

**LAKSHMI  
AUTOMATIC LOOM WORKS  
LIMITED**

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**40th ANNUAL REPORT  
2013 - 2014**



**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

<b>Contents</b>	<b>Page</b>
Notice to Shareholders	2
Report of the Board of Directors to the Shareholders	14
Auditors' Report	33
Balance Sheet	38
Statement of Profit and Loss	39
Notes to Balance Sheet and Statement of Profit and Loss	40



# Lakshmi Automatic Loom Works Limited

## Board of Directors

Mr. S. PATHY  
Chairman

Mr. V.B. HARIBHAKTI

Mr. R.C.H. REDDY

Mr. R. SANTHARAM

Smt. AISHWARYA PATHY

Mr. R. VARADARAJAN

Mr. C. KAMATCHISUNDARAM

Mr. N. JAYCHANDER  
Director-in-Charge

## Vice President - Finance

Mr. A. DORAISWAMY

## Company Secretary

Mr. R. MUTHUKUMAR

## Registered Office

686, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 641 037  
Tamilnadu

CIN: L29269TZ1973PLC000680

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

Email: [lalwcbe@md2.vsnl.net.in](mailto:lalwcbe@md2.vsnl.net.in)

## Works

Weaving Machinery and Spares  
Unit 1  
Hosur Industrial Complex  
Hosur - 635 126, Tamilnadu

Other Engineering Services  
Unit 2  
Singarampalayam  
Kinathukadavu Taluk  
Pollachi - 642 109  
Coimbatore District, Tamilnadu

## Statutory Auditors

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

## Bankers

INDIAN BANK

## Registrars and Share Transfer Agents

S.K.D.C. Consultants Ltd  
Kanapathy Towers, 3rd Floor,  
1391/A1, Sathy Road,  
Ganapathy, Coimbatore - 641 006  
Telephone No. 91-422-2539835, 2539836 & 6549995  
Email Id : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)



## Notice to Shareholders

Notice is hereby given that the fortieth Annual General Meeting of the shareholders of the Company will be held on Thursday the 18<sup>th</sup> day of September, 2014 at 4.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641037 for transacting the following business:

### Agenda

#### Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014 and the statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and the Report of the Auditors thereon.
2. To declare dividend on Preference Shares.
3. To appoint a Director in the place of **Sri R. Santharam** (DIN No.151333) who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of **Sri N. Jaychander** (DIN No.15091) who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“Resolved that M/s. N.R. Doraiswami & Co. Chartered Accountants (Registration No.0007715) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

#### Special Business

6. To appoint **Sri V.B.Haribhakti** (DIN No.88062) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri V.B. Haribhakti (holding DIN No.88062), a Non Executive/Independent Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 from a member has been received by the Company together with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation.”

7. To appoint **Sri R.C.H. Reddy** (DIN No. 6184) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force)



Sri R.C.H.Reddy (holding DIN No.6184), a Non Executive/Independent Director of the Company in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 from a member has been received by the Company together with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation.”

8. To appoint **Sri R.Varadarajan** (DIN No.1738) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri R. Varadarajan (holding DIN No.1738), a Non Executive/Independent Director of the Company in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 from a member has been received by the Company together with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation.”

9. To appoint **Sri C. Kamatchisundaram** (DIN No.06893086) as an Independent Director

and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri C. Kamatchisundaram (holding DIN No.06893086), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 from a member has been received by the Company together with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office from the date of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier and whose term shall not be subject to retirement by rotation.”

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

“Resolved that in super session of the earlier resolution passed by the Members at the Annual General Meeting of the Company held on 17-09-1987 in terms of provisions of Companies Act, 1956, consent of the Company be and is hereby accorded pursuant to provisions of section 180(1)(c) of the Companies Act, 2013 (including any statutory



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

modification(s) or re-enactment thereof and any rules there under for the time being in force), to the Board of Directors of the Company and / or Committee thereof for borrowing monies on behalf of the Company either in foreign currency and / or in rupee currency, as may be deemed necessary, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding Rs.50 crores (Rupees Fifty crores only).

“Resolved further that the Board of Directors of the Company and / or a Committee thereof be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

**(b) To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:**

Resolved that in supersession of the resolution passed at the 23rd Annual General Meeting of the members of the Company held on 19th September, 1997, the consent of the members of the Company, be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, including any amendment, modification, variation or re-enactment thereof, to the board of directors of the Company (hereinafter referred to as “the board” which term shall be deemed to include any committee of directors duly constituted by the board to exercise its powers conferred by this resolution) for

mortgaging and /or charging of all the movable and immovable properties of the Company, present and future, and the whole of the undertaking of the Company to or in favour of financial institutions/ banks (lenders) or the trustees for the lenders of the Company to secure the financial assistance granted/to be granted by the lenders upto an amount not exceeding Rs.50 crores (Rupees Fifty Crores only).

Resolved further that the board be and is hereby authorized to finalize with the Lending Agencies / Debenture Trustees / Financial Institutions, the documents / agreements / undertakings for creating the aforesaid mortgages, charges and / or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents / agreements / undertakings and to do all such acts and things and to execute all such documents, deeds and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any committee of directors and / or director(s) and / or officer(s) of the Company, to give effect to this resolution.

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

Registered Office:  
886, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 641037

01.08.2014

CIN:L29269TZ1973PLC000680

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



## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote (on a poll) on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report of the Meeting.
6. 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.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. a) The Company has notified closure of Register of Members and share Transfer Books from Saturday, September 13, 2014 to Thursday, September 18, 2014 (both days inclusive).  
b) The dividend on Preference Shares, if declared at the Meeting, will be credited/dispatched between September 18, 2014 and October 17, 2014 to those members whose names shall appear on the Company’s Register of Members on September 18, 2014.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA S.K.D.C.Consultants Ltd.
10. 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: [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com), under the section 'Investor Relations'.

11. 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.
12. Non-Resident Indian Members are requested to inform RTA M/s. S.K.D.C.Consultants Ltd. immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. No unpaid and unclaimed 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.
14. 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.
15. **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.**

## 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 copies of annual report and AGM Notice for the year 2013-14 are sent through the permitted mode separately.

### VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of clause 35B of the Listing Agreement read with section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 40<sup>th</sup> Annual General Meeting scheduled to be held on Thursday the 18<sup>th</sup> day of September, 2014 at 4.30 P.M. and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in respect of the resolution as set out in this Notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Sri B. Krishnamoorthi, Chartered Accountant, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 so as to reach him on or before 13<sup>th</sup> September 2014 by 5.00 p.m. Any Ballot Form received after the said date





shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e. either by postal ballot or through e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of Members casting their vote both by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

**Instructions to Members for e-voting are as under:**

- (a) Date and time of commencement of voting through electronic means: 12<sup>th</sup> September, 2014 at 9.00 a.m.
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: 13<sup>th</sup> September, 2014 at 5.00 p.m.
- (c) Details of Website : [www.evotingindia.co.in](http://www.evotingindia.co.in)

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  
Telephone No.91-422-6549995, 2539835,  
2539836 Fax : +91 422 2539837  
Email Id : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)  
Website : [www.skdc-consultants.com](http://www.skdc-consultants.com)

The e-voting module shall be disabled for voting on 13<sup>th</sup> September, 2014 at 5.00 p.m. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. **The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 14<sup>th</sup> August 2014 (cut-off date).**

Sri B. Krishnamoorthi, Practising Chartered Accountant (Membership No.20439) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared at / after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website: [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com), within two (2) days of conclusion of the AGM of the Company and communicated to the Stock Exchange.

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website: [www.evotingindia.co.in](http://www.evotingindia.co.in)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For CDSL : 16 digits beneficiary ID.  
For NSDL : 8 Characters DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.co.in](http://www.evotingindia.co.in) and casted your vote earlier for any company, then your existing password is to be used.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

(vi) If you are a first time user follow the steps given below :

### For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company / Depository Participant are requested to use the <b>Sequence Number</b> , provided in the Postal Ballot Form enclosed herewith, in the PAN field.
In order to <b>login</b> please enter <b>Either</b> Dividend Bank Details <b>OR</b> DOB as below. If the details are not recorded with the depository or company please enter the <b>User ID / Folio Number</b> in the Dividend Bank details field.	
<b>Dividend Bank Details.</b>	Enter the Dividend Bank Account Number as recorded in your demat account or in the company records for the said demat account or folio.
<b>OR</b>	
<b>DOB</b>	Enter the date of birth as recorded in your demat account in dd/mm/yyyy format.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the “Lakshmi Automatic Loom Works Limited” screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN - “Lakshmi Automatic Loom Works Limited” on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolutions and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolution.
- (xiii) After selecting the resolution you have decided to vote on, click on ‘SUBMIT’. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change



your vote, click on “CANCEL” and accordingly modify your vote.

- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Image verification Code and click on Forgot Password and enter the details as prompted by the system.
- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy :**

- (A) Please follow all steps from Sl.No.(i) to Sl.No.(xvi) above to cast vote.
- (B) The voting period begins on 12<sup>th</sup> September, 2014 at 9.00 a.m. and ends on 13<sup>th</sup> September, 2014 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 14<sup>th</sup> August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members desiring to exercise vote by Postal ballot:**

A Member desiring to exercise vote by Postal ballot should complete the Postal ballot Form and send it to the Scrutinizer. Members are requested to read the instructions contained on the reverse of the Postal ballot Form and follow the same.

#### **Explanatory Statement Pursuant to Section 102(1) of the Companies Act 2013 (“the Act”)**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No.6**

Sri V.B.Haribhakti is an Independent Director of the Company and has held the position as such prior to April 1, 2014 who retires by rotation at



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

the ensuing Annual General Meeting of the Company.

As per the clarifications issued by the Ministry of Corporate Affairs in General Circular No.14/2014 dated 9<sup>th</sup> June 2014, if it is intended to appoint existing Independent Directors under the new Act, such appointment shall be made expressly under Section 149(10)/(11) read with Schedule IV of the Act within one year from 1<sup>st</sup> April, 2014. As per the said Section 149(10)/(11) an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for a further term of 5 (five) years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

It is proposed to appoint Sri V.B.Haribhakti as Independent Director under Section 149(10)/(11) read with Schedule IV of the Act and Clause 49 of the Listing Agreement to hold office from the date of this Annual General Meeting upto the expiry of 5(five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier.

Sri V.B.Haribhakti is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a notice in writing from a member along with deposit of requisite amount under Section 160 of the Act proposing the candidature of Sri V.B.Haribhakti for the office of a Director of the Company.

The Company has also received declaration from Sri V.B.Haribhakti that he meets with the criteria of independence as prescribed both under Subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Sri V.B.Haribhakti fulfills the conditions for appointment as independent Director as specified in the Act and

the Listing Agreement. Sri V.B.Haribhakti is independent of the Management.

Brief resume of Sri V.B.Haribhakti, 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 Clause 49 of the Listing Agreement with the Stock Exchange, are provided with Corporate Governance Report forming part of the Annual Report.

This statement may also be regarded as disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Sri V.B.Haribhakti is interested in the resolution with regard to his appointment.

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

The Board commends the Ordinary Resolution set out at item No.6 of the Notice for approval by the shareholders.

### **Item No.7 and 8**

Sri R.C.H.Reddy and Sri R.Varadarajan are Independent Directors of the Company and have held the positions as such prior to April 1, 2014.

As per the clarifications issued by the Ministry of Corporate Affairs in General Circular No.14/2014 dated 9<sup>th</sup> June 2014, if it is intended to appoint existing Independent Directors under the new Act, such appointment shall be made expressly under Section 149(10)/(11) read with Schedule IV of the Act within one year from 1<sup>st</sup> April, 2014. As per the said Section 149(10)/(11) an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for a further term of 5 (five) years on passing of a special resolution by the



Company and disclosure of such appointment in the Board's report.

It is proposed to appoint Sri R.C.H.Reddy and Sri R.Varadarajan as Independent Directors under Section 149(10)/(11) read with Schedule IV of the Act and Clause 49 of the Listing Agreement to hold office from the date of this Annual General Meeting upto the expiry of 5(five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier.

Sri R.C.H.Reddy and Sri R.Varadarajan are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Sri R.C.H.Reddy and Sri R.Varadarajan for the office of Directors of the Company.

The Company has also received declaration from Sri R.C.H.Reddy and Sri R.Varadarajan that they meet with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Sri R.C.H.Reddy and Sri R.Varadarajan fulfill the conditions for appointment as independent Directors as specified in the Act and the Listing Agreement. Sri R.C.H.Reddy and Sri R.Varadarajan are independent of the Management.

Brief resume of Sri R.C.H. Reddy and Sri R. Varadarajan, 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 Clause 49 of the Listing Agreement with the Stock Exchange, are provided with Corporate Governance Report forming part of the Annual Report.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Sri R.C.H.Reddy and Sri R.Varadarajan are interested in the resolutions set out respectively at items Nos.7 & 8 of the Notice with regard to their respective appointments.

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 setout at item No.7 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 / their relatives are, in any way, concerned or interested financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at item No.7 & 8 of the Notice for approval by the shareholders.

#### **Item No.9**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Sri C. Kamatchisundaram as an Additional Director of the Company with effect from 1<sup>st</sup> August 2014.

In terms of the provisions of Section 161(1) of the Act, Sri C.Kamatchisundaram would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Sri C. Kamatchisundaram for the office of a Director of the Company.

It is proposed to appoint Sri C. Kamatchisundaram as Independent Director under Section 149(10)/(11) read with Schedule IV of the Act and Clause



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

49 of the Listing Agreement to hold office from the date of this Annual General Meeting upto the expiry of 5(five) consecutive years or the date of Forty Fifth Annual General Meeting whichever is earlier.

Sri C. Kamatchisundaram is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act Interalia stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149(10)/(11), an independent director can hold office for a term upto 5 (five) consecutive years on the Board of a company but shall be eligible for reappointment for a further term of 5(five) years, on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

The Company has received a declaration from Sri C.Kamatchisundaram that he meets with the criteria of independence as prescribed both under Subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Sri C. Kamatchisundaram fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Sri C.Kamatchisundaram is independent of the Management.

Brief resume of Sri C.Kamatchisundaram, 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 Clause 49 of the Listing Agreement with the Stock Exchange, are provided with Corporate Governance Report forming part of the Annual Report.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Sri C. Kamatchisundaram is interested in the resolution with regard to his appointment.

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

The Board commends the Ordinary Resolution set out at item No.9 of the Notice for approval by the shareholders.

### Item No.10 (a) and (b)

(a) The Members of the Company, at the Annual General Meeting held on 17-09-1987, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding Rs.40 crores.

However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013 a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's banker in the ordinary course of business) with the approval of members of the Company by way of a Special Resolution.

(b) The Members of the Company, at the 23rd Annual General Meeting held on 19th September, 1997, had granted their approval by way of ordinary resolution, to the Board of Directors to mortgage or to create charge on all or any of the assets of the Company in favour of the concerned lenders for the purpose of receiving the due repayment of the monies borrowed by the Company together with the interest and other monies thereon. As per the provisions of Section 180(1)(a) of the Companies Act, 2013 the Board of Directors of a Company shall not,



without the consent of the members of the Company by means of a special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking. For the purpose of Company's business operations, the Company raises resources, *inter alia*, by borrowing monies from time to time from various banks, financial institutions, etc. These borrowings are secured by promissory notes and / or pledges on the assets and the properties of the Company coupled with power of attorney in favour of such lenders.

The Board accordingly recommends the Special Resolution as mentioned at item No.10 (a) and (b) of this Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution.

By Order of the Board of Directors

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

Registered Office:  
686, Avanashi Road  
Pappanaickenpalayam  
Coimbatore - 641037

01.08.2014      CIN:L29269TZ1973PLC000680  
Website: [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)



## Report of the Board of Directors to the Shareholders

Your Directors submit their Fortieth Annual Report together with the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014.

### Financial Results

	2013-2014	2012-2013
	Rs. in Lakhs	
Sales and other income	812.61	732.84
Profit before Depreciation and amortization Expenses	337.98	235.67
Depreciation and amortization Expenses	35.10	34.82
	302.88	200.85
Add: Exceptional items	20.31	19.13
Less: Tax expense	323.19	219.98
Current Tax	(-)35.88	-
Deferred Tax (Asset)	23.67	70.08
	310.98	290.06
Proposed dividend on 6% Cumulative Redeemable Preference Shares for year ended 31-03-2013	51.00	51.00
Corporate Tax on Dividend	8.67	8.67
Net Profit / Loss (-)	251.31	230.39
Add: Balance from the Previous year	(-)1381.95	(-)1612.34
Balance Carried Over	(-)1130.64	(-)1381.95

#### Operations

The operations during the year have resulted in a net profit of Rs.310.98 lakhs after providing for depreciation of Rs.35.10 lakhs.

#### Weaving Machinery and Spares

The sale of Accessories and Spares of Weaving Machines during the year was Rs.129.75 lakhs against Rs.148.15 lakhs in the previous year.

The continuous import of large number of shuttleless weaving machines, particularly used weaving machines available on affordable prices affected the demand for the 'C' type shuttle weaving machines manufactured by the company. In view of lack of orders, there was no production of weaving machines during the year.

It was not possible to take up production of shuttleless weaving machines considering the techno economic viability by paying high technical know fee demanded by the foreign machinery manufacturers vis-a-vis the price competition of both new and used machines being imported.

The income generated on utilisation of the idle Assets of the Company during the year was Rs.300.17 lakhs against Rs.237.06 lakhs in the previous year.

#### Other Engineering Services

The sale of parts for Machine Tools including Tool Holders during the year was Rs.173.07 lakhs





against Rs.175.99 lakhs in the previous year. The export market being highly competitive, the inflow of orders for parts for Machine Tools including Tool Holders during the year was not encouraging.

### **Outlook**

The Company's net worth though has become positive, the carried forward losses of Rs.1130.64 lakhs are yet to be wiped out. Being a reputed manufacturer of high speed automatic 'C' type shuttle weaving machines and is well-known in the Textile Industry, the company is exploring the possibilities for a tie up with any of the reputed foreign machinery manufacturers to manufacture Rapier and Airjet Weaving Machines.

### **Dividend**

The Directors have recommended arrears of dividend on the 6% Cumulative Redeemable Preference Shares for the year ended 31-03-2013 absorbing a sum of Rs.59,66,745/- and the dividend for the year is deferred to maintain financial liquidity. No dividend on the Equity shares for the year has been recommended on account of carryover losses.

### **Fixed Deposits**

The Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956.

### **Directors**

Sri Sudhir Sharma resigned his directorship with effect from 1<sup>st</sup> August 2014 in view of his retirement from the services of Voltas Limited upon superannuation. Pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Sri C.Kamatchisundaram was appointed as Additional Director designated as an Independent Director with effect from 1st August, 2014 and he shall hold office upto the date of the ensuing Annual General Meeting.

The Company has received requisite notice in writing from a Member proposing Sri C.Kamatchisundaram for appointment as an Independent Director.

Sri R. Santharam, Sri V.B. Haribhakti and Sri N. Jaychander, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received requisite notice in writing from a member proposing Sri V.B.Haribhakti for appointment as an Independent Director.

As per clarifications issued by the Ministry of Corporate Affairs it is intended to appoint the existing Independent Directors under section 149(10)/(11) read with schedule IV of the Companies Act 2013. The Company has received requisite notice in writing from a member proposing Sri R.C.H.Reddy and Sri R.Varadarajan for appointment as Independent Directors.

The Company has received declaration from all the Independent Directors of the Company confirming they meet with the criteria of independence as prescribed under sub section (6) of section 149 of the Companies Act, 2013.

### **Auditors**

M/s.N.R.Doraiswami & Co. Chartered Accountants, Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting.

As recommended by the Audit Committee, it is proposed to reappoint M/s.N.R.Doraiswami & Co. as Statutory Auditors of the Company. The Members are requested to consider their appointment and authorize the Board to fix their remuneration.

M/s. N.R. Doraiswami & Co. (ICAI Regn.No.0007715) have confirmed their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### **Directors Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956.**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility statement, the Board of Directors of the Company, on the basis of the information furnished by the Company's Officers and the Auditors, confirm that:

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2014, the applicable accounting standards have been followed;
- ii) the directors have selected such accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2014 and of the profit of the Company for the year ended 31<sup>st</sup> March 2014;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

Coimbatore  
01.08.2014

### **Auditors' Report**

There are no qualifications in the Auditors' Report

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

A separate report on Corporate Governance and Management Discussion and Analysis are annexed as part of the Annual Report along with the Auditors' Certificate of compliance on Corporate Governance.

### **General**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of directors) Rules, 1988 is appended hereto.

During the year under review, there was no employee drawing remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 (as amended).

Your Directors thank the Indian Bank for their continued support and Voltas Limited and Infocus Marketing and Services Limited for their services rendered during the year.

By Order of the Board

(Sd.) **S. Pathy**  
Chairman



Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

**A. Conservation of Energy :**

- a) The Textile Machinery Manufacture is not energy intensive. Efforts are continuously made to reduce the waste of energy to the minimum.
- b) The Company manufactures Accessories and Spares for Textile Machinery. As such, the information in Form A is not applicable.

**B. Technology Absorption :**

Research & Development (R & D)

1. Specific Areas in which R & D was carried out by the Company:  
Field level Investigations and performance assessment of the Company's weaving machines at the weaving installations.
2. Benefits derived as a result of the above R & D:  
Market acceptability of the products and better after sales service.
3. Future Plan of Action:  
To obtain the technical know-how for manufacture of shuttleless weaving machines.

4. Expenditure on R & D :

- |              |                |
|--------------|----------------|
| a) Capital   | } Not material |
| b) Recurring |                |
| c) Total     |                |

**Technology Absorption, Adaptation & Innovation :**

1. Efforts in brief, made towards technology absorption, adaptation and innovation:  
The technology on manufacture of 'C' type shuttle weaving machines has been absorbed fully, adapted and developed to meet specific requirements of the customers.
2. Benefits derived out of the above efforts:  
Improvement in quality, performance and productivity were achieved.
3. Information of imported Technology (imported during the last 5 years reckoned from the beginning of the financial year) : Nil

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

Total Foreign Exchange used by the Company during the year.	Rs. 2.65 Lakhs
Total Foreign Exchange earned by the Company during the year.	Rs. 40.17 Lakhs

Coimbatore  
01.08.2014

By Order of the Board  
(Sd.) S. Pathy  
Chairman



## Management Discussion and Analysis Report

### I. Industry Structure and developments:

India has the largest installed weaving capacity and it needs to fillup the wide technology gap by developing suitable indigenous shuttleless weaving machines at competitive prices for the indigenization / expansion of the Industry. The Shuttleless looms have been developed in Europe, Japan and later by China to overcome the problems created by the dynamics of the picking mechanism on the conventional Fly shuttle looms and make use of entirely different methods of weft insertion. Airjet, Waterjet, Rapier, Gripper (Projectile) and multiphase are the various types of shuttleless weaving machines.

The weft insertion rates achieved are higher in shuttleless weaving machines and use of electronics has eased the operation of weavers. The quality of cloth obtained in shuttleless weaving machines is far superior and acceptable in the international market. To meet the additional requirement of cloth as well as provide for replacement of aged looms, the demand for shuttleless weaving machines is increasing.

#### A. Weaving Machinery and Accessories and Spares

The demand for high speed automatic 'C' type shuttle weaving machines manufactured by the Company was affected due to advent of shuttleless technology. While the organized sector is choosing new shuttleless looms, the power loom sector is opting for used looms which are available at affordable prices. Thereby the market for the Company's 'C' type shuttle loom is extinct and only accessories and spares were manufactured during the year.

### B. Other Engineering Services

The orders received for Parts for machine tools including tool holders are based on the international demand and is highly price competitive.

### II. Opportunities and threats:

#### A. Weaving Machinery and Accessories and Spares

To encourage the Textile Industry the government has made available the Textile Up-gradation Fund Scheme (TUFS) and thereby the buyers are eligible for both capital subsidy and/or reimbursement of a portion of interest on term loans availed by them. The extension of the scheme for both new and used shuttleless weaving machines has affected the demand for Company's shuttle weaving machines.

The manufacture of shuttleless weaving machines requires import of technology on payment of high technical know-how fee and heavy investment on Machinery and Equipment. Added to the techno economic viability, the threat of import of used machinery is a factor to be reckoned with.

#### B. Other Engineering Services :

The orders received from the EOU for supply of Parts for machine tools including tool holders depend on the export orders bagged by it. As the international market for parts and tool holders is fluctuating the inflow of orders for the Company are not even and adequate.

### III. Segmentwise or Productwise performance

#### A. Weaving Machinery, Accessories and Spares:

Due to lack of orders for 'C' type shuttle weaving machines, there was no production of weaving machines during the year. Only



Accessories and spares for weaving machines were manufactured and the sales amounted to Rs.129.75 lakhs for the year ended 31-03-2014. Income earned on utilization of the idle Assets of the Company was Rs.300.17 lakhs.

**B. Other Engineering Services :**

The deemed export of Parts for Machine Tools including Tool holders during the year was Rs.173.07 lakhs. The income earned by undertaking job work was Rs.3.22 lakhs.

**IV. Outlook:**

The income on utilisation of the idle Assets of the Company will continue to be earned. The manufacture of shuttleless weaving machines depends on having a tie up with a suitable Joint Venture Partner being explored.

**V. Risks and Concerns:**

The domestic demand of shuttleless weaving machines is growing steadily. The manufacture of shuttleless weaving machines requires heavy investment in capital equipment as well as acquiring technology. This could be possible only by having a tie-up with a joint venture partner / associate. The modalities are being worked out and appropriate decisions will be taken in the best interests of the Company.

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

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

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

The Company has achieved revenue from operations including utilization of the idle Assets of the Company, of Rs.812.61 lakhs and net profit of Rs.310.98 lakhs during the year. The limitation in taking up production of Rapier and Airjet weaving machines is inhibiting the growth of revenue.

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

The number of people employed were reduced to operational level. The relations with labour was cordial during the year. The permanent employees on Roll as on 31-03-2014 were 34.



## Report on Corporate Governance

Pursuant to clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, Compliance with the requirements of Corporate Governance is set out below:

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

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

### BOARD OF DIRECTORS:

The Board of Directors (Board) comprises Eight Directors, of which seven are non Executive Directors. The Company has a non Executive Chairman and Four Independent Directors. In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material information are placed before the Board at the meetings.

### Composition :

The Board is headed by the Chairman and assisted by the Director-in-Charge.

### Position of Board of Directors :

Sl. No.	Directors	Category	Interse relationships	Other Directorships *	Board Committees**	
					Mem-ber-ship	Chair-man-ship
1.	Sri S. Pathy	Non-Executive Chairman Promoter	Father of Smt. Aishwarya	3	-	-
2.	Sri V.B. Haribhakti	Independent Director	-	7	4	4
3.	Sri R.C.H. Reddy	Independent Director	-	5	3	1
4.	Sri R. Santharam	Non-Executive Director	-	3	2	2
5.	Smt. Aishwarya Pathy	Non-Executive Director	Daughter of Sri S. Pathy	-	-	-
6.	Sri R. Varadarajan	Independent Director	-	3	3	-
7.	Sri N. Jaychander	Executive Director -in- Charge	-	-	1	-
8.	Sri C.Kamatchisundaram #	Additional Director	-	-	-	-

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

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

# Appointed as Additional Director with effect from 1<sup>st</sup> August 2014



### Board Meetings and Attendance :

Four Board Meetings were held on **20.05.2013, 12.08.2013, 07.11.2013 and 13.02.2014**, during the financial year from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014. Details of Attendance of each Director at the Meetings of the Board and various committees of the Board during the financial year ended 31<sup>st</sup> March, 2014 are as below:

Sl. No.	Name of Directors	Board Meetings Attended	Audit Committee Meetings Attended	Shareholders/ Investors Grievance Committee Meetings Attended	Last AGM Attended (Yes / No)	* Sitting Fees paid for attending Board and Committee Meetings Rs.
1.	Sri S.Pathy	4	–	–	Yes	20,000/-
2.	Sri V.B.Haribhakti	4	4	–	Yes	32,000/-
3.	Sri R.Santharam	3	3	1	No	27,000/-
4.	Sri R.C.H.Reddy	4	4	1	Yes	35,000/-
5.	Sri Sudhir Sharma **	2	–	–	Yes	10,000/-
6.	Smt.Aishwarya Pathy	1	–	–	No	5,000/-
7.	Sri R.Varadarajan	4	–	–	Yes	20,000/-
8.	Sri N.Jaychander	4	–	1	Yes	23,000/-

\* Subject to TDS

\*\* Resigned with effect from 1st August, 2014

### Remuneration of Directors :

No remuneration other than Sitting Fees within the limits prescribed under the Companies Act, 1956 was paid to the Directors including the Director-In-Charge during the year.

The number of Company's shares held by the Non-Executive Directors are as below:

Sl. No	Name of Directors	No. of Equity shares of Rs.10/- each held
1.	Sri S. Pathy	4,67,944
2.	Sri R.C.H. Reddy	594
3.	Smt. Aishwarya Pathy	7,24,658

### Committee of Directors :

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

#### Audit Committee :

The Independent Audit Committee consists of three Independent Directors and one Non-Executive Director as its members as below:

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

The Company Secretary is the Secretary of the Audit Committee.

The Audit Committee is empowered as per the Terms of Reference specified by the Board in terms of section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

The Committee has met Four times during the financial year ended 31<sup>st</sup> March, 2014. The Statutory Auditors and Internal Auditors attend the Audit Committee Meetings on invitation.

### **Stakeholders Relationship Committee:**

The Committee was constituted by the Board on 30.05.2014 in lieu of the Shareholders Grievance Committee. The Committee considers and resolves the grievances of shareholders of the Company and look into their complaints, if any, on transfer of shares, non-receipt of Balance sheet, non receipt of declared dividends etc. and also the action taken by the Company on the above matters.

The Committee consists of the following Directors as its members :

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

The Company Secretary is the Secretary of the Committee.

### **Nomination and Remuneration Committee:**

The Committee has been set up with four Directors as members of which three members are Independent Directors. The Chairman of the Committee is an Independent Director constituted as below:

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

The Committee has interalia formulated the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel in terms of section 178 of the Companies Act 2013 and clause 49 of the Listing Agreement and approved by the Board of Directors.

The Company Secretary is the Secretary of the Committee.

During the financial year ended 31-03-2014, 6 letters / complaints were received from the investors which were replied / resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31-03-2014 was Nil. The Committee has met once during the financial year ended 31<sup>st</sup> March, 2014.

### **Share Transfer Committee:**

The Share Transfer Committee consists of Three Members of the Board of Directors and Two Members representing the Registrars and Transfer Agents. The Committee has met Seventeen times during the financial year ended 31<sup>st</sup> March, 2014.





### **General Body Meetings :**

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

Location	Day	Date	Time
Registered Office : 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037	Thursday	11.08.2011	4.30 P.M.
- Do -	Thursday	09.08.2012	4.30 P.M.
- Do -	Monday	12.08.2013	2.30 P.M.

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

A Special Resolution was passed at the Annual General Meeting held on 09-08-2012 for the re-appointment of Director-In Charge of the Company.

No Special Resolution was passed last year through Postal Ballot.

At present there is no proposal to pass any special resolution by postal ballot.

### **Disclosures:**

There are no materially significant Related Party Transactions that would have potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note No.12 to the Annual Accounts.

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.

All the Mandatory requirements have been complied with as stated in this report on Corporate Governance. The Board has taken cognizance of the non-mandatory requirements and shall consider adopting the same.

### **Vigil Mechanism / Whistle Blower Policy:**

The Board of Directors at their Meeting held on 1<sup>st</sup> August 2014 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.

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

### **Code of Conduct:**

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and posted on the Website of the Company. The Compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2013-14 has been affirmed by the Director-in-Charge (CEO).

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

The Director-In-Charge and the CFO have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is separately annexed.

### **Means of Communication:**

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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

The Quarterly Results, Shareholding Pattern and Company information are available in the Company's Website [www.lakshmiautomatic.com](http://www.lakshmiautomatic.com)

### Management Discussion and Analysis (MDA) Report

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

### SHAREHOLDERS INFORMATION

#### Annual General Meeting :

Day & Date	: Thursday the 18 <sup>th</sup> September, 2014
Time	: 4.30 P.M.
Venue	: Registered Office: 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037.

#### Financial Calendar

Financial Year	: 1st April 2013 to 31st March 2014
Results announced	: 30.05.2014
Posting of Annual Reports	: On or before 25.08.2014
Last date of receipt of Proxy Form	: 16.09.2014 (before 4.30 P.M.)
Announcement of Quarterly Results (Tentative)	: August 2014, November 2014, February 2015 and May 2015
Date of Book Closure	: 13.09.2014 to 18.09.2014 (both days inclusive)
Dividend Payment Date	: On 6% Cumulative Redeemable Preference Shares on or before 17.10.2014 On Equity Shares - No dividend recommended
Listing on Stock Exchanges	: The Equity Shares of the Company are listed in Bombay Stock Exchange Ltd. (BSE)
Payment of listing Fees	: Annual Listing Fees for the year 2014-15 has been paid by the Company.
Stock / Scrip Code	: 505302
ISIN Number	: INE718M01014

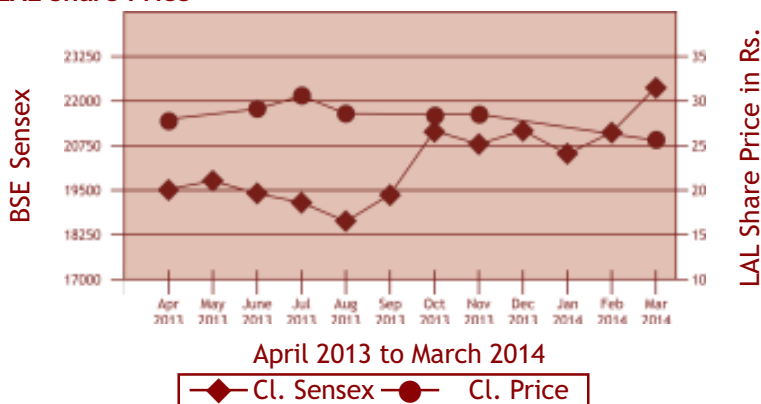
#### Market Price Data :

Month	Apr'13	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'14	Feb	Mar
High (Rs.)	27.85	-	29.20	30.65	30.60	-	28.40	28.40	-	-	-	27.00
Low (Rs.)	25.30	-	29.20	29.20	27.10	-	27.05	28.40	-	-	-	25.70
No. of Shares Traded	1,202	-	5	50	2,188	-	900	1	-	-	-	62



## SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX

### BSE Sensex Vs LAL Share Price



### Registrars and Share Transfer Agents :

(For Shares held in both Physical and Demat mode)

S.K.D.C. Consultants Ltd

Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006

Telephone No.91-422-2539835, 2539836 & 6549995 Email Id : info@skdc-consultants.com

### Share Transfer System:

The physical share transfers are processed and the share certificates are returned within a period of 15 days from the date of receipt if documents are in order and on approval by the Share Transfer Committee.

Any transferee who wishes to demat the shares may approach a Depository participant along with duly filled Demat Request Form, who shall, on the basis of share certificate, generate a demat request and send the same to the Registrars and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request. All reports for dematerialization of shares are processed and confirmation is given to the respective Depositories ie. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) within 21 days of receipt.

### Distribution of Shareholding as on 31.03.2014 :

Range	No.of Equity Share holders	% of Total Number of Shareholders	No.of Shares	% to Total paid up capital
1 – 5000	8849	99.72	774458	12.69
5001 – 10000	3	0.03	19800	0.32
10001 – 20000	6	0.07	86666	1.42
20001 – 30000	1	0.01	30000	0.49
30001 – 40000	1	0.01	38966	0.64
40001 – 50000	1	0.01	50000	0.82
50001 – 100000	-	-	-	-
100001 and above	13	0.15	5104098	83.62
Total	8874	100.00	6103988	100.00



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Shareholding Pattern as on 31.03.2014 :

Category	No. of Share holders	No. of Shares of Rs.10/- each	% of Share holding
Promoters	8	1586242	25.99
Banks	2	23000	0.38
Insurance Companies (Government)	6	1400186	22.94
Bodies Corporate	40	1152328	18.87
Overseas Bodies Corporate	2	1125000	18.43
Indian Public	8681	667602	10.94
NRI's	135	149630	2.45
Total	8874	6103988	100.00

### Dematerialisation of Shares:

There are 8874 shareholders holding 6103988 Equity Shares of the Company. 6437 shareholders are holding shares in less than marketable lots of 50 shares.

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

As on 31-03-2014, 30,86,132 Equity shares were dematerialized representing 50.559% of the total paid up Equity share capital of the Company.

### Nomination Facility:

Section 72 of the Companies Act, 2013 provides the facility for nomination of the shares. The nomination (Form No.SH-13) along with instructions is provided to the Members on request.

### Plant Locations :

The Company has 2 Plants situated at the following locations :

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

Hosur Industrial Complex  
Hosur - 635 126

#### OTHER ENGINEERING SERVICES (UNIT 2)

Singampalayam, Kinathukadavu Taluk  
Pollachi 642 109, Coimbatore District

### Address for Correspondence :

All correspondence from shareholders should be addressed to :-

The Company Secretary

Lakshmi Automatic Loom Works Ltd

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

Telephone : 0422 2245484, 2245485

Telefax : 0422 2244887

E-mail : lalwcbe@md2.vsnl.net.in

Website : www.lakshmiautomatic.com

Investors Grievance Registration - E-mail ID : lalsecretarial@vsnl.net



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

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company and the same has also been posted in the Company's website and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct for the financial year ended 31-03-2014.

Coimbatore  
01.08.2014

(Sd.) **N. Jaychander**  
Director-in-Charge  
C E O

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### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH BOMBAY STOCK EXCHANGE LTD

To the Members of Lakshmi Automatic Loom Works Limited :

We have examined the compliance of conditions of Corporate Governance by M/s. Lakshmi Automatic Loom Works Limited for the year ended 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange for the year ended 31<sup>st</sup> March 2014.

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

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

Coimbatore  
30.05.2014

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



**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

**CEO & CFO CERTIFICATE**

The Board of Directors  
Lakshmi Automatic Loom Works Ltd  
686, Avanashi Road  
COIMBATORE - 641037

Sub: Annual Confirmation pursuant to Clause 49(V) of the Listing Agreement.

As required by Clause 49(V) of the Listing Agreement with Stock Exchange we hereby certify that :

- a) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the financial year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief :
  - i) these Statements do not contain any materially untrue Statements or omit any material fact or contains Statements that might be misleading.
  - ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no.
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore  
01.08.2014

(Sd.) **N. Jaychander**  
Director-in-Charge  
CEO

(Sd.) **A. Doraiswamy**  
Vice President - Finance  
CFO



## Directors' Profile

**Sri S.Pathy** (DIN No. 13899) has been on the Board of Directors of the Company from inception holding the office of Joint Managing Director, Managing Director and Vice Chairman and is presently the Chairman of the Company. Sri S.Pathy is a Commerce Graduate from the University of Madras and has intensive experience in various fields of Management. He has been associated with the Textile Machinery Manufacturing Industry for the past 40 years. He was a Member of the Executive Council of the Textile Machinery Manufacturers' Association (India).

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

### OTHER DIRECTORSHIPS:

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

### TRUST:

G.Kuppuswamy Naidu Memorial Trust - Trustee

### COMMITTEE MEMBERSHIPS:

Nomination and Remuneration Committee:

1. Lakshmi Machine Works Ltd - Member

Sri S.Pathy holds 4,67,944 equity shares of Rs.10/- each of the Company.

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

**Sri V.B.Haribhakti** (DIN No. 88062) has been on the Board of Directors of the Company from 28-12-1984. Sri V.B.Haribhakti is a Partner of Haribhakti & Co., a leading firm of Chartered Accountants. He is on the Board of several Public Limited Companies and Committees and has accounting and financial management expertise.

### OTHER DIRECTORSHIPS:

1. Bajaj Electricals Ltd
2. Citadel Realty And Developers Ltd.
3. The Simplex Realty Ltd.
4. The Anglo French Drug Co.(Eastern) Ltd.
5. Ester Industries Ltd.
6. Tilak Nagar Industries Ltd.
7. The Free Press House Ltd.
8. Mirae Asset Trustee Co.Private Ltd.

### COMMITTEE MEMBERSHIPS:

#### Audit Committee :

1. Tilak Nagar Industries Ltd. - Chairman
2. The Simplex Realty Ltd. - Chairman
3. Ester Industries Ltd. - Chairman
4. Bajaj Electricals Ltd. - Chairman
5. Lakshmi Automatic Loom Works Ltd - Member
6. Citadel Realty and Developers Ltd. - Member

#### Stakeholders Relationship Committee

1. Bajaj Electricals Ltd - Member



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

2. Tilak Nagar Industries Ltd - Member

### **Nomination and Remuneration Committee:**

1. Tilak Nagar Industries Ltd. - Chairman
2. The Simplex Realty Ltd. - Chairman
3. Ester Industries Ltd. - Chairman
4. Bajaj Electricals Ltd. - Chairman

### **TRUST:**

1. Bombay Mid Town Rotary Trust - Trustee
2. V.B.Haribhakti Charitable Trust - Trustee

### **MEMBER:**

1. Indian Merchant Chamber - Member
2. Council for Fair Business Practices - Member

Sri V.B. Haribhakti does not hold any Equity shares in the Company.

**Sri R.C.H. Reddy** (DIN No. 6184) is a B.Sc. (Tech) and Diploma holder in Business Management (University of Madras) and has served in the Textile Machinery Division of Voltas Limited for more than 40 years. He retired from Voltas Limited as the Head of the Textile Machinery Division in the year 1998. He has vast experience not only in selling Weaving Machines but also good knowledge in Weaving Machinery Design and Manufacturing. He has been associated with Lakshmi Automatic Loom Works Limited from the inception. His rich knowledge and experience in Weaving Industry is beneficial to the Company.

### **OTHER DIRECTORSHIPS:**

#### **Name of the Companies:**

1. Rajshree Sugars & Chemicals Ltd.
2. Lakshmi Electrical Drives Ltd.
3. Lakshmi Precision Tools Ltd.
4. Harshni Textiles Ltd.
5. Lakshmi Ring Travellers (Coimbatore) Ltd.

6. Lakshmi Card Clothing Mfg. Company Private Ltd

### **COMMITTEE MEMBERSHIPS:**

#### **Audit Committee:**

1. Lakshmi Automatic Loom Works Ltd. - Chairman
2. Rajshree Sugars & Chemicals Ltd. - Member
3. Harshni Textiles Ltd. - Member

#### **Stakeholders Relationship Committee**

- Lakshmi Automatic Loom Works Ltd. - Member

#### **Nomination and Remuneration Committee:**

1. Lakshmi Automatic Loom Works Ltd. - Chairman
2. Rajshree Sugars & Chemicals Ltd. - Member
3. Lakshmi Ring Travellers (Cbe) Ltd. - Member

**Sri R.C.H. Reddy** holds 594 equity shares of Rs.10/- each of the company.

**Sri R.Santharam** (DIN No. 151333) has studied Textile Management in USA and is closely associated with the Textile Industry for the last 47 years. He is the Chairman and Managing Director of Lakshmi Card Clothing Manufacturing Company Pvt. Ltd in collaboration with GRAF of Switzerland, a leading Card Clothing manufacturing Company in India. He is looking after the entire operations including Production, Personnel, Finance and Marketing of the Company for the last 47 years. He was the past Chairman of Textile Machinery Manufacturers' Association (India).

### **OTHER DIRECTORSHIPS:**

1. The Lakshmi Mills Co.Ltd.
2. LCC Investments Ltd.





3. Sri Revati Spinning Mills Ltd.
4. Lakshmi Card Clothing Manufacturing Company Pvt.Ltd.
5. R.Santharam Marketing and Services Pvt. Ltd.

#### **COMMITTEE MEMBERSHIPS:**

##### **Audit Committee :**

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

##### **Stakeholders Relationship Committee**

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

##### **Nomination and Remuneration Committee:**

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

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

**Smt. Aishwarya Pathy** (DIN No. 00062114) aged about 32 years is a BA graduate of the Wheaton College, Norton, MA(MASSACHUSETTS) and Int'l. Baccalaureate in Art History, Business and Organisation, Spanish.

She had her schooling in Kodaikanal International School, Tamil Nadu and earned 'The Achievement award' for outstanding performance. She has worked as Manager - Business Development in Rajshree Sugars and Chemicals Ltd, Coimbatore for an year. She has undergone training in Pricewaterhouse Coopers, Mexico D.F., Mexico for one year. Smt. Aishwarya Pathy is well acquainted with

Business Management Practices including financial management.

Smt. Aishwarya Pathy, has been on the Board of Directors of the Company from 23.05.2012.

#### **OTHER DIRECTORSHIPS:**

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

#### **TRUST**

1. GV Memorial Trust
2. Neelaveni Thayarammal Memorial Trust

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

Smt. Aishwarya Pathy holds 724658 Equity shares of Rs.10/- each of the Company.

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

**Sri R.Varadarajan** (DIN No. 1738) has been on the Board of Directors of the Company from 23.05.2012. Sri R.Varadarajan aged about 56 years holds Masters Degree in English literature and also in Business Management. Sri R.Varadarajan has been associated with Rajshree Sugars and Chemicals Limited since its inception in 1987 and is currently the Whole-Time Director of the Company. He has spearheaded the project



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

team of Rajshree Sugars and Chemicals Limited through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of Power. He has vast experience in co-ordination and managing diverse activities in executing green field projects from strategic planning to technical and commercial operations.

### OTHER DIRECTORSHIPS:

1. Rajshree Sugars and Chemicals Ltd
2. Trident Sugars Limited
3. Sri Krishna Potable Products Private Limited
4. COCCA Art & Design Institute Pvt. Ltd
5. Petal Hotels Pvt. Ltd
6. Major Corporate Services (India) Ltd

### COMMITTEE MEMBERSHIPS:

#### Audit Committee

Trident Sugars Limited - Member

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

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

Sri N.Jaychander (DIN No. 15091) is a Post Graduate in Business Administration and has intensive experience in various fields of Management. He is currently the Vice President-Operations in The Lakshmi Mills Company Ltd

and has been associated with the Textile Industry for the past 26 years and possesses Management and Financial expertise.

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

**OTHER DIRECTORSHIPS:** NIL

### COMMITTEE MEMBERSHIPS:

#### Stakeholders Relationship Committee:

Lakshmi Automatic Loom Works Ltd - Member

Sri N.Jaychander holds 1850 equity shares of Rs.10/- each of the Company.

Sri C.Kamatchisundaram (DIN No. 06893086) has been appointed as Additional Director by the Board of Directors of the Company with effect from 1<sup>st</sup> August 2014. Sri C. Kamatchisundaram aged about 53 years is a Bachelor of Textile Technology and Master in Business Management. Sri C. Kamatchisundaram has 31 years of experience in the Textile Industry. He is currently the head of Textile Machinery Division and the Business Improvement Group of Voltas Limited. He is the Leader of External Assessment Teams for assessment of Tata group of Companies using the Tata Business Excellence Model. His area of expertise includes

General Management of Business,

Sales and Services in Textile Machinery Industry,

Operation Management in Textile Industry,

Process Management and Improvement and

Driving Business excellence initiatives.

**OTHER DIRECTORSHIPS:** Nil

**COMMITTEE MEMBERSHIPS:** Nil

Sri C. Kamatchisundaram does not hold any Equity Shares in the Company.



## **Independent Auditors' Report**

**TO THE MEMBERS OF M/s. LAKSHMI AUTOMATIC LOOM WORKS LIMITED :**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Lakshmi Automatic Loom Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Managements' Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Coimbatore  
30.05.2014



## **Annexure to Independent Auditors' Report**

(Referred to in paragraph 1 under the heading "Report on other legal and Regulatory Requirements" of our report of even date)

In our opinion and according to the information and explanations given to us,

- i) In respect of its Fixed Assets :
  - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
  - c) No substantial part of fixed assets of the company has been disposed off during the year.
- ii) In respect of its Inventories :
  - a) As explained to us, inventories of the company have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery/repayment of overdue amounts of such loans are taken, does not arise.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts or arrangements that needed to be entered into the register have been so entered.
  - b) In our opinion, each of these transactions exceeding the value of Rupees five lakhs in respect of each party during the financial year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- vi) In our opinion and according to the explanations given to us, the Company has not accepted any deposits from the public.
- vii) In our opinion, the internal audit functions carried out during the year by independent chartered accountants appointed by the management have been commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.
- ix) According to the information and explanations given to us in respect of statutory and other dues :
- a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investors Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess. According to the information and explanation given to us, no undisputed arrears of statutory dues were outstanding as on 31.03.2014 for a period of more than 6 months from the date they became payable.
- b) At the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute, except as under :

Name of Statute	Nature of Dues	Amount Rs. in Lakhs	Period to which the amount related	Forum where dispute is pending
Central Excise Act/ Service Tax Act	Service Tax	8.86	2006 - 2008	CESTAT, Chennai

- x) The accumulated losses of the Company at the end of the financial year ended 31.03.2014 are in excess of 50% of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and as such reporting under clause 4 (xiii) of the Order is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause 4 (xiv) of the Order is not applicable to the Company.



- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- xvi) According to the records of the Company, the Company has not obtained any term loans. Hence the question of commenting on the utilization of such term loans does not arise.
- xvii) On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have been informed by the management of any such instance being noticed or reported during the year.

Coimbatore  
30.05.2014

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



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Balance Sheet as at 31<sup>st</sup> March, 2014

Particulars	Note No.	31.03.2014		31.03.2013	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds :</b>					
a) Share Capital	1	1460.40		1460.40	
b) Reserves and Surplus	2	(-) 672.72		(-) 924.03	
Total Shareholder's Funds		<u>787.68</u>		<u>536.37</u>	
<b>(2) Non - Current Liabilities :</b>					
a) Long - term borrowings	3	10.00		10.00	
b) Other Long Term Liabilities		343.87		446.57	
c) Long - term provisions		23.55		28.48	
		<u>377.42</u>		<u>485.05</u>	
<b>(3) Current Liabilities :</b>					
a) Short - term borrowings	4	-		-	
b) Trade payables		7.71		7.20	
c) Other current liabilities		28.12		47.56	
d) Short - term provisions		74.81		73.36	
		<u>110.64</u>		<u>128.12</u>	
TOTAL		<u>1275.74</u>		<u>1149.54</u>	
<b>II. ASSETS</b>					
<b>(1) Non - Current Assets :</b>					
<b>Fixed Assets :</b>					
(i) Tangible assets	5	448.08		440.32	
(ii) Capital work-in-progress		9.53		14.79	
(iii) Deferred Tax Assets (Net)		103.40		79.73	
(iv) Long - term loans and advances		53.47		39.54	
(v) Other non-current assets		11.51		13.98	
<b>(2) Current Assets :</b>					
a) Inventories		88.28		115.70	
b) Trade Receivables		49.54		55.10	
c) Cash and cash equivalents		465.88		313.62	
d) Short Term Loans and Advances		7.03		42.01	
e) Other Current Assets		39.02		34.75	
		<u>649.75</u>		<u>561.18</u>	
TOTAL		<u>1275.74</u>		<u>1149.54</u>	

Note : Note 1 to 6 and Significant accounting policies and Notes to Statement of Profit and Loss and Balance Sheet form part of this Balance Sheet

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

Coimbatore  
30.05.2014

(Sd.) N. JAYCHANDER

Director-in-Charge

(Sd.) A. DORAISWAMY

Secretary and

Vice President-Finance

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

(Firm Regn. No. 000771S)

(Sd.) SUGUNA RAVICHANDRAN

Partner

(Membership No. 207893)





## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014

Particulars	Note No.	31.03.2014 Rs. in Lakhs	31.03.2013 Rs. in Lakhs
<b>Income :</b>			
I. Revenue from operations	7	308.50	348.80
II. Other income	8	504.11	384.04
III. Total Revenue (I+II)		<u>812.61</u>	<u>732.84</u>
<b>IV. Expenses :</b>			
Cost of Materials consumed	9	89.88	112.49
Changes in inventories of finished goods, work in progress and stock in trade	10	20.98	2.87
Employee benefits expenses	11	185.11	207.24
Finance cost	12	2.02	1.27
Depreciation and amortisation expenses		35.10	34.82
Other Expenditure	13	176.64	173.30
Total expenses		<u>509.73</u>	<u>531.99</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		302.88	200.85
VI. Exceptional items	14	<u>20.31</u>	<u>19.13</u>
VII. Profit before extraordinary items and tax (V-VI)		323.19	219.98
VIII. Extraordinary items		<u>-</u>	<u>-</u>
IX. Profit before tax (VII-VIII)		323.19	219.98
X. Tax expense:			
(1) Current tax		(-) 35.88	-
(2) Deferred tax		23.67	70.08
XI. Profit / (Loss) for the year (IX-X)		<u>310.98</u>	<u>290.06</u>
<b>XII. Earnings per equity share :</b>			
(1) Basic		4.12	3.77
(2) Diluted		4.12	3.77

Note : Note 7 to 14 and Significant accounting policies and Notes to Statement of Profit and Loss and Balance Sheet form part of this Statement of Profit and Loss.

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

(Sd.) N. JAYCHANDER

Director-in-Charge

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

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(Sd.) A. DORAISWAMY

Secretary and

Vice President-Finance

(Sd.) SUGUNA RAVICHANDRAN

Partner

(Membership No. 207893)

Coimbatore  
30.05.2014



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the Balance Sheet

	31.03.2014		31.03.2013	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>NOTE 1 : SHARE CAPITAL</b>				
<b>Authorised :</b>				
65,00,000 Equity Shares of Rs.10/- each		650.00		650.00
9,00,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each		900.00		900.00
Total		<u>1550.00</u>		<u>1550.00</u>
<b>Issued, Subscribed and fully Paid-up :</b>				
61,03,988 Equity Shares of Rs.10/- each fully paid up		610.40		610.40
8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each		850.00		850.00
Total		<u>1460.40</u>		<u>1460.40</u>
<b>NOTE 2 : RESERVES AND SURPLUS</b>				
<b>Securities Premium Reserve :</b>				
As per last Balance Sheet		457.92		457.92
<b>Other Reserves :</b>				
<b>Surplus :</b>				
Net Profit transferred from Statement of Profit and Loss	310.98		290.06	
<b>Appropriations :</b>				
Proposed Dividend on Preference Shares for the year ended 31.03.2013	51.00		51.00	
Dividend Tax	8.67		8.67	
	<u>251.31</u>		<u>230.39</u>	
Debit balance in Profit and Loss Account brought forward from previous year	(-) 1381.95		(-) 1612.34	
Negative closing balance		(-) 1130.64		(-) 1381.95
Total		<u>(-) 672.72</u>		<u>(-) 924.03</u>
<b>NOTE 3 : NON-CURRENT LIABILITIES</b>				
<b>a) Long - term borrowings :</b>				
Unsecured Loans				
Agency Deposit		10.00		10.00
Interest accrued and due		-		-
Total		<u>10.00</u>		<u>10.00</u>
<b>b) Other Long - term liabilities :</b>				
<b>Trade payables</b>				
(i) Due to micro, small and medium enterprises	2.50		4.92	
Due to others	35.55	38.05	86.84	91.76
Carried over		<u>38.05</u>		<u>91.76</u>



## Notes to the Balance Sheet

	31.03.2014		31.03.2013	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>NOTE 3 : NON-CURRENT LIABILITIES (CONTD.)</b>				
	Brought Forward	38.05		91.76
(ii) Others :				
Liabilities for capital expenditure		0.09		2.02
Liabilities for other finance		161.17		119.99
Liabilities for expenses		141.96		148.75
Advance received for supply of goods		2.60		84.05
	Total	<u>343.87</u>		<u>446.57</u>
c) Long - term provisions :				
Provision for employee benefits :				
(i) Provision for Gratuity		18.48		24.19
(ii) Provision for Leave encashment		5.07		4.18
(iii) Provision for Bonus		-		0.11
	Total	<u>23.55</u>		<u>28.48</u>
<b>NOTE 4 : CURRENT LIABILITIES</b>				
a) Short - term borrowings :				
Secured Loans				
(a) Loans repayable on demand				
From Banks :				
Working Capital Borrowings :				
Open Loan		-		-
b) Trade payables :				
(i) Due to micro,small and medium enterprises		-		-
Due to others		7.71		7.20
	Total	<u>7.71</u>		<u>7.20</u>
(ii) Others				
Liabilities for capital expenditure		1.49		6.17
Liabilities for other finance		10.82		12.01
Liabilities for expenses		15.81		29.38
	Total	<u>28.12</u>		<u>47.56</u>
c) Short - term provisions :				
a) Provision for employee benefits				
Provision for Gratuity		2.26		3.16
Provision for Leave encashment		1.05		3.02
Provision for Bonus		7.25		7.51
b) Others				
Proposed Dividend on Preference Shares		51.00		51.00
Corporate Tax on Dividend		8.67		8.67
Provision for Taxation		4.58		-
	Total	<u>74.81</u>		<u>73.36</u>



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the Balance Sheet

NOTE 5 : FIXED ASSETS

(Rs. in Lakhs)

Sl. No.	Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
		As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the year	With-drawn	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
i)	Tangible Assets										
1	Land										
	Free hold	28.04			28.04					28.04	28.04
	Lease hold	1.12			1.12					1.12	1.12
2	Buildings	685.94	36.95		722.89	354.49	18.62		373.11	349.78	331.45
3	Plant and										
	Equipment	1630.18	5.39	33.57	1602.00	1562.11	13.61	32.20	1543.52	58.48	68.07
4	Vehicles	28.83			28.83	19.00	2.39		21.39	7.44	9.83
5	Furniture &										
	Fixtures	84.34	1.75		86.09	82.78	0.24		83.02	3.07	1.56
6	Others										
(i)	Technical										
	Know-how	187.79			187.79	187.79			187.79		
(ii)	Computer										
	Equipments	35.89	0.14		36.03	35.64	0.24		35.88	0.15	0.25
(iii)	Library	0.93			0.93	0.93			0.93		
	Total	2683.06	44.23	33.57	2693.72	2242.74	35.10	32.20	2245.64	448.08	440.32
	(previous										
	year figures)	2680.43	21.75	19.12	2683.06	2227.04	34.82	19.12	2242.74	440.32	453.39
(iii)	Capital work-										
	in-progress	14.79		5.26	9.53					9.53	14.79
	(previous year										
	figures)	9.53	5.26		14.79					14.79	9.53

31.03.2014

Rs. in Lakhs

31.03.2013

Rs. in Lakhs

iii) Deferred Tax Assets (Net)	103.40	79.73
iv) Long - term Loans and Advances :		
(Unsecured-considered good-recoverable in cash or in kind)		
Advance for Purchases	0.08	0.32
Advance for Capital Expenditure	-	1.55
Advance for Others	0.08	1.88
Advance for Central Excise	13.46	8.42
Deposits	7.85	7.54
Income Tax Refund due	32.00	19.83
<b>Total</b>	<b>53.47</b>	<b>39.54</b>



## Notes to the Balance Sheet

	31.03.2014		31.03.2013	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
v) Other Non-current Assets :				
i) Long Term Trade Receivables				
Unsecured considered good :		0.65		4.80
Unsecured considered doubtful :	5.38		2.58	
Less:Provision for doubtful debts	<u>5.38</u>	<u>-</u>	<u>2.58</u>	<u>-</u>
		0.65		4.80
ii) Others				
Interest accrued and other receivables		9.23		7.22
Share Issue Expenses		1.63		1.96
		<u>11.51</u>		<u>13.98</u>
<b>NOTE 6 : CURRENT ASSETS</b>				
a) Inventories :				
i) Raw Materials		6.77		16.14
ii) Components		30.85		30.39
iii) Work-in-progress		22.22		22.31
iv) Finished Goods		2.76		23.65
v) Stock of Stores, Tools and Machinery Spares		25.68		23.21
(Valued at cost or Net realisable value whichever is less as per Inventories certified by the Director-in-charge)				
		<u>88.28</u>		<u>115.70</u>
b) Trade Receivables :				
Unsecured considered good : Outstanding for more than six months	0.13		-	
Others	<u>49.41</u>		<u>55.10</u>	
		49.54		55.10
		<u>49.54</u>		<u>55.10</u>
c) Cash and cash equivalents :				
i) Cash with Banks :				
In Current Accounts		27.32		12.97
In Deposit Accounts		437.11		300.17
ii) Cash on hand		1.42		0.45
iii) Stamps and Stamp Papers on hand		0.03		0.03
		<u>465.88</u>		<u>313.62</u>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to the Balance Sheet

	31.03.2014	31.03.2013
	Rs. in Lakhs	Rs. in Lakhs
d) Short Term Loans and Advances : (Unsecured-considered good-recoverable in cash or in kind)		
Advance for Capital Expenditure	—	—
Advance for Purchases	0.11	0.78
Advance for Staff	2.62	1.43
Advance for Others	—	0.75
Advance for Central Excise	1.75	12.72
Deposits	0.44	1.16
Prepaid Expenses	2.11	2.19
Income Tax Deducted at Source	—	22.98
Total	7.03	42.01
e) Other Current Assets :		
Interest accrued and other receivables	39.02	34.75
Total	39.02	34.75
Total	649.75	561.18

### Notes to Statement of Profit and Loss

#### NOTE 7 : REVENUE FROM OPERATIONS

Sale of Weaving Machines	—	—
Sale of Parts and Accessories for Machine Tools	173.07	175.99
Sale of Accessories & Spares	133.15	141.99
Sale of Components	10.14	30.80
Fabrication Charges	3.22	14.77
LESS :	319.58	363.55
Excise Duty	9.70	13.64
Sales Tax	3.85	1.18
	13.55	14.82
	306.03	348.73
Sale of other items	2.47	0.07
Total	308.50	348.80

#### NOTE 8 : OTHER INCOME

Realisation of Scrap	41.98	22.09
Interest receipts (TDS Rs. 3.05 lakhs)	35.41	22.21
Miscellaneous income	45.34	29.19
Income on utilisation of idle assets (TDS Rs. 28.20 lakhs)	300.17	237.06
Security Deposit and Advances forfeiture	81.21	73.49
Total	504.11	384.04



## Notes to Statement of Profit and Loss

	31.03.2014		31.03.2013	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>NOTE 9 : COST OF MATERIALS CONSUMED</b>				
Opening Stock :				
Raw Materials	16.15		37.42	
Components	30.38		58.79	
	<u>46.53</u>		<u>96.21</u>	
LESS : Provision for obsolescence in Inventory	<u>3.53</u>	43.00	<u>46.70</u>	49.51
ADD: Purchases				
Raw Materials		57.51		78.59
Components		26.98		30.92
	(A)	<u>127.49</u>		<u>159.02</u>
Closing Stock :				
Raw Materials		6.77		16.15
Components		30.84		30.38
	(B)	<u>37.61</u>		<u>46.53</u>
	(A-B)	<u>89.88</u>		<u>112.49</u>
<b>NOTE 10 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>				
Opening Stock of Finished Goods		23.65		24.34
Opening work in progress		22.31		24.49
	(A)	<u>45.96</u>		<u>48.83</u>
Closing Stock of Finished Goods		2.76		23.65
Closing work in progress		22.22		22.31
	(B)	<u>24.98</u>		<u>45.96</u>
	(A-B)	<u>20.98</u>		<u>2.87</u>
<b>NOTE 11 : EMPLOYEE BENEFITS EXPENSES</b>				
Salaries and Wages		163.24		181.98
Contribution to Provident Fund, Gratuity, etc.,		10.78		10.15
Staff and Labour Welfare Expenses		11.09		15.11
	Total	<u>185.11</u>		<u>207.24</u>
<b>NOTE 12 : FINANCE COST</b>				
Interest Expenses		2.02		1.27
	Total	<u>2.02</u>		<u>1.27</u>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### Notes to Statement of Profit and Loss

	31.03.2014 Rs. in Lakhs	31.03.2013 Rs. in Lakhs
<b>NOTE 13 : OTHER EXPENDITURE</b>		
Material Fabrication Charges	10.48	19.10
Power and Fuel	34.44	28.38
Consumption of Stores and Spares	31.73	22.93
Repairs to Building	7.67	11.93
Repairs to Machinery	11.12	10.27
Repairs to Furniture and Equipment	1.06	1.66
Printing and Stationery	2.09	2.45
Postage and Telephone	3.34	3.00
Travelling and maintenance of Motor Vehicles	26.77	22.02
Bank Charges and Filing Fees	0.59	1.29
Advertisement, Subscription and Exhibition	3.21	2.79
Insurance	1.18	1.05
Rates and Taxes	7.30	15.67
Sales Commission	3.03	5.04
Sales Expenses	0.61	0.14
Export Expenses	1.04	0.09
Directors' Sitting Fees	1.72	1.97
Auditors' Remuneration	0.97	1.12
Legal and Professional Charges	9.57	7.51
Water charges	0.68	0.02
Net Loss of foreign exchange transaction	0.07	(-) 1.64
Rent	3.06	2.88
Miscellaneous Expenses	7.66	8.96
ISO Expenses	-	0.22
Transport vehicle hire charges	4.45	4.45
Provision for doubtful debts	2.80	-
Total	<u>176.64</u>	<u>173.30</u>
<b>NOTE 14 : EXCEPTIONAL ITEMS</b>		
Provision for Obsolescence in Inventory	(-) 3.53	(-) 59.45
Profit on sale of assets	17.55	15.17
Reversal of interest provision	-	63.74
Share issue expenses	(-) 0.33	(-) 0.33
Excess provision for expenses in earlier years	6.62	-
Total	<u>20.31</u>	<u>19.13</u>

#### Signature to Note 1 to 14

	Directors		
	(Sd.) S. PATHY		As per our report of even date
	Chairman		For N.R. DORAISWAMI & CO
	(Sd.) R. SANTHARAM		Chartered Accountants
	Director	(Sd.) A. DORAISWAMY	(Firm Regn. No. 000771S)
Coimbatore	(Sd.) N. JAYCHANDER	Secretary and	(Sd.) SUGUNA RAVICHANDRAN
30.05.2014	Director-in-Charge	Vice President-Finance	Partner
			(Membership No. 207893)





## Significant Accounting Policies and Notes to Statement of Profit and Loss for the year ended 31st March, 2014 and Balance Sheet as at 31st March, 2014

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Method of Accounting :

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with the Accounting Principles generally accepted in India (Indian GAAP) and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standard) Rules, 2006(as amended) and the guidelines issued by the Securities and Exchange Board of India (SEBI) and the relevant provisions of the Companies Act, 1956 to the extent applicable.

#### 2. Fixed Assets :

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

#### 3. Investments :

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

#### 4. Valuation of Inventories :

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

#### 5. Transalation of Foreign Currency Transactions :

Foreign currency transactions are recorded at the prevailing exchange rates at the time

of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the statement of profit and loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference adjusted as income or expense in the statement of profit and loss. The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

#### 6. Depreciation :

i) Depreciation on Fixed Assets for the year has been provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956. For additions and deletions depreciation is provided on pro-rata basis. Items of Fixed Assets costing Rs.5,000/- and below is depreciated at the rate of 100%.

ii) Payments towards Technical Know-how have been classified under Fixed Assets and has been appropriately depreciated.

#### 7. Recognition of Revenue :

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized when invoiced / upon completion of work based on confirmed contracts. Dividend from Investments and Export Incentives under Duty drawback



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

scheme are recognized when the right to receive payment / credit is established and no significant uncertainty as to measurability or collectability exists.

### 8. Borrowing cost :

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

### 9. Earnings per Share :

Basic Earnings per share is calculated by dividing the Net Profit after tax attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

### 10. Employee Benefits :

Provision for Gratuity and Leave encashment are made as per actuarial valuation at the end of the year as per AS 15 (revised) of The Institute of Chartered Accountants of India.

### 11. Taxes on Income :

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

### 12. Provisions, contingent liabilities and contingent assets :

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

### 13. Cash Flow Statements :

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

### 14. Impairment of Assets :

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine

- (i) the provision for impairment loss, if any, required or
- (ii) the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

### 15. Segment Reporting :

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

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



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

	31.03.2014		31.03.2013	
	Rs. in Lakhs		Rs. in Lakhs	
<b>1. I. Raw Materials Consumed :</b>				
a) Iron and Steel		63.26 *		80.48 *
b) Non-metallic items etc.		0.18		1.67
<b>II. Components Consumed :</b>				
(Buffer head, bearings, rings, washers, bushes, springs, etc.,)				
a) Components - Indigenous		25.03		31.82
b) Components - Imported		1.49		0.69
* Net of work-in-progress stock adjustment.				
<b>2. A. Value of Imports (C.I.F) :</b>				
a) Raw Materials		Nil		Nil
b) Components		Nil		0.52
c) Consumable Stores		Nil		Nil
d) Capital Goods		Nil		Nil
<b>B. Expenditure in Foreign Currency :</b>				
Travelling Expenses		2.65		Nil
	Rs. in Lakhs	% to total consumption	Rs. in Lakhs	% to total consumption
<b>C. Consumption :</b>				
a) Raw Materials - Imported	3.53	3.92	-	-
b) Components - Imported	1.49	1.66	0.69	0.60
c) Raw Materials - Indigenous	59.91	66.60	82.15	71.65
d) Components - Indigenous	25.03	27.82	31.82	27.75
Total	<u>89.96</u>	<u>100.00</u>	<u>114.66</u>	<u>100.00</u>
<b>D. Amount remitted during the year in Foreign Currencies :</b>				
a) On account of dividends (Net after deduction of tax at source)		Nil		Nil
b) Number of Non-resident shareholders		135		135
c) Number of shares held by Non-resident shareholders on which dividends are due		Nil		Nil
d) The year to which dividends related		N.A.		N.A.
<b>E. Earnings in Foreign Exchange :</b>				
Export of goods calculated on F.O.B. Basis		40.17		211.96
<b>3. Remuneration to Auditors :</b>				
a) Audit Fees		0.70		0.50
b) Other Fees :				
For Taxation Matters		0.15		0.40
For Other Services		0.12		0.18
For Management Services		-		-
For Reimbursement of Expenses		-		0.04
Total		<u>0.97</u>		<u>1.12</u>



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

	31.03.2014		31.03.2013	
	Rs. in Lakhs		Rs. in Lakhs	
	Gratuity (Unfunded)	Leave encashment (Unfunded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
<b>4. Defined Benefit Plans</b>				
<b>A. Expense recognized during year ended 31.03.2014</b>				
1. Current Service Cost	1.75	0.88	1.57	3.87
2. Interest Cost	2.03	0.58	2.38	0.73
3. Expected return on plan assets	-	-	-	-
4. Actuarial Losses / (Gains) during the year	(-) 0.09	(-) 0.83	(-) 1.25	(-) 5.58
5. Total Expense	3.69	0.63	2.70	(-) 0.98
<b>B. Actual return on plan assets</b>				
1. Expected return on Plan Assets	-	-	-	-
2. Actuarial(Loss) / Gain on Plan assets	-	-	-	-
3. Actual return on Plan assets	-	-	-	-
<b>C. Net Asset/(Liability) recognized in the Balance Sheet</b>				
1. Present value of the obligation as on 31.03.2014	20.74	6.13	27.35	7.20
2. Fair value of plan assets as on 31.03.2014	-	-	-	-
3. Difference	20.74	6.13	27.35	7.20
4. Unrecognized past service cost	-	-	-	-
5. Liability recognized in the Balance Sheet	20.74	6.13	27.35	7.20
<b>D. Change in Present value of the obligation during the year ended 31.03.2014</b>				
1. Present value of the obligation as at 01.04.2013	27.35	7.20	34.40	9.96
2. Current Service Cost	1.75	0.88	1.57	3.87
3. Interest Cost	2.03	0.58	2.38	0.73
4. Benefits paid	10.30	(-) 1.70	9.75	(-) 1.78
5. Actuarial(gain)/loss on obligation	(-) 0.09	(-) 0.83	(-) 1.25	(-) 5.58
6. Present value of obligation as at 31.03.2014	20.74	6.13	27.35	7.20
<b>E. Change in Assets during the year ended 31.03.2014</b>				
1. Fair value of plan assets as at 01.04.2013	-	-	-	-
2. Expected return on plan assets	-	-	-	-
3. Contributions made	10.30	1.70	9.75	1.78
4. Benefits paid	(-) 10.30	(-) 1.70	(-) 9.75	(-) 1.78
5. Actuarial gain/(loss) on plan assets	-	-	-	-
6. Fair value of plan assets as at 31.03.2014	-	-	-	-
<b>F. Major categories of plan assets as a percentage of total plan</b>				
Qualifying Insurance policies				
Own plan assets	Nil	Nil	Nil	Nil
Total				
<b>G. Actuarial Assumptions</b>				
1. Discount rate	9.17%	9.17%	8.05%	8.05%
2. Salary escalation	5%	5%	5%	5%
3. Expected rate of return on plan assets	0%	0%	0%	0%
4. Attrition rate	10%	10%	10%	10%



5. The open loan availed from bank is secured by exclusive charge on the current assets and extension of charge on the fixed assets of the Company. The loan is further secured by personal guarantee of the chairman.
6. 8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each issued and allotted on 24.2.2010 are redeemable in one instalment on expiry of ten years from date of allotment in February, 2020. No provision for payment of Dividend of Rs 51.00 Lakhs and applicable corporate tax thereon for the financial year ending 31.3.2014 has been made.
7. (i) The Company has only one class of equity shares referred to as equity shares having a face value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.
- (ii) The details of shareholders holding more than 5% shares as at 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are set out below :

	As at 31st March,2014		As at 31st March,2013	
	No. of Shares	% held	No. of Shares	% held
M/s ITEMA (Switzerland) Ltd	1000000	16.38	1000000	16.38
M/s Voltas Ltd	615200	10.08	615200	10.08
Mr. S. Pathy	467944	7.67	467944	7.67
Smt. Aishwarya Pathy	724658	11.87	715085	11.72
M/s Lakshmi Machine Works Ltd	441110	7.23	441110	7.23
M/s The Lakshmi Mills Company Ltd	330000	5.41	330000	5.41

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

	(Rs. in Lakhs)	
	2013-14	2012-13
<b>Assets :</b>		
Carry forward losses to the extent recognized *	148.43	116.61
V R S Expenditure	2.02	13.28
Share Issue Expenses	-	0.91
Provision for bad and doubtful debts	0.91	0.66
Section 43B disallownces	11.27	3.16
	<u>162.63</u>	<u>134.62</u>
<b>Liabilities :</b>		
Depreciation	<u>59.23</u>	<u>54.89</u>
Deferred Tax Assets (net) recognized in the accounts	<u>103.40</u>	<u>79.73</u>

\* Refer Accounting Policy No. 11C .



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

(Rs. in Lakhs)

10. Contingent liabilities and commitments (to the extent not provided for) :	2013-14	2012-13
a) Contingent Liabilities		
1) Reimbursement of expenses received on rectification of roof leakage restricted to Rs.5.04 Lakhs by the High Court of Madras under appeal before the Supreme Court.	—	10.83
2) Claim for damages against the Company contested before the Fast Track Court V, Chennai.	—	10.00
3) Claims for refund of Security Deposit	5.42	—
4) 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	10.21
b) Commitments		
1. Estimated amount of contracts remaining to be executed on Capital account and not provided for	1.32	18.00

### 11. Segment Report for the year ended 31<sup>st</sup> March, 2014

Primary Business Segment	Weaving Machinery and spares		Other Engineering Services		Total	
Revenue	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
External Sales	4.36	148.15	304.15	185.88	308.51	334.03
Inter Segment Transfers	16.90	—	—	—	16.90	—
Allocable other Income	506.36	368.67	18.05	95.99	524.41	464.66
<b>Total Revenue</b>	<b>527.62</b>	<b>516.82</b>	<b>322.20</b>	<b>281.87</b>	<b>849.82</b>	<b>798.69</b>
Less : Inter Segment Transfers	16.90	—	—	—	16.90	—
Enterprise Revenue	510.72	—	322.20	—	832.92	798.69
<b>Result</b>						
Segment Result	305.72	221.27	19.49	(-) 0.02	325.21	221.25
Less : Unallocated Expenses	—	—	—	—	—	—
<b>Operating Profit</b>	<b>305.72</b>	<b>221.27</b>	<b>19.49</b>	<b>(-) 0.02</b>	<b>325.21</b>	<b>221.25</b>
Less : Interest Expenses					2.02	1.27
					323.19	219.98
Less : Income Tax Current and Deferred	(-) 35.88 23.67				(-) 35.88 23.67	— 70.08
					310.98	290.06
Add : Other Income					—	—
<b>Net Profit after Tax</b>					<b>310.98</b>	<b>290.06</b>



## 11. Segment Report for the year ended 31<sup>st</sup> March, 2014 (Contd.)

(Rs. in Lakhs)

Primary Business Segment	Weaving Machinery and spares		Other Engineering Services		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Other Information</b>						
<b>Segment Assets</b>	868.17	742.43	304.17	327.38	1172.34	1069.81
Add : Unallocated Corporate Assets					103.40	79.73
<b>Enterprise Assets</b>					<u>1275.74</u>	<u>1149.54</u>
<b>Segment Liabilities</b>	301.13	373.34	186.94	180.14	488.07	553.48
Add : Unallocated Corporate Liabilities					787.67	596.06
<b>Enterprise Liabilities</b>					<u>1275.74</u>	<u>1149.54</u>
Capital Expenditure	44.19	26.24	0.04	0.77	44.23	27.01
Depreciation	14.21	13.22	20.89	21.60	35.10	34.82
<b>Secondary-Geographical Segment</b>						
				31.03.2014		31.03.2013
Revenue from external customers by location of customers						
Domestic Segment				809.65		586.73
Export Segment				<u>40.17</u>		<u>211.96</u>
				849.82		798.69
Less : Inter-division revenue				<u>16.90</u>		<u>-</u>
Net Income from Sales / Services				<u>832.92</u>		<u>798.69</u>

### Notes :

The Company has two main business segments ie (a) Weaving Machinery Comprising of looms accessories & spares and (b) Other Engineering Services Comprising of accessories & spares of Textile Machinery and parts for machine tools including Tool holders.

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

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

a. Names of related parties :	Relationship
The Lakshmi Mills Company Ltd.	Associate
Infocus Marketing and Services Ltd.	- do -
Prathista Weaving and Knitting Company P Ltd.	- do -



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

b. Transactions during the year		31.03.2014	31.03.2013
Sl. No	Nature of Transaction	(Rs. in Lakhs)	
1.	Purchase of Goods	1.58	–
2.	Sale of Goods	2.61	2.37
3.	Receiving of Services	3.19	3.02
4.	Agency arrangements	0.51	2.17
5.	Leasing arrangement	–	5.11
	Amount receivable	–	0.21
	Amount payable	138.41	165.16

13. As defined under Micro, Small and Medium Enterprises Development Act, 2006 the disclosure in respect of the amount payable to such enterprises as at 31.03.2014 has been made in the financial statement based on information received and available with the company.

	31.03.2014	31.03.2013
	(Rs. in Lakhs)	
a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	2.50	4.92
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil





31.03.2014 31.03.2013  
(Rs. in Lakhs)

**14. Earnings per share as per AS - 20 :**

Profit as per Statement of Profit and Loss	310.98	290.06
Less : Dividend on Cumulative Preference Shares required for the year ended 31.03.2014	51.00	51.00
Corporate tax on Dividend	8.67	8.67
a) Net Profit for EPS	251.31	230.39
b) No. of Equity Shares outstanding	6103988	6103988
c) EPS (Face value of Rs.10/- per Share)		
Basic	4.12	3.77
Diluted	4.12	3.77

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

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	Directors		As per our report of even date
	(Sd.) S. PATHY		For N.R. DORAISWAMI & CO
	Chairman		Chartered Accountants
	(Sd.) R. SANTHARAM		(Firm Regn. No. 000771S)
	Director	(Sd.) A. DORAISWAMY	(Sd.) SUGUNA RAVICHANDRAN
Coimbatore	(Sd.) N. JAYCHANDER	Secretary and	Partner
30.05.2014	Director-in-Charge	Vice President-Finance	(Membership No. 207893)



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	31.03.2014	31.03.2013
	(Rs. in Lakhs)	
<b>A. Cash flow from operating activities</b>		
Net Profit as per Statement of Profit & Loss	323.19	219.98
Add :		
Depreciation and amortisation expenses	35.10	34.82
Interest	2.02	1.27
Less :		
Interest Income	35.41	22.21
Profit on sale of assets	17.55	15.17
	(-) 15.84	(-) 1.29
Operating Profit Before Working Capital Changes	307.35	218.69
Adjustments for		
Decrease in Inventories	27.42	63.02
Decrease in Debtors	5.56	8.14
Increase in Other Current Assets	(-) 4.27	(-) 5.94
Decrease in Loans & Advances	21.05	(-) 19.45
Increase in Current Liabilities	(-) 22.06	(-) 25.30
Decrease in other Non Current assets	2.47	(-) 0.30
	30.17	20.17
Direct taxes paid	(-) 31.30	-
Net Cash used in operating activities (A)	306.22	238.86
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(-) 38.97	(-) 27.01
Interest Income	35.41	22.21
Sale of Fixed Assets	18.92	15.17
Net Cash used in Investing activities (B)	15.36	10.37
<b>C. Cash Flow from Financial Activities</b>		
Interest	(-) 2.02	(-) 1.27
Decrease in Non Current liabilities	(-) 107.63	(-) 88.52
Decrease in Sales Tax Deferred and interest	-	(-) 63.74
Dividend & Dividend tax on Preference Shares	(-) 59.67	(-) 59.27
Net Cash used in Financing activities (C)	(-) 169.32	(-) 212.80
Net Increase in cash and cash equivalents (A+B+C)	152.26	36.43
Cash and cash equivalents as at 01.04.2013	313.62	277.19
Cash and cash equivalents as at 31.03.2014	465.88	313.62

-ve sign before the figures represent cash outflows.

	Directors	
	(Sd.) <b>S. PATHY</b> Chairman	As per our report of even date For N.R. DORAISWAMI & CO Chartered Accountants (Firm Regn. No. 000771S)
	(Sd.) <b>R. SANTHARAM</b> Director	(Sd.) <b>SUGUNA RAVICHANDRAN</b> Partner (Membership No. 207893)
Coimbatore 30.05.2014	(Sd.) <b>N. JAYCHANDER</b> Director-in-Charge	(Sd.) <b>A. DORAISWAMY</b> Secretary and Vice President-Finance

## PROXY FORM

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



### LAKSHMI AUTOMATIC LOOM WORKS LIMITED

(CIN : L29269TZ1973PLC000680),

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

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

E-mail:lalwcbe@md2.vsnl.net.in Website: www.lakshmiautomatic.com

### 40<sup>th</sup> ANNUAL GENERAL MEETING 18<sup>th</sup> September, 2014

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1)  
Name:.....Address.....  
Email ID.....Signature.....Or  
failing him;

2)  
Name:.....Address.....  
Email ID.....Signature.....Or  
failing him;

3)  
Name:.....Address.....  
Email ID.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Company, to be held on **Thursday, the 18th day of September, 2014 at 4.30 P.M. at the Registered Office of the Company, at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore-641 037** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.



S.No	Resolutions	Optional	
		For	Against
	<b>Ordinary Business</b>		
1	Adoption of Balance Sheet as at 31 <sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date, Report of Board of Directors and the Report of Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2	Declaration of dividend on preference shares for the financial year 2012-13	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Sri R. Santharam, who retires by rotation, as a director.	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-appointment of Sri N.Jaychander, who retires by rotation, as a director.	<input type="checkbox"/>	<input type="checkbox"/>
5	Appointment of Auditors and fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Special Business</b>		
6	Appointment of Sri V.B.Haribhakti, as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
7	Appointment of Sri R.C.H.Reddy, as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
8	Appointment of Sri R.Varadarajan, as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
9	Appointment of Sri C.Kamatchisundaram, as an Independent Director.	<input type="checkbox"/>	<input type="checkbox"/>
10	a) Consent to the Board of Directors of the company for borrowing monies in excess of Paid up Capital and free Reserves. (Special Resolution) b) Creation of Mortgage and/or charging of the Assets of the Company (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... 2014

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp not  
less than  
₹ 0.15

#### Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 40<sup>th</sup> Annual General Meeting.
3. It is optional to put “—” in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.



## LAKSHMI AUTOMATIC LOOM WORKS LIMITED

(CIN : L29269TZ1973PLC000680),

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

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

E-mail:lalwcbe@md2.vsnl.net.in Website: www.lakshmiautomatic.com

### ATTENDANCE SLIP

**Fortieth Annual General Meeting on Thursday the 18th September, 2014 at 4.30 P.M.**

For Demat Shareholders

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

For Physical Shareholders

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

I hereby record my presence at the 40th Annual General Meeting of the Company at 04.30 p.m. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 on Thursday, the 18<sup>th</sup> September, 2014.

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.







