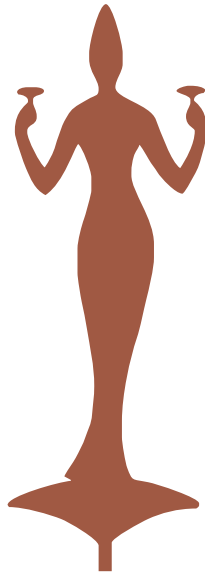


**LAKSHMI  
AUTOMATIC LOOM WORKS  
LIMITED**

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**48th ANNUAL REPORT  
2021-22**



# 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.JAYACHANDAR

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)



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## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CIN : L29269TZ1973PLC000680, Website: [www.lakshmiautomatic.com](http://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](mailto:contact@lakshmiautomatic.com)

### NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Forty Eighth Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 10th day of August, 2022 at 4.00 P.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, 2022, 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, 2022 and the Report of the Board of Directors and the Report of the Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2022.
3. To appoint a Director in the place of Sri R.Santharam (DIN No.00151333) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Sri N.Jayachandar (DIN No. 00015091) who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“Resolved that in accordance with the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and other applicable provisions if any of the Companies Act 2013 read with rule 3(7) of the Companies (Audit and Auditor) Rules, 2014, M/s.Subbchar & Srinivasan, Chartered Accountants, (ICAI Registration No. 004083S) be and are hereby reappointed as the Statutory Auditors of the Company for a second term of five Financial Years commencing from 2022-23 to 2026-27 to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2027, on a remuneration to be decided by the Board of Directors in consultation with the Auditors.”

By Order of the Board of Directors

Place : Coimbatore

Date : 26-05-2022

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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated May 5, 2022 (referred to as “MCA Circular”) 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 Circular 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 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.13 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 Thursday, 04th August, 2022 to Wednesday, 10th August, 2022 (both days inclusive).
9. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Wednesday, 3rd August, 2022.
10. Pursuant to Finance Act 2020, Dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from Dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their Residential Status, Category as per Income Tax Act, 1961 (“IT Act”), Permanent Account Number (“PAN”) with the Company/Registrar & Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) immediately. A resident individual Shareholder having PAN and entitled to receive Dividend amount exceeding ₹ 5,000/- and who is not liable to pay income tax, can submit a yearly



declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [info@skdc-consultants.com](mailto:info@skdc-consultants.com) on or before 10th August, 2022. Shareholders are requested to note that in case their PAN is not registered with the Depository Participant / Company, the tax will be deducted at a higher rate of 20%. Non-resident Shareholders can avail beneficial rates under the relevant tax treaty between India and their country of residence, subject to providing necessary documents such as No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [info@skdc-consultants.com](mailto:info@skdc-consultants.com). The aforesaid declarations and documents need to be submitted by the Shareholders on or before 10th August, 2022. Separate intimation in this regard to Shareholders will be given on or before 04th August, 2022.

11. 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 and KYC Compliance to the Company / RTA M/s.S.K.D.C. Consultants Ltd.
12. 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.
13. 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".
14. 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.
15. Non-Resident Indian Members are requested to inform RTA M/s.S.K.D.C. Consultants Ltd. immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account type, Account number and Address of the Bank with Pin Code Number, if not furnished earlier.
16. 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.
17. 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.
18. 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.
19. 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

20. In line with the MCA Circular and SEBI Circular dated 13th May 2022, the Notice calling the AGM and Annual Report 2021-2022 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 2021-2022 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)

21. 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 48th Annual General Meeting scheduled to be held on Wednesday, 10th August, 2022 at 4.00 P.M. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the remote e-voting facilities as per instructions below.

II. 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. 03rd August, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [green@skdc-consultants.com](mailto:green@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, 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 A.M. on 07-08-2022 and ends on 09-08-2022 at 05.00 P.M. 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 03-08-2022 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 03rd August, 2022.

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.

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.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” 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.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.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.nsd.com/">https://www.evoting.nsd.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 e-Voting service provider- NSDL 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>





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>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>After successful login of Easi/Easiest the user will also be able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li><li>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>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>
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 e-Voting service provider-NSDL 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 above mentioned 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 e-Voting and joining Virtual Meeting 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?**

- 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.

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).



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- 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)

**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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 03-08-2022. 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

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

Place : Coimbatore  
Date : 26-05-2022



### 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]

<b>Name of Director</b>	<b>Sri R.Santharam</b>
DIN	00151333
Date of Birth	21-03-1937 *
Date of appointment on the Board	21-02-2003
Relationship with other Directors	Related to Sri S.Pathy, Chairman
Qualifications	Textile Management in USA
Experience	56 Years
Nature of Expertise	Vast Experience in Textile Industry in various fields of Management including Production, Personnel, Finance and Marketing.
Number of Shares held	Nil
Number of Board Meetings attended during the year	6
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 ₹ 1,16,000/-
Directorships held in other Companies	The Lakshmi Mills Company Limited- Vice Chairman Lakshmi Card Clothing Manufacturing Company Private Limited - Chairman & Managing Director LCC Investments Private Limited - Director Sri Revati Spinning Mills Limited - Director R.Santharam Marketing and Services Private Limited - Director
Committee Chairmanship / Memberships held in other Companies	<b>Audit Committee:</b> Lakshmi Automatic Loom Works Limited - Member The Lakshmi Mills Company Limited - Member <b>Stakeholders Relationship Committee:</b> Lakshmi Automatic Loom Works Limited - Chairman The Lakshmi Mills Company Limited - Chairman <b>Nomination and Remuneration Committee:</b> Lakshmi Automatic Loom Works Limited - Member The Lakshmi Mills Company Limited - Member

- Sri R.Santharam has attained the age of more than 75 years. The age restriction in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (as amended) (“SEBI Listing Regulations”) is not applicable to Sri R.Santharam in view of the exemption of the said Regulation available to the Company pursuant to Regulation 15(2)(a) of SEBI Listing Regulations.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Name of Director	Sri N.Jayachandar
DIN	00015091
Date of Birth	08-04-1961
Date of appointment on the Board	30-05-1996
Relationship with other Directors	None
Qualifications	Post Graduate in Business Administration
Experience	33 Years
Nature of Expertise	Intensive experience in various fields of Management and has been associated with the Textile Industry for the past 33 years and possesses Management and Financial expertise.
Number of Shares held	185 Shares
Number of Board Meetings attended during the year	5
Terms and Conditions of appointment	Retires by rotation and is eligible for re-appointment.
Remuneration sought to be paid	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid ₹ 58,000/-
Directorships held in other Companies	None
Committee Chairmanship / Memberships held in other Companies	<b>Stakeholders Relationship Committee:</b> Lakshmi Automatic Loom Works Limited - Member



## Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Eighth Annual Report together with the Audited Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss for the year ended 31st March, 2022.

### Financial Summary / Highlights

(₹ in lakhs)

	2021-22	2020-21
Sales and Other Income	1,321.41	1,134.76
Profit before Depreciation and Amortization Expenses	446.45	427.30
Depreciation and Amortization Expenses	94.31	88.74
	352.14	338.56
Add: Comprehensive Income	(-)8.28	(-) 2.54
	343.86	336.02
Less: Tax Expense:		
Current Tax	(-)84.98	(-)68.67
Deferred Tax	(-) 7.10	(-)16.08
Net Profit	251.78	251.27
Add: Balance from the Previous Year	138.61	(-) 112.66
Balance Carried Over	390.39	138.61

### Dividend

For the Financial Year 2021-22, the Board of Directors at their meeting held on 26th May, 2022, have recommended a Dividend of ₹ 10/- per Share (10%) on the paid-up Share Capital of 6,68,750 Equity Shares of ₹ 100/- each. Subject to the approval of Shareholders, an amount of ₹ 66.88 Lakhs will be paid as Dividend after deducting applicable taxes. (Previous Year- NIL).

### Operations

The operations during the year have resulted in a Net Profit of ₹ 343.86 lakhs after providing for depreciation and amortization expenses of ₹ 94.31 lakhs. The Net Profit after Tax for the year is ₹ 251.78 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.

#### Warehousing Rental Services - Unit 1

The Warehousing Rental Services segment consists of Warehousing Rental Income on Land and Buildings at Hosur.

The income generated from Warehousing Rental Services during the year was ₹ 768.77 lakhs against ₹ 657.47 lakhs in the previous year.

#### Engineering Services - Unit 2

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.

The revenue generated from the Engineering Services Division during the year was ₹ 456.89 lakhs against ₹ 401.80 lakhs in the previous year. Though export orders for Spares and Accessories of Weaving Machines were less,





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

domestic orders for Parts with better product mix resulted in increased revenue. Due to COVID-19 pandemic, the Unit remained closed for 3 weeks from 24th May 2021 to 12th June 2021.

### Outlook

The available Building space of Unit 1 - Warehousing Rental Services at Hosur is leased out to corporate tenants. Further addition of 40,000 Sq ft Building is being taken up during the current Financial Year. The construction will commence on receipt of necessary Building Plan approval from the Government Authorities. Due to drafting / finalization of the revised master plan for Hosur, has delayed Building Plan approval.

Steps have been taken to increase supply of Spares and Accessories of Weaving Machines to Overseas and Domestic consumers by identifying new supply areas during the Financial Year 2022-23. The increase in input cost mainly of raw material may have an adverse effect on the profit margin.

### Share Capital

The paid up Equity Share Capital as on March 31, 2022 is ₹ 668.75 lakhs comprising of 6,68,750 Equity Shares of ₹ 100/- each. During the year under review the Company has not issued any shares or any convertible instruments.

### Deposits

The Company has not accepted any deposit from 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

Six Meetings of the Board of Directors were held on 21-04-2021, 23-06-2021, 11-08-2021, 11-11-2021, 14-12-2021 and 11-02-2022, during the Financial Year from 1st April, 2021 to 31st March, 2022. 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, 2022 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	6	-	-	-	Yes
2	Smt.Aishwarya Pathy	5	-	2	-	Yes
3	Sri R.Santharam	6	4	2	1	Yes
4	Sri R.C.H.Reddy	5	4	2	1	Yes
5	Sri R.Varadarajan	6	4	2	-	Yes
6	Sri C.Kamatchisundaram	6	-	-	-	Yes
7	Sri N.Jayachandar	5	-	-	1	Yes
8	Sri R.R.Balasundharam	5	3	-	-	Yes
9	Sri Pradip Roy*	3	-	-	-	Yes

\* Appointed as Independent Director with effect from 11th August 2021



### 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, 2022 on 23-06-2021, 11-08-2021, 11-11-2021, and 11-02-2022. 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, 2022 on 11-08-2021 and 11-02-2022.

### 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.



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- 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.

### 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 2021-22. Accordingly a peer evaluation excluding the Director evaluated was carried out by the Board on 11-02-2022. 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 11-02-2022 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, 2022, 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, 2022 and of the profit of the Company for the year ended 31st March, 2022;
- 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, 2022 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.Subbachar & Srinivasan, Chartered Accountants, (Membership No.0040835) in the Auditors' Report on the Financial Statements for the Year Ended 31-03-2022.

### **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 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 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/)

### **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 R.Santharam and Sri N.Jayachandar, 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.

Sri Pradip Roy was appointed as an Independent Director with effect from 11-08-2021 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, had been appointed as the Statutory Auditors of the Company for a term of five Financial Years which expires on conclusion of the ensuing Annual General Meeting. The Audit Committee has recommended, which recommendation has been accepted by the Board, to reappoint M/s.Subbachar & Srinivasan, Chartered Accountants as Statutory Auditors of the Company commencing from 2022-2023 to 2026-2027 for a second term of five Financial Years, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2027, on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

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, 2022.

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 remained unclaimed were transferred to the Unclaimed Suspense Account. The details of the said Shares in Demat Suspense Account of the Company were:

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.	1102	3153
	The 3153 Equity Shares of ₹ 10/- each held by 1102 Shareholders of the Company in the “Lakshmi Automatic Loom Works Ltd-Unclaimed Shares Suspense Demat Account No.1204880000197181” have been consolidated on 7th May 2021 into 16 Equity Shares of ₹ 100/- each and credited to the said Demat Account and will be issued as and when claimed. The remaining fractional entitlements were consolidated into 299 shares and sold by the Fractional Shares Committee in the open market at ₹ 619.50 per share and after defraying all costs, charges and expenses the net amount of ₹ 1,83,916.78 was credited to “LALW Unclaimed Fractional Shares Sale Proceeds Suspense Account No.7046101813” with Indian Bank, Coimbatore. The above Sale Proceeds will be distributed as and when the claim is made by the fractional Shareholders.		
Sl. No.	Particulars	No. of Shareholders	No. of Shares of ₹ 100/- each
(b)	Aggregate Number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the year	16	16
(c)	The Voting Rights on these Shares shall remain frozen till the rightful owner of such Shares claims the Shares.	16	16
(d)	Number of Shareholders who approached the Company for transfer of Shares from Suspense Account during the year	Nil	Nil
(e)	Number of Shareholders to whom Share were transferred from Suspense Account during the year	Nil	Nil

### 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 during the year under review as the Company has neither accepted Deposits from the public nor issued any differential right shares and shares (including Sweat Equity Shares) to the employees of the Company:

1. Details relating to Deposits from the Public covered under Chapter V of the Companies Act, 2013 - Not applicable
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 - Not applicable
3. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme - Not applicable



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 lockdown due to COVID-19, 2nd wave, pandemic in the first quarter of the Financial Year the Company's operations were shut down from 24th May 2021 and the operations resumed from 14th June, 2021 in a phased manner conforming with the Guidelines of the Government which impacted the performance of the Year.
4. The Annual Listing Fees for the Year 2022-23 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 : 26-05-2022

By Order of the Board

(Sd.) S.PATHY

Chairman

DIN No.00013899



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

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

### A. Conservation of Energy

- a) The 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.
- 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 not large. There was no 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 : ₹ 78.98 lakhs

Total Foreign Exchange outgo during the year : -

Place : Coimbatore

Date : 26-05-2022

By Order of the Board

(Sd.) S.PATHY

Chairman

DIN No.00013899





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Annexure 1

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022 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, 2022 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 2022 (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, 2022 that there were no transaction under:
  - a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;



- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021;
- 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, 2022 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 except the appointment of Sri Pradip Roy (DIN. 09266521) as Independent Director with effect from 11-08-2021.
- (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 held 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 and issued One Equity Share of ₹ 100/- each for every Ten Equity Shares of ₹ 10/- each.

Place : Coimbatore  
Date : 26-05-2022

(Sd/-)  
**M.R.L. NARASIMHA**  
Practicing Company Secretary  
FCS No. 2851  
COP No. 799  
PR NO 1420/2021  
UDIN : F002851D000391305



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

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

**My Secretarial Audit Report (Form MR-3) of even date for the Financial Year ended 31st March, 2022 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 1420/2021

UDIN : F002851D000391305

Place : Coimbatore

Date : 26-05-2022



## 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 31-03-2022 :**

110 (One Hundred and Ten 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)	If 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)	If 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	
c)	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	



## Management Discussion and Analysis Report

### I Industry Structure and Development

In the Warehousing Division at Hosur entire leasable Building space 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.

The Engineering Services Division manufactures Spares and Accessories of Shuttle Looms, Parts for Machine Tools and Spares for other Textile Machineries during the year

### II. Opportunities and Threats

#### A. Warehousing Rental Services

The warehousing market in India is expected to grow at a rate of 35 to 40 percent annually, displaying high potential for growth as reported by consulting firm PwC. The sector is fragmented with small players holding small units distributed across states offering warehouse space at competitive rates. The location and the Company's buildings with large space is an added advantage for corporate clients.

#### B. Engineering Services

The Company's Engineering Services Division is catering to the orders from Export Oriented Unit for supply of Parts for Machine Tools and Tool Holders and to the domestic Textile Machinery Manufacturers for Supply of Spares and Accessories. The increase in input cost mainly of raw material affects the operational margin. With the addition of new machineries and identifying of new reputed clients, your Company is endeavouring to improve the turnover and the bottom line.

### III. Outlook

The Company's income from Warehouse Rental Services at Hosur during the year has increased. Further addition of warehousing space is awaiting Building Plan approval from the Government Authorities.

Your Company's efforts in increasing the supply of Spares and Accessories to domestic and overseas consumers and 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 Revenue of ₹ 1321.41 Lakhs from operations and the Net Profit for the year under review is ₹ 251.78 Lakhs after providing ₹ 94.31 Lakhs for Depreciation and ₹ 92.08 Lakhs towards Taxation.

### 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. Total Employees as on 31-03-2022 were 110 (One Hundred and Ten only).



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 ₹ 6.69 crores and the Net Worth of the Company is ₹ 16.07 Crores as on the last day of the previous Financial Year ie 31-03-2021. 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, 2022.

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

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

Membership No. 200380

UDIN : 22200380AJQPFL6536

Place : Coimbatore

Date : 26-05-2022



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### 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 accompanying standalone financial statements of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2022**, 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 as the '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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022**, its 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.



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, Report on Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our 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), changes in equity of the Company and its cash flows 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.





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 standalone 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 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, 2020** ("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 Statement of Cash flows 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 the Companies (Indian Accounting Standards) Rules 2015;
  - e) On the basis of the written representations received from the directors of the Company as on **March 31, 2022** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 2022** 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, where applicable, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, where applicable, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in **Note 33.2** to the Standalone financial statements
- a) The Board of Directors of the Company have proposed final Dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of Dividend proposed is in accordance with section 123 of the Act, as applicable.

For M/s Subbachar & Srinivasan  
Chartered Accountants  
Firm Registration No.004083S  
(Sd.) T.S.V.RAJAGOPAL  
Partner  
Membership No. 200380  
UDIN : 22200380AJQPLZ5443

Place : Coimbatore  
Date : May 26, 2022



#### 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).

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of its Property, Plant and Equipment and Right of Use assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-Use assets.
  - b) The Company has a regular program of physical verification of Property, Plant and Equipment and right-of-use assets, if any, which in our opinion is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us during the course of the audit no material discrepancies were noticed on such verification.
  - c) Based on our examination of relevant records and on the basis of information and explanations given to us, we report that the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at **March 31, 2022** for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) In respect of its inventories:
  - a) As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion and according to the information and explanations given to us during the course of the audit, the coverage and procedure for such physical verification of inventories followed by the management are reasonable and appropriate and no material discrepancies were noticed in any class of inventories as compared to the books of account.
  - b) During the year the company does not have sanctioned working capital limits on the basis of security of current assets in excess of rupees five crores in aggregate from banks and hence reporting under clause (b) of Paragraph (ii) of the Order is not applicable.
- iii) Based on our audit procedures and according to the information and explanations given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties, including promoters and related parties, during the Financial Year and accordingly sub-clauses (a) to (f) of Paragraph 3(iii) of the Order are not applicable to the company.
- iv) According to the information and explanations given to us, the Company has not granted loans or made investments or provided guarantees and securities during the year and hence compliance with Section 185 and Section 186 is not applicable.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- v) According to the information and explanations given to us, the company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year to which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act are applicable and as such Paragraph 3(v) of the Order is not applicable.
- vi) 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 Paragraph 3(vi) of the Order is not applicable to the Company.
- vii) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the records of the company in respect of the statutory dues:
- a. The company is generally regular in depositing undisputed statutory dues including Goods and service Tax, Provident Fund, Employees' State insurance, Income tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us during the course of the audit, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March 2022** for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us during the course of the audit, 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

- viii) Based on our audit procedures and as per the information and explanations given by the management, during the year there were no transactions not recorded in the books of account that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 and hence paragraph 3(viii) of the Order is not applicable.
- ix) a) In our opinion and according to the information and explanations given to us during the course of the audit, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including banks, financial institutions and government
- b) According to the information and explanations given to us during the course of the audit and on the basis of our audit procedures, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the explanations given to us during the course of the audit and based on the audit procedures performed, term loans availed by the company during the year have been applied for the purpose for which they were obtained.
- d) According to the information and explanations given to us during the course of the audit and the audit procedures performed by us, and on an overall examination of the financial statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.



- e) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the funds taken by the company from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.
- f) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the loans raised by the company during the year on the pledge of securities held in its subsidiaries, associates or joint ventures is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.  
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us during the course of the audit no fraud by the Company or any fraud on the Company has been noticed or reported during the year.  
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.  
(c) According to information and explanations given to us and as represented to us by the management and on the basis of our audit procedures there are no whistle blower complaints were received by the company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under sub clauses (a) to (c) of paragraph 3(xii) of the Order is not applicable.
- xiii) In our opinion according to the information and explanations provided to us and based on our examination of the records of the company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- xiv) a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.  
b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us during the course of the audit the Company has not entered into non-cash transactions with directors or persons connected with its directors during the year and hence provisions of section 192 of the Companies Act 2013 are not applicable and accordingly paragraph 3(xv) of the Order is not applicable.
- xvi) a) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the company in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
b) In our opinion on the basis of our examination of the financial statements and representations made by the company it has not conducted any Non-Banking Financial or Housing Finance activities during the year.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- c) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the company and representations made by the company, in our opinion the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) According to the information and explanations given to us during the course of the audit and as represented to us by the company in our opinion, there is no core investment company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Paragraph 3(xvii) of the Order is not applicable.
- xvii) The company has not incurred cash losses during the Financial Year covered by our audit and the immediately preceding Financial Year.
- xviii) There has been no resignation of Statutory Auditors of the Company during the year and accordingly reporting under Paragraph 3(xviii) is not applicable.
- xix) According to the information and explanations given to us during the course of the audit and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) As per information and explanations given to us during the course of the audit and based on our examination of the records of the company, the company is not liable under Sec. 135 of the Companies Act, 2013 to contribute any amount towards Corporate Social Responsibility (CSR) and hence reporting under Paragraph 3(xx)(a) and 3(xx)(b) of the Order regarding transfer of unspent amounts towards Corporate Social Responsibility (CSR) under the provisions of sub-section (5) of Section 135 or sub-section (6) of Section 135 of the Companies Act, 2013 is not applicable.
- xxi) The company is not required to prepare consolidated financial statements and hence Paragraph 3(xxi) of the Order regarding qualifications or adverse remarks by the auditors of the companies included in the consolidated financial statements is not applicable.

For M/s Subbachar & Srinivasan  
Chartered Accountants  
Firm Registration No.004083S  
(Sd.) T.S.V.RAJAGOPAL  
Partner  
Membership No. 200380  
UDIN : 22200380AJQPLZ5443

Place : Coimbatore  
Date : May 26, 2022



## **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 2022** 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





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, 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 2022**, 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.

For M/s Subbachar & Srinivasan  
Chartered Accountants  
Firm Registration No.004083S  
(Sd.) T.S.V.RAJAGOPAL  
Partner  
Membership No. 200380  
UDIN : 22200380AJQPLZ5443

Place : Coimbatore  
Date : May 26, 2022



## Balance Sheet as at March 31, 2022

₹ in Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, plant and equipment	3	228.97	111.03
(b) Right-of-use assets	3A	40.62	56.87
(c) Capital work-in-progress	3B	6.31	0.99
(d) Investment Property	4	1,237.05	1,278.80
(e) Financial assets			
- Other financial assets	5	905.38	609.20
(f) Other non-current assets	6	25.06	32.24
<b>Total Non-current Assets</b>		<b>2,443.39</b>	<b>2,089.13</b>
<b>2 Current Assets</b>			
(a) Inventories	7	46.83	42.96
(b) Financial assets			
(i) Trade receivables	8	183.96	182.13
(ii) Cash and cash equivalents	9	9.51	19.95
(iii) Bank balances other than cash and cash equivalents	9	145.41	300.15
(iv) Other financial assets	5	18.32	19.02
(c) Current tax assets (net)		9.57	18.91
(d) Other current assets	6	20.27	15.56
<b>Total Current Assets</b>		<b>433.87</b>	<b>598.68</b>
<b>TOTAL ASSETS</b>		<b>2,877.26</b>	<b>2,687.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	668.75	668.75
(b) Other equity	11	1,189.96	938.18
<b>Total Equity</b>		<b>1,858.71</b>	<b>1,606.93</b>
<b>LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	263.00	337.89
(i.a) Lease liabilities	14	27.95	44.82
(ii) Other financial liabilities	14	349.78	239.98
(b) Provisions	13	81.64	61.06
(c) Deferred tax liabilities (Net)	24	50.82	46.51
<b>Total Non-current Liabilities</b>		<b>773.19</b>	<b>730.26</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Balance Sheet as at March 31, 2022 (Contd..)

₹ in Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>2 Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	132.25	96.39
(i.a) Lease liabilities	14	16.86	15.46
(ii) Trade payables	15		
(a) Total outstanding dues of Micro enterprises and Small enterprises		12.58	6.85
(b) Total outstanding dues creditors other than Micro enterprises and Small enterprises		6.08	5.99
(iii) Other financial liabilities	14	6.86	133.09
(b) Provisions	13	9.90	8.15
(c) Other current liabilities	16	60.83	84.69
<b>Total Current Liabilities</b>		<b>245.36</b>	<b>350.62</b>
<b>Total Liabilities</b>		<b>1,018.55</b>	<b>1,080.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,877.26</b>	<b>2,687.81</b>

See accompanying notes to the financial statements 1 to 35

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  
May 26, 2022

(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)

**Statement of Profit and Loss for the year ended March 31, 2022**

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>INCOME</b>			
I Revenue from operations	17	1,181.93	1,019.82
II Other income	18	139.48	114.94
III <b>Total income (I + II)</b>		<b>1,321.41</b>	<b>1,134.76</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	19A	94.94	64.41
Changes in inventories of finished goods and work-in-progress	19B	(4.02)	(4.59)
Employee benefits expense	20	363.00	291.29
Finance costs	21	69.93	76.81
Depreciation and amortisation expense	22	94.31	88.74
Other expenses	23	351.11	279.54
<b>Total Expenses (IV)</b>		<b>969.27</b>	<b>796.20</b>
V <b>Profit before Exceptional Items and tax (III - IV)</b>		<b>352.14</b>	<b>338.56</b>
VI Exceptional Items		-	-
VII <b>Profit Before Tax (V - VI)</b>		<b>352.14</b>	<b>338.56</b>
VIII <b>Income Tax expense</b>	24		
Current tax		84.98	68.67
Deferred tax		7.10	16.08
<b>Total tax</b>		<b>92.08</b>	<b>84.75</b>
IX <b>Profit for the year (VII - VIII)</b>		<b>260.06</b>	<b>253.81</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		(11.07)	(3.39)
(b) Income tax on (a) above		2.79	0.85
<b>Total Other comprehensive income</b>		<b>(8.28)</b>	<b>(2.54)</b>
XI <b>Total comprehensive income for the year (IX + X)</b>		<b>251.78</b>	<b>251.27</b>
XII Earnings per equity share of ₹ 100/-			
Basic	26	38.89	37.95
Diluted	26	38.89	37.95
Weighted average number equity shares used in computing EPS	26	6,68,750	6,68,750

See accompanying notes to the financial statements 1 to 35

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  
May 26, 2022(Sd.) R. MUTHUKUMAR  
Company SecretaryIn 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 Changes in Equity for the year ended March 31, 2022

#### A. Equity Share Capital

₹ in Lakhs

For the year ended March 31, 2022					
	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year 2021-22	Balance as at March 31, 2022
	668.75	-	668.75	-	668.75

For the year ended March 31, 2021					
	Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year 2020-21	Balance as at March 31, 2021
	668.75	-	668.75	-	668.75

#### B. Other Equity - For the year ended March 31, 2022

₹ in Lakhs

Particulars	Reserves and surplus				Total Other Equity
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Obligation (OCI)	
Balance as at April 1, 2021	349.57	450.00	141.15	(2.54)	938.18
Changes in accounting policy and prior period errors	-	-	-	-	-
Restated balance as at April 1, 2021	349.57	450.00	141.15	(2.54)	938.18
Profit for the year (net of taxes)			260.06	-	260.06
Other Comprehensive income (net of taxes)				(8.28)	(8.28)
Total Comprehensive Income for the current year			260.06	(8.28)	251.78
Dividends paid	-	-	-	-	-
Balance as at March 31, 2022	349.57	450.00	401.21	(10.82)	1,189.96

#### For the year ended March 31, 2021

₹ in Lakhs

Particulars	Reserves and surplus				Total Other Equity
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Obligation (OCI)	
Balance as at April 1, 2020	349.57	450.00	(112.66)	-	686.91
Changes in accounting policy and prior period errors	-	-	-	-	-
Restated balance as at April 1, 2020	349.57	450.00	(112.66)	-	686.91
Profit for the year (net of taxes)			253.81	-	253.81
Other Comprehensive income (net of taxes)				(2.54)	(2.54)
Total Comprehensive Income for the current year			253.81	(2.54)	251.27
Dividends paid	-	-	-	-	-
Balance as at March 31, 2021	349.57	450.00	141.15	(2.54)	938.18



**Note:**

1. **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.
2. **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.
3. **Retained Earnings:** Retained Earnings comprise of the Company's undistributed earnings after taxes.
4. **Other comprehensive Income:** Items of other comprehensive income consists of remeasurement of net defined benefit liability / asset.

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**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  
May 26, 2022

(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, 2022

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	352.14	338.56
Adjustments for:		
Depreciation and amortisation expense	94.31	88.74
Net loss/(gain) on disposal of property, plant and equipment	(0.59)	(14.06)
Interest income	(87.30)	(69.48)
Finance cost	69.93	76.71
<b>Operating profit before working capital changes</b>	<b>428.49</b>	<b>420.47</b>
Adjustments for:		
(Increase)/decrease in inventories	(3.87)	(0.90)
(Increase)/decrease in trade receivables	(1.83)	(60.83)
(Increase)/decrease in other current assets	(4.71)	0.51
(Increase)/decrease in other non-current financial assets	(296.18)	(554.08)
(Increase)/decrease in other non-current assets	(3.57)	(4.41)
Increase/(decrease) in trade payables	5.82	0.30
Increase/(decrease) in provisions	22.33	(2.77)
Increase/(decrease) in other non-current financial liabilities	109.80	124.44
Increase/(decrease) in other financial liabilities	(126.23)	(16.99)
Increase/(decrease) in other current liabilities	(23.86)	(143.11)
	<b>106.19</b>	<b>(237.37)</b>
<b>Net income tax (paid) / refunds</b>	<b>(91.84)</b>	<b>(84.92)</b>
<b>Net cash flow from operating activities (A)</b>	<b>14.35</b>	<b>(322.29)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(149.11)	(42.76)
Proceeds from sale of property, plant and equipment	0.59	14.10
Bank balances other than cash and cash equivalents	154.74	326.33
Interest received	88.00	64.09
<b>Net cash used in investing activities (B)</b>	<b>94.22</b>	<b>361.76</b>



## Statement of Cash Flow for the year ended March 31, 2022 (Contd...)

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	43.20	85.54
Repayment of non-current borrowings	(118.09)	(66.03)
Proceeds from Current borrowings	35.86	10.60
Finance costs	(64.51)	(70.01)
Interest portion of lease liabilities	(5.42)	(6.70)
Payment of Lease liabilities	(10.05)	(14.19)
<b>Net cash flow used in financing activities (C)</b>	<b>(119.01)</b>	<b>(60.79)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(10.44)</b>	<b>(21.32)</b>
Cash and cash equivalents at the beginning of the year (refer note 9)	19.95	41.27
Cash and cash equivalents at the end of the year (refer note 9)	9.51	19.95
<b>Net increase in Cash and cash equivalents</b>	<b>(10.44)</b>	<b>(21.32)</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 35

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

May 26, 2022

(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, 2022

#### 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.

##### (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.

##### (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 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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial



## Notes to the financial statements for the year ended March 31, 2022

recognition.

**Export Incentives:** Export Incentives are recognized when the right to receive such amount has been established and no significant uncertainty exists as to its measurability or collectibility.

### (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.

In respect of finance leases, the company recognizes a financial asset (net investment in lease) measured at the present value of the lease rental receivables that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company subsequently measures finance income over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

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 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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

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



## Notes to the financial statements for the year ended March 31, 2022

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 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) **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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

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



## Notes to the financial statements for the year ended March 31, 2022

### (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 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

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 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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

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.

#### (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 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.

#### (xxiii) Recent accounting pronouncements

On March 23, 2022, Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

##### **Ind AS 16 - Property Plant and Equipment**

The amendment clarifies that excess of net sale

proceeds of items produced over the cost of testing, if any shall not be recognized in the profit and loss account but shall be deducted from the directly attributable costs considered part of cost of an item of property, plant and equipment. The effective date of this amendment is annual periods beginning on or after April 1, 2022.

##### **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

##### **Ind AS 103 - Business Combination**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

##### **Ind AS 109 - Financial Instruments**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### 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, 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
Additions	-	7.28	109.45	19.91	5.66	142.30
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	24.87	79.80	200.24	24.25	16.50	345.66
<b>II. Accumulated Depreciation and Impairment</b>						
Balance as at April 1, 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
Charge for the year	-	9.98	10.65	1.73	2.00	24.36
Withdrawal on Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	-	59.66	45.19	1.43	10.41	116.69
<b>Net Block (I - II)</b>						
Balance as at March 31, 2022	24.87	20.14	155.05	22.82	6.09	228.97
Balance as at March 31, 2021	24.87	22.84	56.25	4.64	2.43	111.03

Note: The company has not carried out revaluation of Property, Plant & Equipment during the year.

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

₹ in Lakhs

Buildings	As at March 31, 2022	As at March 31, 2021
<b>Gross carrying amount</b>		
Balance at beginning of year	81.25	81.25
Additions	-	-
Disposals	-	-
Balance at end of year	81.25	81.25
<b>Accumulated amortisation</b>		
Balance at beginning of year	24.38	8.13
Additions	16.25	16.25
Disposals	-	-
Balance at end of year	40.63	24.38
<b>Net book value</b>	40.62	56.87



## Notes to the financial statements for the year ended March 31, 2022

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

₹ in Lakhs

Asset Description	As at April 1, 2021	Additions	Capitalized	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	0.99	5.86	0.54	6.31	0.99

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

### Ageing schedule for Capital work-in-progress (CWIP) as at March 31, 2022

₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	5.86	0.45	-	-	6.31

### Ageing schedule for Capital work-in-progress (CWIP) as at March 31, 2021

₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	0.99	-	-	-	0.99

### NOTE 4 - INVESTMENT PROPERTY

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>i) Land</b>		
Cost or deemed cost		
Balance at beginning of year	25.84	25.84
Additions/(Disposals)	-	-
<b>Balance at end of year</b>	<b>25.84</b>	<b>25.84</b>
<b>Accumulated depreciation</b>		
Balance at beginning of year	-	-
Charge for the year / (withdrawal on disposals)	-	-
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount-Land</b>	<b>25.84</b>	<b>25.84</b>
<b>ii). Building</b>		
Cost or deemed cost		
Balance at beginning of year	1,394.57	1,363.05
Additions/(Disposals)	11.95	31.52
<b>Balance at end of year</b>	<b>1,406.52</b>	<b>1,394.57</b>
<b>Accumulated depreciation</b>		
Balance at beginning of year	141.61	88.79
Charge for the year / (withdrawal on disposals)	53.70	52.82
<b>Balance at end of year</b>	<b>195.31</b>	<b>141.61</b>
<b>Net carrying amount-Building</b>	<b>1,211.21</b>	<b>1,252.96</b>
<b>Net carrying amount</b>	<b>1,237.05</b>	<b>1,278.80</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### Information regarding income and expenditure of investment property

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental Income derived from investment properties	768.77	657.47
Direct operating expenses (including repairs and maintenance)	(64.26)	(29.28)
Profit arising from investment properties before depreciation	704.51	628.19
Depreciation	53.70	52.82
Profit arising from investment properties	650.81	575.37

The Company's investment properties consist of properties in the nature of land and buildings in India. As at March 31, 2022 and March 31, 2021 the fair values of the properties are ₹ 9258.23 Lakhs and ₹ 8685.98 Lakhs. These are based on valuations performed by the registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules 2017. 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.

#### NOTE 5 - OTHER FINANCIAL ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Security Deposits	85.34	74.64
Deferred Rent Advance	3.04	4.30
Deposit with banks (with maturity of more than 12 months)	817.00	530.26
<b>Total</b>	<b>905.38</b>	<b>609.20</b>
<b>Current</b>		
<b>At cost</b>		
Interest accrued on fixed deposits	18.32	19.02
<b>Total</b>	<b>18.32</b>	<b>19.02</b>

#### NOTE 6 - OTHER ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Capital advance	-	10.75
Balances with revenue authorities		
- Central Excise	1.43	7.23

(Contd...)



## Notes to the financial statements for the year ended March 31, 2022

### NOTE 6 - OTHER ASSETS (CONTD...)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
- Income Tax	21.41	11.06
Other assets	2.22	3.20
<b>Total</b>	<b>25.06</b>	<b>32.24</b>
<b>Current</b>		
Balances with revenue authorities	0.57	0.62
Prepaid expenses	3.90	3.93
Advance to Suppliers	0.52	0.40
Advance for expenses	0.21	0.49
Other assets	15.07	10.12
<b>Total</b>	<b>20.27</b>	<b>15.56</b>
Advances to KMPs/Officers		
Mr R.Muthukumar      Company Secretary	4.50	7.50
Mr V.Thillairaja      DGM(BD & Liaison)	8.00	-
Mr S.Nagarajan      AGM(Personnel & Adm)	-	1.13
Advance to Company Secretary is repayable in 30 equal monthly instalments		
Percentage of loans advanced to KMPs		
Mr R.Muthukumar - Company Secretary	30.97%	81.08%

### NOTE 7 - INVENTORIES

(Lower of cost or net realisable value)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	5.77	4.38
Components	8.43	10.94
Work-in-progress	7.42	10.55
Finished goods	9.91	2.76
Stock of stores and spares	15.30	14.33
<b>Total</b>	<b>46.83</b>	<b>42.96</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 ₹ 145.12 Lakhs (Previous year ₹ 100.07 Lakhs) inclusive of consumption of stores and spares.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 8 - TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Trade receivables considered good - Secured	-	-
(b) Trade receivables considered good - Unsecured with no significant increase in credit risk from related parties from others	- - 183.96	- - 182.13
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - Credit Impaired	-	-
<b>Total</b>	<b>183.96</b>	<b>182.13</b>
Trade receivables from private companies in which Directors are Directors	3.81	-

#### Ageing schedule for Trade Receivables as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	183.96	-	-	-	-	183.96
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>183.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183.96</b>



## Notes to the financial statements for the year ended March 31, 2022

Ageing schedule for Trade Receivables as at March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	182.13	-	-	-	-	182.13
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>182.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182.13</b>

### NOTE 9 - CASH AND BANK BALANCES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>		
Cash in hand	0.91	1.14
Balances with banks in current accounts	8.60	18.81
<b>Total</b>	<b>9.51</b>	<b>19.95</b>
<b>Bank balances other than Cash and cash equivalents</b>		
Fixed deposits (original maturity of more than 3 months but less than 12 months)	145.41	300.15
<b>Total</b>	<b>145.41</b>	<b>300.15</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 10 - SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
<b>(a) Authorised</b>				
Equity Shares of ₹ 100/- each with voting rights *	11,50,000	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 ₹ 100/- each with voting rights *	6,68,750	668.75	66,87,502	668.75
<b>Total</b>	<b>6,68,750</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 ₹ 100/- per share. Each share holder is entitled for one vote. As per the terms of the share issued, Dividend is payable to the share holders 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	Reversal on Consolidation of shares	Issue on consolidation of shares	Closing Balance
<b>Equity Shares with voting rights</b>				
<b>Year ended March 31, 2022</b>				
- Number of Shares	66,87,502	66,87,502	6,68,750	6,68,750
- Amount (in lakhs)	668.75	-	-	668.75
<b>Year ended March 31, 2021</b>				
- Number of Shares	66,87,502	-	-	66,87,502
- Amount (in lakhs)	668.75	-	-	668.75



## Notes to the financial statements for the year ended March 31, 2022

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

Class of Shares / Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held (per share ₹ 100/-)	% holding in that class of Shares	Number of Shares held (per share ₹ 10/-)	% holding in that class of Shares
Equity Shares with voting rights				
Mr. S. Pathy	47,017	7.03%	4,70,178	7.03%
Mrs. Aishwarya Pathy	90,646	13.55%	8,13,165	12.16%
Lakshmi Machine Works Ltd	44,111	6.60%	4,41,110	6.60%
Lakshmi Card Clothing Manufacturing Company Private Ltd	43,762	6.54%	4,37,634	6.54%
Voltas Ltd	61,520	9.20%	6,15,200	9.20%
ITEMA (Switzerland) Ltd	1,00,000	14.95%	10,00,000	14.95%

Shareholding of the Promoters	As at March 31, 2022		As at March 31, 2021		% change during the year (compared with individual holdings at the beginning of the year)
	Name of the Shareholders	Number of shares held (per share ₹ 100/-)	% holding in that class of shares	Number of shares held (per share ₹ 10/-)	
Promoters and Promoter group					
Mr S.Pathy	47,017	7.03%	4,70,178	7.03%	-
Ms Rajshree Pathy	500	0.07%	5,000	0.07%	-
Ms Aishwarya Pathy	90,646	13.55%	8,13,165	12.16%	11.47%
Mr Aditya Krishna Pathy	20	0.00%	200	0.00%	-
Ms Shivali Jayavarthanavelu	230	0.03%	2,308	0.03%	-
Mr Arjun Karivaradhan	3,896	0.58%	38,966	0.58%	-
Mr Nithin Karivaradhan	1,716	0.26%	17,166	0.26%	-
Lakshmi Card Clothing Manufacturing Company Private Ltd	43,762	6.54%	4,37,634	6.54%	-
The Lakshmi Mills Company Ltd	33,000	4.93%	3,30,000	4.93%	-
Infocus Marketing and Services P Ltd	7,294	1.09%	72,940	1.09%	-

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





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 11 - OTHER EQUITY

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<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)	390.39	138.61
<b>Total</b>	<b>1,189.96</b>	<b>938.18</b>

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities Premium Reserve</b>		
Balance at beginning of year	349.57	349.57
<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
<b>Balance at end of year</b>	<b>450.00</b>	<b>450.00</b>
<b>Retained Earnings</b>		
Balance at beginning of year	138.61	(112.66)
Profit attributable to owners of the Company	260.06	253.81
Remeasurement of defined benefit obligations (net of tax)	(8.28)	(2.54)
<b>Balance at end of year</b>	<b>390.39</b>	<b>138.61</b>

#### NOTE 12 - BORROWINGS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Measured at amortised cost</b>		
<b>Non-current</b>		
Secured borrowing from bank		
Term Loans	376.27	434.28
Less: Current maturities of long term borrowings	(113.27)	(96.39)
<b>Total</b>	<b>263.00</b>	<b>337.89</b>



## Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Measured at amortised cost		
Secured borrowing from bank		
Open Cash Credit	18.98	-
Current maturities of long term borrowings from Bank	113.27	96.39
<b>Total</b>	<b>132.25</b>	<b>96.39</b>

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

Lender	Terms of repayment	As at March 31, 2022	As at March 31, 2021
Indian Bank	Limit ₹436 lakhs (P.Y. ₹436 lakhs). Repayable in 60 monthly instalments upto December 2024. The loan carries an interest rate at 6.25% over Repo rate. Presently at 10.25%	263.14	349.28
Indian Bank	IND GECLS COVID Term Loan limit ₹ 85.00 Lakhs (P.Y. ₹ 85.54 lakhs). Repayable in 48 monthly instalments from October 2021 to September 2026. The Loan carries an interest rate of 3.50% over Repo rate. Presently at 7.50%.	70.63	85.00
Indian Bank	MSME GECLS COVID Term Loan limit ₹ 42.50 Lakhs (PY NIL) Repayable in 36 monthly instalments from December 2023 to November 2026. The Loan carries an interest rate of 3.50% over Repo rate. Presently at 7.50%	42.50	-

(ii) Details of short term borrowings from bank ₹ in Lakhs

Particulars	Limits/Rate of Interest	As at March 31, 2022	As at March 31, 2021
Indian Bank			
Open Cash Credit	Limit ₹ 50 lakhs (P.Y. ₹ 50 lakhs). Interest rate at 10.25%	18.98	-
<b>Total</b>		<b>18.98</b>	<b>-</b>

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

The open cash credit facility from bank is secured by Hypothecation of Stock and book debts and extension of charge on land and Building measuring 8.67 acres in Plot No.44 in SIPCOT industrial Complex, Hosur. Term loans are secured by Equitable Mortgage of land and buildings measuring 8.67 acres at SIPCOT Industrial Complex, Hosur.

The Company has borrowings from banks on the basis of security of current assets. There are no material discrepancies between the quarterly returns or statements of current assets filed by the Company with banks compared with the books of accounts taking into account the reconciliation of such discrepancies.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 13 - PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Provision for employee benefits:		
Gratuity	67.27	52.56
Leave encashment	14.37	8.50
<b>Total</b>	<b>81.64</b>	<b>61.06</b>
<b>Current</b>		
Provision for employee benefits:		
Gratuity	7.68	3.60
Leave encashment	2.22	4.55
<b>Total</b>	<b>9.90</b>	<b>8.15</b>

#### NOTE 14 - LEASE AND OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Lease Liabilities</b>		
Non-current	27.95	44.82
Current	16.86	15.46
<b>(ii) Other Financial Liabilities</b>		
Non-current		
Rental security deposit	289.12	194.58
Deferred Rent Advance	53.18	45.40
Amount payable to holders of fractional shares	7.48	-
<b>Total</b>	<b>349.78</b>	<b>239.98</b>
Current		
Rental security deposit	3.35	128.86
Payable on purchase of Property, plant and equipment	0.60	0.89
Interest accrued but not due on loans	2.91	3.34
<b>Total</b>	<b>6.86</b>	<b>133.09</b>

#### NOTE 15 - TRADE PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	12.58	6.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.08	5.99
<b>Total</b>	<b>18.66</b>	<b>12.84</b>



## Notes to the financial statements for the year ended March 31, 2022

### Ageing schedule for Trade Payables as at March 31, 2022

₹ in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME *	12.58	-	-	-	12.58
(ii) Others	6.08	-	-	-	6.08
(iii) Disputed dues - MSME*	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>18.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.66</b>

\*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

### Ageing schedule for Trade Payables as at March 31, 2021

₹ in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME *	6.85	-	-	-	6.85
(ii) Others	5.99	-	-	-	5.99
(iii) Disputed dues - MSME*	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>12.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.84</b>

\*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

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, 2022	As at March 31, 2021
(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	12.58	6.85
(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.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 16 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	18.30	15.12
Liability for expenses	41.48	42.03
Other liabilities	1.05	1.70
Advance from customers	-	25.84
<b>Total</b>	<b>60.83</b>	<b>84.69</b>

#### NOTE 17 - REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of goods	286.06	322.98
Other operating revenue (refer note below)	895.87	696.84
<b>Total</b>	<b>1,181.93</b>	<b>1,019.82</b>

#### Note

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other operating revenue comprises:		
Fabrication income	127.10	39.37
Warehousing Rental Income	768.77	657.47
<b>Total</b>	<b>895.87</b>	<b>696.84</b>

#### NOTE 18 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets at amortised cost	55.48	44.37
Deferred income	31.82	25.11
Net gain on sale of tangible assets	0.59	14.06
Realisation of scrap	47.23	12.83
Export incentives	4.35	18.34
Miscellaneous income	0.01	0.23
<b>Total</b>	<b>139.48</b>	<b>114.94</b>

#### NOTE 19A - COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	15.32	17.59
Add: Purchases	93.82	62.14
	109.14	79.73
Less: Closing stock	(14.20)	(15.32)
<b>Total</b>	<b>94.94</b>	<b>64.41</b>



## Notes to the financial statements for the year ended March 31, 2022

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

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Inventories at the end of the year:</b>		
Finished goods	9.91	2.76
Work-in-progress	7.42	10.55
	<b>17.33</b>	<b>13.31</b>
<b>Inventories at the beginning 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>Net decrease / (increase)</b>	<b>(4.02)</b>	<b>(4.59)</b>

### NOTE 20 - EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	317.73	255.00
Contribution to provident and other funds	17.19	14.16
Contribution to Gratuity	8.83	7.24
Contribution to Leave encashment	7.87	8.05
Staff welfare expenses	11.38	6.84
<b>Total</b>	<b>363.00</b>	<b>291.29</b>

### NOTE 21 - FINANCE COST

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	64.37	70.01
Interest cost of lease liabilities	5.42	6.70
Other borrowing costs	0.14	0.10
<b>Total</b>	<b>69.93</b>	<b>76.81</b>

### NOTE 22 - DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Property, Plant and Equipment	24.36	19.67
Depreciation of Investment Property	53.70	52.82
Depreciation of Right of Use Assets	16.25	16.25
<b>Total</b>	<b>94.31</b>	<b>88.74</b>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### NOTE 23 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Material fabrication charges	8.42	9.42
Power and fuel	37.83	29.45
Consumption of stores and spares	50.18	35.66
Repairs and maintenance - Buildings	56.57	26.32
Repairs and maintenance - Machinery	13.28	13.17
Repairs and maintenance - Others	2.85	1.06
Consumption of Packing Materials	1.75	1.64
Maintenance charges to SIPCOT	3.97	2.38
Printing and stationery	3.17	2.18
Postage and Telephone	4.97	3.37
Travelling and maintenance of Motor Vehicles	35.33	22.64
Bank charges and Filing Fees	3.14	2.49
Advertisement and Subscription	4.04	5.02
Insurance charges	3.50	2.67
Rates and Taxes	22.15	18.12
Sales Commission	3.95	9.37
Sales Expenses	1.07	0.10
Export Expenses	2.40	4.12
Directors Sitting Fees	7.18	5.68
Remuneration to Auditors [Refer Note (i) below]	3.12	2.67
Legal and other professional costs	38.46	37.83
Water Charges	2.58	2.01
Rent	22.41	22.03
Exchange Difference	0.46	3.76
Transport Vehicles Hire Charges	4.45	4.45
Business development expenses	1.09	1.67
Donations	1.01	-
Miscellaneous expenses	11.78	10.26
<b>Total</b>	<b>351.11</b>	<b>279.54</b>



## Notes to the financial statements for the year ended March 31, 2022

### Note (i) Remuneration to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	3.00	2.50
Certifications	-	0.08
Reimbursement of expenses	0.12	0.09
<b>Total</b>	<b>3.12</b>	<b>2.67</b>

### NOTE 24 - INCOME TAX EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current tax</b>		
In respect of the current year	82.69	68.67
In respect of earlier years	2.29	-
	84.98	68.67
<b>Deferred tax</b>	7.10	16.08
<b>Total income tax expense recognised in the current year</b>	<b>92.08</b>	<b>84.75</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, 2022	For the year ended March 31, 2021
<b>Current tax</b>		
Profit before tax	352.14	338.56
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	88.63	85.22
<b>Effect of :</b>		
Depreciation	(7.84)	(12.05)
Disallowance under 43B of Income Tax Act (Net)	6.39	(0.96)
Other adjustments	(4.49)	(3.54)
<b>Income tax expense recognised on the profit</b>	<b>82.69</b>	<b>68.67</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	7.10	16.08
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>89.79</b>	<b>84.75</b>





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred tax</b>		
Opening balance	46.51	31.28
<b>Recognised in Profit or loss</b>		
Property, plant and equipment	13.49	15.12
Section 43B disallowance	(6.39)	0.96
	<b>7.10</b>	<b>16.08</b>
<b>Recognised in other comprehensive income</b>		
Defined benefit obligation	(2.79)	(0.85)
<b>Closing balance</b>	<b>50.82</b>	<b>46.51</b>

#### 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 ie., within India and External ie., 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.



## Notes to the financial statements for the year ended March 31, 2022

### Business Segment

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Segment Revenue</b>		
Net Sales/Income		
a.Warehousing Rental Services	809.34	686.54
b.Engineering Services	457.10	405.49
<b>Total</b>	<b>1,266.44</b>	<b>1,092.03</b>
Less: Inter-Segment Revenue	-	-
<b>Net Sales / Income</b>	<b>1,266.44</b>	<b>1,092.03</b>
<b>Segment Results</b>		
Profit/(Loss)		
a.Warehousing Rental Services	411.98	387.07
b.Engineering Services	3.87	31.65
<b>Total</b>	<b>415.85</b>	<b>418.72</b>
Less: Finance Costs	69.93	76.81
Add /(Less): Other unallocable Income net of unallocable expenses	6.22	(3.35)
<b>Total Profit / (Loss) before Tax</b>	<b>352.14</b>	<b>338.56</b>
<b>Segment Assets</b>		
a.Warehousing Rental Services	2,520.80	2,435.95
b.Engineering Services	325.48	221.89
c.Unallocated	30.98	29.97
<b>Total</b>	<b>2,877.26</b>	<b>2,687.81</b>
<b>Segment Liabilities</b>		
a.Warehousing Rental Services	884.22	932.22
b.Engineering Services	83.51	102.15
c.Unallocated	50.82	46.51
<b>Total</b>	<b>1,018.55</b>	<b>1,080.88</b>
Capital Expenditure	149.11	42.76
Depreciation	94.31	88.74
Income tax expense	92.08	84.75



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Geographical Segment</b>		
Revenues		
a. Domestic	1,187.46	904.65
b. External	78.98	187.38
<b>Total</b>	<b>1,266.44</b>	<b>1,092.03</b>
Less: Inter-Segment Revenue	-	-
<b>Net Sales / Income from operations</b>	<b>1,266.44</b>	<b>1,092.03</b>

#### Note:

There were five customers who have contributed 10% or more to the company's revenue out of which 3 belong to Warehousing rental segment (₹ 502.20 lakhs) and two belong to Engineering services segment (₹ 349.26 lakhs) for 2021-22.

There were four customers who have contributed 10% or more to the company's revenue out of which 2 belong to Warehousing rental segment (₹ 285.32 lakhs) and 2 belongs to Engineering services segment (₹ 275.79 lakhs) for 2020-21.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax	260.06	253.81
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS and diluted EPS before reverse split	-	66,87,500
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS after reverse split	6,68,750	6,68,750
Weighted Average number of equity shares used in the calculation of diluted EPS after reverse split	6,68,750	6,68,750
Earnings per share of ₹ 10/- each before reverse split		
- Basic (in ₹)	-	3.80
- Diluted (in ₹)	-	3.80
Earnings per share of ₹ 100/- each after reverse split		
- Basic (in ₹)	38.89	37.95
- Diluted (in ₹)	38.89	37.95

Note: EPS for the year ended 31.03.2022 has been calculated only after reverse split since the reverse split was effective from 05.05.2021. The effect of reverse split for the year ended 31.03.2021 has been disclosed in accordance with IND AS 33.



## Notes to the financial statements for the year ended March 31, 2022

### NOTE 27- ASSETS GIVEN ON OPERATING LEASES

Assets given on operating leases includes following assets given on operating lease :

₹ in Lakhs

Particulars	Land	Buildings	Plant & Equipment
<b>As at March 31, 2022</b>			
Gross Block	25.84	1344.84	61.68
Accumulated Depreciation	-	172.64	22.67
Net Block	25.84	1,172.20	39.01
Depreciation for the year	-	47.63	6.07
<b>As at March 31, 2021</b>			
Gross Block	25.84	1,333.90	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

### NOTE 28 - CONTINGENT LIABILITIES AND COMITMENTS

#### A. Contingent liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Other monies for which the Company is contingently liable:		
(i) 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 matter is determinable only on receipt of judgments/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, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	29.60

### 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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

specified percentage of the payroll costs towards the benefits. The Company has recognised ₹ 13.25 Lakhs (for the year ended March 31, 2021: ₹ 10.67 Lakhs) as contribution to Provident Fund, and ₹ 3.94 Lakhs (for the year ended March 31, 2021 ₹ 3.49 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, 2022		As at March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit Obligation at beginning of the year	56.16	13.04	56.57	15.41
Current service cost	4.85	3.94	3.70	3.12
Interest cost	3.98	0.78	3.54	0.72
Actuarial (Gain) / Loss	11.07	3.16	3.39	4.21
Benefits paid	(1.11)	(4.32)	(11.04)	(10.41)
<b>Defined Benefit Obligation at year end</b>	<b>74.95</b>	<b>16.60</b>	<b>56.16</b>	<b>13.05</b>

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

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of Plan Assets at beginning of year	-	-	-	-
Employer contributions	1.11	4.32	11.04	10.41
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Benefits paid	(1.11)	(4.32)	(11.04)	(10.41)
<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, 2022

### Expenses recognised during the year

₹ in Lakhs

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>In Income Statement</b>				
Current service cost	4.85	3.94	3.70	3.12
Interest on net defined benefit liability/ (asset)	3.98	0.78	3.54	0.72
Immediate recognition of (gain) /loss - other long term benefits	-	3.16	-	4.21
<b>Net Cost</b>	<b>8.83</b>	<b>7.88</b>	<b>7.24</b>	<b>8.05</b>
<b>In Other Comprehensive Income</b>				
Actuarial (Gain) / Loss	11.07	-	3.39	-
<b>Net (Income)/ Expense for the period Recognised in OCI</b>	<b>11.07</b>	<b>-</b>	<b>3.39</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, 2022	As at March 31, 2021
Discount Rate (per annum)	7.17%	6.91%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	5.00%	5.00%

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, 2022

₹ in Lakhs

Particulars	Gratuity		
	Discount Rate	Salary Escalation Rate	Attrition Rate
<b>As at March 31, 2022</b>			
Defined benefit obligation on plus 100 basis points	71.47 (-4.65%)	78.76 (5.07%)	75.16 (0.28%)
Defined benefit obligation on minus 100 basis points	78.82 (5.16%)	71.43 (-4.70%)	74.72 (-0.31%)
<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%)

₹ in Lakhs

Particulars	Leave Encashment		
	Discount Rate	Salary Escalation Rate	Attrition Rate
<b>As at March 31, 2022</b>			
Defined benefit obligation on plus 100 basis points	15.71 (-5.34%)	17.56 (5.81%)	16.61 (0.09%)
Defined benefit obligation on minus 100 basis points	17.61 (6.08%)	15.74 (-5.19%)	16.57 (-0.17%)
<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%)

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.



## Notes to the financial statements for the year ended March 31, 2022

### Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Expected total benefit payments				
Within 1 year	7.82	3.74	1.00	0.54
1 year to 2 years	4.51	6.28	0.76	0.68
2 years to 3 years	7.89	3.35	0.96	0.48
3 years to 4 years	31.23	5.95	4.30	0.70
4 years to 5 years	2.88	18.93	0.59	2.39
5 years and above	61.88	50.48	21.22	14.60

The weighted average duration of the defined benefit obligation is 11.93 years (March 31, 2021 - 11.89 years).

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 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
Lakshmi Automatic Loom Works Ltd - Employees Gratuity Fund	Post Employment Benefit Plan for the Employees of the Company.





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### Key Management Personnel

##### Non Executive - Non Independent Directors:

Mr. S. Pathy, Chairman

Smt. Aishwarya Pathy, Vice Chairperson

Mr. R. Santharam

Mr. N. Jayachandar

##### Non Executive - Independent Directors:

Mr. R.C.H. Reddy

Mr. R. Varadarajan

Mr. C. Kamatchisundaram

Mr. R.R. Balasundharam

Mr. Pradip Roy\*

##### Executives :

Mr. R.D.Anandakumar, Chief Executive Officer

Mr. K. P. Krishnakumar, Chief Financial Officer

Mr. R. Muthukumar, Company Secretary

\* Appointed with effect from 11th August 2021.

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, 2022	For the year ended March 31, 2021
<b>Purchase of goods</b>	<b>0.63</b>	<b>0.59</b>
Texcity Sales and Services Private Limited	0.63	0.59
<b>Sale of goods</b>	<b>5.08</b>	<b>0.13</b>
Prathista Weaving and Knitting Company Private Ltd	0.28	0.13
Lakshmi Card Clothing Manufacturing Company Pvt Ltd.	4.74	-
Sans Craintes Knitters	0.06	-
<b>Receipt of services</b>	<b>47.88</b>	<b>46.89</b>
The Lakshmi Mills Company Limited	28.47	27.89
Texcity Sales and Services Private Limited	6.92	6.62
Balakumar Shipping & Clearing Agency Pvt Ltd	11.91	12.38
Aloha Tours & Travels (India) Private Ltd	0.58	-



## Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Rendering of services</b>	<b>10.47</b>	<b>7.14</b>
The Lakshmi Mills Company Limited	10.47	7.14
<b>Sitting Fees to Directors</b>	<b>7.18</b>	<b>5.68</b>
<b>Remuneration to Key Management Personnel</b>	<b>41.64</b>	<b>37.26</b>
Mr J.Balasubramaniam *	-	7.74
Mr R.D.Anandakumar	11.01	3.08
Mr K.P.Krishnakumar	16.41	14.16
Mr R.Muthukumar	14.22	12.28
* ceased since May 19, 2020.		
<b>Balances outstanding as at the year end</b>		
<b>Payable</b>	<b>2.71</b>	<b>2.50</b>
The Lakshmi Mills Company Limited	1.51	1.47
Balakumar Shipping & Clearing Agency Pvt Ltd	0.15	0.83
Texcity Sales and Services Private Limited	0.88	0.20
Aloha Tours & Travels(India) Pvt Ltd	0.17	
Mr. R.D. Anandakumar	-	-
Mr K.P.Krishnakumar	-	-
Mr R.Muthukumar	-	-
<b>Receivable</b>	<b>21.95</b>	<b>24.98</b>
The Lakshmi Mills Company Limited - Security Deposit	17.40	17.40
Lakshmi Automatic Loom Works Ltd - Employees Gratuity Fund	0.05	0.08
Mr. R. Muthukumar	4.50	7.50

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

₹ in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	41.64	37.26
Post-employment benefits	13.19	12.27



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### 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)

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, 2022	As at March 31, 2021
Net Debts	-	-
Total Equity	1,858.71	1,606.93
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, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Measured at amortised cost				
Others financial assets - Non Current	905.38	905.38	609.20	609.20



## Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Trade receivables	183.96	183.96	182.13	182.13
Cash and cash equivalents	9.51	9.51	19.95	19.95
Bank balances other than cash and cash equivalents	145.41	145.41	300.15	300.15
Other financial assets - Current	18.32	18.32	19.02	19.02
<b>Total financial assets</b>	<b>1,262.58</b>	<b>1,262.58</b>	<b>1,130.45</b>	<b>1,130.45</b>
<b>Financial liabilities</b>				
Measured at amortised cost				
Borrowings	395.25	395.25	434.28	434.28
Trade payables	18.66	18.66	12.84	12.84
Lease liabilities - Current / Non-current	44.81	44.81	60.28	60.28
Other financial liabilities - Non-current	349.78	349.78	239.98	239.98
Other financial liabilities - Current	6.86	6.86	133.09	133.09
<b>Total financial liabilities</b>	<b>815.36</b>	<b>815.36</b>	<b>880.47</b>	<b>880.47</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.

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, 2022 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).



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### 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

#### 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.



## Notes to the financial statements for the year ended March 31, 2022

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

₹ in Lakhs

	As at March 31, 2022	As at March 31, 2021
<u>Financial assets</u>		
Trade receivables	-	-
Advances	-	-
<b>Exposure to foreign currency risk (assets)</b>	<b>-</b>	<b>-</b>
<u>Financial liabilities</u>		
Trade payables	-	-
Advances from Customers	-	25.84
<b>Exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>25.84</b>
<b>Net exposure to foreign currency risk</b>	<b>-</b>	<b>(25.84)</b>

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from major foreign currency denominated financial instruments

₹ in Lakhs

	Impact on profit after tax	
	As at March 31, 2022	As at March 31, 2021
EURO sensitivity		
INR/EURO Increases by 5%	-	(0.86)
INR/ EURO Decreases by 5%	-	0.86

\* Holding all other variables constant

### 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, 2022, 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:



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowing from banks	282.12	349.28
Fixed rate borrowing		
- Banks	113.13	85.00
- Others	-	-
<b>Total borrowings</b>	<b>395.25</b>	<b>434.28</b>

#### Interest rate sensitivity analysis:

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in the profit for the year	(3.85)	(4.70)

A decrease in interest rates by 1% would have an opposite effect to the impact in the table above

#### (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.



## Notes to the financial statements for the year ended March 31, 2022

### 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, 2022	As at March 31, 2021
<b>Floating rate</b>		
- Expiring within one year(bank open credit facilities)	31.02	50.00

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.





## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Particulars	Maturing within 3 months	Maturing after 3 months but within a year	Maturing after 1 year but within 5 years	Total
<b>March 31, 2022</b>				
Borrowings	25.41	84.95	284.89	395.25
Trade payable	18.66	-	-	18.66
Lease liabilities	4.21	12.65	27.95	44.81
Rental security deposit	-	3.35	289.12	292.47
Payable on purchase of Property, plant and equipment	0.60	-	-	0.60
<b>Total</b>	<b>48.88</b>	<b>100.95</b>	<b>601.96</b>	<b>751.79</b>
<b>March 31, 2021</b>				
Borrowings	18.10	74.95	341.23	434.28
Trade payable	12.84	-	-	12.84
Lease liabilities	3.87	11.59	44.82	60.28
Rental security deposit	69.25	59.61	194.58	323.44
Payable on purchase of Property, plant and equipment	0.89	-	-	0.89
<b>Total</b>	<b>104.95</b>	<b>146.15</b>	<b>580.63</b>	<b>831.73</b>

#### 32.1 Disclosure of Ratios

Particulars	Formula	31.03.2022	31.03.2021	% change
a) Current Ratio	Current Assets / Current Liabilities	1.77	1.71	3.56 %
b) Debt-Equity Ratio	Total Debt/Share holders Equity	0.21	0.27	(21.32)%
c) Debt Service Coverage Ratio	Earnings available for servicing Debt/ Debt Service	2.28	3.50	(34.81)% *
d) Return on Equity Ratio	Net Profit after taxes / Average share holders equity	0.15	0.17	(14.34)%
e) Inventory turnover Ratio	Sales / Average inventory	6.37	7.60	(16.14)%
f) Trade Receivables turnover Ratio	Credit Sales/Average Trade Receivables	6.03	5.49	9.82 %
g) Trade Payables turnover Ratio	Credit Purchases/Average Trade Payables	9.62	8.03	19.86 %
h) Net Capital turnover Ratio	Turnover/Working Capital	6.27	4.11	52.51 % **
i) Net Profit Ratio	Profit after tax/Turnover	0.21	0.25	(13.54)%



## Notes to the financial statements for the year ended March 31, 2022

Particulars	Formula	31.03.2022	31.03.2021	% change
j) Return on Capital employed	Earnings before interest and tax/Capital Employed	0.23	0.26	(12.15)%
k) Return on Investment	Income generated from Investments/ Time Weighted average investments	N.A	N.A	N.A

Debt service = Interest & Lease Payments + Principal Repayments

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

\* Increase in repayment of principal amount of borrowings has resulted in the decrease of the ratio

\*\* Increase in turnover and decrease in average working capital has resulted in the increase of the ratio

Note: The Company has not made investments in financial assets (Equities, debt etc.) and hence Return on Investment ratio is not applicable.

### Other disclosures under Schedule III of the Companies Act, 2013

32.2 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

### 32.3 Additional disclosures under Schedule III of the Companies Act, 2013

- i. The Company did not undertake transactions that were not recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- ii. The Company has not made investments in any body corporate and hence disclosure regarding compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 does not apply.
- iii. The Company has not been declared a Wilful Defaulter by its lenders.
- iv. The Company does not hold any benami property and hence no proceedings have been initiated against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- v. The Company has not traded in cryptocurrencies or virtual currencies during the year.
- vi. The Company has not entered into transactions with Companies that have been struck off the Register of Companies



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the financial statements for the year ended March 31, 2022

- vii. The Company has not (which are material either individually or in the aggregate) advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii. The Company has not (which are material either individually or in the aggregate) received any funds from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ix. No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

#### 33.1 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 Receivable (Undiscounted)	As at March 31, 2022	As at March 31, 2021
Not later than one year	791.83	694.88
Later than one year and not later than 5 years	3412.13	1290.92

#### 33.2 DISCLOSURE AS REQUIRED UNDER IND AS 116-Leases-As Lessee

##### Movement of Lease Liability

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	60.28	74.47
Additions During the year	-	-
Repayments during the year	15.47	14.19
<b>Closing Balance</b>	<b>44.81</b>	<b>60.28</b>
Current	16.86	15.46
Non-Current	27.95	44.82
<b>Maturity</b>		
Within one year	16.86	15.46
1 - 5 years	27.95	44.82
More than five years	-	-

The effective Interest rate for the Lease Liabilities is 9%



## Notes to the financial statements for the year ended March 31, 2022

The following are the amounts recognised in the Statement of Profit and Loss

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of Right of Use Assets	16.25	16.25
Interest Expense on Lease Liabilities	5.42	6.70
Expense relating to Short Term Lease Liabilities	22.41	22.03
Expense relating to Lease of Low Value Assets	-	-
Income from Right of Use	-	-

Details regarding the contractual maturities of lease liabilities on an undiscounted basis

₹ in Lakhs

Future minimum lease payments Payable	As at March 31, 2022	As at March 31, 2021
Not later than one year	23.61	22.49
Later than one year and not later than 5 years	37.49	61.10

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease liabilities are monitored within the Company's treasury function. All lease obligations are denominated in currency units.

**34.1** The Financial Statements of Lakshmi Automatic Loom Works Limited were approved by the Board of Directors and authorised for issue on 26.05.2022

**34.2** The Final Dividend on shares is recorded as liability on the date of approval by the shareholders.

Dividend declared by the company are based on the profits available for distribution.

The Board of Directors have recommended a Dividend of ₹ 10/- (10%) each per equity share of the face value of ₹ 100/- each, subject to the approval of the shareholders at the ensuing Annual General Meeting. This will result in a total Dividend outgo of ₹ 66.88 Lakhs.

**35** 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.D. ANANDAKUMAR

Chief Executive Officer

Coimbatore  
May 26, 2022

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(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. 004083S

(Sd.) T.S.V. RAJAGOPAL

Partner

(Membership No. 200380)