanding dues creditors other than Micro enterprises and Small enterprises		5.99	11.49
(iii) Lease liabilities	15	15.46	14.19
(iv) Other financial liabilities	15	226.14	221.12
(b) Provisions	13	8.15	13.01
(c) Other current liabilities	16	84.69	227.80
<b>Total Current Liabilities</b>		<b>347.28</b>	<b>488.68</b>
<b>Total Liabilities</b>		<b>1,080.88</b>	<b>1,087.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,687.81</b>	<b>2,442.75</b>

See accompanying notes to the financial statements 1 to 34

For and on behalf of the Board of Directors

(Sd.) S. PATHY  
Chairman (DIN:00013899)(Sd.) R. SANTHARAM  
Director (DIN:00151333)(Sd.) R.D. ANANDAKUMAR  
Chief Executive Officer(Sd.) K.P. KRISHNAKUMAR  
Chief Financial OfficerCoimbatore  
June 23, 2021(Sd.) R. MUTHUKUMAR  
Company SecretaryIn terms of our report attached  
For **SUBBACHAR & SRINIVASAN**  
Chartered Accountants  
Firm Registration No. 0040835(Sd.) T.S.V. RAJAGOPAL  
Partner  
(Membership No. 200380)



# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

## Statement of Profit and Loss for the year ended March 31, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME</b>			
I Revenue from operations	17	1,019.82	1,269.98
II Other income	18	114.94	58.48
III <b>Total income (I + II)</b>		<b>1,134.76</b>	<b>1,328.46</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	19A	64.41	109.43
Changes in inventories of finished goods and work-in-progress	19B	(4.59)	2.18
Employee benefits expense	20	291.29	297.68
Finance costs	21	76.71	58.72
Depreciation and amortisation expense	22	88.74	62.25
Other expenses	23	279.64	361.72
<b>Total Expenses (IV)</b>		<b>796.20</b>	<b>891.98</b>
V <b>Profit before Exceptional Items and tax (III - IV)</b>		<b>338.56</b>	<b>436.48</b>
VI Exceptional Items		-	-
VII <b>Profit Before Tax (V - VI)</b>		<b>338.56</b>	<b>436.48</b>
VIII <b>Income Tax expense</b>	24		
Current tax		68.67	100.23
Deferred tax		16.08	1.53
<b>Total tax</b>		<b>84.75</b>	<b>101.76</b>
IX <b>Profit for the year (VII - VIII)</b>		<b>253.81</b>	<b>334.72</b>
X <b>Other comprehensive income</b>			
(i) Items that will not be reclassified to the statement of profit or loss			
(a) Remeasurement of employee defined benefit plans		(3.39)	(8.92)
(b) Income tax on (a) above		0.85	2.25
(ii) Items that will be reclassified to the statement of profit or loss		-	-
<b>Total Other comprehensive income</b>		<b>(2.54)</b>	<b>(6.67)</b>
XI <b>Total comprehensive income for the year (IX + X)</b>		<b>251.27</b>	<b>328.05</b>
XII Earnings per equity share of ₹ 10/- [Before reverse split]			
Basic	26	3.80	5.04
Diluted	26	3.80	5.04
Earnings per equity share of ₹ 100/- [After reverse split]			
Basic	26	37.95	50.37
Diluted	26	37.95	50.37

See accompanying notes to the financial statements 1 to 34

For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) R.D. ANANDAKUMAR

Chief Executive Officer

(Sd.) K.P. KRISHNAKUMAR

Chief Financial Officer

(Sd.) R. MUTHUKUMAR

Company Secretary

In terms of our report attached

For **SUBBACHAR & SRINIVASAN**

Chartered Accountants

Firm Registration No. 0040835

(Sd.) T.S.V. RAJAGOPAL

Partner

(Membership No. 200380)

Coimbatore

June 23, 2021



## Statement of Changes in Equity for the year ended March 31, 2021

### A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at March 31, 2019	639.57
Changes in equity share capital during the year	29.18
Balance as at March 31, 2020	668.75
Changes in equity share capital during the year	-
Balance as at March 31, 2021	668.75

### B. Other Equity

₹ in Lakhs

Particulars	Reserves & Surplus			Total Other Equity
	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at March 31, 2019	178.75	450.00	(440.71)	188.04
Issue of Equity Shares at premium 2,00,000 - 6% Non Cumulative Optionally Convertible Preference Shares converted into 2,91,757 Equity Shares of ₹ 10/- each at a premium of ₹ 58.55 per Share	170.82	-	-	170.82
Profit for the year (net of taxes)	-	-	334.72	334.72
Other Comprehensive Income for the year (net of taxes)	-	-	(6.67)	(6.67)
<b>Total Comprehensive Income for the year</b>	-	-	<b>328.05</b>	<b>328.05</b>
Balance as at March 31, 2020	349.57	450.00	(112.66)	686.91
Profit for the year (net of taxes)	-	-	253.81	253.81
Other Comprehensive Income for the year (net of taxes)	-	-	(2.54)	(2.54)
<b>Total Comprehensive Income for the year</b>	-	-	<b>251.27</b>	<b>251.27</b>
Balance as at March 31, 2021	349.57	450.00	138.61	938.18

#### Note:

- Securities Premium:** Amounts received on issue of Shares in excess of the par value has been classified as securities premium. This is utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve:** Statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of Companies Act, 2013.
- Retained Earnings:** Retained Earnings comprise of the Company's undistributed earnings after taxes.
- Other comprehensive Income:** Items of other comprehensive income consists of remeasurement of net defined benefit liability / asset.

#### For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) R.D. ANANDAKUMAR

Chief Executive Officer

(Sd.) K.P. KRISHNAKUMAR

Chief Financial Officer

Coimbatore

June 23, 2021

(Sd.) R. MUTHUKUMAR

Company Secretary

In terms of our report attached

For SUBBACHAR & SRINIVASAN

Chartered Accountants

Firm Registration No. 004083S

(Sd.) T.S.V. RAJAGOPAL

Partner

(Membership No. 200380)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Statement of Cash Flow for the year ended March 31, 2021

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	338.56	436.48
Adjustments for:		
Depreciation and amortisation expense	88.74	62.25
Net loss/(gain) on disposal of property, plant and equipment	(14.06)	-
Interest income	(69.48)	(56.64)
Finance cost	76.71	58.72
<b>Operating profit before working capital changes</b>	<b>420.47</b>	<b>500.81</b>
Adjustments for:		
(Increase)/decrease in inventories	(0.90)	29.19
(Increase)/decrease in trade receivables	(60.83)	3.55
(Increase)/decrease in other current assets	0.51	(6.86)
(Increase)/decrease in other non-current financial assets	(554.08)	(31.17)
(Increase)/decrease in other non-current assets	(4.41)	7.57
Increase/(decrease) in trade payables	0.30	(1.69)
Increase/(decrease) in provisions	(2.77)	9.06
Increase/(decrease) in other non-current financial liabilities	124.44	(105.80)
Increase/(decrease) in other financial liabilities	(6.37)	135.23
Increase/(decrease) in other current liabilities	(143.11)	91.90
	<b>(226.75)</b>	<b>631.79</b>
Net income tax (paid) / refunds	<b>(84.92)</b>	<b>(108.33)</b>
<b>Net cash flow from operating activities (A)</b>	<b>(311.67)</b>	<b>523.46</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(42.76)	(563.60)
Proceeds from sale of property, plant and equipment	14.10	-
Bank balances other than cash and cash equivalents	326.33	(188.23)
Interest received	64.09	54.17
<b>Net cash used in investing activities (B)</b>	<b>361.76</b>	<b>(697.66)</b>



## Statement of Cash Flow for the year ended March 31, 2021 (Contd...)

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	85.54	439.76
Repayment of non-current borrowings	(66.03)	(179.10)
Repayment of Current borrowings (net)	(0.02)	(3.72)
Finance costs	(70.01)	(55.06)
Interest portion of lease liabilities	(6.70)	(3.66)
Payment of Lease liabilities	(14.19)	(8.13)
<b>Net cash flow used in financing activities (C)</b>	<b>(71.41)</b>	<b>190.09</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(21.32)</b>	<b>15.89</b>
Cash and cash equivalents at the beginning of the year (refer note 9)	41.27	25.38
Cash and cash equivalents at the end of the year (refer note 9)	19.95	41.27
<b>Net increase in Cash and cash equivalents</b>	<b>(21.32)</b>	<b>15.89</b>
Cash and cash equivalents which are restricted and not available for use by the company	-	-

See accompanying notes to the financial statements 1 to 34

For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) R.D. ANANDAKUMAR

Chief Executive Officer

(Sd.) K.P. KRISHNAKUMAR

Chief Financial Officer

Coimbatore  
June 23, 2021

(Sd.) R. MUTHUKUMAR  
Company Secretary

In terms of our report attached  
For **SUBBACHAR & SRINIVASAN**  
Chartered Accountants  
Firm Registration No. 0040835

(Sd.) T.S.V. RAJAGOPAL

Partner  
(Membership No. 200380)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### 1 CORPORATE INFORMATION

Lakshmi Automatic Loom Works Limited was incorporated under the Companies Act, 1956. The company's shares are listed with BSE Limited, Mumbai. The company is manufacturing spares and accessories for C type automatic weaving machines, circular knitting machines and parts for machine tools. The revenue from operations includes warehousing rental services.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### (i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

##### (ii) Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### (iii) Use of estimates and judgement

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period

in which the estimate is revised if the revision affects only that period, else in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimation uncertainty relating to COVID-19 outbreak:

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

##### (iv) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

##### (v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is



## Notes to the financial statements for the year ended March 31, 2021

reduced for rebates, and similar allowances.

**Sale of goods and services:** Revenue from the sale of goods and services is recognised when the company transfers control of goods or services to its customers at the amount to which the company expects to be entitled.

**Interest income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The Company has evaluated the impact of COVID - 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

### (vi) Leases

#### As Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income and expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### As Lessee

The Company's leased asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the

contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

#### (vii) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge.

#### (viii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Borrowing costs that are not directly attributable to a qualifying asset are amortised over the term of the related borrowing and is included in finance costs.

#### (ix) Employee benefits

The Company participates in various employee benefit plans. The employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions. The expenditure for defined

contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

#### Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity benefit is unfunded. The Company's obligation in respect of the gratuity, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other



## Notes to the financial statements for the year ended March 31, 2021

comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

### (x) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- a) **Current tax:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- b) **Minimum Alternate Tax (MAT):** MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c) **Deferred tax:** Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### (xi) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible assets are reviewed at the end of the each Financial Year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

#### (xii) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation on investment properties (other than land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

#### (xiii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable

amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of the assets are estimated to be less than their carrying amounts, the carrying amounts of those assets are reduced to their recoverable amounts. Impairment losses are recognised immediately in the Statement of Profit and Loss. When impairment losses are subsequently reversed, the carrying amount of those assets are increased to their revised estimates of their recoverable amounts, so that the increased carrying amounts do not exceed the carrying amounts that would have been determined had no impairment losses recognised for those assets in prior years. The reversal of impairment losses are recognised immediately in the Statement of Profit and Loss.

#### (xiv) Inventories

Inventories are stated at the lower of cost or net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined using weighted average basis.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes, if any.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### (xv) Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the



## Notes to the financial statements for the year ended March 31, 2021

reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

### (xvi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at Fair Value Through Profit and Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

#### a) Non-derivative financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.”

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash

flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

#### Effective interest method:

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

#### b) Derecognition of financial assets:

A financial asset is derecognised only when the:

- Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### c) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

#### d) Financial liabilities:

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

##### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through the Statement of Profit and Loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised and through the amortisation process.

##### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

#### (xvii) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) as per Ind AS 108. The Company is reported at an overall level, and hence there are two reportable segments viz., "Warehousing Rental Services" and "Engineering Services". Geographic information is based on business sources from that geographic region. Accordingly the geographical segments are determined as Domestic ie., within India and External ie., Outside India.

#### (xviii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits

with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits (with an original maturity of three months or less from the date of acquisition) with banks.

#### (xix) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

#### (xx) Trade payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of Financial Year which are unpaid.

#### (xxi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents include cash on hand, cash with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances



## Notes to the financial statements for the year ended March 31, 2021

that are not available for use by the company.

### (xxii) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### Recent accounting pronouncements

#### A) Schedule III of the Companies Act, 2013

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable for accounting periods commencing from 1st April, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to :

- a) Change in existing presentation requirements for certain items in Balance Sheet, for e.g. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital etc.
- b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.
- c) Disclosure, if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.
- d) Additional Regulatory Information, for e.g., compliance with layers of Companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

- e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the effect of these amendments on its financial statements.

#### B) Companies (Indian Accounting Standards) Amendment Rules

On 18th June 2021, the Ministry of Corporate Affairs has issued new Companies (Indian Accounting Standards) Amendment Rules, 2021, which are effective from the Financial Year ended 31st March 2022 and for the interim reporting periods in the Financial Year ended 31st March 2022.

As per these Amendment Rules, changes have been made in various Indian Accounting Standards, amongst which changes in the following viz., Ind AS 116|Leases; Ind AS 109|Financial Instruments; Ind AS 101|Presentation of Financial Statements; Ind AS 115|Revenue from Contracts with Customers; Ind AS 8| Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 16|Property, Plant and Equipment; Ind AS 34|Interim Financial Reporting; Ind AS 37|Provisions, Contingent Liabilities and Contingent Assets and Ind AS 38|Intangible Assets may have an impact on financial statements of the company. These changes, except the changes in Ind AS 116|Leases are mainly clarificatory in nature, by insertion of certain clarificatory paragraphs, substituting the definitions of certain terms used in the Standards, along with aligning the texts of some of the Standards with the new 'Conceptual Framework of Financial Reporting in Ind AS' etc. The Company is evaluating the effect of these amendments on its financial statements



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Description of Assets	Freehold Land	Buildings	Plant & Equipment	Vehicles	Office Equipment	Total Property, Plant and Equipment
<b>I. Gross Carrying Amount</b>						
Balance as at April 1, 2019	24.91	72.52	75.31	4.34	7.93	185.01
Additions	-	-	14.85	-	2.28	17.13
Disposals	-	-	-	-	-	-
Balance as at March 31, 2020	24.91	72.52	90.16	4.34	10.21	202.14
Additions	-	-	0.63	-	0.63	1.26
Disposals	0.04	-	-	-	-	0.04
Balance as at March 31, 2021	24.87	72.52	90.79	4.34	10.84	203.36
<b>II. Accumulated Depreciation and Impairment</b>						
Balance as at April 1, 2019	-	29.80	20.14	(1.81)	4.77	52.90
Charge for the year	-	9.94	7.30	0.75	1.77	19.76
Withdrawal on Disposals	-	-	-	-	-	-
Balance as at March 31, 2020	-	39.74	27.44	(1.06)	6.54	72.66
Charge for the year	-	9.94	7.10	0.76	1.87	19.67
Withdrawal on Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	-	49.68	34.54	(0.30)	8.41	92.33
<b>Net Block (I - II)</b>						
Balance as at March 31, 2021	24.87	22.84	56.25	4.64	2.43	111.03
Balance as at March 31, 2020	24.91	32.78	62.72	5.40	3.67	129.48

#### NOTE 3A - RIGHT-OF-USE ASSETS

₹ in Lakhs

Buildings	As at March 31, 2021	As at March 31, 2020
<b>Gross carrying amount</b>		
Balance at beginning of year	81.25	-
Additions	-	81.25
Disposals	-	-
Balance at end of year	81.25	81.25
<b>Accumulated amortisation</b>		
Balance at beginning of year	8.13	-
Additions	16.25	8.13
Disposals	-	-
Balance at end of year	24.38	8.13
<b>Net book value</b>	56.87	73.12



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 3B - CAPITAL WORK-IN-PROGRESS

₹ in Lakhs

Asset Description	As at 1st April, 2020	Additions	Capitalized	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress	-	0.99	-	0.99	-

Asset Description	As at 1st April, 2019	Additions	Capitalized	As at March 31, 2020	As at March 31, 2019
Capital work-in-progress	61.21	-	61.21	-	61.21

### NOTE 4 - INVESTMENT PROPERTY

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
Balance at beginning of year	1,388.89	735.90
Additions/(Disposals)	31.52	652.99
<b>Balance at end of year</b>	<b>1,420.41</b>	<b>1,388.89</b>
<b>Accumulated depreciation</b>		
Balance at beginning of year	88.79	54.43
Charge for the year / (withdrawal on disposals)	52.82	34.36
<b>Balance at end of year</b>	<b>141.61</b>	<b>88.79</b>
<b>Net Block</b>	<b>1,278.80</b>	<b>1,300.10</b>

### Information regarding income and expenditure of investment property

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental Income derived from investment properties	657.47	594.62
Direct operating expenses (including repairs and maintenance)	(29.28 )	(52.92)
Profit arising from investment properties before depreciation	628.19	541.70
Depreciation	52.82	34.36
Profit arising from investment properties	575.37	507.34

The Company's investment properties consist of properties in the nature of land and buildings in India. As at March 31, 2021 and March 31, 2020 the fair values of the properties are ₹ 8,685.98 lakhs and ₹ 8,654.46 Lakhs. These are based on valuations performed by independent valuers. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. (refer note 31.2B for note on fair value hierarchy)

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 5 - OTHER FINANCIAL ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Security Deposits	74.64	49.56
Deferred Rent Advance	4.30	5.56
Balances with banks		
- deposits with original maturity of more than 12 months	530.26	-
<b>Total</b>	<b>609.20</b>	<b>55.12</b>
<b>Current</b>		
<b>At cost</b>		
Interest accrued on fixed deposits	19.02	13.63
<b>Total</b>	<b>19.02</b>	<b>13.63</b>

#### NOTE 6 - OTHER ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital advance	10.75	-
Balances with revenue authorities		
- Central Excise	7.23	7.40
- Income Tax	11.06	5.41
Other assets	3.20	4.27
<b>Total</b>	<b>32.24</b>	<b>17.08</b>
<b>Current</b>		
Balances with revenue authorities	0.62	6.30
Prepaid expenses	3.93	4.73
Advance to Suppliers	0.40	0.32
Advance for expenses	0.49	1.64
Other assets	10.12	3.08
<b>Total</b>	<b>15.56</b>	<b>16.07</b>



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 7 - INVENTORIES

(Lower of cost or net realisable value)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	4.38	5.03
Components	10.94	12.56
Work-in-progress	10.55	5.96
Finished goods	2.76	2.76
Stock of stores and spares	14.33	15.75
<b>Total</b>	<b>42.96</b>	<b>42.06</b>

The mode of valuation of inventories has been stated in note 2(xiv) of Significant Accounting Policies

The cost of inventories recognised as an expense amounted to ₹ 64.41 Lakhs (Previous year ₹ 109.43 Lakhs).

### NOTE 8 - TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Trade receivables considered good - Secured	-	-
(b) Trade receivables considered good - Unsecured with no significant increase in credit risk from related parties	-	-
from others	182.13	121.30
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - Credit Impaired	-	-
<b>Total</b>	<b>182.13</b>	<b>121.30</b>

### NOTE 9 - CASH AND BANK BALANCES

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Cash in hand	1.14	1.11
Balances with banks in current accounts	18.81	40.16
<b>Total</b>	<b>19.95</b>	<b>41.27</b>
<b>Other bank balances</b>		
(i) Fixed deposits held as security against borrowings (original maturity of more than 3 months but less than 12 months)	-	273.63
(ii) Fixed deposits (original maturity of more than 3 months but less than 12 months)	300.15	352.85
<b>Total</b>	<b>300.15</b>	<b>626.48</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 10 - SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
<b>(a) Authorised</b>				
Equity Shares of ₹ 10 each with voting rights *	1,15,00,000	1,150.00	1,15,00,000	1,150.00
6% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each	2,00,000	200.00	2,00,000	200.00
6% Non Cumulative Optionally Convertible Preference Shares of ₹ 100/- each	2,00,000	200.00	2,00,000	200.00
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity Shares of ₹ 10 each with voting rights *	66,87,502	668.75	66,87,502	668.75
<b>Total</b>	<b>66,87,502</b>	<b>668.75</b>	<b>66,87,502</b>	<b>668.75</b>

\* The Company at its Extra-ordinary General Meeting of the Shareholders held on 24th day of March, 2021 has resolved, subject to approvals, consents, permissions and sanctions, if any, required from any authority to consolidate 10 (Ten) Equity Shares of ₹ 10/- each into 1 (one) Equity Share of ₹ 100/- each fully paid up with effect from the 'Record date' ie 05.05.2021 and the allotment of the consolidated shares has been completed on 07.05.2021 after obtaining relevant approvals.

#### (c) Rights, Preferences and restrictions attached to Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each Shareholder is entitled for one vote. As per the terms of the Share issued, dividend is payable to the Shareholders in proportion to the respective Equity Shares held by them on a fully diluted basis. Repayment of Share Capital on liquidation will be in proportion to the number of Equity Shares held.

#### (d) Reconciliation of the Shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue / Conversion / Redemption	Bonus Issue	Closing Balance
<b>Equity Shares with voting rights</b>				
<b>Year ended March 31, 2021</b>				
- Number of Shares	66,87,502	-	-	66,87,502
- Amount (in lakhs)	668.75	-	-	668.75
<b>Year ended March 31, 2020</b>				
- Number of Shares	63,95,745	2,91,757	-	66,87,502
- Amount (in lakhs)	639.57	29.18	-	668.75



## Notes to the financial statements for the year ended March 31, 2021

### (e) Shareholders holding more than 5% Shares in the Company

Class of Shares / Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares with voting rights				
Mr. S. Pathy	4,70,178	7.03%	4,70,178	7.03%
Mrs. Aishwarya Pathy	8,13,165	12.16%	8,12,909	12.16%
Lakshmi Machine Works Ltd	4,41,110	6.60%	4,41,110	6.60%
Lakshmi Card Clothing Manufacturing Company Private Ltd	4,37,634	6.54%	4,37,634	6.54%
Voltas Ltd	6,15,200	9.20%	6,15,200	9.20%
ITEMA (Switzerland) Ltd	10,00,000	14.95%	10,00,000	14.95%

(f) The Company has not issued any Bonus Shares during the period of 5 years immediately preceding the Balance Sheet date.

### NOTE 11 - OTHER EQUITY

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities Premium Reserve</b> (Amounts received on issue of shares in excess of the par value has been classified as securities premium)	349.57	349.57
<b>Capital Redemption Reserve</b> (Statutory reserve created at amounts equal to the face value of the Shares bought back as per the provisions of Company Law)	450.00	450.00
<b>Retained Earnings</b> (Retained earnings comprise of the Company's undistributed earnings after taxes)	138.61	(112.66)
<b>Total</b>	<b>938.18</b>	<b>686.91</b>

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities Premium Reserve</b>		
Balance at beginning of year	349.57	178.75
Add: 2,91,757 Equity Shares of ₹ 10/-each issued at a Premium of ₹ 58.55 per Share	-	170.82
<b>Balance at end of year</b>	<b>349.57</b>	<b>349.57</b>
<b>Capital Redemption Reserve</b>		
Balance at beginning of year	450.00	450.00
Transfer from securities premium reserve	-	-
<b>Balance at end of year</b>	<b>450.00</b>	<b>450.00</b>



# LAKSHMI AUTOMATIC LOOM WORKS LIMITED

## Notes to the financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Retained Earnings</b>		
Balance at beginning of year	(112.66 )	(440.71)
Profit attributable to owners of the Company	253.81	334.72
Remeasurement of defined benefit obligations (net of tax)	(2.54 )	(6.67)
Transfer from other comprehensive income	-	-
<b>Balance at end of year</b>	<b>138.61</b>	<b>(112.66)</b>

### NOTE 12 - BORROWINGS

#### Non-current

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
<b>Unsecured</b>		
6% Non Cumulative Optionally Convertible Preference Shares	-	200.00
Less: Altered as		
2,00,000-6% Non Cumulative Optionally Convertible Preference Shares converted to Equity Shares	-	(200.00)
	-	-
<b>Secured borrowing from bank</b>		
Term Loans	437.62	418.11
Less: Current maturities of long term borrowings	(96.39)	(85.77)
	<b>341.23</b>	<b>332.34</b>
<b>Total</b>	<b>341.23</b>	<b>332.34</b>

(i) Details of terms of repayment of long-term borrowings and interest thereon are as follows:

₹ in Lakhs

	Terms of repayment	As at March 31, 2021	As at March 31, 2020
Indian Bank	Limit ₹ 436 lakhs (P.Y. ₹ 436 lakhs). Repayable in 60 monthly instalments upto December 2024. The loan carries an interest rate of MCLR 1 Yr + Sp 2.00%. Presently 10.65%.	352.08	418.11
Indian Bank	IND GECLS COVID Term Loan limit ₹ 85 Lakhs (P.Y.NIL). Repayable in 48 monthly instalments from October 2021 to September 2026. The Loan carries an interest rate of 3.50% over reparate. Presently 7.50%.	85.54	-

#### Current

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
Loans from bank	-	0.02
<b>Total</b>	<b>-</b>	<b>0.02</b>



## Notes to the financial statements for the year ended March 31, 2021

### Details of loans from bank

₹ in Lakhs

	Terms of repayment	As at March 31, 2021	As at March 31, 2020
Indian Bank			
Overdraft facility	Limit ₹ NIL (P.Y. ₹ 230 lakhs), interest rate 7.75%	-	0.02
Open Cash Credit	Limit ₹ 50 lakhs (P.Y. ₹ 50 lakhs), interest rate 9.30%	-	-
	<b>Total</b>	<b>-</b>	<b>0.02</b>

### Details of security for non-current and current borrowings from bank:

The open cash credit facility from bank is secured by exclusive charge on the current assets and extension of charge on fixed assets of the Company. The overdraft facility from the bank is secured by pledge of fixed deposits. Term loans are secured by Equitable Mortgage of land and buildings at Hosur and Kinathukadavu.

### NOTE 13 - PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for employee benefits:		
Gratuity	52.56	52.19
Leave encashment	8.50	6.78
<b>Total</b>	<b>61.06</b>	<b>58.97</b>
<b>Current</b>		
Provision for employee benefits:		
Gratuity	3.60	4.38
Leave encashment	4.55	8.63
<b>Total</b>	<b>8.15</b>	<b>13.01</b>

### NOTE 14 - TRADE PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	6.85	1.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.99	11.49
<b>Total</b>	<b>12.84</b>	<b>12.54</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given below: ₹ in Lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year. (ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	6.85	1.05
(b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the Small Enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received and available with the company. This has been relied upon by the auditors.	-	-

(ii) The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Company ensures that payables are paid within the credit terms.

### NOTE 15 - LEASE AND OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Lease Liabilities</b>		
Non-current	44.82	60.28
Current	15.46	14.19
<b>(ii) Other Financial Liabilities</b>		
Non-current		
Rental security deposit	194.58	95.14
Deferred income	4.15	2.37
Deferred rent advance	41.25	18.03
<b>Total</b>	<b>239.98</b>	<b>115.54</b>
Current		
Current maturities of long term borrowings from Bank	96.39	85.77
Rental security deposit	128.86	135.23
Payable on purchase of property, plant and equipment	0.89	0.12
<b>Total</b>	<b>226.14</b>	<b>221.12</b>



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 16 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	15.12	6.20
Liability for expenses	42.03	93.16
Other liabilities	1.70	1.86
Advance from customers	25.84	126.58
<b>Total</b>	<b>84.69</b>	<b>227.80</b>

### NOTE 17 - REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from sale of goods	322.98	664.45
Other operating revenue (refer note below)	696.84	605.53
<b>Total</b>	<b>1,019.82</b>	<b>1,269.98</b>

#### Note

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other operating revenue comprises:		
Fabrication income	39.37	10.91
Warehousing Rental Income	657.47	594.62
<b>Total</b>	<b>696.84</b>	<b>605.53</b>

### NOTE 18 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets at amortised cost	44.37	38.16
Deferred income	25.11	18.48
Net gain on sale of tangible assets	14.06	-
Net gain on foreign currency transactions	-	0.26
Realisation of scrap	12.83	1.08
Export incentives	18.34	-
Miscellaneous income	0.23	0.50
<b>Total</b>	<b>114.94</b>	<b>58.48</b>

### NOTE 19A - COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	17.59	32.14
Add: Purchases	62.14	94.88
	79.73	127.02
Less: Closing stock	(15.32)	(17.59)
<b>Total</b>	<b>64.41</b>	<b>109.43</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 19B - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Inventories at the end of the year:</b>		
Finished goods	2.76	2.76
Work-in-progress	10.55	5.96
	<b>13.31</b>	<b>8.72</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	2.76	6.56
Work-in-progress	5.96	4.34
	<b>8.72</b>	<b>10.90</b>
<b>Net decrease / (increase)</b>	<b>(4.59)</b>	<b>2.18</b>

#### NOTE 20 - EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Salaries and wages</b>	255.00	262.18
Contribution to provident and other funds	14.16	16.37
Contribution to Gratuity	7.24	6.57
Contribution to Leave encashment	8.05	5.90
<b>Staff welfare expenses</b>	6.84	6.66
<b>Total</b>	<b>291.29</b>	<b>297.68</b>

#### NOTE 21 - FINANCE COST

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses	70.01	55.06
Interest cost of lease liabilities	6.70	3.66
<b>Total</b>	<b>76.71</b>	<b>58.72</b>

#### NOTE 22 - DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, Plant and Equipment	19.67	19.76
Depreciation of Investment Property	52.82	34.36
Depreciation of Right of Use Assets	16.25	8.13
<b>Total</b>	<b>88.74</b>	<b>62.25</b>



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 23 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Material fabrication charges	9.42	22.25
Power and fuel	29.45	34.29
Consumption of stores and spares	35.66	47.95
Repairs and maintenance - Buildings	26.32	55.15
Repairs and maintenance - Machinery	13.17	11.56
Repairs and maintenance - Others	1.06	1.17
Consumption of packing materials	1.64	6.87
Maintenance charges to SIPCOT	2.38	8.64
Printing and stationery	2.18	3.74
Postage and telephone	3.37	4.83
Travelling and maintenance of motor vehicles	22.64	37.15
Bank charges and filing fees	2.59	4.28
Advertisement and subscription	5.02	2.74
Insurance charges	2.67	1.72
Rates and taxes	18.12	8.66
Sales commission	9.37	25.27
Sales expenses	0.10	0.35
Export expenses	4.12	7.49
Directors sitting fees	5.68	5.50
Remuneration to Auditors [Refer note (i) below]	2.67	3.07
Legal and other professional costs	37.83	33.18
Water charges	2.01	2.17
Rent	22.03	16.72
Exchange difference	3.76	-
Transport vehicles hire charges	4.45	4.45
Business development expenses	1.67	-
Miscellaneous expenses	10.26	12.52
<b>Total</b>	<b>279.64</b>	<b>361.72</b>

#### Note (i) Remuneration to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit fees	2.50	2.50
Certifications	0.08	0.45
Reimbursement of expenses	0.09	0.12
<b>Total</b>	<b>2.67</b>	<b>3.07</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 24 - INCOME TAX EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	68.67	101.93
In respect of earlier years	-	(1.70)
<b>Deferred tax</b>	16.08	1.53
<b>Total income tax expense recognised in the current year</b>	<b>84.75</b>	<b>101.76</b>

The reconciliation between the provision made for income tax by the Company and the tax computed by applying the rate of income tax on profit before taxes is as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
Profit before tax	338.56	436.48
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	85.22	109.86
<b>Effect of :</b>		
Depreciation	(12.05)	(10.21)
Disallowance under 43B of Income Tax Act (Net)	(0.96)	2.28
Other adjustments	(3.54)	-
<b>Income tax expense recognised on the profit</b>	<b>68.67</b>	<b>101.93</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	16.08	1.53
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>84.75</b>	<b>103.46</b>
<b>Deferred tax</b>		
<b>Opening balance</b>	31.28	32.00
<b>Recognised in Profit or loss</b>		
Property, plant and equipment	15.12	1.80
Section 43B disallowance	0.96	(0.27)
	<b>16.08</b>	<b>1.53</b>
<b>Recognised in other comprehensive income</b>		
Defined benefit obligation	(0.85)	(2.25)
<b>Closing balance</b>	<b>46.51</b>	<b>31.28</b>



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 25 - SEGMENT INFORMATION

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented.

The Company is structured into two reportable business segments - "Warehousing Rental Services" and "Engineering Services". The Company has restructured its verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Geographic information is based on business sources from that geographic region. Accordingly the geographical segments are determined as Domestic i.e., within India and External i.e., Outside India.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Management therefore believes that it is not practicable to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

#### Business Segment

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Segment Revenue</b>		
Net Sales/Income		
a. Warehousing Rental Services	686.54	620.18
b. Engineering Services	405.49	670.12
<b>Total</b>	<b>1,092.03</b>	<b>1,290.30</b>
Less: Inter-Segment Revenue	-	-
<b>Net Sales/Income</b>	<b>1,092.03</b>	<b>1,290.30</b>
<b>Segment Results</b>		
Profit/(Loss)		
a. Warehousing Rental Services	387.07	317.59
b. Engineering Services	31.65	181.08
<b>Total</b>	<b>418.72</b>	<b>498.67</b>
Less: Finance Costs	76.71	58.72
Add /(Less): Other unallocable Income net of unallocable expenses	(3.45 )	(3.47)
<b>Total Profit/(Loss) before Tax</b>	<b>338.56</b>	<b>436.48</b>
<b>Segment Assets</b>		
a. Warehousing Rental Services	2,435.95	2,236.41
b. Engineering Services	221.89	195.59
c. Unallocated	29.97	10.75
<b>Total</b>	<b>2,687.81</b>	<b>2,442.75</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Segment Liabilities</b>		
a. Warehousing Rental Services	932.22	867.08
b. Engineering Services	102.15	188.73
c. Unallocated	46.51	31.28
<b>Total</b>	<b>1,080.88</b>	<b>1,087.09</b>
Capital Expenditure	42.76	563.60
Depreciation	88.74	62.25
<b>Geographical Segment</b>		
Revenues		
a. Domestic	904.65	762.25
b. External	187.38	528.05
<b>Total</b>	<b>1,092.03</b>	<b>1,290.30</b>
Less: Inter-Segment Revenue	-	-
<b>Net Sales/ Income from operations</b>	<b>1,092.03</b>	<b>1,290.30</b>

**Note:**

There are two customers who contributed 10% or more to the company's revenue for 2020-21 and 2019-20 respectively.

### NOTE 26 - EARNINGS PER SHARE (EPS)

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax	253.81	334.72
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS [before reverse split] *	66,87,502	66,45,255
Weighted Average number of equity shares used in the calculation of diluted EPS [before reverse split] *	66,87,502	66,45,255
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS [after reverse split] *	6,68,750	6,64,526
Weighted Average number of equity shares used in the calculation of diluted EPS [after reverse split] *	6,68,750	6,64,526
Earnings per share of ₹ 10/- each [before reverse split]		
- Basic (in ₹)	3.80	5.04
- Diluted (in ₹)	3.80	5.04
Earnings per share of ₹ 100/- each [after reverse split]		
- Basic (in ₹)	37.95	50.37
- Diluted (in ₹)	37.95	50.37

\* In view of the consolidation of 10 (ten) equity shares of ₹ 10/- each into 1 (one) Equity Share of ₹ 100/- each fully paidup with effect from the 'Record date' ie 05.05.2021 and allotted on 07.05.2021 before the approval of accounts for the year, the earnings per equity share is calculated based on the new number of shares for all the periods presented as required by Ind AS 33.



## Notes to the financial statements for the year ended March 31, 2021

### NOTE 27- ASSETS GIVEN ON OPERATING LEASES

27.1 The above includes following assets given on operating lease :

₹ in Lakhs

Particulars	Land	Buildings	Plant & Equipment
<b>As at 31 March 2021</b>			
Gross Block	25.84	1333.90	60.67
Accumulated Depreciation	-	125.02	16.60
Net Block	25.84	1,208.88	44.07
Depreciation for the year	-	46.94	5.89
<b>As at 31 March 2020</b>			
Gross Block	17.33	1,313.50	58.06
Accumulated Depreciation	-	78.08	10.71
Net Block	17.33	1,235.42	47.35
Depreciation for the year	-	29.72	4.64

### NOTE 28 - CONTINGENT LIABILITIES AND COMITMENTS

#### A. Contingent liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Other monies for which the Company is contingently liable:		
(i) Claims for refund of security deposit	-	5.42
(ii) 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

Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at respective Forums/Authorities. Management is hopeful of successful outcome in the Appellate proceedings.

#### B. Commitments

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	29.60	-



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### NOTE 29 - EMPLOYEE BENEFIT PLANS

##### (a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs towards the benefits. The Company has recognised ₹ 10.67 Lakhs (for the year ended March 31, 2020: ₹ 12.25 Lakhs) as contribution to Provident Fund, and ₹ 3.49 Lakhs (for the year ended March 31, 2020 ₹ 4.12 Lakhs) as payment under Employee State Insurance Scheme in the Statement of Profit and Loss. These contributions have been made at the rates specified in the rules of the respective schemes and has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

##### (b) Defined Benefit Plans:

###### Gratuity

The Company has not funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary:

##### Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit Obligation at beginning of the year	56.57	15.41	48.54	16.23
Current service cost	3.70	3.12	3.75	3.26
Interest cost	3.54	0.72	2.82	0.81
Actuarial (Gain) / Loss	3.39	4.21	8.92	1.83
Benefits paid	(11.04)	(10.41)	(7.46)	(6.72)
<b>Defined Benefit Obligation at year end</b>	<b>56.16</b>	<b>13.05</b>	<b>56.57</b>	<b>15.41</b>

##### Reconciliation of opening and closing balances of fair value of Plan Assets

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of Plan Assets at beginning of year	-	-	-	-
Employer contributions	11.04	10.41	7.46	6.72
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Benefits paid	(11.04)	(10.41)	(7.46)	(6.72)
<b>Fair value of Plan Assets at year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements for the year ended March 31, 2021

### Expenses recognised during the year

₹ in Lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>In Income Statement</b>				
Current service cost	3.70	3.12	3.75	3.26
Interest on net defined benefit liability/ (asset)	3.54	0.72	2.82	0.81
Immediate recognition of (gain) /loss - other long term benefits	-	4.21	-	1.83
<b>Net Cost</b>	<b>7.24</b>	<b>8.05</b>	<b>6.57</b>	<b>5.90</b>
<b>In Other Comprehensive Income</b>				
Actuarial (Gain) / Loss	3.39	-	8.92	-
<b>Net (Income)/ Expense For the period Recognised in OCI</b>	<b>3.39</b>	<b>-</b>	<b>8.92</b>	<b>-</b>

The current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

### Actuarial assumptions for both Gratuity and Leave Encashment

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate (per annum)	6.91%	6.30%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	5.00%	10.00%

**The retirement age of employees of the Company is 58 years.**

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ultimate table.

### Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Gratuity		
	Discount Rate	Salary Escalation Rate	Attrition Rate
<b>As at March 31, 2021</b>			
Defined benefit obligation on plus 100 basis points	53.26 (-5.16%)	59.34 (5.67%)	56.30 (0.25%)
Defined benefit obligation on minus 100 basis points	59.38 (5.73%)	53.24 (-5.19%)	56.00 (-0.28%)
<b>As at March 31, 2020</b>			
Defined benefit obligation on plus 100 basis points	53.88 (-4.75%)	59.55 (5.26%)	56.61 (0.06%)
Defined benefit obligation on minus 100 basis points	59.55 (5.26%)	53.84 (-4.83%)	56.53 (-0.07%)

₹ in Lakhs

Particulars	Leave Encashment		
	Discount Rate	Salary Escalation Rate	Attrition Rate
<b>As at March 31, 2021</b>			
Defined benefit obligation on plus 100 basis points	12.53 (-3.92%)	13.60 (4.27%)	13.04 (-0.05%)
Defined benefit obligation on minus 100 basis points	13.63 (4.47%)	12.55 (-3.81%)	13.04 (0.01%)
<b>As at March 31, 2020</b>			
Defined benefit obligation on plus 100 basis points	15.05 (-2.37%)	15.81 (2.56%)	15.34 (-0.49%)
Defined benefit obligation on minus 100 basis points	15.82 (2.65%)	15.05 (-2.33%)	15.49 (0.49%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

#### Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Expected total benefit payments				
Within 1 year	3.74	4.58	0.54	0.39
1 year to 2 years	6.28	2.71	0.68	0.33
2 years to 3 years	3.35	5.20	0.48	0.40
3 years to 4 years	5.95	1.63	0.70	0.26
4 years to 5 years	18.93	4.67	2.39	0.59
5 years and above	50.48	37.78	14.60	13.44



## Notes to the financial statements for the year ended March 31, 2021

The employee benefit obligations expose the Company to actuarial risks such as: longevity risk and salary risk.

**Longevity Risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the participants during their employment. An increase in the life expectancy of the participants will increase the obligation.

**Salary risk:** The present value of the defined benefit obligation is calculated by reference to the future salaries of the participants. As such, an increase in the salary of the the participants will increase the obligation.

### NOTE 30 - RELATED PARTY DISCLOSURES

List of related parties where control exists and also related parties with whom transactions have taken place and relationships

Names of the related parties	Relationship
The Lakshmi Mills Company Limited	Directors hold more than 2% shares
Infocus Marketing and Services Limited	Directors hold more than 2% shares
Balakumar Shipping & Clearing Agency Pvt Ltd	Directors are Directors
Aloha Tours & Travels (India) Private Limited	Director is a Director
Prathista Weaving and Knitting Company Private Limited	Director is a Member
Texcity Sales and Services Private Limited	Director is a Director
Sans Craintes Knitters	Director is a Partner
Lakshmi Card Clothing Manufacturing Company Private Ltd	Directors are Directors
Mr J.Balasubramaniam*	Key Managerial Personnel - Chief Executive Officer
Mr. R.D.Anandakumar#	Key Managerial Personnel - Chief Executive Officer
Mr. K. P. Krishnakumar	Key Managerial Personnel - Chief Financial Officer
Mr. R. Muthukumar	Key Managerial Personnel - Company Secretary

\* ceased since May 19,2020

# appointed from November 11,2020

Transactions with related parties during the year are set out in the table below

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Purchase of goods</b>	<b>0.59</b>	<b>1.45</b>
Texcity Sales and Services Private Limited	0.59	1.12
The Lakshmi Mills Company Limited	-	0.03
Sans Craintes Knitters	-	0.30
<b>Sale of goods</b>	<b>0.13</b>	<b>0.49</b>
Prathista Weaving and Knitting Company Private Ltd	0.13	0.49
<b>Receipt of services</b>	<b>46.89</b>	<b>60.49</b>
The Lakshmi Mills Company Limited	27.89	33.28
Aloha Tours & Travels (India) Private Limited	-	2.85
Texcity Sales and Services Private Limited	6.62	9.94
Balakumar Shipping & Clearing Agency Pvt Ltd	12.38	14.37
Lakshmi Card Clothing Manufacturing Company Private Ltd	-	0.05



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Rendering of services</b>	<b>7.14</b>	<b>1.77</b>
The Lakshmi Mills Company Limited	7.14	1.77
<b>Issue of Equity shares on conversion of Preference shares</b>	<b>-</b>	<b>200.00</b>
Lakshmi Card Clothing Manufacturing Co. Private Ltd	-	200.00
<b>Remuneration to Key Managerial Personnel</b>	<b>37.26</b>	<b>38.86</b>
Mr J.Balasubramaniam	7.74	15.37
Mr R.D.Anandakumar	3.08	-
Mr K.P.Krishnakumar	14.16	12.20
Mr R.Muthukumar	12.28	11.29
<b>Balances outstanding as at the year end</b>		
<b>Payable</b>	<b>2.50</b>	<b>8.13</b>
The Lakshmi Mills Company Limited	1.47	3.35
Balakumar Shipping & Clearing Agency Pvt Ltd	0.83	0.81
Texcity Sales and Services Private Limited	0.20	0.82
Mr J.Balasubramaniam	-	1.25
Mr K.P.Krishnakumar	-	1.00
Mr R.Muthukumar	-	0.90
<b>Receivable</b>	<b>17.40</b>	<b>17.40</b>
<b>Security Deposit</b>		
The Lakshmi Mills Company Limited	17.40	17.40

The remuneration of directors and other Members of key managerial personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	37.26	38.86
Post-employment benefits	12.27	4.44

#### NOTE 31 - FINANCIAL INSTRUMENTS

##### 31.1 Capital Management

The Company's management objectives are:

- to ensure the Company's ability to continue as a going concern
- to create value for Shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing instruments less cash and cash equivalents and other bank balances (including non-current earmarked balances)



## Notes to the financial statements for the year ended March 31, 2021

The table below summarises the capital, net debt and net debt to equity ratio (Gearing ratio) of the Company

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Net Debts	-	-
Total Equity	1,606.93	1,355.66
Gearing ratio (in %)	0%	0%

### 31.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xvi) of Significant Accounting Policies.

#### A. Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Measured at amortised cost				
Others financial assets - Non Current	609.20	609.20	55.12	55.12
Trade receivables	182.13	182.13	121.30	121.30
Cash and cash equivalents	19.95	19.95	41.27	41.27
Bank balances other than cash and cash equivalents	300.15	300.15	626.48	626.48
Other financial assets - Current	19.02	19.02	13.63	13.63
<b>Total financial assets</b>	<b>1,130.45</b>	<b>1,130.45</b>	<b>857.80</b>	<b>857.80</b>
<b>Financial liabilities</b>				
Measured at amortised cost				
Borrowings	341.23	341.23	332.36	332.36
Trade payables	12.84	12.84	12.54	12.54
Lease liabilities - Current / Non-current	60.28	60.28	74.47	74.47
Other financial liabilities - Non-current	239.98	239.98	115.54	115.54
Other financial liabilities - Current	226.14	226.14	221.12	221.12
<b>Total financial liabilities</b>	<b>880.47</b>	<b>880.47</b>	<b>756.03</b>	<b>756.03</b>

The Management has assessed that the fair values of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

The following methods and assumptions are used to estimate the fair values:

Fair values of the Company's interest-bearing instruments are determined by using Effective Interest Rate (EIR) method. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

#### B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### 31.3 - Financial risk management objective

The Company's activities expose it to certain / reasonable financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimize potential adverse effects on its financial performance.

The Company has a risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.

The risk management process aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Risk management
Market Risk - Foreign Exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Periodic review by management
Market Risk - Interest Rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit Risk	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.
Liquidity Risk	Borrowings and other liabilities	Availability of committed credit and borrowing facilities



## Notes to the financial statements for the year ended March 31, 2021

### Market Risk - Foreign Exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. Exposures to foreign currency balances are periodically reviewed to ensure that the results from fluctuating currency exchange rates are appropriately managed.

### Market Risk - Interest Rate

#### (i) Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing from banks	437.62	418.11
Fixed rate borrowing		
- Banks	-	0.02
- Others	-	-
<b>Total borrowings</b>	<b>437.62</b>	<b>418.13</b>

#### Interest rate sensitivity analysis:

For non derivative instruments there is no change in the floating rate borrowings during the year. Hence there is no impact in the Company's profit for the year ended March 31, 2021 (year ended March 31, 2020 - Nil).

#### (ii) Assets:

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The Company has very limited history of customer default, and considers the credit quality of trade receivables, that are not past due or impaired, to be good.

Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.

The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2021

#### Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by long term and short term borrowings from banks and trade payables. The maturity profile of the Company's short term and long term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

#### (i) Financial Arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Floating rate</b>		
- Expiring within one year(bank open credit facilities)	50.00	279.98

The bank open credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year.

#### (ii) Maturities of Financial Liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for :

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Lakhs

Particulars	Maturing within 3 months	Maturing after 3 months but within a year	Total
<b>March 31, 2021</b>			
Borrowings	-	-	-
Trade payable	12.84	-	12.84
Lease liabilities	3.87	11.59	15.46
Current maturities of long term borrowings from Bank	21.44	74.95	96.39
Rental security deposit	69.25	59.61	128.86
Payable on purchase of Property, plant and equipment	0.89	-	0.89
<b>Total</b>	<b>108.29</b>	<b>146.15</b>	<b>254.44</b>



## Notes to the financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Maturing within 3 months	Maturing after 3 months but within a year	Total
<b>March 31, 2020</b>			
Borrowings	0.02	-	0.02
Trade payable	12.54	-	12.54
Lease liabilities	3.55	10.64	14.19
Current maturities of long term borrowings from Bank	21.44	64.33	85.77
Rental security deposit	-	135.23	135.23
Payable on purchase of Property, plant and equipment	0.12	-	0.12
<b>Total</b>	<b>37.67</b>	<b>210.20</b>	<b>247.87</b>

32 The Financial Statements of Lakshmi Automatic Loom Works Limited were approved by the Board of Directors and authorised for issue on 23.06.2021

### 33 Details of leasing arrangements as Lessor:

The Company has entered into operating lease arrangements which are non-cancellable for a period 3 to 5 years and may be renewed for a further period based on mutual agreement of the parties.

₹ in Lakhs

Future minimum lease payments	As at March 31, 2021	As at March 31, 2020
Not later than one year	694.88	582.04
Later than one year and not later than 5 years	1290.92	452.60

34 The figures of the previous year have been regrouped / rearranged wherever necessary to correspond with the current year figures.

### For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) R.D. ANANDAKUMAR

Chief Executive Officer

(Sd.) K.P. KRISHNAKUMAR

Chief Financial Officer

Coimbatore  
June 23, 2021

(Sd.) R. MUTHUKUMAR

Company Secretary

In terms of our report attached

For **SUBBACHAR & SRINIVASAN**

Chartered Accountants

Firm Registration No. 0040835

(Sd.) T.S.V. RAJAGOPAL

Partner

(Membership No. 200380)

