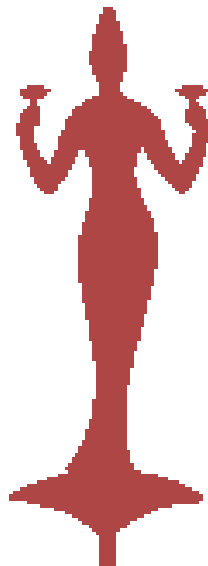


**LAKSHMI
AUTOMATIC LOOM WORKS
LIMITED**



45th Annual Report
2018-19



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Contents	Page
Notice to the Shareholders	2
Report of the Board of Directors to the Shareholders	14
Management Discussion and Analysis Report	37
Statutory Auditors' Report	39
Balance Sheet	47
Statement of Profit and Loss	49
Cash Flow Statement	52
Notes to the Financial Statements	53



Lakshmi Automatic Loom Works Limited

Board of Directors

Mr. S. PATHY
Chairman

Smt. AISHWARYA PATHY
Vice Chairperson

Mr. R. SANTHARAM

Mr. R.C.H. REDDY

Mr. R. VARADARAJAN

Mr. C. KAMATCHISUNDARAM

Mr. N. JAYCHANDER

Mr. R.R. BALASUNDHARAM

Chief Executive Officer

Mr. J. BALASUBRAMANIAM

Chief Financial Officer

Mr. K.P. KRISHNAKUMAR

Company Secretary

Mr. R. MUTHUKUMAR

Registered Office

686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641 037
Tamilnadu

CIN : L29269TZ1973PLC000680

Website : www.lakshmiautomatic.com

Email : contact@lakshmiautomatic.com

Business Segments :

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

Statutory Auditors

M/s. SUBBACHAR & SRINIVASAN
Chartered Accountants

Bankers

INDIAN BANK

Registrars and Share Transfer Agents

S.K.D.C. Consultants Ltd
Kanapathy Towers, 3rd Floor,
1391/A1, Sathy Road,
Ganapathy, Coimbatore - 641 006
Phone : +91-422-2539835, 2539836 & 4958995
Email : info@skdc-consultants.com



Lakshmi Automatic Loom Works Limited

CIN: L29269TZ1973PLC000680

686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037

Phone : +91- 422 - 2245484 - 85 Fax : +91- 422 - 2244887

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

Notice to the Shareholders

Notice is hereby given that the Forty Fifth Annual General Meeting of the shareholders of the Company will be held on Monday, the 16th day of September, 2019 at 4.00 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 for transacting the following business:

Agenda

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Report of the Board of Directors and the Report of the Auditors thereon.
2. To appoint a Director in the place of Sri S.Pathy (DIN No.00013899) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Smt.Aishwarya Pathy (DIN No. 00062114) who retires by rotation and being eligible offers herself for re-appointment.
4. To continue the appointment of Statutory Auditors of the Company without ratification at every Annual General Meeting and to fix their remuneration and in this regard to pass the following Resolution as an Ordinary Resolution.

"RESOLVED THAT, in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 28th July, 2017 and in accordance with the amended Section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 including any statutory enactments or modifications thereof, the approval of the Members be and is hereby accorded to continue the appointment of M/s.Subbachar & Srinivasan (Firm Registration No. 004083S), Chartered Accountants, Coimbatore at such remuneration as may be fixed by the Board of Directors as per the recommendations of the Audit Committee, to hold office till the conclusion of the Annual General Meeting to be held in the year 2022 and that the said appointment shall not be subject to ratification at every subsequent Annual General Meeting."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

Reappointment of Sri R.C.H.Reddy (DIN No. 00006184) as an Non Executive Independent Director.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri R.C.H.Reddy (DIN No.00006184) Non Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1) (b) of Listing Regulations and who is eligible for re-appointment, be and is hereby reappointed as an Non-Executive Independent Director of the Company to hold office for a second term from the date of this Annual General Meeting up to the expiry of 5 (five) consecutive years or the date of Fiftieth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation."



6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

Reappointment of Sri R.Varadarajan (DIN No.00001738) as an Non Executive Independent Director.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri R.Varadarajan (DIN No.00001738) Non Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1) (b) of Listing Regulations and who is eligible for re-appointment, be and is hereby reappointed as an Non-Executive Independent Director of the Company to hold office for a second term from the date of this Annual General Meeting up to the expiry of 5 (five) consecutive years or the date of Fiftieth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

Reappointment of Sri C.Kamatchisundaram (DIN No.06893086) as an Non Executive Independent Director.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri C.Kamatchisundaram (DIN No.06893086) Non Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1)(b) of Listing Regulations and who is eligible for re-appointment, be and is hereby reappointed as an Non-Executive Independent Director of the Company to hold office for a second term from the date of this Annual General Meeting up to the expiry of 5 (five) consecutive years or the date of Fiftieth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

Reappointment of Sri R.R.Balasundharam (DIN No.00007049) as an Non Executive Independent Director.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri R.R.Balasundharam (DIN No.00007049) Non Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1) (b) of Listing Regulations and who is eligible for re-appointment, be and is hereby reappointed as an Non-Executive Independent Director of the Company to hold office for a second term from the date of this Annual General Meeting up to the expiry of 5 (five) consecutive years or the date of Fiftieth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation."



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

9. To consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

Approval to the Board of Directors to letout/grant on lease the Land and Buildings of the Company at Hosur.

"RESOLVED THAT pursuant to the provisions of Section 180 (i)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, approval and consent of the Members of the Company be and is hereby granted to the Board of Directors to letout/grant on lease the Land and Buildings of the Company at Hosur as well as the buildings being constructed thereat, on a fair rental as prevailing in the area."

By Order of the Board of Directors
(Sd.) R. MUTHUKUMAR
Company Secretary and
Compliance Officer

Place : Coimbatore
Date : 05.08.2019

Explanatory Statement

[Pursuant to Section 102(1) of the Companies Act, 2013]

Item No.5, 6 & 7

Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram were appointed as Non Executive Independent Directors of the Company at the Annual General Meeting held on 18th September 2014 for a period of 5 consecutive years which expires on 17th September, 2019.

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office on the Board of the Company for a term of upto five consecutive years and shall be eligible for reappointment on passing a Special Resolution by the Company for another term of upto five consecutive years.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation of Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram has recommended their re-appointment as Independent Directors to hold office for a second term from the date of this Annual General Meeting upto the expiry of 5(five) consecutive years or the date of the Fifteth Annual General Meeting to be held in 2024 whichever is earlier. Further, the Board of Directors are of the opinion that the continued association of Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram would be beneficial to the Company.

Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram are not disqualified from being appointed as Directors in terms of Section 164 of the Act and are not debarred from holding the office of Director by virtue of any Securities Exchange Board of India ('SEBI') order or any other such authority.

Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram has given their consent to act as Directors along with the declaration stating that they meet with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In the opinion of the Board, Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram fulfill the conditions for re-appointment as Independent Directors as specified in the Act and the SEBI Listing Regulations and are independent of the Management.



The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram for the office of Independent Directors of the Company.

Brief resumes of Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram, nature of their expertise in specific functional areas and name of Companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of SEBI Listing Regulations, forms a part of this Notice.

Sri R.C.H.Reddy holds 594 shares of the Company and may be deemed to be concerned or interested, financially or otherwise in the resolution set out at Item No.5 of the Notice, to the extent of his shareholding in respect of his appointment.

Sri R.Varadarajan and Sri C.Kamatchisundaram are interested in the resolutions set out at Item Nos.6 & 7 of the Notice, with regard to their appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise, in these resolutions.

Sri R.C.H.Reddy has attained the age of more than 75 years. The age restriction in terms of Regulation 17(1A) of SEBI Listing Regulations, (as amended) is not applicable in view of the exemption of the said Regulation to the Company pursuant to Regulation 15(2)(a) of SEBI Listing Regulations.

The Board recommends the Special Resolutions set out in item Nos.5,6 & 7 of the Notice for approval by the shareholders.

Item No.8

Sri R.R.Balasundharam was appointed as an Non Executive Independent Director of the Company in the casual vacancy at the Annual General Meeting held on 23rd September 2015 for a period of 4 consecutive years which expires on 22nd September 2019.

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office on the Board of the Company for a term of upto five consecutive years and shall be eligible for reappointment on passing a Special Resolution by the Company for another term of upto five consecutive years.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation of Sri R.R.Balasundharam recommended his re-appointment as Independent Director to hold office for a second term from the date of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the date of the Fiftieth Annual General Meeting to be held in 2024 whichever is earlier. Further, the Board of Directors are of the opinion that the continued association of Sri R.R.Balasundharam would be beneficial to the Company.

Sri R.R.Balasundharam is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India ('SEBI ') order or any other such authority.

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

In the opinion of the Board, Sri R.R.Balasundharam fulfill the conditions for re-appointment as a Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the Management.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Sri R.R.Balasundharam for the office of Independent Director of the Company.

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

Sri R.R.Balasundharam holds 10,300 shares of the Company and may be deemed to be concerned or interested, financially or otherwise in the resolution set out at Item No.8 of the Notice, to the extent of his shareholding in respect of his appointment.

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

Sri R.R.Balasundharam will be attaining the age of 75 years during the tenure of his Directorship. The age restriction in terms of Regulation 17(1A) of SEBI Listing Regulations, (as amended) is not applicable in view of the exemption of the said Regulation to the Company pursuant to Regulation 15(2)(a) of SEBI Listing Regulations.

The Board recommends the Special Resolution set out in item No.8 of the Notice for approval by the shareholders.

Item No.9

Members of the Company are requested to note that Section 180 (i)(a) of the Companies Act, 2013 mandates that the Board of Directors of a Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the Company with the approval of the Members of the Company by way of Special Resolution. Explanation (i) to Section 180(i)(a) of the Companies Act, 2013 defines an "undertaking" in which the investment of a Company exceeds twenty percent of the Company's networth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the Company during the previous financial year. Explanation (i) to Section 180(i)(a) of the Companies Act, 2013 states that the meaning of substantially the whole of the undertaking for the purpose of Section 180(i)(a) is, in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

In accordance with the Scheme sanctioned by the BIFR vide its order dated 18.02.2009, the Company has been letting out its idle buildings in augmenting its revenue. In view of the demand for Building space at Hosur on account of the proximity to Bangalore, the Company has taken up construction of additional Buildings for leasing it out in furtherance of the Company's revenue. Accordingly, pursuant to Section 180(i)(a) of the Companies Act, 2013, Members of the Company are requested to accord their consent by way of a Special Resolution for leasing-out the Land and Buildings of the Company at a fair rental as prevailing in the area.

The Board recommends the Special Resolution set out in item No.9 of the Notice for approval by the shareholders.

Place : Coimbatore
Date : 05.08.2019

By Order of the Board of Directors
(Sd.) R. MUTHUKUMAR
Company Secretary and
Compliance Officer



Notes:

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

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. 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.11 forms part of the Notice.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
7. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, September 10, 2019 to Monday, September 16, 2019 (both days inclusive).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA M/s. S.K.D.C. Consultants Ltd.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website at www.lakshmiautomatic.com, under the section "Investors".
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA M/s. S.K.D.C. Consultants Ltd. for consolidation into a single folio.
11. Non-Resident Indian Members are requested to inform RTA M/s. S.K.D.C. Consultants Ltd., immediately of:
 - a) Change in their residential status on return to India for permanent settlement.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pincode number, if not furnished earlier.
12. No unpaid and unclaimed Dividend amounts as referred to in sub section (5) of Section 124 of the Companies Act, 2013 for a period of 7 years remain to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.
13. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the Meeting, so that the information required can be made available at the Meeting.
14. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.**
15. As per SEBI (Listing Obligation 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.

16. Electronic Voting

Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose e-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their e-mail id, physical copy of Annual Report and AGM Notice for the year 2018-19 are sent through the permitted mode separately.

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 45th Annual General Meeting scheduled to be held on Monday the 16th day of September 2019 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. The facility for voting through Ballot paper shall be made available at the Annual General Meeting and the members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by 'Remote e-voting' may vote at the meeting through Ballot paper.
- III. **Instructions to Members for e-voting are as under:**
- (a) Date and time of commencement of voting through electronic means: 13th September, 2019 at 9.00 A.M.
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: 15th September, 2019 at 5.00 P.M.
- (c) Details of Website : www.evoting.nsdcl.com
- (d) Details of persons to be contacted for issues relating to e-voting:

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

Phone : +91-422-4958995, 2539835-36 Email Id : info@skdc-consultants.com
Fax : +91-422-2539837 Website : www.skdc-consultants.com



The Remote e-voting module shall be disabled for voting on 15th September, 2019 at 5.00 P.M. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of members shall be in proportion to their share in the paid up equity share capital of the Company as on 9th September, 2019 (cut-off date).

IV. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)] :

- (i) Open email and open PDF file viz; "LALW AGM remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nSDL.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "**Lakshmi Automatic Loom Works Limited**".
- (viii) Now you are ready for Remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bkcacbe@gmail.com with a copy marked to evoting@nSDL.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Proxy Form for the Annual General Meeting

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

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and Remote e-voting user manual for Members available at the downloads section of www.evoting.nSDL.com or call on Toll Free No.: 1800-222-990.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- VI. If you are already registered with NSDL for Remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 9th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.
- However, if you are already registered with NSDL for Remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No. : 1800-222-990 or you can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- IX. A member may participate in the Annual General Meeting even after exercising his right to vote through Remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- X. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-voting as well as voting at the Annual General Meeting through Ballot paper.
- XI. Sri.B.Krishnamoorthi, Practising Chartered Accountant (Membership No. 20439) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the Remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through Remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will collate the votes downloaded from the e-voting system, and the votes cast at the Annual General Meeting and make a Scrutinizer's Report of the votes cast in favour or against, if any, within 2 days of conclusion of the meeting to the Chairman of the Company who shall countersign the same and declare the results of the voting forthwith.
- XIV. The results declared along with the Scrutinizer's Report shall be available on the Company's website: www.lakshmiautomatic.com and on the website of NSDL and communicated to the BSE Limited, Mumbai immediately after the declaration of the result by the Chairman.

By Order of the Board of Directors
(Sd.) R. MUTHUKUMAR
Company Secretary and
Compliance Officer

Place : Coimbatore
Date : 05.08.2019



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

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

Name of Director	Sri S.Pathy	Smt Aishwarya Pathy
DIN	00013899	00062114
Date of Birth	17-11-1949	24-11-1981
Date of appointment on the Board	15-12-1973	23-05-2012
Relationship with other Directors	Related to Smt Aishwarya Pathy	Related to Sri S.Pathy, Chairman
Qualifications	B.Com. ,	BA graduate of the Wheaton College, Norton, MA (MASSACHUSETTS) and Intl. Baccalaureate in Art History, Business and Organisation, Spanish.
Experience	46 Years	7 Years
Nature of Expertise	Vast Experience in Textile Industry in various fields of Management	Well acquainted in Business Management practices including Financial Management.
Number of Shares held	4,70,178 shares	8,12,909 shares
Number of Board Meetings attended during the year	4	2
Terms and Conditions of appointment	Retires by rotation and eligible for re-appointment	Retires by rotation and eligible for re-appointment
Remuneration sought to be paid	Nil - Other than Sitting Fees	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid Rs.40,000	Nil - Sitting Fees paid Rs.36,000
Directorships held in other Companies	The Lakshmi Mills Company Ltd Lakshmi Machine Works Ltd LCC Investments Ltd Lakshmi Card Clothing Mfg. Co. P. Ltd The Coimbatore Lakshmi Cotton Press P. Ltd Sans Craintes Stud Farm P. Ltd Sans Craintes Livestock P. Ltd Sans Craintes Racing & Blood Stock P. Ltd Rasakondalu Developers P. Ltd Sans Craintes Power P. Ltd	Aloha Tours & Travels India P. Ltd RSCL Properties P. Ltd Lavik Holdings P. Ltd Balakumar Shipping & Clearing Agency P. Ltd Argead Enterprises P. Ltd Sans Craintes Power P. Ltd Cocca Art & Design Institute P. Ltd Vaidya Investments P. Ltd Petals Hotels P. Ltd. Lavik Estates Ltd
Committee Chairmanship / Memberships held in other Companies	Nomination and Remuneration Committee: Lakshmi Machine Works Ltd - Member	Nomination and Remuneration Committee: Lakshmi Automatic Loom Works Ltd - Member



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Name of Director	Sri R.C.H.Reddy	Sri R.Varadarajan
DIN	00006184	00001738
Date of Birth	01.06.1935	22.04.1958
Date of appointment on the Board	22.04.2005	23.05.2012
Relationship with other Directors	None	None
Qualifications	B.Sc.(Tech), Diploma in Business Management	M.A., M.B.A.,
Experience	55 Years	33 Years
Nature of Expertise	In depth Knowledge in various fields of Textile Machinery & Other Engineering Manufacturing industries including its Design, Manufacturing and Marketing.	Experience in co-ordination and managing diverse activities in executing green field projects from strategic planning to technical and commercial operations and development activities in the fields of sugar, distillery to co-generation of Power
Number of Shares held	594 shares	-
Number of Board Meetings attended during the year	4	3
Terms and Conditions of appointment	Appointed as Independent Director for a term of 5 years w.e.f. 18/09/2014 and not liable to retire by rotation	Appointed as Independent Director for a term of 5 years w.e.f. 18/09/2014 and not liable to retire by rotation
Remuneration sought to be paid	Nil - Other than Sitting Fees	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid Rs. 1,04,000	Nil - Sitting Fees paid Rs. 78,000
Directorships held in other Companies	Rajshree Sugars & Chemicals Ltd. Lakshmi Electrical Drives Ltd. Lakshmi Precision Tools Ltd. Harshni Textiles Ltd. Lakshmi Ring Travellers (Cbe) Ltd Lakshmi Card Clothing Mfg. Co P. Ltd	Rajshree Sugars and Chemicals Ltd Sri Krishna Potable Products P. Ltd Cocca Art & Design Institute P. Ltd Petals Hotels P. Ltd.
Committee Chairmanship / Memberships held in other Companies	Audit Committee: Lakshmi Automatic Loom Works Ltd - Chairman Rajshree Sugars & Chemicals Ltd - Member Harshni Textiles Ltd - Member Stakeholders Relationship Committee: Lakshmi Automatic Loom Works Ltd - Member Nomination and Remuneration Committee: Lakshmi Automatic Loom Works Ltd - Chairman Rajshree Sugars & Chemicals Ltd - Member Lakshmi Ring Travellers (Cbe) Ltd -Member	Audit Committee: Lakshmi Automatic Loom Works Ltd - Member Stakeholders Relationship Committee: Rajshree Sugars and Chemicals Ltd - Member Nomination and Remuneration Committee: Lakshmi Automatic Loom Works Ltd- Member



Name of Director	Sri C.Kamatchisundaram	Sri R.R.Balasundharam
DIN	06893086	00007049
Date of Birth	22-05-1961	03-10-1946
Date of appointment on the Board	01-08-2014	20-05-2015
Relationship with other Directors	None	None
Qualifications	MBA	DME
Experience	35 Years	45 Years
Nature of Expertise	Expertise in Textile Industry and Textile Machinery Industry which includes Business Management, Operational Management, Sales and Services, Process Management and Driving Business improvement initiatives.	Expertise in Manufacturing and Selling of Textile Machinery Accessories; associated with Organizations of Public Cause.
Number of Shares held	-	10,300 shares
Number of Board Meetings attended during the year	4	4
Terms and Conditions of appointment	Appointed as Independent Director for a term of 5 years w.e.f. 18/09/2014 and not liable to retire by rotation	Appointed as Independent Director for a term of 4 years w.e.f. 23/09/2015 and not liable to retire by rotation
Remuneration sought to be paid	Nil - Other than Sitting Fees	Nil - Other than Sitting Fees
Remuneration last drawn	Nil - Sitting Fees paid Rs.48,000	Nil - Sitting Fees paid Rs.80,000
Directorships held in other Companies	None	Texcity Sales and Services P. Ltd Sans Craintes Stud Farm P. Ltd Sans Craintes Livestock P. Ltd
Committee Chairmanship / Memberships held in other Companies	None	Audit Committee Lakshmi Automatic Loom Works Ltd - Member



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Fifth Annual Report together with the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss for the year ended 31st March, 2019.

Financial Summary / Highlights

₹ in lakhs

	2018-19	2017-18
Sales and other income	895.01	831.38
Profit before Depreciation and Amortization Expenses	224.99	272.08
Depreciation and Amortization Expenses	46.99	35.99
	178.03	236.09
Add : Comprehensive Income	1.97	1.18
	180.00	237.27
Less : Tax Expense		
Current Tax	(-) 44.17	(-) 61.96
Deferred Tax	(-) 8.03	(-) 1.24
Net Profit / Loss (-)	127.80	174.07
Add: Balance from the Previous year	(-) 568.51	(-) 742.58
Balance Carried Over	(-) 440.71	(-) 568.51

Indian Accounting Standards

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

Operations

The operations during the year have resulted in a net profit of ₹ 180.00 lakhs after providing for depreciation and amortization of expenses of ₹ 46.99 lakhs. The net profit after Tax for the year is ₹ 127.80 lakhs.

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

The Warehousing Rental Services segment consists of Warehousing Rental income on the Land and Buildings at Hosur and the Other Engineering Services segment consists of Manufacture and Sale of Accessories and Spares of Weaving and Knitting Machines and Parts and Accessories for Machine Tools.

Warehousing Rental Services - Unit 1

The income generated from Warehousing Rental Services during the year was ₹ 481.34 lakhs against ₹ 458.75 lakhs in the previous year.

Other Engineering Services - Unit 2

The sale of Accessories and Spares of Weaving Machines during the year was ₹ 131.07 lakhs against ₹ 69.06 lakhs in the previous year. The sale of Parts and Accessories for Machine Tools during the year was ₹ 185.62 lakhs against ₹ 194.69 lakhs in the previous year.



Outlook

The Company's income mainly consists of Warehousing Rental income on Land and Buildings at Hosur. In view of the demand for Warehousing Space at Hosur, near Bangalore, the Company is constructing additional Buildings in the existing land to augment its revenue.

Share Capital

The 4,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- each were reclassified into (a) 2,00,000 - 6% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each and (b) 2,00,000-6% Non Cumulative Optionally Convertible Preference Shares of Rs. 100/- each fully paidup.

As approved by the shareholders at their meeting held on 19.09.2018 :

- a) The 2,00,000 - 6% Non Cumulative Compulsorily Convertible Preference Shares (CCPS) of ₹ 100/- each have been converted into 2,91,757 Equity Shares of ₹ 10/- each fully paid up at a premium of ₹ 58.55 per share, on preferential basis to Promoter and Promoters group on 16.10.2018.
- b) The 2,00,000 - 6% Non Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 100/- each have been converted into 2,91,757 Equity Shares of ₹ 10/- each fully paid up at a premium of ₹ 58.55 per share on the option exercised by the Optionally Convertible Preference Shareholder on 10.05.2019, on preferential basis to the Promoter and Promoter group. After the said conversions, the issued and paid-up Equity Capital of the Company stands at ₹ 6,68,75,020/- and the paid-up Preference Capital of ₹ 4,00,00,000/- of the Company was reduced to Nil.

Deposits

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

Extract of Annual Return

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

Board and its Committee Meetings conducted during the year under review.

Four Meetings of the Board of Directors were held on 24.05.2018, 07.08.2018, 13.11.2018 and 11.02.2019, during the Financial Year from 1st April, 2018 to 31st March, 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Attendance of each Director at the Meetings of the Board and various Committees of the Board during the Financial Year ended 31st March, 2019 are as below:



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

Audit Committee

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

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

The Company Secretary is the Secretary of the Audit Committee.

Four Committee Meetings were held during the Financial Year ended 31st March, 2019 on 24.05.2018, 07.08.2018, 13.11.2018 and 11.02.2019. The Statutory Auditors, Internal Auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee Meetings on invitation. The Senior Managerial Personnel attend the meetings as may be required by the Committee.

Nomination and Remuneration Committee:

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

1.	Sri R.C.H.Reddy	Chairman	Independent Director
2.	Sri 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, 2019 on 07.08.2018 and 11.02.2019.



Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration in terms of Section 178(3) of the Companies Act, 2013. The Nomination and Remuneration Policy as approved by the Board is disclosed on the Company's website at the link at : <http://www.lakshmiautomatic.com/investors/policies/nomination-and-remuneration-policy/> in terms of the proviso to Section 178(4) of the Companies Act, 2013.

Salient Features of the Policy include:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the manufacturing sector.
- To carryout evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To compensate them to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons.
- To perform such other functions as may be necessary as appropriate for the performance of the Directors.

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 2018-19. Accordingly a peer evaluation excluding the Director evaluated was carried out by the Board on 11.02.2019. 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 11.02.2019 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, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departure, if any;



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- 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 2019 and of the profit of the Company for the year ended 31st March, 2019;
- 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, 2019 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 Obligation 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 Obligation 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.004083S) in the Auditors' Report.

Secretarial Auditor

The Board has appointed Mr.M.R.L.Narasimha, Practising Company Secretary, (Membership No.2851, CP 799) to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed to this Report as Annexure 2. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of Loans, Guarantees or Investments:

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

Related Party Transactions:

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

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



Dividend

The Directors were unable to recommend a dividend on the Equity Shares for the year on account of carried over previous years' losses. The Preference Shareholder has given consent in writing for waiver of the Dividend and the shares have since been converted into Equity Shares as approved by the shareholders.

Risk Management

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

Corporate Social Responsibility

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

Directors and Key Managerial Personnel

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

The tenure of Sri R.C.H.Reddy, Sri R.Varadarajan and Sri C.Kamatchisundaram Independent Directors of the Company expires on 17th September, 2019 and the tenure of Sri R.R.Balasundharam on 22nd September 2019. The Nomination and Remuneration Committee and the Board of Directors having regard to the credentials and vast experience of the Independent Directors have recommended the re-appointment of Sri R.C.H.Reddy, Sri R.Varadarajan, Sri C.Kamatchisundaram and Sri R.R.Balasundharam, as Non-Executive Independent Directors of the Company for a second term of 5 (five) consecutive years to the members for their approval at the ensuing Annual General Meeting. There are no other changes 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 3 forming part of the Board's Report.

Internal Financial Controls

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

Auditors

M/s.Subbachar & Srinivasan, Chartered Accountants, have been appointed as the Statutory Auditors of the Company, for a term of five financial years, commencing from 2017-18 at the 43rd Annual General Meeting held on 28th July 2017. Pursuant to the amendment of Section 139 of the Companies Act, 2013, the Company is no longer required to seek the ratification of the appointment of the Auditors at every Annual General Meeting. Accordingly, it has been proposed to obtain the approval of the members to continue the appointment of the Statutory Auditors without ratification of their appointment at every Annual General Meeting.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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. Members are requested to grant their approval for the continuation of the appointment of the Auditors for a period up to the conclusion of the Annual General Meeting to be held in 2022 without ratification at every Annual General Meeting.

Report on Corporate Governance and Management Discussion and Analysis

The report on Management Discussions and Analysis (Annexure 4) form 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) 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 5 to the Annual Report. However, as a good Corporate Governance practice the company has implemented 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, 2019.

A copy of the Vigil Mechanism / Whistle Blower Policy is posted on the Company's website at 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 reported during the year under review.

Demat Suspense Account / Unclaimed Suspense Account

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

S.No	Particulars	No of Share holders	No. of Shares
(a)	Aggregate Number of Shareholders and the outstanding shares held in Demat suspense account lying at the beginning of years.	1107	3191
(b)	Number of Shareholders who approached the Company for transfer of shares from suspense account during the year.	1	6
(c)	Number of Shareholders to whom share were transferred from Suspense account during the year	1	6
(d)	Aggregate Number of Shareholders and the outstanding Shares in the suspense account lying at the end of the year	1106	3185
(e)	The Voting Rights on these shares shall remain frozen till the rightful owner of such shares claims the Shares.	1106	3185



General

Information with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended hereto.

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

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

Your Directors further state that during the year under review:

1. 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. The Annual Listing Fees for the year 2019-20 has been paid by the Company to BSE Limited.
4. 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 : 05.08.2019

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

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

A. Conservation of Energy:

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

B. Technology Absorption:

- (i) Efforts made towards Technology Absorption.

The Company has fully absorbed the technology in manufacturing Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines.

- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution :

The quality Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines and Parts for Machine Tools 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. : ₹ 83.69 lakhs

Total Foreign Exchange outgo during the year. : —

Coimbatore
05.08.2019

By Order of the Board

(Sd.) **S. PATHY**

Chairman

DIN : 00013899



ANNEXURE-1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L29269TZ1973PLC000680
ii)	Registration Date	12.12.1973
iii)	Name of the Company	Lakshmi Automatic Loom Works Limited
iv)	Category of the Company	Public Company
	Sub-Category of the Company	Limited by Shares
v)	Address of the Registered Office and contact details	686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037 Phone : +91 - 422 - 2245484 - 85 Fax.No : +91 - 422 - 2244887 E Mail ID : contact@lakshmiautomatic.com Website : www.lakshmiautomatic.com
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent. (RTA)	M/s. S.K.D.C. Consultants Limited 3 rd Floor, Kanapati Towers, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006 Phone : +91 - 422 - 2539835 - 36, & 4958995 Fax No : +91 - 422 - 2539837 E Mail ID : info@skdc-consultants.com Website : www.skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Accessories & Spares for Weaving & Knitting Machines	3538	15.88%
2.	Parts & Accessories for Machine Tools including Tool Holders	3570	25.22%
3.	Receiving Services (Receipt of Warehousing rental charges)	5210	58.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2018)				No. of Shares held at the end of the year (as on 31 st March, 2019)				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	58440	-	58440	0.957	58440	-	58440	0.914	(-) 0.043
b)	Central Govt									
c)	State Govt(s)									
d)	Bodies Corporates	330000	-	330000	5.406	548817	-	548817	8.581	(+) 3.175
e)	Banks / FI									
f)	Any other									
f. (i)	Director & their Relatives	1210587	50	1210637	19.834	1288287	-	1288287	20.143	(+) 0.309
	Sub Total (A)(1)	1599027	50	1599077	26.197	1895544	-	1895544	29.638	(+) 3.441
(2)	Foreign									
a)	NRIs - Individuals									
b)	Other individuals									
c)	Bodies Corporates									
d)	Banks / FI									
e)	Any other									
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1599027	50	1599077	26.197	1895544	-	1895544	29.638	(+) 3.441
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds									
b)	Banks / FI	-	23000	23000	0.377	20000	3000	23000	0.360	(-) 0.017
c)	Central Govt									
d)	State Govt(s)									
e)	Venture Capital Funds									
f)	Insurance Companies	1392016	-	1392016	22.805	1382211	-	1382211	21.611	(-) 1.194
g)	FIs									
h)	Foreign Venture Capital Funds									
i)	Others (specify)									
	Sub-total (B)(1)	1392016	23000	1415016	23.182	1402211	3000	1405211	21.971	(-) 1.211



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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2018)				No. of Shares held at the end of the year (as on 31 st March, 2019)				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2.	Non-Institutions									
a)	Bodies Corporates									
i)	Indian	12543	1149095	1161638	19.031	626167	533895	1160062	18.138	(-)0.893
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	154618	453072	607690	9.954	218015	388452	606467	9.482	(-) 0.472
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11891	-	11891	0.195	12099	-	12099	0.189	(-) 0.006
c)	Others (specify)									
i)	Trusts	2	-	2	0.000	2	-	2	0.000	-
ii)	Directors & their Relatives	594	27350	27944	0.458	27948	-	27948	0.437	(-) 0.021
iii)	Non Resident Indians	4199	143130	147329	2.414	4235	139630	143865	2.249	(-)0.165
iv)	Overseas Corporate Bodies	-	1125000	1125000	18.431	-	1125000	1125000	17.590	(-)0.841
v)	Clearing Members	-	-	-	-	7601	-	7601	0.119	(+)0.119
vi)	Hindu Un-divided Families	8401	-	8401	0.138	8761	-	8761	0.137	(-)0.001
vii)	Unclaimed Shares Suspense Account	-	-	-	-	3185	-	3185	0.050	(+)0.050
	Sub-total (B)(2)	192248	2897647	3089895	50.621	908013	2186977	3094990	48.391	(-)2.230
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	1584264	2920647	4504911	73.803	2310224	2189977	4500201	70.362	(-) 3.441
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	3183291	2920697	6103988	100.000	4205768	2189977	6395745	100.000	-



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ii) Shareholding of Promoters

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2018			No. of Shares held at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	Sri S Pathy	470078	7.701	-	470178	7.351	-	(-)0.350
2	Smt Rajshree Pathy	5000	0.082	-	5000	0.078	-	(-)0.004
3	Sri Aditya Krishna Pathy	200	0.003	-	200	0.003	-	0.000
4	Smt Aiswarya Pathy	735359	12.047	-	812909	12.710	-	(+)0.663
5	Sri K Arjun	38966	0.638	-	38966	0.609	-	(-)0.029
6	Sri K Nithin	17166	0.281	-	17166	0.268	-	(-)0.013
7	Smt D. Thayarammal	2308	0.038	-	-	-	-	(-)0.038
8	Ms. Shivali Jayavarthanavelu	-	-	-	2308	0.036	-	(+)0.036
9	M/s. The Lakshmi Mills Company Ltd	330000	5.406	-	330000	5.160	-	(-)0.247
10	M/s. Lakshmi Card Clothing Mfg. Co. P. Ltd	-	-	-	145877	2.281	-	(+)2.281
11	M/s. Infocus Marketing and Services Ltd	-	-	-	72940	1.140	-	(+)1.140
	Total	1599077	26.197	-	1895544	29.638	-	(+)3.441



iii) Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Sri S.Pathy				
	At the beginning of the year 01.04.2018	470078	7.701	470078	7.350
	Bought during the year on the following date:				
	09.01.2019	100	0.002	470178	7.351
	At the end of the year			470178	7.351
2.	Smt. Aishwarya Pathy				
	At the beginning of the year 01.04.2018	735359	12.047	735359	11.498
	Allotted / Bought during the year on the following date:				
	16.10.2018				
	Allotment of Equity Shares on conversion of CCPS	72940	1.140	808299	12.638
	24.11.2018	4350	0.068	812649	12.706
	04.02.2019	260	0.004	812909	12.710
	At the end of the year			812909	12.710
3.	Smt D.Thayarammal				
	At the beginning of the year 01.04.2018	2308	0.038	2308	0.038
	Sold during the year on the following date:				
	07.03.2019	(-)2308	(-)0.036	0	0.000
	At the end of the year			0	0.000
4.	Ms.Shivali Jayavarthanelu				
	At the beginning of the year 01.04.2018	0	0.000	0	0.000
	Bought during the year on the following date:				
	07.03.2019	2308	0.036	2308	0.036
	At the end of the year			2308	0.036
5.	M/s.Lakshmi Card Clothing Mfg. Co.P.Ltd				
	At the beginning of the year 01.04.2018	0	0.000	0	0.000
	Allotted / Bought during the year on the following date:				
	16.10.2018				
	Allotment of Equity Shares on conversion of CCPS	145877	2.281	145877	2.281
	At the end of the year			145877	2.281
6.	M/s.Infocus Marketing and Services Ltd.				
	At the beginning of the year 01.04.2018	0	0.000	0	0.000
	Allotted / Bought during the year on the following date:				
	16.10.2018				
	Allotment of Equity Shares on conversion of CCPS	72940	1.140	72940	1.140
	At the end of the year			72940	1.140

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

The Changes in Percentage of Total Shareholdings is due to increase in the Equity Share Capital on conversion of CCPS



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

iv) Shareholding Pattern of Top Ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2018	3573326	58.541		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) :				
1	ITEMA (SWITZERLAND) LTD	1000000	16.383	1000000	15.635
2	VOLTAS LTD	615200	10.079	615200	9.619
3	LAKSHMI MACHINE WORKS LIMITED	441110	7.227	441110	6.897
4	UNITED INDIA INSURANCE COMPANY LIMITED	300186	4.918	300186	4.694
5	THE NEW INDIA ASSURANCE COMPANY LIMITED	300000	4.915	300000	4.691
6	GENERAL INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 01.04.2018	294500	4.825	294500	4.605
	Sold during the year on the following dates				
	01.06.2018 Transfer (Sold)	(-)5000	(-)0.078	289500	4.526
	08.06.2018 Transfer (Sold)	(-)4181	(-)0.065	285319	4.461
	22.06.2018 Transfer (Sold)	(-)624	(-)0.010	284695	4.451
	At the end of the year 31.03.2019			284695	4.451
7	LIFE INSURANCE CORPORATION OF INDIA	200000	3.277	200000	3.127
8	NATIONAL INSURANCE COMPANY LTD	160000	2.621	160000	2.502
9	THE ORIENTAL INSURANCE COMPANY LIMITED	137330	2.250	137330	2.147
10	TERROT STRICKMASCHINEN GmbH, GERMANY	125000	2.048	125000	1.954
	At the end of the year 31.03.2019			3563521	55.717



v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	DIRECTORS				
1	Sri S.Pathy				
	At the beginning of the year	470078	7.701	470078	7.350
	Bought during the year on 09.01.2019	100	0.002	470178	7.351
	At the end of the year			470178	7.351
2	Sri R.Santharam	-	-	-	-
3	Sri R.C.H.Reddy				
	At the beginning of the year	594	0.010	594	0.009
	Bought or Sold during the year				
	At the end of the year			594	0.009
4	Smt. Aishwarya Pathy				
	At the beginning of the year	735359	12.047	735359	11.498
	Alloted/Bought during the year on the following dates:				
	16.10.2018 Allotment of Equity Shares on conversion of CCPS	72940	1.140	808299	12.638
	24.11.2018	4350	0.068	812649	12.706
	04.02.2019	260	0.004	812909	12.710
	At the end of the year			812909	12.710
5	Sri R.Varadarajan	-	-	-	-
6	Sri C.Kamatchisundaram	-	-	-	-
7	Sri N.Jaychander				
	At the beginning of the year	1850	0.030	1850	0.029
	Bought or Sold during the year	-	-	-	-
	At the end of the year			1850	0.029
8	Sri R.R.Balasundharam				
	At the beginning of the year	10300	0.169	10300	0.161
	Bought or Sold during the year	-	-	-	-
	At the end of the year			10300	0.161
	KEY MANAGERIAL PERSONNEL				
9	Sri J.Balasubramaniam	-	-	-	-
10	Sri K.P.Krishnakumar	-	-	-	-
11	Sri R.Muthukumar	-	-	-	-



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

V. INDEBTEDNESS -

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

₹ in Lakhs

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	256.23	400.00	10.00	666.23
ii) Interest due but not paid	-	-	0.53	0.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	256.23	400.00	10.53	666.76
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	105.04	200.00	-	305.04
Net Change	151.19	200.00	10.53	361.72
Indebtedness at the end of the financial year				
i) Principal Amount	151.19	200.00	10.53	361.72
ii) Interest due but not paid	-	-	0.53	0.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	151.19	200.00	11.06	362.25

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

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

**B. Remuneration to Other Directors**

Amount in ₹

S. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / Committee Meetings	Commission	Others, please specify	
1	Independent Directors				
	Sri R.C.H.Reddy	1,04,000	—	—	1,04,000
	Sri R. Varadarajan	78,000	—	—	78,000
	Sri C.Kamatchi Sundaram	48,000	—	—	48,000
	Sri R.R.Balasundharam	80,000	—	—	80,000
	Total (1)	3,10,000	—	—	3,10,000
2	Other Non-Executive Directors				
	Sri S.Pathy	40,000	—	—	40,000
	Sri R.Santharam	52,000	—	—	52,000
	Smt Aishwarya Pathy	36,000	—	—	36,000
	Sri N.Jayachander	48,000	—	—	48,000
	Total (2)	1,76,000	—	—	1,76,000
	Total (B)=(1+2)	4,86,000	—	—	4,86,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	—	—	—	—



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

Amount in ₹

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Company Secretary	Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	13,81,307	8,96,583	10,68,000	33,45,890
	(b) Value of perquisites under section 17(2) of the Income-Tax Act, 1961				
	i Motor Car with Driver	32,400	-	-	32,400
	ii Medical expenses reimbursed	-	30,240	-	30,240
	iii Electric energy reimbursed	16,356	-	-	16,356
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission				
	- as % of profit	NA	NA	NA	NA
	- others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	14,30,063	9,26,823	10,68,000	34,24,886

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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 - 641037

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

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the Financial Year ended 31st March, 2019 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, 2019 (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.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

2. I am informed that, for the Financial Year ended on March 31, 2019 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, 2009;
 - e) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
3. The Company is not engaged in an industry regulated by a Sectoral Regulator.
 - i. I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
 - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - iii. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2019 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
4. I further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Independent Directors, Non Independent Directors and a Women Director. There were no changes in the composition of the Board of Directors during the period under review.
 - (ii) Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings along with agenda and detailed notes on agenda were sent at least seven days in advance before the Meeting.
 - (iii) A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting Directors' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - (iv) There are adequate systems and processes in the Company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Coimbatore
Date : 05.08.2019

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



Annexure 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, 2019 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.

Place : Coimbatore
Date : 05.08.2019

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ANNEXURE 3

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 31-03-2019 : 55 (Fifty Five only).
3. Average percentile increase in the salaries other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and if there are any exceptional circumstances for increase in the managerial remuneration:

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

4. Affirmation that the remuneration is as per the remuneration policy of the Company: YES

5. Particulars of Employees

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



Management Discussion and Analysis Report

I. Industry Structure and Development:

On the advent of shuttleless technology, the demand for high speed automatic 'C' type Shuttle Weaving Machines manufactured by the Company was affected. As the market for the Company's 'C' type shuttle loom was eroded, only spares and accessories for the Company's shuttle looms were manufactured during the year.

In order to augment the revenue the available building space is rented out to logistic services providers. In every industry segment, warehouses play a vital role in the entire value chain from raw material to final product especially in the manufacturing sector.

The supply of Parts for Machine Tools including Tool holders to the Export Oriented Unit depends on the export market and is price competitive. Demand for Loom Accessories and Spares is also stagnant due to gradual phasing out of the looms supplied by the Company in earlier years.

II. Opportunities and Threats:

A. Warehousing Rental Services:

The size of the Indian Warehousing Industry is estimated to be around Rs.560 billion. The sector is growing at more than 10% per annum. Of the total warehousing industry, cold storages have a share of about 16% and the warehouses catering to the Industrial and Retail players are holding the maximum share at about 55%. The Company is concentrating on Warehousing Rental Services for augmenting its revenue.

The entry of more Warehouses developers with additional facilities may have an adverse impact on the rental rate. However the location advantage of the Company's buildings may offset the impact.

B. Other Engineering Services :

The orders from the Export Oriented Unit for supply of Parts for Machine Tools including Tool Holders are based on the export orders bagged by them. As the export market for parts for Machine Tools and Tool Holders is fluctuating the inflow of orders to the Company is also not consistent. Your Company has taken steps to source orders from domestic manufacturers and the rates offered are highly competitive.

III. Outlook:

The income from Warehouse Rental Services at Hosur will tend to increase. Additional Building Area is constructed to meet the demand by the Warehousing & Logistic Services Providers.

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 its revenue at Rs.895.01 Lakhs from operations and the net profit for the year under review is Rs.127.80 Lakhs after providing Rs.46.96 Lakhs for Depreciation and Rs.52.20 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 was cordial during the year. The permanent employees on Roll as on 31-03-2019 were fifty five (55).



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ANNEXURE 5

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 ₹ 6.10 crores and the net worth of the company is ₹ 4.99 crores as on the last day of the previous Financial Year ie 31.03.2018. As per Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and 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 Networth 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, 2019.

Coimbatore
23.05.2019

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



Independent Auditors' Report

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

Report on the audit of standalone Financial Statements

Opinion

We have audited the standalone financial statements of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement and for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2019**, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S.No	Key Audit Matter	Auditor's Response
1.	Evaluation of uncertain tax positions 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.	Principal Audit Procedures 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.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

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

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

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



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

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

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e) on the basis of the written representations received from the directors of the Company as on **March 31, 2019** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 2019** 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 and hence in our opinion and to the best of our information and according to the explanations given to us, reporting on whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act does not arise.

- h) with respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone standalone financial statements - Refer Note No 27 to the standalone financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company.

For Subbachar & Srinivasan
Chartered Accountants
Firm Registration No. 004083S

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

Membership No. 200380

Coimbatore
May 23, 2019



Annexure - "A" to the Independent Auditors' Report

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

We report that,

1. In respect of its Fixed Assets:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at regular intervals, in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us, the title deeds of all freehold immovable properties are held in the name of the Company.

2. In respect of its inventories:

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

3. The company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the financial year and hence sub-clauses (a) to (c) of clause (iii) of the Order are not applicable to the company.
4. The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.
5. The company has not accepted any deposits from the public during the year to which the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of the statutory dues:
 - a. The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March 2019** for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of dispute is as under:



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the company has not raised any money by way of term loans or by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(ix) of the Order is not applicable to the company.
10. To the best of our knowledge and belief and according to the information and explanations given to us during the course of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, no fraud on or by the company was noticed or reported during the year that causes the standalone financial statements to be materially misstated.
11. The company has not paid any managerial remuneration during the year and hence the requirement of getting requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has reclassified its 4,00,000 - 6% Cumulative Redeemable Preference Shares of Rs. 100 each into (a) 2,00,000 -6% Non Cumulative Compulsorily Convertible Preference Shares [CCPS] of Rs. 100 each and (b) 2,00,000 - 6% Non Cumulative Optionally Convertible Preference Shares [OCPS] of Rs. 100 each. The said CCPS had been converted into 2,91,757 Equity Shares of Rs. 10/- each at a Premium of Rs. 58.55 per share on preferential basis to the Promoters and Promoter group, and the requirements of Section 42 and other applicable provisions of the Companies Act, 2013 in this regard have been complied with
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Subbachar & Srinivasan
Chartered Accountants
Firm Registration No. 004083S

(Sd.) T.S.V. Rajagopal
Partner
Membership No. 200380

Coimbatore
May 23, 2019



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 2019** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2019**, 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 Subbachar & Srinivasan
Chartered Accountants
Firm Registration No. 004083S

Coimbatore
May 23, 2019

(Sd.) **T.S.V. Rajagopal**
Partner
Membership No. 200380



Balance Sheet as at March 31, 2019

₹ in Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	132.12	124.92
(b) Capital work-in-progress		61.21	0.88
(c) Investment Property	4	681.47	702.75
Non-current financial assets			
(d) Financial assets			
- Other financial assets	5	23.95	23.54
(e) Deferred tax assets (net)		-	-
(f) Other non-current assets	6	85.02	22.91
Total non - current assets		983.77	875.00
2 Current assets			
(a) Inventories	7	71.25	61.01
(b) Financial assets			
(i) Trade receivables	8	124.85	101.75
(ii) Cash and cash equivalents	9	25.38	26.67
(iii) Bank balances other than cash and cash equivalents	9	438.25	413.31
(iv) Other financial assets	5	11.16	10.00
(c) Current tax assets (net)		6.50	9.33
(d) Other current assets	6	9.21	11.89
Total Current Assets		686.60	633.96
TOTAL ASSETS		1,670.37	1,508.96
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	639.57	610.40
(b) Other equity	11	188.04	(110.59)
Total Equity		827.61	499.81
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings (includes Preference Share Capital)	12	304.55	558.52
(ii) Other financial liabilities	15	135.23	65.88
(b) Provisions	13	53.21	52.63
(c) Deferred tax liabilities (Net)	23	32.00	23.21
Total Non - Current Liabilities		524.99	700.24



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Balance Sheet as at March 31, 2019 (Contd..)

₹ in Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3.74	73.67
(ii) Trade payables	14		
Total outstanding dues of Micro Enterprises and Small Enterprises		3.09	5.24
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		11.14	8.25
(iii) Other financial liabilities	15	154.19	151.42
(b) Provisions	13	22.63	20.82
(c) Other current liabilities	16	122.98	49.51
(d) Current tax liabilities (net)		-	-
Total current liabilities		317.77	308.91
Total Liabilities		842.76	1,009.15
TOTAL EQUITY AND LIABILITIES		1,670.37	1,508.96

See accompanying notes to the financial statements 1 to 31

For and on behalf of the Board of Directors

(Sd.) **S. PATHY**

Chairman (DIN:00013899)

(Sd.) **AISHWARYA PATHY**

Vice Chairperson (DIN:00062114)

(Sd.) **R. SANTHARAM**

Director (DIN:00151333)

Coimbatore (Sd.) **N. JAYCHANDER**

May 23, 2019 Director (DIN:00015091)

(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)



Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
I Revenue from operations	17	817.12	747.38
II Other income	18	77.89	84.00
III Total income (I + II)		895.01	831.38
IV Expenses			
Cost of materials consumed	19.a	86.45	78.99
Changes in inventories of finished goods and work-in-progress	19.b	3.46	(2.77)
Excise duty on sale of goods		-	2.02
Employee benefits expense	20	274.99	253.18
Finance costs	21	20.86	5.45
Depreciation and amortisation expenses	3	46.96	35.99
Other expenses	22	284.26	222.43
Total Expenses (IV)		716.98	595.29
V Profit before Exceptional Items and tax (III - IV)		178.03	236.09
VI Exceptional Items		-	-
VII Profit Before Tax (V - VI)		178.03	236.09
VIII Tax expense	23		
Current tax			
in respect of current year		44.17	61.96
in respect of earlier years		-	-
Deferred tax		8.03	1.24
Total tax		52.20	63.20
IX Profit for the year (VII - VIII)		125.83	172.89
X Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss:			
(a) Remeasurement of employee defined benefit plans		2.73	1.64
(b) Income tax on (a) above		(0.76)	(0.46)
Items that will be reclassified to the statements of profit or loss		-	-
Total Other comprehensive income		1.97	1.18
XI Total comprehensive income for the year (IX + X)		127.80	174.07
XII Earnings per equity share of ₹ 10/-			
Basic	25	2.02	2.83
Diluted	25	1.97	2.83

See accompanying notes to the financial statements 1 to 31

For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) AISHWARYA PATHY

Vice Chairperson (DIN:00062114)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) N. JAYCHANDER

Director (DIN:00015091)

(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)

Coimbatore
May 23, 2019



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at April 1, 2017	610.40
Changes in equity share capital during the year	-
Balance as at March 31, 2018	610.40
Changes in equity share capital during the year	29.17
Balance as at March 31, 2019	639.57

B. Other Equity

₹ in Lakhs

Particulars	Reserves & Surplus			Other Comprehensive Income	Total other equity
	Securities premium reserve	Capital redemption reserve	Retained earnings	Employees defined benefit plan	
Balance as at April 1, 2017	207.92	250.00	(743.16)	0.58	(284.66)
2,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- each bought back	(200.00)	-	-	-	(200.00)
Capital Redemption Reserve during the year	-	200.00	-	-	200.00
Profit for the year (net of taxes)	-	-	172.89	-	172.89
Other Comprehensive Income for the year (net of taxes)	-	-	-	1.18	1.18
Total Comprehensive income for the year	-	-	172.89	1.18	174.07
Balance as at March 31, 2018	7.92	450.00	(570.27)	1.76	(110.59)
Issue of equity shares at premium	170.83	-	-	-	170.83
2,00,000 - 6% Non Cumulative Compulsorily Convertible Preference Shares converted into 2,91,757 Equity shares of ₹ 10/- each at a premium of ₹ 58.55 per share	-	-	-	-	-
Profit for the year (net of taxes)	-	-	125.83	-	125.83
Other Comprehensive Income for the year (net of taxes)	-	-	-	1.97	1.97
Total Comprehensive income for the year	-	-	125.83	1.97	127.80
Transfer to retained earnings	-	-	3.73	(3.73)	-
Balance as at March 31, 2019	178.75	450.00	(440.71)	-	188.04



Note:

- 1. Securities Premium:** Amounts received on issue of shares in excess of the par value has been classified as securities premium.
- 2. Capital Redemption Reserve:** Statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of Company Law.
- 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.

For and on behalf of the Board of Directors

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

(Sd.) **AISHWARYA PATHY**
Vice Chairperson (DIN:00062114)

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

Coimbatore
May 23, 2019

(Sd.) **N. JAYCHANDER**
Director (DIN:00015091)

(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)



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Cash Flow Statement for the year ended March 31, 2019

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	178.03	236.09
Adjustments for:		
Depreciation and amortisation expense	46.96	35.99
Net loss/(gain) on disposal of property, plant and equipment	(6.00)	(9.38)
Interest income	(29.22)	(38.04)
Interest expense	20.86	5.45
Operating profit before working capital changes	210.63	230.11
Adjustments for:		
(Increase)/decrease in inventories	(10.24)	(1.47)
(Increase)/decrease in trade receivables	(23.10)	8.35
(Increase)/decrease in other current assets	2.68	15.89
(Increase)/decrease in other non-current financial assets	(0.41)	1.00
(Increase)/decrease in other non-current assets	-	(1.68)
Increase/(decrease) in trade payables	0.74	(1.46)
Increase/(decrease) in provisions	5.12	2.40
Increase/(decrease) in other non-current financial liabilities	69.35	6.94
Increase/(decrease) in other financial liabilities	(16.09)	26.85
Increase/(decrease) in other current liabilities	106.32	(41.31)
Cash generated from operations	345.00	245.62
Net income tax (paid) / refunds	(49.74)	(71.29)
Net cash flow from operating activities (A)	295.26	174.33
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment (including capital advances)	(183.85)	(376.25)
Proceeds from sale of property, plant and equipment	10.08	9.38
(Increase)/decrease in Bank balances other than cash and cash equivalents	(24.94)	168.25
Interest received	28.06	41.40
Net cash used in investing activities (B)	(170.65)	(157.22)
C. Cash flow from financing activities		
Proceeds from non-current borrowing	(35.11)	200.00
Repayment of non-current borrowings	-	(17.44)
Current borrowings (net)	(69.93)	26.17
Finance costs	(20.86)	(5.45)
Buyback of preference shares	-	(200.00)
Net cash flow used in financing activities (C)	(125.90)	3.28
Net increase in Cash and cash equivalents (A+B+C)	(1.29)	20.39
Cash and cash equivalents at the beginning of the year (refer note 10)	26.67	6.28
Cash and cash equivalents at the end of the year (refer note 9)	25.38	26.67
Net increase in Cash and cash equivalents	(1.29)	20.39

See accompanying notes to the financial statements 1 to 31

For and on behalf of the Board of Directors

(Sd.) **S. PATHY**

Chairman (DIN:00013899)

(Sd.) **AISHWARYA PATHY**

Vice Chairperson (DIN:00062114)

(Sd.) **R. SANTHARAM**

Director (DIN:00151333)

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

Chief Financial Officer

In terms of our report attached
For **SUBBACHAR & SRINIVASAN**

Chartered Accountants

Firm Registration No. 004083S

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

Partner

Coimbatore
May 23, 2019

(Sd.) **N. JAYCHANDER**

Director (DIN:00015091)

(Sd.) **R. MUTHUKUMAR**

Company Secretary

(Membership No. 200380)



Notes to the financial statements for the year ended March 31, 2019

1 CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

(iii) Use of estimates and judgement

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision

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

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

(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 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.

(vi) Leases

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

Rental income and expense from operating leases is generally recognised on a straight-line basis over



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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.

(vii) Foreign currencies

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

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

(viii) Borrowing costs

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

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

(ix) Employee benefits

The Company participates in various employee benefit plans. The employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is

calculated using the projected unit credit method.

Short-term employee benefits

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

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

Defined contribution plan

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

Defined benefit plan

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

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

(x) Taxation

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



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

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

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

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

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

(xi) Property, plant and equipment

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

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

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(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. However, for transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

(xiii) Impairment of tangible and intangible assets

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

If the recoverable amount of the assets are estimated to be less than their carrying amounts, the carrying amounts of those assets are reduced to their recoverable amounts. Impairment losses

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

(xiv) Inventories

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

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

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

(xv) Provisions and contingencies

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

(xvi) Financial instruments

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

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are



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

a) Non-derivative Financial assets:

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

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

Financial assets at amortised cost

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

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective interest method:

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

b) Derecognition of financial assets:

A financial asset is derecognised only when the:
- Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes

a contractual obligation to pay the cash flows to one or more recipients.

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

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

- c) **Foreign exchange gains and losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial 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.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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 "Other 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) 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.

(xx) New Amendments issued yet not effective

(i) Amendment to Ind AS 12-Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

(ii) Amendments to Ind AS 12 Appendix C, Uncertainty over Income Tax treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.



(iii) Amendment to Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

(iv) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both

parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

(v) Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Description of Assets	Freehold Land	Buildings	Plant & Equipment	Vehicles	Office Equipment	Total Property, Plant and Equipment
I. Gross Block (cost or deemed cost)						
Balance as at April 1, 2018	24.91	72.52	55.79	5.71	6.55	165.48
Additions	-	-	21.71	6.11	1.38	29.20
Disposals	-	-	2.19	7.48	-	9.67
Balance as at March 31, 2019	24.91	72.52	75.31	4.34	7.93	185.01
II. Accumulated Depreciation and Impairment						
Balance as at April 1, 2018	-	19.87	16.81	0.92	2.96	40.56
Charge for the year	-	9.93	5.51	0.67	1.81	17.92
Withdrawal on Disposals	-	-	2.19	3.40	-	5.59
Balance as at March 31, 2019	-	29.80	20.13	(1.81)	4.77	52.89
Net block (I-II)						
Balance as at March 31, 2019	24.91	42.72	55.18	6.15	3.16	132.12
Balance as at March 31, 2018	24.91	52.65	38.98	4.79	3.59	124.92

NOTE 4 - INVESTMENT PROPERTY

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cost or deemed cost		
Balance at beginning of year	728.14	234.34
Additions/(Disposals)	7.76	493.80
Balance at end of year	735.90	728.14
Accumulated depreciation		
Balance at beginning of year	25.39	10.50
Charge for the year / (withdrawal on disposals)	29.04	14.89
Balance at end of year	54.43	25.39
Net Block	681.47	702.75



Notes to the financial statements for the year ended March 31, 2019

Information regarding income and expenditure of investment property

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental Income derived from investment properties	481.34	458.75
Direct operating expenses (including repairs and maintenance)	(46.68)	(24.42)
Profit arising from investment properties before depreciation	434.66	434.33
Depreciation	29.04	14.89
Profit arising from investment properties	405.62	419.44

The Company's investment properties consist of properties in the nature of land (freehold and leasehold) and buildings in India. As at March 31, 2019 and March 31, 2018 the fair values of the properties excluding leasehold land are Rs 6,213.56 Lakhs. These are based on valuations performed by independent valuers. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. (refer note 32.2B for note on fair value hierarchy).

The Company has no restrictions on the realisability of its investment properties except the leasehold land 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, 2019	As at March 31, 2018
Non-current		
Measured at amortised cost		
Security Deposits	23.95	23.54
Total	23.95	23.54
Current		
At cost		
Interest accrued on fixed deposits	11.16	10.00
Total	11.16	10.00

Note 6 - OTHER ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Capital advance	60.37	6.66
Balances with revenue authorities		
- Central Excise	7.40	7.40
Advance Income Tax (Net of provisions)	14.91	6.51
Other assets	2.34	2.34
Total	85.02	22.91



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 6 - OTHER ASSETS (Contd...)

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Balances with revenue authorities	4.43	4.43
Prepaid expenses	2.12	2.44
Advance to Suppliers	0.17	0.36
Advance for expenses	1.82	3.57
Other assets	0.67	1.09
Total	9.21	11.89

Note 7 - INVENTORIES

(Lower of cost or net realisable value)

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	12.65	7.13
Components	19.49	18.34
Work-in-progress	4.34	7.34
Finished goods	6.56	7.02
Stock of stores and spares	28.21	21.18
Total	71.25	61.01

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 ₹ 86.45 Lakhs (Previous year ₹ 78.99 Lakhs).

Note 8 - TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a)Trade Receivables Considered good - Secured	-	-
(b)Trade Receivables Considered good - Unsecured		
from related parties	0.05	1.49
from others	124.80	100.26
(c)Trade Receivables which have significant increase in Credit Risk	-	-
(d)Trade Receivables - Credit impaired	-	-
Total	124.85	101.75



Notes to the financial statements for the year ended March 31, 2019

Note 9 - CASH AND BANK BALANCES

₹ in Lakhs

Particulars	As at	
	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash in hand	0.30	0.49
Balances with banks in Current accounts	25.08	26.18
Total	25.38	26.67
Other bank balances		
(i) Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	166.87	157.45
(ii) Fixed deposits (maturity of not more than 12 months from the balance sheet date)	271.38	255.86
Total	438.25	413.31

Note 10 - SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
(a) Authorised				
Equity shares of ₹10 each with voting rights	1,15,00,000	1,150.00	65,00,000	650.00
6% Non Cumulative Compulsorily Convertible Preference Shares of ₹100 each	2,00,000	200.00	-	-
6% Non Cumulative Optionally Convertible Preference Shares of ₹100 each	2,00,000	200.00	-	-
6% Cumulative Redeemable Preference Shares of ₹100 each	-	-	9,00,000	900.00
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	63,95,745	639.57	61,03,988	610.40
Total	63,95,745	639.57	61,03,988	610.40

(c) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each share holder is entitled for one vote. As per the terms of the shares 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.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

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

₹ in Lakhs

Particulars	Opening Balance	Fresh Issue / Conversion/ Redemption	Bonus issue	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2019				
- Number of shares	61,03,988	2,91,757	-	63,95,745
- Amount (in lakhs)	610.40	29.17	-	639.57
Year ended March 31, 2018				
- Number of shares	61,03,988	-	-	61,03,988
- Amount (in lakhs)	610.40	-	-	610.40

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

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. S Pathy	4,70,178	7.35%	4,70,078	7.70%
Mrs. Aishwarya Pathy	8,12,909	12.71%	7,35,359	12.05%
The Lakshmi Mills Company Ltd	3,30,000	5.16%	3,30,000	5.41%
Lakshmi Machine Works Ltd	4,41,110	6.90%	4,41,110	7.23%
Voltas Ltd	6,15,200	9.62%	6,15,200	10.08%
ITEMA (Switzerland) Ltd	10,00,000	15.64%	10,00,000	16.38%

(f) The Company has not issued any bonus shares during the period of 5 years immediately preceding the balance sheet date

Note 11 - OTHER EQUITY

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium	178.75	7.92
Capital redemption reserve	450.00	450.00
Retained earnings	(440.71)	(570.27)
Other comprehensive income(Net of Taxes)	-	1.76
Total	188.04	(110.59)
Securities premium		
Balance at beginning of year	7.92	207.92
Add : 2,91,757 Equity shares of ₹ 10/- each issued at a Premium of ₹ 58.55 per share	170.83	-
Less: Utilised for preference shares buy back	-	(200.00)
Balance at end of year	178.75	7.92
Capital Redemption reserve		
Balance at beginning of year	450.00	250.00
Transfer from securities premium reserve	-	200.00
Balance at end of year	450.00	450.00



Notes to the financial statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance at beginning of year	(570.27)	(743.16)
Profit attributable to owners of the Company	125.83	172.89
Transfer from other comprehensive income	3.73	-
Balance at end of year	(440.71)	(570.27)
Other comprehensive income		
Balance at beginning of year	1.76	0.58
Remeasurement of defined benefit obligations (net of tax)	1.97	1.18
Balance	3.73	1.76
Transfer to retained earnings	(3.73)	-
Balance at end of year	-	1.76

Note 12 - BORROWINGS

Non-current

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
Unsecured		
6% Cumulative Redeemable Preference Shares	400.00	600.00
Less: Altered as		
(a) 2,00,000 - 6% Non Cumulative Compulsorily Convertible Preference Shares and converted to Equity Shares	(200.00)	-
(b) 2,00,000 - 6% Non Cumulative Optionally Convertible Preference Shares	200.00	-
Less : Shares bought back	-	(200.00)
	200.00	400.00
Secured borrowing from bank		
Rent Encashment Loan	147.45	182.56
Current maturities of long term borrowings	(52.90)	(34.04)
	94.55	148.52
Unsecured Loans		
Agency deposit (Rate of interest - 10.50%)	10.00	10.00
Total	304.55	558.52



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

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

₹ in Lakhs

Particulars	Limits / Terms of repayment	As at March 31, 2019	As at March 31, 2018
Indian Bank	Limit ₹ 200 Lakhs. Repayable in 43 monthly instalments upto November 2022. The loan carries an interest rate of MCLR 1 Yr + Sp 2.25%. Presently 10.85%	147.45	182.56

Current

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Loans from bank	3.74	73.67
Total	3.74	73.67

Details of loans from bank

₹ in Lakhs

Particulars	Limits / Rate of Interest	As at March 31, 2019	As at March 31, 2018
Indian Bank			
Overdraft facility	Limit ₹ 130 Lakhs. Interest rate 7.50%	3.74	73.67
Open Cash Credit	Limit ₹ 50 Lakhs. Interest rate 13.55%	-	-
Total		3.74	73.67

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

The open cash credit facility from bank is secured by exclusive charge on the current assets and extension of charge on fixed assets of the Company. The overdraft facility from the bank is secured by pledge of fixed deposits. Rent encashment loan is secured by an extension of charge on land and buildings at Hosur. The loans from bank other than overdraft facility is further secured by personal guarantee of the Chairman.

NOTE 13 - PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits:		
Gratuity	41.18	40.73
Leave encashment	12.03	11.90
Total	53.21	52.63
Current		
Provision for employee benefits:		
Gratuity	7.36	6.83
Leave encashment	4.21	2.87
Bonus	11.06	11.12
Total	22.63	20.82



Notes to the financial statements for the year ended March 31, 2019

Note 14 - TRADE PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Payable to micro enterprises and small enterprises (refer note below)	3.09	5.24
Others	11.14	8.25
Total	14.23	13.49

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, 2019	As at March 31, 2018
a.	(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	3.09	5.24
	(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	-	-
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, 2019

NOTE 15 - OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Rental security deposit	135.23	65.88
Total	135.23	65.88
Current		
Current maturities of long term borrowings from Bank	52.90	34.04
Rental security deposit	86.11	69.35
Payable on purchase of fixed assets	15.18	48.03
Total	154.19	151.42

NOTE 16 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	9.10	12.47
Liability for expenses	41.40	36.71
Other liabilities	1.03	0.33
Advance from customers	71.45	-
Total	122.98	49.51

NOTE 17 - REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of goods, including excise duty for the previous year	315.87	265.78
Other operating revenue (refer note below)	501.25	481.60
Total	817.12	747.38

Note

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other operating revenue comprises:		
Fabrication income	19.91	22.85
Warehousing Rental Income	481.34	458.75
Total	501.25	481.60



Notes to the financial statements for the year ended March 31, 2019

NOTE 18 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets at Amortised Cost	29.22	38.04
Profit on disposal of fixed assets	6.00	9.38
Net gain on foreign currency transactions	2.01	0.09
Realisation of scrap	37.83	29.48
Excess provision written back	-	2.80
Miscellaneous income	2.83	4.21
Total	77.89	84.00

NOTE 19.a - COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	25.47	27.03
Add: Purchases	93.12	77.43
	118.59	104.46
Less: Closing stock	(32.14)	(25.47)
Total	86.45	78.99

NOTE 19.b - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Finished goods	6.56	7.02
Work-in-progress	4.34	7.34
	10.90	14.36
Inventories at the beginning of the year:		
Finished goods	7.02	7.56
Work-in-progress	7.34	4.03
	14.36	11.59
Net decrease / (increase)	3.46	(2.77)

NOTE 20 - EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	239.44	218.97
Contribution to provident fund	15.76	15.74
Contribution to Gratuity and Leave encashment fund	10.05	11.60
Staff welfare expenses	9.74	6.87
Total	274.99	253.18



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

Note 21 - FINANCE COST

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses	21.84	13.64
Less: Interest capitalised	(0.98)	(8.19)
Total	20.86	5.45

NOTE 22 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Material fabrication charges	13.81	15.51
Power and fuel	36.91	34.74
Consumption of stores and spares	27.22	27.21
Repairs and maintenance - Buildings	48.69	13.85
Repairs and maintenance - Machinery	6.76	6.51
Repairs and maintenance - Others	1.26	1.85
Consumption of Packing Materials	1.29	0.68
Maintenance charges to SIPCOT	14.34	14.34
Printing and stationery	3.82	3.41
Postage and Telephone	6.07	7.56
Travelling and maintenance of Motor Vehicles	23.80	20.38
Bank charges and Filing Fees	1.20	0.87
Advertisement and Subscription	2.84	3.03
Insurance charges	1.49	2.10
Rates and Taxes	11.89	6.21
Sales Commission	2.72	1.11
Sales Expenses	0.15	0.07
Export Expenses	1.61	0.32
Directors Sitting Fees	4.86	5.74
Remuneration to Auditors [Refer Note (i) below]	2.20	2.00
Legal and other professional costs	23.28	18.24
Water Charges	1.49	1.79
Rent	24.25	22.94
Donations	1.00	-
Transport Vehicles Hire Charges	4.45	4.46
Business Development expenses	8.98	-
Miscellaneous expenses	7.88	7.51
Total	284.26	222.43



Notes to the financial statements for the year ended March 31, 2019

Note (i) Remuneration to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	2.20	2.00
Limited review certifications	-	-
Reimbursement of expenses	-	-
Total	2.20	2.00

NOTE 23 - TAX EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	44.17	61.96
In respect of earlier years	-	-
Deferred tax	8.03	1.24
Total income tax expense recognised in the current year	52.20	63.20

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, 2019	For the year ended March 31, 2018
Current Tax:		
Profit before tax	178.03	236.09
Enacted income tax rate	27.82%	27.55%
Computed expected tax expense	49.53	65.04
Effect of:		
Depreciation	(6.30)	(2.63)
Disallowance under 43B of Income Tax Act (Net)	0.94	0.32
Provision for doubtful debts reversed	-	(0.77)
Income tax expense recognised on the profit	44.17	61.96
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	8.03	1.24
Tax expense reported in the Statement of Profit and Loss	52.20	63.20
Deferred tax		
Opening balance	23.21	21.51
Recognised in Profit or loss		
Property, plant and equipment	8.69	(1.90)
Section 43B disallowance	(0.66)	3.14
	8.03	1.24
Recognised in Other Comprehensive Income		
Defined benefit obligation	0.76	0.46
Closing balance	32.00	23.21



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

NOTE 24 - 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 "Other Engineering Services". The Company has restructured its verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure used to report to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

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

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

Business Segment

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment Revenue		
Net Sales/Income		
a. Warehousing Rental Services	516.30	481.67
b. Other Engineering Services	349.49	311.67
Total	865.79	793.34
Less: Inter-Segment revenue	-	-
Net Sales/Income	865.79	793.34
Segment Results		
Profit / (Loss)		
a. Warehousing Rental Services	233.30	262.28
b. Other Engineering Services	(24.31)	(31.51)
Total	208.99	230.77
Less: Finance costs	20.86	5.45
Add /(Less): Other unallocable Income net of unallocable expenses	(10.10)	10.77
Total Profit/Loss before Tax	178.03	236.09
Segment Assets		
a. Warehousing Rental Services	1,392.65	1,264.07
b. Other Engineering Services	256.58	229.07
c. Unallocated	21.14	15.82
Total	1,670.37	1,508.96



Notes to the financial statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment Liabilities		
a. Warehousing Rental Services	476.21	527.54
b. Other Engineering Services	134.55	58.39
c. Unallocated	232.00	423.22
Total	842.76	1,009.15
Capital Expenditure	183.85	376.25
Depreciation	46.96	35.99
Geographical Segment		
Revenues		
a. Domestic	782.10	775.84
b. External	83.69	17.50
Total	865.79	793.34
Less: Inter-Segment revenue	-	-
Net Sales/ Income from operations	865.79	793.34

Note: There are Three and Two customers who contributed 10% or more to the company's revenue for 2018-19 and 2017-18 respectively.

NOTE 25 - EARNINGS PER SHARE (EPS)

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax	125.83	172.89
Less : Dividend on Cumulative Preference Shares required for the year ended March 31, 2018	-	-
Corporate tax on dividend	-	-
Profits attributable to ordinary shareholders - for Basic and Diluted EPS	125.83	172.89
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	62,37,710	61,03,988
Weighted Average Potential Equity Shares	-	-
Weighted average number of equity shares used in the calculation of diluted EPS	63,71,433	61,03,988
Earnings per share of ₹ 10/- each		
- Basic (in ₹)	2.02	2.83
- Diluted (in ₹)	1.97	2.83



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

NOTE 26 - ASSETS GIVEN ON OPERATING LEASES

26.1 The above includes following assets given on operating lease :

₹ in Lakhs

Particulars	Land *	Buildings	Plant & Equipment
As at 31 March 2019			
Gross Block	4.25	693.06	38.59
Accumulated Depreciation	-	48.36	6.07
Net Block	4.25	644.70	32.52
Depreciation for the year	-	25.30	3.74
As at 31 March 2018			
Gross Block	4.25	691.58	32.31
Accumulated Depreciation	-	23.06	2.33
Net Block	4.25	668.52	29.98
Depreciation for the year	-	13.15	1.74

* includes leasehold land of ₹ 1.12 lakhs (₹ 1.12 lakhs)

NOTE 27 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Other monies for which the Company is contingently liable:		
(i) Claims for refund of security deposit	5.42	5.42
(ii) Disputed service tax on appeal (Disputed tax dues are under appeal before the concerned Appellate Authorities. The Company is advised that the matters are likely to be disposed off in favour of the Company.)	8.86	8.86

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

B. Commitments

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	464.80	-

C. 4,00,000-unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each was altered as(a) 2,00,000 -6% Non Cumulative Compulsorily Convertible Preference Shares(CCPS) of ₹ 100/- each and (b) 2,00,000-6% Non Cumulative Optionally Convertible Preference Shares(OCPS) of ₹ 100/- each. The CCPS have been converted into 2,91,757 Equity Shares of ₹ 10/- each at a premium of ₹ 58.55 per Share during the year.



Notes to the financial statements for the year ended March 31, 2019

NOTE 28 - EMPLOYEE BENEFIT PLANS

(a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs towards the benefits. The Company has recognised ₹ 10.64 Lakhs (for the year ended March 31, 2018 - ₹ 10.51 Lakhs) as contribution to Provident Fund and ₹ 5.12 Lakhs (for the year ended March 31, 2018 - ₹ 5.23 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, 2019		As at March 31, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Defined Benefit Obligation at beginning of the year	47.55	14.77	45.79	15.54
Current service cost	3.95	3.54	3.58	3.28
Interest cost	3.44	1.07	3.35	0.97
Actuarial (Gain) / Loss	(2.73)	(1.94)	(1.64)	0.41
Benefits paid	(3.67)	(1.21)	(3.53)	(5.43)
Defined Benefit Obligation at year end	48.54	16.23	47.55	14.77

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

₹ in Lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Fair value of Plan Assets at beginning of the year	-	-	-	-
Employer contributions	3.67	1.21	3.53	5.43
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Benefits paid	(3.67)	(1.21)	(3.53)	(5.43)
Fair value of Plan Assets at year end	-	-	-	-



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

Expenses recognised during the year

₹ in Lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
In Income Statement				
Current service cost	3.95	3.54	3.58	3.28
Interest on net defined benefit liability/ (asset)	3.44	1.07	3.35	0.97
Immediate recognition of (gain) /loss - other long term benefits	-	(1.94)	-	0.41
Net Cost	7.39	2.67	6.93	4.66
In Other Comprehensive Income				
Actuarial (Gain) / Loss	(2.73)	-	(1.64)	-
Net (Income)/ Expense For the period Recognised in OCI	(2.73)	-	(1.64)	-

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, 2019	As at March 31, 2018
Discount Rate (per annum)	7.52%	7.60%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	10.00%	10.00%

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

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

Sensitivity analysis

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



Notes to the financial statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	Gratuity		
	Discount rate	Salary escalation rate	Attrition rate
As at March 31, 2019			
Defined benefit obligation on plus 100 basis points	46.15	50.84	48.55
Defined benefit obligation on minus 100 basis points	50.82	46.10	48.18
As at March 31, 2018			
Defined benefit obligation on plus 100 basis points	45.79	49.40	47.71
Defined benefit obligation on minus 100 basis points	49.48	45.83	47.38

₹ in Lakhs

Particulars	Leave encashment		
	Discount rate	Salary escalation rate	Attrition rate
As at March 31, 2019			
Defined benefit obligation on plus 100 basis points	15.86	16.60	16.28
Defined benefit obligation on minus 100 basis points	16.65	15.90	16.19
As at March 31, 2018			
Defined benefit obligation on plus 100 basis points	14.41	15.00	14.82
Defined benefit obligation on minus 100 basis points	15.18	14.56	14.73

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

Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Gratuity		Leave encashment	
Expected total benefit payments				
Within 1 year	7.68	6.83	3.13	1.78
1 year to 2 years	4.22	7.97	0.87	2.21
2 years to 3 years	2.30	4.14	0.76	0.78
3 years to 4 years	4.80	2.65	0.78	0.69
4 years to 5 years	1.52	3.52	0.47	0.68
5 years upto 10 years	28.02	22.44	10.22	9.54



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

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 29 - 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 Agencies Private Limited	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
Mr. J. Balasubramaniam	Key Managerial Personnel - Chief Executive Officer
Mr. K. P. Krishnakumar	Key Managerial Personnel - Chief Financial Officer
Mr. R. Muthukumar	Key Managerial Personnel - Company Secretary

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, 2019	For the year ended March 31, 2018
Purchase of goods	7.89	0.43
Texcity Sales and Services Private Limited	0.89	0.43
The Lakshmi Mill Company Limited	7.00	-
Sale of goods	1.16	2.33
Prathista Weaving and Knitting Company Private Limited	1.16	2.33
Receipt of services	44.27	34.25
The Lakshmi Mills Company Limited	30.40	28.39
Infocus Marketing and Services Limited	-	0.09
Aloha Tours & Travels (India) Private Limited	0.69	0.35
Texcity Sales and Services Private Limited	5.37	5.20
Balakumar Shipping & Clearing Agency Private Limited	7.81	0.22
Agency arrangement	0.12	0.23
Infocus Marketing and Services Limited	0.12	0.23
Remuneration to Key Managerial Personnel	34.25	30.26
Mr. J. Balasubramaniam	14.30	11.49
Mr. K. P. Krishnakumar	10.68	10.68
Mr. R. Muthukumar	9.27	8.09



Notes to the financial statements for the year ended March 31, 2019

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
Balances outstanding as at the year end		
Payable	4.13	3.18
The Lakshmi Mills Company Limited	0.59	0.57
Balakumar Shipping & Clearing Agency Private Limited	0.81	-
Mr. J. Balasubramaniam	1.10	1.10
Mr. K. P. Krishnakumar	0.89	0.89
Mr. R. Muthukumar	0.74	0.62
Receivable	0.05	1.49
Texcity Sales and Services Private Limited	0.05	1.49

The remuneration of Directors and other members of Key Managerial Personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	34.25	30.26
Post-employment benefits	2.04	1.74

NOTE 30 - FINANCIAL INSTRUMENTS

30.1 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 and preference share capital.

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, 2019	As at March 31, 2018
Net Debts	(155.34)	192.21
Total Equity	827.61	499.81
Gearing ratio (in %)	(19%)	38%

30.2 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.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

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, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Others financial assets - non current	23.95	23.95	23.54	23.54
Trade receivables	124.85	124.85	101.75	101.75
Cash and cash equivalents	25.38	25.38	26.67	26.67
Bank balances other than cash and cash equivalents	438.25	438.25	413.31	413.31
Other financial assets - current	11.16	11.16	10.00	10.00
Total financial assets	623.59	623.59	575.27	575.27
Financial liabilities				
Measured at amortised cost				
Borrowings	308.29	308.29	632.19	632.19
Trade payables	14.23	14.23	13.49	13.49
Other financial liabilities - current	154.19	154.19	151.42	151.42
Total financial liabilities	476.71	476.71	797.10	797.10

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, 2019 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).

30.3 - 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.



Notes to the financial statements for the year ended March 31, 2019

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 US Dollar. 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. The Company concentrate mainly on domestic market hence the risk on account of foreign exchange is very minimal.

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, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing from Banks	147.45	182.56
Fixed rate borrowing		
- 6% Non Cumulative OCPS	200.00	-
- 6% Cumulative Redeemable Preference Shares	-	400.00
- Banks	3.74	73.67
- Others	10.00	10.00
Total borrowings	361.19	666.23

Interest rate sensitivity analysis:

For non derivative instruments there is no change in the floating rate borrowings during the year. Hence there is no impact in the Company's profit for the year ended March 31, 2019 (year ended March 31, 2018 - Nil).



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2019

(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.

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) Financing 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, 2019	As at March 31, 2018
Floating rate - Expiring within one year (bank overdraft and other facilities)	228.81	306.23

The bank overdraft 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.



Notes to the financial statements for the year ended March 31, 2019

Contractual maturities of Financial Liabilities

₹ in Lakhs

Particulars	Less than 1 year	1-3 year	More than 3 year	Total
March 31, 2019				
Borrowings	203.74	94.55	10.00	308.29
Trade payable	14.23	-	-	14.23
Other financial liabilities	154.19	-	-	154.19
Total	372.16	94.55	10.00	476.71
March 31, 2018				
Borrowings	73.67	480.17	78.35	632.19
Trade payable	13.49	-	-	13.49
Other financial liabilities	151.42	-	-	151.42
Total	238.58	480.17	78.35	797.10

31 The financial statements of Lakshmi Automatic Loom Works Limited were approved by the Board of Directors and authorised for issue on May 23, 2019.

For and on behalf of the Board of Directors

(Sd.) **S. PATHY**

Chairman (DIN:00013899)

(Sd.) **AISHWARYA PATHY**

Vice Chairperson (DIN:00062114)

(Sd.) **R. SANTHARAM**

Director (DIN:00151333)

Coimbatore (Sd.) **N. JAYCHANDER**

May 23, 2019 Director (DIN:00015091)

(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

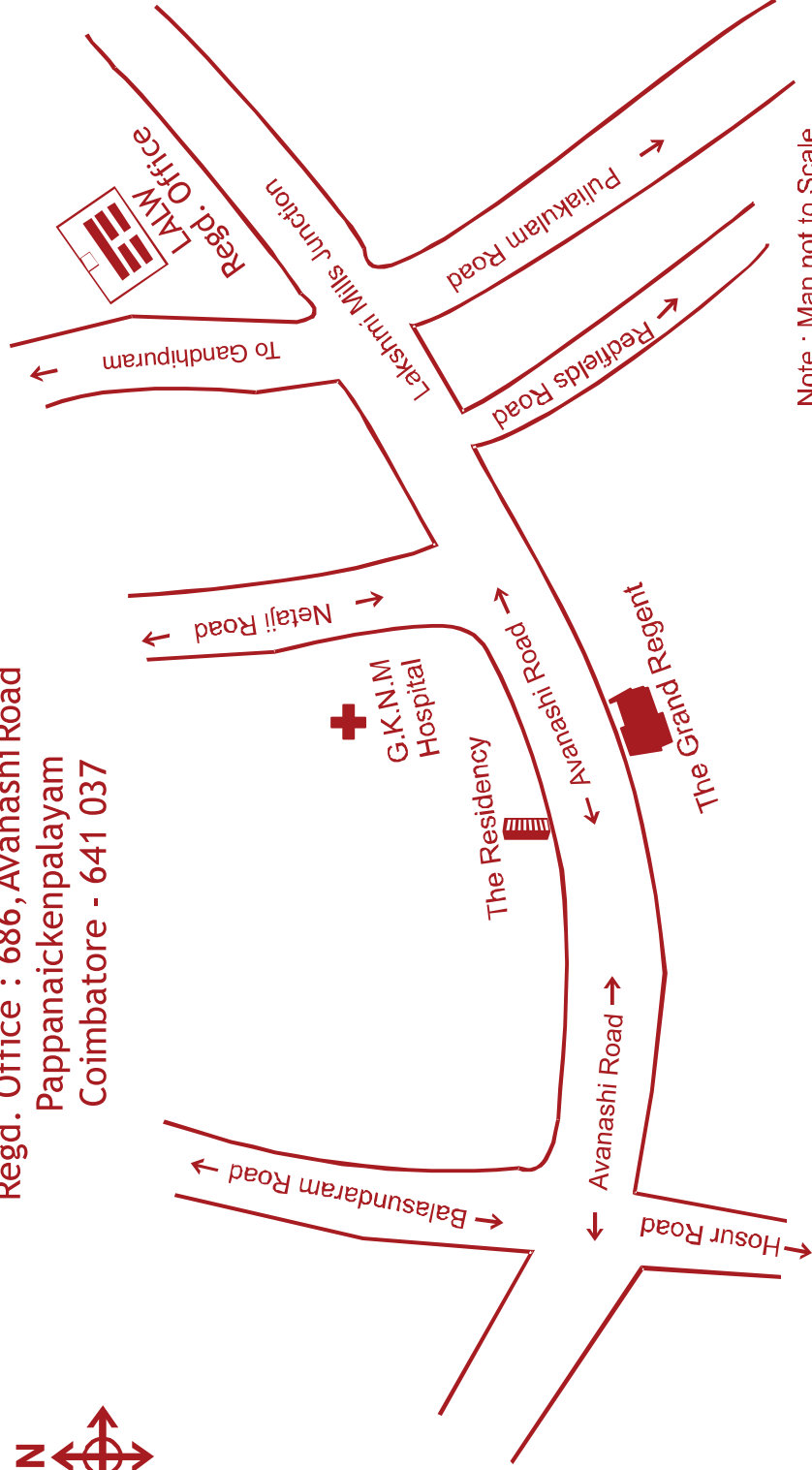
(Membership No. 200380)

Route Map to the Venue of the AGM

Regd. Office : 686, Avanashi Road

Pappanaickenpalayam

Coimbatore - 641 037



Note : Map not to Scale



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CIN : L29269TZ1973PLC000680

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

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

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

ATTENDANCE SLIP

**Forty Fifth Annual General Meeting
on Monday the 16th September, 2019 at 4.00 PM**

For Demat Shareholders

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

For Physical Shareholders

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

I hereby record my presence at the 45th Annual General Meeting of the Company at 4.00 PM at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 on Monday, the 16th September, 2019

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

Note:

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

