

THE LAKSHMI MILLS COMPANY LIMITED

Annual Report 2012 - 2013

BOARD OF DIRECTORS

Sri R. SANTHARAM - Vice Chairman
Sri V. JAGANNATHAN
Sri D. RAJENDRAN
Sri SATISH AJMERA
Sri V.S. VELAYUTHAM
Sri SANJAY JAYAVARTHANAVELU
Sri ADITYA KRISHNA PATHY - Whole Time Director

CHAIRMAN AND MANAGING DIRECTOR

Sri S. PATHY

COMPANY SECRETARY

Sri N. SINGARAVEL

AUDITORS

M/s. SUBBACHAR & SRINIVASAN
Chartered Accountants

BANKERS

Central Bank of India
Canara Bank
State Bank of India

REGISTERED OFFICE

686, Avanashi Road
Coimbatore - 641 037
Phone : 91- 0422 - 2245461 to 2245465, 4333700
Fax : 91- 0422 - 2246508
E-mail : contact@lakshimimills.com
Website : www.lakshimimills.com

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THE LAKSHMI MILLS COMPANY LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Hundred and Third Annual General Meeting of the Members of the Company will be held at "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, on Wednesday, the 4th September, 2013 at 4.15 P.M to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Statement of Profit and Loss for the financial year ended 31.03.2013, the Balance Sheet as at that date and the Report of the Board of Directors and also the Report of the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Sri D. Rajendran, who retires by rotation and being eligible offers himself for re - appointment.
4. To appoint a Director in the place of Sri V. Jagannathan, who retires by rotation and being eligible offers himself for re - appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification/s, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED that, on the recommendation and approval of the Remuneration Committee, and pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the Shareholders of the Company be and is hereby accorded to the remuneration payable to Sri Aditya Krishna Pathy, Whole Time Director of the Company for a period of 2 years with effect from 30.07.2013, i.e., upto the period of his current tenure of office (29.07.2015), on the following terms and conditions:-

- Salary : Rs.1,85,000 per month with an increment of Rs.20,000/- every year.
- Commission : 1% on the Net profits of the Company.
- Benefits : Company's contribution to Provident Fund and Super-annuation Fund as per rules of the Company to the extent, either singly or together does not exceed the limits fixed under the Income Tax Act, 1961.
- Gratuity : Shall not exceed 15 days salary for every completed year of service.
- Leave Encashment : Shall be entitled to encashment of Leave at the end of the tenure.

All the above items, viz., Provident Fund, Superannuation Fund, Gratuity and Leave Encashment shall not be considered as Perquisites.

Perquisites

In addition to the salary and commission, the Whole Time Director shall also be entitled to interchangeable perquisites like medical reimbursement, LTA for self, club fees, medical insurance etc., in accordance with the rules of the Company. However, the aggregate of such perquisites shall not exceed Rs.1.80 lakhs (Rupees One Lakh Eighty Thousand) per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

Provision of a company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the company to the Whole Time Director

The above remuneration and perquisites shall be paid / allowed as minimum remuneration in the event of absence or inadequacy of profits, subject however to the ceiling prescribed in Section II Part II of Schedule XIII of the Companies Act, 1956.

By Order of the Board

Coimbatore
2nd August, 2013

N. SINGARAVEL
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act.

Item No. 6

Sri Aditya Krishna Pathy was appointed as Whole Time Director of the Company for a period of 5 years from 30.07.2010. His appointment and remuneration payable to him was duly approved by the Remuneration Committee at their meeting held on 30.07.2010 and the Members of the Company at the Annual General Meeting held on 22.09.2010. The remuneration payable for the services of the Whole Time Director was fixed at Rs. 1,25,000/- with an increment of Rs. 20,000/- every year for a period of 3 years from 30.07.2010.

In view of the increased responsibilities and time spent by him for the affairs of the Company, the Board of Directors of the Company recommend for the increase in the remuneration payable to him, which will commensurate with the responsibility he is to shoulder. The above resolution is duly approved by the Remuneration Committee of the Company at their meeting held on 02.08.2013. The proposed remuneration conforms to Schedule XIII of the Companies Act, 1956.

The approval of the Shareholders for the remuneration payable to Sri Aditya Krishna Pathy is to be accorded by a Special Resolution.

None of the Directors except Sri Aditya Krishna Pathy and Sri S. Pathy are deemed to be interested in the resolution.



MEMORANDUM OF INTEREST

Sri Aditya Krishna Pathy as recipient and Sri S. Pathy as relative, are deemed to be interested in the Resolution. This may also be treated as an abstract of the terms and conditions of remuneration of Sri Aditya Krishna Pathy as Whole Time Director and Memorandum of concern or interest of Directors circulated to the members pursuant to Section 302 of the Companies Act, 1956.

Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges in respect of the Directors proposed to be re-appointed.

Sri D. RAJENDRAN has graduated in Commerce from Loyola College, Chennai and thereafter obtained his Higher National Diploma (HND) in Business Management from Huddersfield University, UK.

He is the Managing Director of M/s. Premier Spinning and Weaving Mills Private Limited and Director in many other manufacturing companies. The Premier Mills are pioneers in introducing new products and is a highly reputed group in the South.

OTHER DIRECTORSHIPS

Name of the Manufacturing Company

Premier Mills Private Limited

Premier Fine Linens Private Limited

Prima Products Private Limited

Coimbatore Polytex Private Limited

COMMITTEE MEMBERSHIPS

Name of Committees

Audit Committee

The Lakshmi Mills Company Limited

Sri D. Rajendran holds Nil shares in the Company.

Sri V. JAGANNATHAN is qualified in Textile Technology from U.K. He was the General Manager in charge of modernization, labour administration and several other matters connected with the efficient functioning of the Company for two decades.

He has promoted Wheat flour milling and textile units in the Southern Tamilnadu and Ferrous foundry to manufacture cast iron components for textile, automotive and general engineering industries. He is pioneer in setting up Sheet metal components manufacturing industry in Coimbatore and connected with promotion of various engineering, motor and pumps manufacturing industries in Coimbatore.

OTHER DIRECTORSHIPS

Name of the Company

Prokop Eltex India (P) Limited

Cape Flour Mills (P) Limited

Mckinnon India (P) Limited

Sri V. Jagannathan holds 450 shares in the Company.

Statement containing information on payment of Managerial Remuneration.

I. General Information

1. Nature of Industry:

The Company is manufacturing Cotton and Synthetic yarn and outsourcing cloth. The installed capacity is 1,30,656 Ring spindles. The Company presently has two manufacturing Units, one at Palladam and another at Kovilpatti.

At present the Chairman and Managing Director and the Whole Time Director are taking care of the entire operations of the Company. Since the Textile Industry is a highly demanding one, it is felt necessary to continue to avail the services of the Whole Time Director in managing the affairs of the Company.

2. Date of commencement of

Commercial Production : 01.04.1910

3. Financial Performance : 2012-13

Rs. in lakhs

Sales : 16,389.13

Profit before Interest,

Depreciation and Taxation : 2,424.16

Net Profit : 1,104.99

Capital Employed : 14,998.27

4. Export Performance and

Net foreign exchange earnings :

Yarn 32.17

Cloth 1,239.90

5. Foreign Investments

or Collaborators : NIL

II. Information about the appointee

Sri Aditya Krishna Pathy, Whole Time Director

Sri Aditya Krishna Pathy was appointed as Whole Time Director on the Board on 30.07.2010 for a period of 5 years. He has graduated in Business and Management from the University of Exeter, United Kingdom.

He has done projects in Speciality Yarns, Technical Textiles and Non-wovens, Bio Fuels- Ethanol Production & Usage in Automotives, Brand Building and Marketing in fulfillment of his curriculum. He had been a trainee in the Company and Rajshree Sugars & Chemicals Limited for one year and completed his orientation in M/s. Mahindra & Mahindra, Automotive Division.

He takes care of day to day operations of the company including modernization and global export market.

Past Remuneration : Rs. 1,65,000/- per month inclusive of all allowances and annual perquisites of Rs.1,50,000/-

Remuneration Proposed : Salary Rs. 1,85,000 per month with an increase of Rs.20,000/- every year inclusive of all allowances and

THE LAKSHMI MILLS COMPANY LIMITED

annual perquisites of Rs.1,80,000/-.
Commission : 1% on the Net Profit of the Company.

Relationship with the managerial personnel : Sri Aditya Krishna Pathy is related to Sri S. Pathy.

III. Other information

The company is one of the leading Textile Mills in the South India established in the year 1910. The company has a track record of paying Dividend to the shareholders without any break for the last 75 years excepting the year 2011 - 12. The equity shares of Rs.100 each of the company are quoted at Rs.1500 per share.

Due to modernization programmes undertaken by availing loans and consequent interest burden, irregular power supply and payment of heavy fuel cost have affected the profitability of the company during the financial year.

The working of the Company for the financial year 2012 - 13 has resulted in a net profit of Rs.1104.99 Lakhs and is expected to maintain the trend in future years considering the improvement in productivity owing to the modernization carried out in the manufacturing units.

IV. Disclosures

The shareholders of the Company are informed of the remuneration package of the managerial persons.

All elements of remuneration package such as salary, benefits etc. of all the Directors are mentioned in the Board of Directors Report.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instruments appointing the proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. Members/Proxies are requested to bring duly filled Attendance Slips sent herewith to attend the meeting.
4. Pursuant to Section 205A of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011 are requested to write to the Registrar and Share Transfer Agent of the Company, M/s.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 for claiming the dividend. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim can be made thereof.

5. Dividend declared in the year 2006 for the financial year 2005-2006 and remaining unclaimed will be transferred to Investor Education and Protection fund after conclusion of this Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed between 30.08.2013 and 04.09.2013 (both days inclusive).
7. Company's share transfer work and dematerialisation of shares, is done by M/s.SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
8. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not to the Company or its depository / transfer agent.
9. International Securities Identification Number given to your company is INE938CO1019.
10. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agent for consolidating into single folio.
11. Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS) are requested to fill the NECS Mandate in the prescribed form (enclosed) and send it to the company's Registrar and Share Transfer Agents M/s.SKDC Consultants Limited.
12. Members holding shares in Physical form are requested to intimate the change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in Dividend Warrants/ Cheques to Company's Registrar and Share Transfer Agent M/s.SKDC Consultants Limited quoting their respective folio number.
13. Members holding shares in Demat form are requested to intimate change of address notifications and updates of bank account details to their respective Depository Participants.
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 are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
16. None of the items listed in the Agenda require postal Ballot.
17. Investors are required to provide a copy of their PAN card for effecting share transfers, transmission and transposition in their favour.

By Order of the Board

Coimbatore
2nd August, 2013

N. SINGARAVEL
Company Secretary



DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting the Hundred and Third year Annual Report together with the audited accounts of the Company for the year ended 31.03.2013.

	31.3.2013	(Rs. in lakhs) 31.3.2012
WORKING RESULTS		
No. of days worked	357	357
Sales	16389.13	14942.38
Other income	752.92	853.97
GROSS SALES	17142.05	15796.35
Profit / (Loss) before Tax, Exceptional items	376.30	(1913.42)
Add : Exceptional items	123.03	-
Profit / (Loss) before Taxation	499.33	(1913.42)
Less : Current Tax	41.62	
MAT Credit Entitlement	(38.48)	
Net Current Tax	3.14	-
Deferred Tax Credit (Net)	(608.80)	(595.90)
NET PROFIT / (LOSS)	1104.99	(1317.52)
Less : Carry forward Profit / (Loss)	(627.98)	689.54
Available for appropriation	477.01	(627.98)
Appropriation:		
General Reserve	30.00	Nil
Proposed Dividend	83.47	Nil
Corporate Tax on Dividend	14.19	Nil
Balance carried forward	349.35	Nil
	477.01	

OPERATIONS

The Company continued to operate 1.31 lakhs spindles in Palladam and Kovilpatti units during the year as follows:-

S. No	Unit	Spindles in lakhs
i)	Palladam	0.68
ii)	Kovilpatti	0.63
	Total	1.31

Capacity utilization continued to suffer during the year also but at reduced levels compared to previous year. Overall, the operational performance was better during the year, thanks to improved production as well as improvement in realization of yarn prices. This has helped the Company to show improved operational results.

Your Company continued to outsource fabrics both for exports and domestic markets. However there was steep drop in exports due to global market conditions.

CURRENT INDUSTRIAL TREND AND FUTURE PROSPECTS

Thanks to better market conditions and stable raw material prices for a major part of the year, the textile industry as a whole heaved a sigh of relief. However, the much announced restructuring program did not benefit many as

THE LAKSHMI MILLS COMPANY LIMITED

the conditions imposed were not at all workable. The units continued to suffer with no relief from financial institutions.

To tide over the continued crisis in power front due to unscheduled power cuts etc. your Company had gone in for dedicated power lines for both Kovilpatti and Palladam units. This would certainly give relief to the units from the unscheduled power interruptions.

OUTLOOK

Government of India has announced the extension of TUF Scheme for the 12th Plan period also. This may help the industry to modernize further to meet the challenges of the future.

The industry need to seriously draw up plans to overcome the ever increasing shortage of skilled labour and also to insulate against the rising energy cost.

DIVIDEND

The Directors have recommended a dividend of 12% for the financial year 2012-2013.

ACCOUNTING POLICY

Effective from 01.04.2012, the Company has with retrospective effect changed its method of providing depreciation on Plant / Electrical Equipments from 'Straight Line' method to 'Written Down Value' method, at the rates prescribed in Schedule XIV of the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets.

DIRECTORS

In accordance with the Companies Act, 1956, and the Articles of Association, Sri D. Rajendran and Sri V. Jagannathan, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- i. In the preparation of Statement of Profit and Loss for the year ended 31st March 2013 and the Balance Sheet as on that date all the applicable accounting standards have been followed.
- ii. Accounting Policies, that are reasonable and prudent, have been selected and applied consistently so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year ended 31st March 2013.
- iii. The accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company as also for preventing and detecting fraud and other irregularities, have been properly maintained and
- iv. The Statement of Profit and Loss and Balance Sheet have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the stock exchanges, Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.



FIXED DEPOSIT

The deposit amount of Rs.15,05,000/- claimed remains unpaid due to dispute between the legal heirs and is pending before the Principal District Court at Coimbatore. No other amount remains unclaimed as on 31st March 2013.

AUDITORS

The Company's Auditor M/s. Subbachar & Srinivasan are to retire at the ensuing Annual General Meeting. M/s. Subbachar & Srinivasan, Chartered Accountants are eligible for re-appointment.

GENERAL

The Company's Assets have been adequately insured.

The particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are set out separately and form part of this Report.

During the year under review, there was no employee drawing remuneration in excess of the amount prescribed under section 217 2(A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Board acknowledges the continued assistance from the Bankers, Cotton, Yarn and Cloth Dealers of the Company, Shareholders and Depositors and appreciate the valuable services rendered by the employees at all levels.

May the Goddess Lakshmi continue to shower her choicest Blessings for the prosperity of the Company in the years to come.

By Order of the Board
For **The Lakshmi Mills Co., Ltd.**

S. PATHY
Chairman and Managing Director

Coimbatore
2nd August, 2013

ANNEXURE TO DIRECTORS' REPORT

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report.

A. CONSERVATION OF ENERGY

The following energy conservation measures were taken up in Palladam and Kovilpatti units in 2012-2013.

In Palladam unit 25 Watts LED Street Light fittings were replaced for 250/150 Watts Sodium Vapour Light fittings. In B Mill Autoconer packing area wiring for Tube Light fittings were rearranged and the tube lights are switched-off during day time. In B unit Spinning Dept 18 Watts LED Tube Lights were replaced for Tube Lights. Due to the above energy saving measures, 810 Units per month of saving achieved.

In Kovilpatti unit, A Mill Blow room waste collection system utilization is reduced by connecting pipe line with C Mill Ventilator. The 'B' Mill Spinning and 'A' Mill Preparatory Section lighting wiring were rearranged and the Tube lights are switched-off during day time. In B Mill 7 Nos. Spinning Frames 18.55 wharve dia Energy Saving Spindles were fitted. Due to the above energy saving measures, 5850 Units per month of saving achieved.

THE LAKSHMI MILLS COMPANY LIMITED

Requisite data in respect of energy consumption are given below:

	2012-2013	2011-2012
A) POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased unit Lakh KWHr	294.41	312.30
Total amount (Rs. in lakhs)	1925.60	1780.36
Rate/Unit Rs.	6.54	5.70
b) Own Generation		
i. Through Diesel Generator:		
Unit/Lakh KWHr	78.09	10.07
Unit/Litre of H.S.D.	3.34	3.09
Cost/Unit Rs.	14.89	13.85
ii. Through Steam Turbine units	—	—
Unit/Litre of Fuel	—	—
Cost/Unit Rs.	—	—
2. Coal (Specify Quality and where used)		
Quantity in tons	—	—
Total Cost (Rs. in lakhs)	—	—
Average Rate (Rs.)	—	—
3. Furnace Oil: Cloth		
Quantity (K. Litres)	—	—
Total Cost (Rs. in lakhs)	—	—
Average Rate per KL (Rs.)	—	—
4. Others:		
Quantity in tons	—	—
Total Cost (Rs. in lakhs)	—	—
Rate per unit (Rs.)	—	—
B) CONSUMPTION PER UNIT OF PRODUCTION		
Production:		
Yarn in Kgs. (Excl. outside conversion)	51,32,015	45,05,994
Cloth in L. Metres	—	—
Electricity KWHr	—	—
Yarn : KWHr/Kg.	7.258	7.154
Cloth : KWHr / L. Metres	—	—
Furnace Oil Litre/Linear Metre	—	—
Coal/Tonne	—	—
Others	—	—

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Our Company is a member of the following Research Institutions in India.

1. South India Textile Research Association
2. SIMA Cotton Development and Research Association

Our Company has the benefit of Research and Development work carried out at the above institutions in addition to the continuous in house study carried out at our Quality Control Department.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Foreign Exchange earnings and outgo are furnished in Note No. 30.12 to 30.14 of the Annual Report.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Indian Textile Industry has got a great future to grow and prosper in the context of rising domestic demand as well as growing export markets other than the traditional Europe and South East Asia.

India is blessed with large acreage of land for cultivation of cotton and also huge capacity to produce man made fibres. Both cotton and man made fibres are also exported in plenty after meeting the needs of the domestic requirements. Technology is available in plenty. More than technology, qualified and competent technical and managerial personnel are there to run the industry.

Industry has to take advantage of these situations to grow further.

II. OPPORTUNITIES AND THREATS:

Industry needs to insulate itself against power shortage and power interruptions. As a matter of course, Industry should go in for Non-conventional energy to supplement its requirements of conventional energy.

Likewise need to train and retain people especially at the operative levels assumes importance. In the context of better opportunities available in other sectors, industry should work out a human resources plan to retain labour.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Operations of the Company are under one broad segment - textile intermediary products and hence no further analysis is required.

IV. OUTLOOK:

Future looks quite bright for all the segments of the textile industry, provided a long term approach is made.

V. RISKS AND CONCERNS:

The industry is saddled with mounting debts on account of the crisis that rocked it during 2011-12. Many units are still struggling to come out of this. There is a need to have a continuous growth approach to overcome any crisis in future.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System commensurate with its size and nature of its business. Management has overall responsibility for the Company's Internal Control System to safeguard the assets and to ensure reliability of financial records. Audit Committee reviews all financial statements and ensures adequacy of internal control systems.

VII. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Net Sales during the year was Rs.16389.13 lakhs and your Company could earn a Net Profit of Rs.1104.99 lakhs.

VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NO.OF PEOPLE EMPLOYED:

The Company had on its Roll 1991 employees as on 31.3.2013 as against 1665 as on 31.3.2012.

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REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY ON CODE OF GOVERNANCE

Lakshmi Mills is committed to a sound practice of corporate functioning and maximise customer satisfaction by offering the quality products at the right time at the reasonable price with the right service and comply with all regulations as applicable from time to time. At Lakshmi Mills the pursuit of perfection is an on-going process enabling it to look back with immense satisfaction on its past achievements and look forward with confidence to a promising and challenging future. The strategy is always to maintain the position of leadership through a systematic initiative in the product development giving the customers a quality product and to ensure high ethical standard in all its business activities.

BOARD OF DIRECTORS

In order to enable the Board to discharge its responsibilities and to have the operations effectively all statutory, significant and material information are placed before the Board on a quarterly basis.

Composition

The Board is headed by Chairman and Managing Director, supported by the Whole Time Director and Six Non Executive Directors.

Name of the Director	Category as per Listing Agreement	Other Directorships*	Membership in Board Committees	
			Member	Chairman
Sri S. Pathy	Executive - Chairman & Managing Director	3	-	-
Sri R. Santharam	Non-Executive - Vice Chairman	3	4	2
Sri V. Jagannathan	Non-Executive - Independent	-	1	-
Sri D. Rajendran	Non-Executive - Independent	-	2	-
Sri Satish Ajmera	Non-Executive - Independent	2	5	2
Sri V.S. Velayutham	Non-Executive - Independent	-	2	-
Sri Sanjay Jayavarthanavelu	Non-Executive - Non Independent	10	2	-
Sri Aditya Krishna Pathy	Executive - Whole Time Director	2	-	-

* The Directorships held by Directors as mentioned above do not include Alternate Directorships and Directorships of foreign Companies, Section 25 Companies and Private Limited Companies.

Number of Chairmanships / Memberships in Committees of the Directors are within the limits specified in clause 49(l) (C) (ii) of the Listing Agreement.

BOARD MEETINGS AND ATTENDANCE

Four Board meetings were held on 30.5.2012, 01.08.2012, 02.11.2012 and 01.02.2013 during the period 1st April, 2012 to 31st March, 2013.



Details of attendance of each Director at the meetings of the Board and various Committees of the Board during the financial year ended 31st March, 2013.

Name of the Directors	Board Meeting (4)	Audit Committee (4)	Shareholders / Investors Grievance Committee (1)	Share Transfer Committee (13)	Annual General Meeting
Sri S. Pathy	4	-	-	13	Yes
Sri R. Santharam	4	4	1	4	Yes
Sri V. Jagannathan	4	-	1	-	No
Sri D. Rajendran	3	3	-	-	Yes
Sri Satish Ajmera	4	4	1	-	Yes
Sri V.S. Velayutham	2	2	-	-	Yes
Sri Sanjay Jayavarthanavelu	4	-	-	-	Yes
Sri Aditya Krishna Pathy	4	-	-	9	Yes

The figures within brackets denote the number of meetings held during the period 1st April 2012 to 31st March, 2013.

REMUNERATION OF DIRECTORS

Remuneration paid or payable to Directors during the year 2012-13.

(in Rs.)

Name of the Directors	Sitting Fees	Salary	Perquisites	Contribution to PF & Superannuation	Total
Sri S. Pathy *	NA	33,37,000	2,89,813	9,00,990	45,27,803
Sri R. Santharam	90,000	NA	NA	NA	90,000
Sri V. Jagannathan	50,000	NA	NA	NA	50,000
Sri D. Rajendran	60,000	NA	NA	NA	60,000
Sri Satish Ajmera	90,000	NA	NA	NA	90,000
Sri V.S. Velayutham	40,000	NA	NA	NA	40,000
Sri Sanjay Jayavarthanavelu	40,000	NA	NA	NA	40,000
Sri Aditya Krishna Pathy *	NA	19,01,290	1,50,000	5,13,352	25,64,642

* Remuneration as approved by the Shareholders.

Non-executive Directors are paid only Sitting Fees for Board/Committee Meetings attended by them.

No Stock options granted to Non-executive Directors and Independent Directors during the financial year ended 31st March 2013.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of the Directors	No. of Shares
Sri R. Santharam	NIL
Sri V. Jagannathan	450
Sri D. Rajendran	NIL
Sri Satish Ajmera	NIL
Sri V.S. Velayutham	NIL
Sri Sanjay Jayavarthanavelu	13,213

THE LAKSHMI MILLS COMPANY LIMITED

COMMITTEE OF DIRECTORS

The Board has constituted the following Committee of Directors to deal with matters referred to it for timely decisions.

Audit Committee

The Audit Committee comprises of the following four Non Executive Directors as members :

1. Sri Satish Ajmera - Chairman
2. Sri D. Rajendran - Member
3. Sri R. Santharam - Member
4. Sri V.S. Velayutham - Member

Sri S. Balamurugasundaram, Company Secretary was the Secretary of the Audit Committee.

The committee has met 4 times during the financial year ended 31st March 2013 and details of attendance were furnished elsewhere in the Annual Report.

The Audit Committee would assure to the Board, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues conforming to the requirements specified by the Companies Act 1956 and by the Stock Exchanges in terms of Listing Agreement.

Remuneration Committee

The Remuneration Committee comprises of the following four Non Executive directors as members to determine on behalf of the Board of Directors, with regard to terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment :

1. Sri D. Rajendran - Chairman
2. Sri R. Santharam - Member
3. Sri V.S. Velayutham - Member
4. Sri Satish Ajmera - Member

Shareholders / Investors Grievance Committee

In compliance with SEBI guidelines on Corporate Governance as well as clause 49 of the Listing Agreement, the Committee was reconstituted on 30.7.2010 to specifically look into redressal of shareholders/Investors complaints, regarding transfer of shares, non-receipt of annual reports, dividend warrants, share certificates etc., and also the action taken by the Company on the above matters.

The committee comprises of the following three Non-Executive Directors as its members:

1. Sri R. Santharam - Chairman
2. Sri V. Jagannathan - Member
3. Sri Satish Ajmera - Member

Sri S. Balamurugasundaram, Company Secretary was the Compliance Officer.

The committee met on 1.2.2013 during the financial year ended 31st March 2013. During the year the company received 8 complaints from the investors and were replied / resolved to their satisfaction and there were no outstanding complaints as on 31.3.2013.

Share Transfer Committee

The Share Transfer Committee has been formed from the members of the Board, representatives of the Registrar and Share Transfer Agents and the Company Secretary and there are 5 members. During the year the committee met 13 times and approved Share Transfer, Transmission of Shares and issuance of Duplicate Share Certificates. There were no pending share transfers as on 31.3.2013.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are given below :

Financial Year	Date	Day	Time	Venue
March 31, 2010	22.9.2010	Wednesday	4.15 P.M.	Nani Palkhivala Auditorium, Mani Hr. Sec. School, Coimbatore - 641037
March 31, 2011	2.9.2011	Friday	4.35 P.M.	-- do --
March 31, 2012	3.9.2012	Monday	2.35 P.M.	-- do --



Special Resolutions passed in the previous 3 AGMs

100th Annual General Meeting : Re-appointment of Sri S. Pathy as Chairman and Managing Director with revision in remuneration.

Appointment of Sri Aditya Krishna Pathy as Whole Time Director with remuneration.

101st Annual General Meeting : NIL

102nd Annual General Meeting : NIL

No Special Resolution was required to be put through postal ballot during the last financial year.

No Special Resolution on matters requiring postal balloting are placed for Shareholders' approval at the ensuing Annual General Meeting.

COMPANY SECRETARY / COMPLIANCE OFFICER

Consequent to the resignation of Sri S. Balamurugasundaram, Company Secretary on 31.12.2012, Sri N.Singaravel, ACS, a member of the Institute of Company Secretaries of India and who has the requisite qualification as prescribed under the Companies (Secretaries Qualification) Rules, has been appointed as the Company Secretary of the Company.

Pursuant to amended clause 49 of the Listing Agreement, Sri N.Singaravel, Company Secretary has been appointed as the Compliance Officer of the Company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by clause 49 of Listing Agreement, the Auditors' certificate is given elsewhere in the Annual Report.

DISCLOSURES

There are no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given elsewhere in the Annual Report.

There has been no instance of non-compliance with any legal requirements nor have been any strictures imposed by any stock exchange, SEBI or any matters relating to the Capital Market.

The company has complied with Accounting Standards in the preparation of Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, as referred in the Directors Responsibility Statement.

The Company has not followed any, accounting treatment different from that prescribed in as Accounting Standard.

There is no pecuniary relationship or transactions by Non-executive Directors with the Company.

All the mandatory requirements have been complied with as stated in this report on Corporate Governance.

NON MANDATORY REQUIREMENTS

The company at present does not have any Whistle Blower Policy but no personnel is being denied any access to the Audit Committee.

The Board has taken cognizance of the non mandatory requirements and shall consider adopting the same as and when necessary.

DISCLOSURE OF DIRECTORS INTERSE RELATIONSHIP

Sri R. Santharam, Vice Chairman is the sister's husband of Sri S. Pathy, Chairman and Managing Director and Sri Aditya Krishna Pathy, Whole Time Director is the son of Sri S. Pathy. No other Director is related to each other.

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 2012-13 has been affirmed by the Chairman and Managing Director (CEO).

A declaration signed by the Chairman and Managing Director is given below:

I hereby confirm that the Company has obtained from the members of the Board and Senior Management Personnel their affirmation on compliance of the Code of conduct laid down by the Company for the financial year 2012-2013.

Coimbatore
30th May 2013

S. PATHY
Chairman and Managing Director

THE LAKSHMI MILLS COMPANY LIMITED

MEANS OF COMMUNICATION

The quarterly and annual financial results are published in the Business Line (English) and Dinamani (Tamil). The Company Profile, Corporate information, Shareholding Pattern, Financial Statements, Code of Conduct for Directors and Officers and Product range are displayed in the Company's website www.lakshmill.com. Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to Stock Exchanges periodically and also posted in the portal hosted by BSE and NSE www.corpfiling.co.in

SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Day & Date : Wednesday, 4th September, 2013
 Time : 4.15 P.M.
 Venue : Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

FINANCIAL CALENDAR :

Financial year : 1.4.2012 to 31.3.2013
 Annual Results 2012 - 2013 announced : 29.5.2013
 Posting of Annual Reports : On or before 10th August
 Last date of receipt of Proxy Forms : 2.9.2013
 Announcement of Quarterly Results : August 2013, November 2013, January 2014 & May/June 2014
 Date of Book Closure : 30.8.2013 to 4.9.2013 (both days inclusive)

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at : 1. Madras Stock Exchange, Chennai
 2. Bombay Stock Exchange Limited, Mumbai

Madras Stock Exchange, Stock Code : LML
 Bombay Stock Exchange Limited, Stock Code : 502958
 National Stock Exchange of India Limited, Stock Code : LAKSHMIMIL

Listing fee for 2013-2014 have been paid in respect of both Madras and Bombay Stock Exchanges.

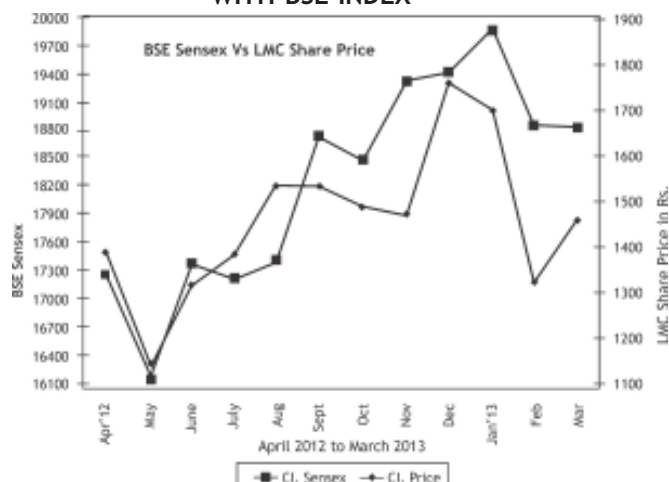
MARKET PRICE DATA

The Company's Shares are traded under permitted category in the National Stock Exchange under tie-up arrangement made by the Madras Stock Exchange from November 2009.

The High & Low during each month in the last financial year in BSE and NSE are given below.

	B S E in (Rs.)		N S E in (Rs.)	
	HIGH	LOW	HIGH	LOW
April'2012	1,554.00	1,386.05	1,599.00	1,330.20
May	1,525.15	1,125.00	1,550.00	1,120.50
June	1,368.80	1,131.05	1,399.95	1,120.05
July	1,464.70	1,154.00	1,400.15	1,252.00
August	1,913.00	1,301.00	1,619.00	1,252.00
September	1,639.00	1,403.05	1,590.00	1,451.05
October	1,878.00	1,401.05	1,649.95	1,484.95
November	1,597.90	1,355.00	1,590.00	1,300.00
December	2,399.75	1,464.95	2,467.90	1,470.00
January'2013	1,827.40	1,601.00	1,800.00	1,551.00
February	1,675.00	1,291.25	1,649.00	1,319.00
March	1,625.00	1,231.05	1,550.00	1,252.25

SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX





REGISTRAR & SHARE TRANSFER/DEMAT AGENTS

M/s. SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006.

SHARE TRANSFER SYSTEM

The share transfers are registered and share certificates returned within 20 days from the date of receipt if documents are in order. The share transfers are approved by the Share Transfer Committee.

SHAREHOLDING PATTERN (as on 31.3.2013)

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and promoters group	22	3,82,594	55.01
2	Financial Institutions, Banks and Mutual Funds	15	38,526	5.54
3	Central / State Government(s)	1	5,107	0.73
4	Foreign Financial Institutions / Banks	1	20	0.00
5	Bodies Corporate	120	69,226	9.95
6	Individuals	6,986	1,88,081	27.04
7	Others	187	11,996	1.73
	Total	7,332	6,95,550	100.00

DISTRIBUTION OF SHARE HOLDING (as on 31.3.2013)

Range (No. of Shares)	No. of Shareholders	No. of Shares	% held
1 - 50	6,607	71,092	10.22
51 - 100	357	26,207	3.77
101 - 200	185	26,081	3.75
201 - 300	70	16,833	2.42
301 - 400	25	8,885	1.28
401 - 500	31	13,678	1.97
501 - 1000	24	17,371	2.50
1001 - 10000	22	83,547	12.01
10001 and Above	11	4,31,856	62.08
Total	7,332	6,95,550	100.00

DEMATERIALISATION OF SHARES

The fully paid up Equity shares (ISIN No.INE938CO1019) of the Company are admitted in the demat mode by both the depositories of the country i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31.3.2013, 5,46,527 Shares constituting 78.58 % of the total paid up capital of the Company have been dematerialised. In view of the numerous advantages offered by the depository system, members have been requested to avail the facility of dematerialisation of the Company's shares.

The Company has not issued any ADR/GDR/Warrants or any Convertible instruments.

NOMINATION FACILITY

The Companies (Amendment) Act, 1999 has provided the facility of nomination for the shares of the Company. The nomination form (Form 2-B) along with instructions is provided to the members on request.

PLANT LOCATIONS

The Company has 2 Plants situated at the following locations.

Unit I : Lakshmipuram P.O., Kovilpatti.

Unit II : Kuppuswamy Naidupuram, Palladam.

ADDRESS FOR CORRESPONDENCE

All correspondence from shareholders should be addressed to:

M/s. SKDC Consultants Limited

Registrars and Share Transfer Agents

Unit : The Lakshmi Mills Company Limited

Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006.

Phone : 0422-6549995, 2539835 - 36 Fax : 0422-2539837 Email : info@skdc-consultants.com

Investors' grievances email id : secretarial@lakshimimills.com

THE LAKSHMI MILLS COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To

The Members of

The Lakshmi Mills Company Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of **M/s. The Lakshmi Mills Company Limited** ('the Company') which comprise the Balance Sheet as at **31st March 2013**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's 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.

Auditor's 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. 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:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March 2013**;
- (ii) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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; and
 - e. On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Subbachar & Srinivasan
Firm Registration No. 004083S
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380

Coimbatore
29th May 2013

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **M/s. The Lakshmi Mills Company Limited** ('the Company') for the year ended 31st March 2013. We report that:

- i. In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b. Some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of the fixed assets of the Company and such disposals has, in our opinion not affected the going concern status of the Company.
- ii. In respect of its inventories:
 - a. As explained to us, inventories were 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 procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 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 and hence the provisions of clauses 4 (iii) (b) to (d), (f) & (g) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of the goods and services. During the course of the 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, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register maintained under the said section have been so entered.
 - b. In our opinion and according to explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regards to the deposits accepted 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 account and records maintained by the Company relating to the manufacture of textiles pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 and are of the opinion that prima facie prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

THE LAKSHMI MILLS COMPANY LIMITED

ix. In respect of Statutory dues:

- a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues with the appropriate authorities during the year. There are no undisputed statutory dues which are outstanding for more than six months as at the Balance Sheet date.
- b. According to the information and explanations given to us, details of disputed tax which have not been deposited as on 31.3.2013 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Excise Act 1944 / Service Tax Act	Excise Duty	1.61	1995 - 96	High Court
	Service Tax	2.95	1997 - 99	High Court
	Excise Duty	0.37	2002 - 03	CESTAT. Chennai
	Cenvat	2.79	2004 - 05	Deputy Commissioner-Coimbatore
	Cenvat	1.36	2007 - 08	Asst. Commissioner-Kovilpatti

- x. The company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit. In the immediately preceding financial year, the company has incurred a cash loss of Rs. 1,260.07 lakhs.
- xi. On the basis of our audit procedures, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the payment of dues to financial institutions and Banks.
- xii. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the provisions of this clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- xiii. The company is not a chit fund or Nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- xiv. The company is not dealing in or trading in shares, securities, debentures and other investments. Hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are 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 guarantee for loans taken by others from Banks and Financial Institutions during the year.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. The provisions of clause 4 (xviii), (xix) and (xx) of the Companies (Auditor's Report) Order 2003 are not applicable since the Company has not issued any shares or debentures during the year.
- xix. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Coimbatore
29th May 2013

For Subbuchar & Srinivasan
Firm Registration No. 004083S
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380



Balance Sheet as at 31st March, 2013

Particulars	Note No	(Rs. in Lakhs)	
		31.3.2013	31.3.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	695.55	695.55
(b) Reserves and Surplus	4	11,700.52	10,693.19
Non - Current Liabilities			
(a) Long term borrowings	5	2,190.92	3,912.04
(b) Other Long term liabilities	6	106.28	47.36
(c) Long term provisions	7	287.14	240.85
Current Liabilities			
(a) Short term borrowings	8	3,336.55	3,856.55
(b) Trade payables	9	1,822.80	987.02
(c) Other current liabilities	10	2,515.76	2,442.38
(d) Short term provisions	11	115.52	18.00
TOTAL		22,771.04	22,892.94
ASSETS			
Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		4,058.31	6,411.12
(ii) Intangible assets		5.52	9.19
(iii) Capital work-in-progress		-	-
(b) Non-current investments	13	174.22	177.55
(c) Deferred tax assets (net)	14	1,947.54	1,338.74
(d) Long term loans and advances	15	681.82	531.57
Current assets			
(a) Inventories	16	12,816.38	11,665.60
(b) Trade receivables	17	2,282.27	1,317.51
(c) Cash and cash equivalents	18	227.13	811.87
(d) Short-term loans and advances	19	57.11	60.89
(e) Other current assets	20	520.74	568.90
TOTAL		22,771.04	22,892.94
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director

Coimbatore
29th May 2013

R. Santharam
Vice Chairman

N. Singaravel
Company Secretary

In terms of our report of even date
For Subbachar & Srinivasan
Firm Registration No. 0040835
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380

Balance Sheet

THE LAKSHMI MILLS COMPANY LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No	(Rs. in Lakhs)	
		31.3.2013	31.3.2012
REVENUE			
Revenue from operations	21	16,389.13	14,943.49
Less: Excise Duty		-	1.11
		<u>16,389.13</u>	<u>14,942.38</u>
Other Income	22	752.92	853.97
Total Revenue		<u>17,142.05</u>	<u>15,796.35</u>
EXPENSES			
Cost of materials consumed	23	7,421.00	6,259.99
Purchase of Stock-in-Trade	24	1,278.40	2,727.65
(Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(782.24)	1,344.99
Employee benefits expense	26	2,246.71	1,894.39
Finance costs	27	1,379.15	1,378.55
Depreciation and amortization expense	12	545.68	653.35
Other expenses	28	4,677.05	3,450.85
Total Expenses		<u>16,765.75</u>	<u>17,709.77</u>
Profit /(Loss) before exceptional and extraordinary items and tax		376.30	(1,913.42)
Exceptional Items	29	123.03	-
Profit /(Loss) before tax		<u>499.33</u>	<u>(1,913.42)</u>
Tax expense			
Current tax		41.62	-
MAT Credit entitlement		(38.48)	-
Net Current tax		3.14	-
Deferred tax		(608.80)	(595.90)
Total Tax Expenses		<u>(605.66)</u>	<u>(595.90)</u>
Profit/(Loss) after tax		<u>1,104.99</u>	<u>(1,317.52)</u>
Basic & Diluted Earnings per share [in Rs.] [Face Value Rs. 100 per share]	30.7		
Before exceptional items		141.18	(189.42)
After exceptional items		158.87	(189.42)
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director

Coimbatore
29th May 2013

R. Santharam
Vice Chairman

N. Singaravel
Company Secretary

In terms of our report of even date
For Subbachar & Srinivasan
Firm Registration No. 004083S
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380



Cash Flow Statement for the year ended 31st March 2013

Particulars	(Rs. in Lakhs)	
	31.3.2013	31.3.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and after exceptional items	499.33	(1,913.42)
Adjustments for :		
Depreciation	545.68	653.35
Additional depreciation-Exceptional Item [Refer Note 30.18]	1,914.94	-
Investment Income	(360.00)	(216.00)
Interest Expenditure	1,298.83	1,321.07
Interest Income	(55.03)	(20.26)
Profit on sale of assets	(213.38)	(410.37)
Profit on sale of Investments-Exceptional Item [Refer Note 29]	(2,037.97)	-
Operating Profit before Working Capital Changes	1,592.40	(585.63)
(Increase)/Decrease in trade and other receivables	(1,067.89)	169.11
(Increase)/Decrease in inventories	(1,150.78)	1,573.63
Increase/(Decrease) in trade and other payables	1,028.85	(502.91)
Cash generated from operations	402.58	654.20
Direct taxes (paid)/refund received	(17.58)	(17.30)
Net Cash from Operating activities (A)	385.00	636.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(130.81)	(375.07)
Proceeds from sale of assets (including Rs.192.32 lakhs from discontinuing operations); (Previous year Rs.47.25 lakhs)	240.06	466.60
Proceeds from sale of Investments (Net)-Exceptional item [Refer Note 29]	2,041.30	-
Amount refundable towards Land Sale	37.87	20.90
Decrease / (Increase) in other Bank Balances	529.95	(20.70)
Interest received	74.28	16.16
Investment Income received	360.00	216.00
Net Cash used in investing activities (B)	3,152.65	323.89
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) long term borrowings	(1,721.12)	(46.20)
Proceeds from/(Repayment of) short term borrowings	(501.68)	406.92
Interest paid	(1,364.81)	(1,255.01)
Dividend paid	(3.30)	(60.29)
Dividend transferred to IEPF	(1.53)	(1.12)
Corporate Dividend tax paid	-	(10.15)
Net Cash used in financing activities (C)	(3,592.44)	(965.85)
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(54.79)	(5.06)

THE LAKSHMI MILLS COMPANY LIMITED

Cash Flow Statement for the year ended 31st March 2013

Particulars	31.3.2013	(Rs. in Lakhs) 31.3.2012
Cash and cash equivalents at beginning of the year	71.29	76.35
Cash and cash equivalents at end of the year	16.50	71.29
Net increase/(Decrease) in cash and cash equivalents	(54.79)	(5.06)
Note: Cash and bank balances include the following balances which are restricted and not available for use by the Company.		
Unpaid Dividend Warrant Account	11.69	16.52
Margin Money Deposit	160.29	86.74
Deposit Pledged with bank for Demand Loan	-	127.52

<p>S. Pathy Chairman & Managing Director</p> <p>Coimbatore 29th May 2013</p>	<p>R. Santharam Vice Chairman</p> <p>N. Singaravel Company Secretary</p>	<p>In terms of our report of even date For Subbachar & Srinivasan Firm Registration No. 004083S Chartered Accountants T.S.V. Rajagopal Partner Membership No. 200380</p>
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Auditors' Certificate on compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement with Stock Exchanges.

TO THE MEMBERS OF
THE LAKSHMI MILLS COMPANY LIMITED
Coimbatore.

We have examined the compliance of conditions of Corporate Governance by THE LAKSHMI MILLS COMPANY LIMITED for the year ended on 31.3.2013 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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 the 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

Coimbatore
29th May 2013

that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of details received from the Share Transfer Agents of the company and 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 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.

For Subbachar & Srinivasan
Firm Registration No. 004083S
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380



Notes to the financial statements

1 CORPORATE INFORMATION

The Lakshmi Mills Company Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing of Yarn and trading in cloth and garments. The company caters to both domestic and international markets.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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 Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

Change in Accounting policy

Effective from 1.4.2012, the Company has with retrospective effect changed its method of providing depreciation on Plant / Electrical Equipments from 'straight line' method to 'Written Down Value' method, at the rates prescribed in Schedule XIV of the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company has recognized an additional depreciation charge of Rs. 1914.94 lakhs relating to period upto 31.3.2012 which has been disclosed as an exceptional item. Had the Company continued to use the earlier method, depreciation for the year would have been higher and profit after tax for the current year would have been lower by Rs. 93.22 lakhs.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialised.

2.3 Fixed Assets

Fixed assets are stated at historical cost net of Cenvat credit / Value Added Tax, including

appropriate direct and allocated expenses and interest on specific borrowings related to qualifying assets up to the commencement of production less accumulated depreciation and impairment losses, if any.

2.4 Investments

Long Term Investments are carried at cost inclusive of all expenses incidental to acquisition. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in nature in the opinion of the management. Diminution with respect to market value, if temporary, is not recognized.

2.5 Valuation of Inventories

Inventories are valued as under

- Finished goods: Yarn and cloth at lower of weighted average cost and net realizable value (Including excise duty) wherever applicable.
- Waste at contracted prices.
- Raw materials and stock-in-process at lower of weighted average cost and net realisable value.
- Stores and spare parts, components at weighted average cost.
- Stock in trade of land under development comprises of Free hold land and buildings at net book value, converted from fixed assets into Stock in trade and expenses related / attributable to the development of the said property. The same is valued at Lower of such net book value or Net realisable value.

2.6 Translation of Foreign Currency Transactions

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the profit and loss statement. 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 profit and loss statement.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in period in which they arise.

2.7 Depreciation

Depreciation is provided on all assets on WDV basis except Factory Buildings which are provided in SLM basis at the rates specified in Schedule XIV of the Companies Act, 1956. For additions and deletions, depreciation is provided on pro-rata basis.

THE LAKSHMI MILLS COMPANY LIMITED

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

2.9 Borrowing costs

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

2.10 Earning per share

Basic Earning 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.

2.11 Employee Benefits

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees rendered service are accounted on accrual basis.

Defined Contribution Plans

Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund and ESIC are recognized in the profit and loss statement.

Defined Benefit Plans

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuaris gains or losses are recognized immediately in the statement of profit and loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations. The expected return on plan assets is based on market expectations at the beginning of the period for returns over the entire life of the related obligations.

There is no scheme for encashment of unavailed leave on retirement since unavailed earned leave is settled annually and accounted on payment.

The cost of termination benefits, namely voluntary retirement payments are expensed in the year of payment.

2.12 Taxes on Income

Current Tax is determined as per the provisions of the Income-tax Act, 1961 in respect of taxable income for the year and based on the expected outcome of assessment / appeals.

Deferred Tax assets and liabilities are recognized on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent period and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred Tax assets arising on account of unabsorbed depreciation or carried forward business losses are recognized only when there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets and liabilities are reviewed at each balance sheet date.

2.13 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. 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 best current estimate.

2.14 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.

2.15 Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the



carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, recognized in prior

accounting period is reversed if there is a change in estimate of recoverable amount.

Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 3: SHARE CAPITAL		
Authorised		
10,00,000 Equity Shares of Rs.100/- each	<u>1,000.00</u>	<u>1,000.00</u>
Issued, Subscribed & Fully Paid up		
6,95,550 Equity Shares of Rs.100/- each	<u>695.55</u>	<u>695.55</u>
Total	<u>695.55</u>	<u>695.55</u>

Equity shareholders holding more than 5% Equity shares	31.3.2013		31.3.2012	
	Number	%	Number	%
Lakshmi Machine Works Limited	39,297	5.65	39,297	5.65
Lakshmi Card Clothing Mfg. Co. P. Ltd	41,681	5.99	41,681	5.99
Coimbatore Lakshmi Cotton Press P. Ltd	52,349	7.53	51,157	7.35
Life Insurance Corporation of India	38,208	5.49	38,208	5.49
S. Pathy	103,901	14.94	103,901	14.94
Aditya Krishna Pathy	60,065	8.64	56,412	8.11
Total	<u>335,501</u>		<u>330,656</u>	
Number of Equity Shares at the beginning of the period	695,550		695,550	
Number of Equity Shares at the end of the period	695,550		695,550	

The company has issued only one class of Equity Share having par value of Rs. 100 each. Each holder of Equity share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval by the shareholders at the Annual General Meeting.

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 4 : RESERVES AND SURPLUS		
1. Capital Reserve		
As per last Balance Sheet	9.00	9.00
2. Securities Premium Account		
As per last Balance Sheet	101.89	101.89
3. General Reserve		
As per last Balance Sheet	1,214.86	1,214.86
Add : Transfer from statement of Profit & Loss	<u>30.00</u>	<u>-</u>
	<u>1,244.86</u>	<u>1,214.86</u>
4. Investment Fluctuation Reserve		
As per last Balance Sheet	46.71	46.71
5. Revaluation Reserve		
As per last Balance Sheet	9,948.71	9,948.71
6. Surplus in Statement of Profit & Loss		
As per last Balance Sheet	(627.98)	689.54
Add/(Less): Transfer from Statement Profit & Loss	<u>1,104.99</u>	<u>(1,317.52)</u>
	477.01	(627.98)
Less : Allocations & Appropriations during the year		
Transfer to General Reserve	30.00	-
Proposed Dividend	83.47	-
Tax on Proposed Dividend	14.19	-
Closing balance	<u>349.35</u>	<u>(627.98)</u>
Total	<u>11,700.52</u>	<u>10,693.19</u>

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 5: LONG-TERM BORROWINGS		
Secured		
Term Loans from Banks [Refer Note No. 30.2 & 30.3]	2,187.37	3,774.18
Unsecured		
Fixed Deposits-Directors	3.00	3.00
Fixed Deposits-Others	0.55	134.86
Total	2,190.92	3,912.04
NOTE 6 : OTHER LONG TERM LIABILITIES		
Rent Advance	106.28	47.36
Total	106.28	47.36
NOTE 7 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	287.14	240.85
Total	287.14	240.85
NOTE 8 : SHORT TERM BORROWINGS		
Secured		
Working capital loan from banks [Refer Note No. 30.2 & 30.3]	3,336.55	3,732.13
Demand Loan against Deposits [Refer Note No. 30.2 & 30.3]	-	124.42
Total	3,336.55	3,856.55
NOTE 9 : TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Other creditors	1,822.80	987.02
Total	1,822.80	987.02
NOTE 10 : OTHER CURRENT LIABILITIES		
Current maturities of long term debt		
Term loans from Banks	1,491.68	1,605.37
Fixed Deposit - Others	159.67	28.82
Interest accrued but not due on borrowings	10.05	10.30
Interest accrued and due on borrowings	2.49	68.22
Unpaid dividends - Covered by IEPF	11.69	16.52
Matured deposits not paid due to disputes among claimants	15.05	15.05
Other payables		
Liabilities for expenses	216.75	137.64
Other liabilities	75.26	66.37
Trade Deposits from customers	50.27	49.11
Advance Refundable towards Land Sale	482.85	444.98
Total	2,515.76	2,442.38
NOTE 11 : SHORT TERM PROVISIONS		
Provision for Gratuity	17.86	18.00
Proposed Dividend	83.47	-
Tax on Proposed Dividend	14.19	-
Total	115.52	18.00



Notes to the financial statements

NOTE 12 : FIXED ASSETS

(Rs. in lakhs)

S. No.	Particulars	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
		As at 1.4.2012	Additions	Disposals	As at 31.3.2013	As at 1.4.2012	For the year	Disposals	As at 31.3.2013	As at 31.3.2013	As at 31.3.2012
A	Tangible Assets										
1	Land	928.57	-	-	928.57	-	-	-	-	928.57	928.57
2	Buildings	1,568.08	29.53	-	1,597.61	597.34	35.09	-	632.43	965.18	970.74
3	Plant & Equipment	11,908.72	17.94	257.48	11,669.18	7,829.13	2,215.71 *	231.30	9,813.54	1,855.64	4,079.59
4	Electrical Plant & Equipment	1,059.16	26.26	2.53	1,082.89	695.55	186.61 *	2.22	879.94	202.95	363.61
5	Furniture & Fixtures	35.28	-	-	35.28	28.25	1.27	-	29.52	5.76	7.03
6	Vehicles	170.02	27.87	13.89	184.00	146.25	9.37	13.79	141.83	42.17	23.77
7	Office Equipments	135.19	27.42	0.80	161.81	106.07	5.29	0.71	110.65	51.16	29.12
8	Computer Equipments	146.09	1.79	-	147.88	137.39	3.61	-	141.00	6.88	8.70
	Sub Total	15,951.11	130.81	274.70	15,807.22	9,539.98	2,456.95	248.02	11,748.91	4,058.31	6,411.13
B	Intangible Assets										
	Computer Software	15.34	-	-	15.34	6.15	3.67	-	9.82	5.52	9.19
C	Capital Work-In-Progress										
		-	-	-	-	-	-	-	-	-	-
	Total	15,966.45	130.81	274.70	15,822.56	9,546.13	2,460.62	248.02	11,758.73	4,063.83	6,420.32
	Previous Year (2011-12)	15,905.36	375.07	313.99	15,966.44	9,150.53	653.35	257.75	9,546.13	6,420.31	

* Includes additional depreciation charge due to change in accounting policy disclosed as an exceptional item [Refer Note 2.1 and 30.18]

(Rs. in lakhs)

Particulars	Face value per Share Rs.	No. of Shares	31.3.2013		31.3.2012	
			Amount	No. of Shares	Amount	No. of Shares
NOTE 13 : NON CURRENT INVESTMENTS						
Investments in Equity Instruments (at Cost)						
A. Non Trade-Quoted-Long Term-Fully paid up						
Lakshmi Machine Works Limited	10	620000	20.67	720000	24.00	
Lakshmi Automatic Loom Works Limited	10	330000	64.05	330000	64.05	
Rajshree Sugars & Chemicals Limited	10	220000	22.00	220000	22.00	
Sub Total			106.72		110.05	
B. Non-Trade - Unquoted - Long Term - Fully paid up						
LCC Investments Limited	10	150000	15.00	150000	15.00	
Sai Regency Power Corporation Limited	10	525000	52.50	525000	52.50	
Total			174.22		177.55	
			Cost	Market Value	Cost	Market Value
(i) Market value of Non-Current Investments-Quoted			106.72	11626.45	110.05	11544.12
(ii) Value of Non-Current Investments -Unquoted			67.50	-	67.50	-
Total			174.22	11626.45	177.55	11544.12

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 14 : DEFERRED TAX ASSET (NET)		
Deferred Tax Asset		
43 B Disallowance-Gratuity	94.13	79.13
Unabsorbed Depreciation and Carry Forward losses	2,228.35	2,265.80
Voluntary Retirement Scheme	7.56	11.81
Others	2.38	2.26
	<u>2332.42</u>	<u>2359.00</u>
Deferred Tax Liability		
Depreciation	384.88	1020.26
Deferred Tax Asset (Net)	Total	Total
	<u>1947.54</u>	<u>1338.74</u>
NOTE 15 : LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Electricity deposits	93.75	104.18
Other deposits	8.91	8.04
Advances recoverable in cash or in kind or for value to be received	324.04	178.67
Advances Payment of Direct Taxes (Net of Provisions therefor)	143.73	167.77
MAT Credit Entitlement	111.39	72.91
	<u>681.82</u>	<u>531.57</u>
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)		
Raw materials	551.38	199.79
Work in progress-Yarn	366.53	276.74
Finished goods		
Yarn	963.74	391.82
Waste	7.84	4.27
Stock in Trade- Trading		
Cloth	145.40	26.67
Garments	0.16	1.93
Stores and spares	173.40	156.45
Stock in trade of Land under development	10,607.93	10,607.93
	<u>12,816.38</u>	<u>11,665.60</u>
NOTE 17 : TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months from due date	-	20.84
Others	2,282.27	1,296.67
	<u>2,282.27</u>	<u>1,317.51</u>
NOTE 18 : CASH AND BANK BALANCES		
Cash and Cash Equivalent		
Balances with banks		
In Current Account	12.50	60.86
Cash on hand	4.00	10.43
	<u>16.50</u>	<u>71.29</u>
Other Bank Balances		
Bank deposits held as margin money	160.29	86.74
Bank deposits pledged for demand loan	-	127.52
Bank deposits with more than 12 months maturity	-	29.22
Other Bank Deposits	38.60	480.53
Unpaid Dividend warrant accounts	11.69	16.52
Savings Certificate	0.05	0.05
	<u>210.63</u>	<u>740.58</u>
Sub Total	Total	Total
	<u>227.13</u>	<u>811.87</u>



Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Balance with Central Excise/ Sales tax authorities	57.11	60.89
Total	57.11	60.89
NOTE 20 : OTHER CURRENT ASSETS		
Prepaid expenses	1.53	1.37
Interest accrued on Bank Deposits	5.50	24.76
Income Receivable	513.71	542.77
Total	520.74	568.90
NOTE 21 : REVENUE FROM OPERATIONS		
Revenue from Sale of products		
Cotton and Synthetic Yarn - Manufactured	14,597.62	11,426.43
Cotton and Synthetic Yarn - Trading	4.64	9.79
Cloth - Trading	1,339.56	3,046.91
Garments - Trading	34.95	4.75
Waste	315.73	317.16
Raw Materials	-	9.25
Sub Total	16,292.50	14,814.29
Other operating revenues		
Sale of Scrap	45.06	42.41
Export incentives	51.57	86.79
Sub Total	96.63	129.20
Total Revenue from Operations	16,389.13	14,943.49
Less: Excise Duty	-	1.11
Total	16,389.13	14,942.38
NOTE 22 : OTHER INCOME		
Interest income	55.03	20.26
Dividend income	360.00	216.00
Rent	102.48	75.42
Other Income	4.05	4.21
Foreign exchange gain	17.98	127.71
Profit on sale of assets	213.38	410.37
Total	752.92	853.97
NOTE 23 : MATERIALS CONSUMED		
Opening Stock	199.79	422.74
Add : Purchases	7,772.59	6,037.04
Less : Closing Stock	551.38	199.79
Cost of Materials Consumed	7,421.00	6,259.99
NOTE 24 : PURCHASES OF STOCK-IN-TRADE		
Yarn purchase for resale	4.19	6.29
Cloth purchase for resale	1,247.98	2,716.43
Garment purchase for resale	26.23	4.93
Total	1,278.40	2,727.65

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 25 : CHANGES IN INVENTORY OF FINISHED GOODS AND WIP		
Opening Stock		
Yarn	391.82	1,382.81
Cloth	26.67	86.58
Garments	1.93	43.26
Waste	4.27	38.47
Work in Progress	276.74	495.30
Sub Total	<u>701.43</u>	<u>2,046.42</u>
Closing Stock		
Yarn	963.74	391.82
Cloth	145.40	26.67
Garments	0.16	1.93
Waste	7.84	4.27
Work in Progress	366.53	276.74
Sub Total	<u>1,483.67</u>	<u>701.43</u>
(Increase)/Decrease in Stocks	<u>(782.24)</u>	<u>1,344.99</u>
NOTE 26 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	1,843.52	1,535.22
Managing Directors' Remuneration (Minimum)	70.92	62.90
Contribution to PF & Administrative Charges	112.68	100.61
Gratuity	76.03	65.46
Contribution to Superannuation Fund	0.83	0.82
ESI Contribution	52.93	43.56
Welfare Expenses	89.80	85.82
Total	<u>2,246.71</u>	<u>1,894.39</u>
NOTE 27 : FINANCE COSTS		
Interest on Bank borrowings	1,281.58	1,290.91
Interest on Fixed Deposit	17.25	18.11
Other Borrowing Costs	-	12.05
Bank Charges	80.32	57.48
Total	<u>1,379.15</u>	<u>1,378.55</u>
NOTE 28 : OTHER EXPENSES		
Consumption of stores and spare parts	98.03	116.34
Consumption of Packing materials	189.29	159.83
Power and Fuel	3,122.55	1,948.03
Rent	9.60	9.60
Repairs to Buildings	66.49	60.56
Repairs to machinery	227.65	205.46
Insurance	10.75	11.99
Rates and Taxes, excluding taxes on income	63.42	52.62
Sales Commission	178.57	197.65
Sales Expenses, Advertisement, Export Expenses & Freight	41.29	88.40
Office Maintenance & Administration Expenses	255.58	230.60
Directors' Sitting Fees	3.70	3.70
Auditor's Remuneration		
Audit fees	2.00	1.75
Taxation matters	1.40	1.04
Certification	0.97	0.65
Reimbursement of expenses	0.53	0.30
Miscellaneous Expenses [Refer Note No. 30.11]	405.23	362.33
Total	<u>4,677.05</u>	<u>3,450.85</u>



Notes to the financial statements

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
NOTE 29 : EXCEPTIONAL ITEMS (NET)		
Profit on sale of investments	2,037.97	-
Less : Additional depreciation on change in accounting policy (Refer Note No. 30.18)	1,914.94	-
Total	123.03	-

NOTE 30 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Letters of Credit	1,119.68	361.56
Bills discounted with banks	679.75	50.03
Central Excise / Service tax disputed demands	9.08	8.71
Sub Total	1,808.51	420.30

Commitments

Estimated amount of contracts unexecuted on capital account	-	-
Total	1,808.51	420.30

30.2 Long Term Borrowings and Short Term Borrowings

a) Long Term Borrowings

Term Loans From Banks - Secured

a) Term Loan under TUF Scheme		
Central Bank of India	1,039.38	1,282.55
Canara Bank	940.00	1,491.18
b) Canara Bank VRS Loan	107.99	196.56
c) Central Bank of India Working Capital Term Loan	100.00	203.89
d) IOB Term Loan	-	600.00
Total	2,187.37	3,774.18

b) Short Term Borrowings

Working Capital Loan from Banks - Secured

Cash Credit	3,196.55	3,592.13
Packing Credit	140.00	140.00
	3,336.55	3,732.13

Demand Loan against Bank deposits	-	124.42
Total	3,336.55	3,856.55

30.3 a) Terms of repayment of long term borrowings

Particulars	Maturity term	Instalments	Rate of Interest
Indian Overseas Bank Term Loan	2013-14	1 Half Yearly	14.25%
Central Bank of India Working Capital Loan	2014-15	8 Quarterly	15.50%
Canara Bank TUF Loan	2015-16	12 Quarterly	14.50%
Canara Bank VRS Loan	2015-16	12 Quarterly	15.50%
Central Bank of India TUF Loan	2018-19	24 Quarterly	14.50%

THE LAKSHMI MILLS COMPANY LIMITED

b) Details of securities on Long Term and Short Term borrowings from banks

Term loans from Central Bank of India and Canara Bank are secured by first charge on fixed assets of Kovilpatti and Palladam units.

Term Loan from Indian Overseas Bank and Canara Bank is secured by pari passu first charge on the land at Coimbatore.

Working capital loans from banks are secured by first charge on book debts and hypothecation of inventories and pari passu second charge on the fixed assets at Coimbatore, Kovilpatti and Palladam.

Demand loan from banks are secured by fixed deposits with bank.

30.4 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no overdues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

30.5 a) The net deferred tax assets carried over as at 31st March 2013 comprises of the following :

Particulars	(Rs. in lakhs)		
	Opening as on 1.4.2012	Movement for the year	Closing as on 31.3.2013
Deferred Tax Asset			
43 B Disallowance-Gratuity	79.13	(15.00)	94.13
Unabsorbed Depreciation and Carry Forward Losses	2265.80	37.45	2228.35
Voluntary Retirement Scheme	11.81	4.25	7.56
Others	2.26	(0.12)	2.38
Deferred Tax Liability			
Depreciation	1020.26	(635.38)	384.88
Net Deferred Tax (Asset) / Liability	(1338.74)	(608.80)	(1947.54)

b) In the opinion of the Company, with the proposed profitable alternate use of lands rendered surplus which have been converted into stock in trade, it is virtually certain to result in realisation of deferred tax assets on account of unabsorbed depreciation and unabsorbed business losses against future taxable income.

30.6 Discontinuing Operations

As part of over all restructuring plans for economising operations, the company had decommissioned one of its plants at Coimbatore in the financial year 2008-09. After relocating the viable and productive machinery to other units the substantial part of machinery rendered surplus have been disposed off. The profit on sale of machinery during the financial year is Rs.174.61 lakhs (Previous year Rs.1.30 lakhs). The land rendered available for development and converted into stock in trade has a carrying amount of Rs.10607.93 lakhs (Previous year Rs.10607.93 lakhs).

Particulars	(Rs. in lakhs)	
	31.3.2013	31.3.2012
30.7 Earnings per Share (Gross)		
Profit after tax as per Statement of Profit & Loss before exceptional items	981.96	(1317.52)
Profit after tax as per Statement of Profit & Loss after exceptional items	1104.99	(1317.52)
Weighted average number of equity shares outstanding	695550	695550
Basic and diluted earnings per share (in Rs.)-before exceptional items (Face value Rs.100 per share)	141.18	(189.42)
Basic and diluted earnings per share (in Rs.)-after exceptional items (Face value Rs.100 per share)	158.87	(189.42)

30.8 Segment Reporting

The present operations of the company are under a single broad segment "Textile Intermediary products". These in the context of Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India are considered as one single primary segment.

Notes to the financial statements

30.9 Disclosure of related parties and related party transactions:

Related Parties

Associates

1. Lakshmi Card Clothing Manufacturing Company Private Limited
2. Lakshmi Automatic Looms Works Limited
3. Balakumar Shipping & Clearing Agency Private Limited
4. Aloha Tours & Travels (India) Private Limited

Key Management Personnel

1. Sri S. Pathy
2. Sri Aditya Krishna Pathy

(Rs. in lakhs)

Transaction with related parties	Associates		Key Management Personnel	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Purchase of Goods/assets	18.57	30.63	-	-
Sale of goods/assets	1.73	1.13	-	-
Receiving of services	37.58	36.37	-	-
Rendering of services	-	0.18	-	-
Managerial Remuneration	-	-	70.92	62.90
Interest paid	-	-	0.28	0.28
Dividend paid	-	3.75	-	14.17
Amount receivable	27.94	36.48	-	-
Amount payable	316.51	262.73	4.30	3.66

Note: Related party relationships are as identified by the management

Disclosure in respect of Material Related Party Transactions during the year:-

1. Purchase of goods/assets includes Lakshmi Card Clothing Manufacturing Company P Ltd Rs.18.57 lakhs; (Previous year Rs.30.63 lakhs).
2. Sale of Goods / assets include Lakshmi Automatic Loom Works Ltd Rs. Nil (Previous year Rs.0.46 lakh); Others Rs.1.73 lakhs (Previous year Rs.0.67 lakh).
3. Receiving of Services include Balakumar Shipping & Clearing Agency P Ltd Rs.22.76 lakhs (Previous year Rs.21.79 lakhs); Aloha Tours & Travels (India) Private Ltd Rs.12.33 lakhs (Previous year Rs.12.84 lakhs) and Others Rs.2.49 lakhs (Previous year Rs.1.74 lakhs).
4. Rendering of Services include Lakshmi Card Clothing Manufacturing Company P Ltd Rs.Nil (Previous year Rs.0.18 lakh).
5. Managerial Remuneration includes Sri S. Pathy Rs.45.28 Lakhs (Previous year Rs.40.70 Lakhs); Sri Aditya Krishna Pathy Rs.25.64 Lakhs (Previous year Rs.22.20 Lakhs).
- 6.1. Interest includes Sri Aditya Krishna Pathy Rs.0.28 Lakh (Previous year Rs. 0.28 Lakh).
- 6.2. Dividend includes Sri S. Pathy Rs. Nil (Previous year Rs.9.35 Lakhs); Sri Aditya Krishna Pathy Rs. Nil (Previous year Rs.4.82 Lakhs); Lakshmi Card Clothing Manufacturing Company P Ltd Rs.Nil (Previous year Rs.3.75 lakhs).
7. Amount Receivable includes Lakshmi Automatic Loom Works Ltd Rs.4.24 lakhs (Previous year Rs.33.55 lakhs) and Balakumar Shipping & Clearing Agency P Ltd Rs.23.70 lakhs (Previous year Rs.2.93 lakhs).
8. Amount payable include Lakshmi Card Clothing Manufacturing Company Pvt Ltd Rs.311.49 lakhs (Previous year Rs.261.24 lakhs); Aloha Tours & Travels (India) Private Ltd Rs.5.02 Lakhs (Previous year Rs.1.49 Lakhs). Sri S. Pathy Rs.1.04 lakhs (Previous year Rs. 2.88 lakhs). Sri Aditya Krishna Pathy Rs. 3.26 lakhs (Previous year Rs. 0.78 lakh)

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(Rs. in Lakhs)		
	31.3.2013	31.3.2012	31.3.2011
30.10 Employees benefits			
(a) Defined Benefit Plans			
A. Expense recognised during year ended March 31, 2013		Gratuity Funded	
1. Current Service cost	22.18	21.79	19.28
2. Interest cost	25.30	22.92	17.56
3. Expected return on plan assets	(5.65)	(6.16)	(6.01)
4. Actuarial Losses / (Gains) during the year	34.20	26.91	78.18
5. Total Expense	76.03	65.46	109.01
B. Actual return on Plan assets			
1. Expected return on plan assets	5.65	6.16	6.01
2. Actuarial (Loss) / Gain on Plan assets	(1.10)	2.69	(0.65)
3. Actual return on plan assets	4.55	8.85	5.36
C. Net Asset/(Liability) recognised in the Balance Sheet			
1. Present value of the obligation as on 31.03.2013	377.04	332.19	309.68
2. Fair value of plan assets as on 31.3.2013	71.80	73.09	74.81
3. Funded status surplus/(deficit)	(305.24)	(259.10)	(234.62)
4. Unrecognised past service cost	0.00	0.00	0.00
5. Net Asset/(Liability) recognised in the Balance Sheet	(305.24)	(259.10)	(234.62)
D. Change in Present value of the Obligation during the year ended March 31, 2013			
1. Present value of the obligation as at April 1, 2012	332.19	309.68	243.58
2. Current service cost	22.18	21.79	18.63
3. Interest cost	25.30	22.92	17.56
4. Benefits paid	(35.73)	(46.42)	(48.26)
5. Actuarial (gain) loss on obligation	33.10	24.22	78.18
6. Present value of obligation as at March 31, 2013	377.04	332.19	309.68
E. Change in Assets during the year ended March 31, 2013			
1. Fair value of plan assets as at April 1, 2012	73.09	74.81	76.06
2. Expected return on plan assets	5.65	6.16	6.01
3. Contributions made	29.89	41.23	41.00
4. Benefits paid	(35.73)	(46.42)	(48.26)
5. Actuarial gain / (loss) on plan assets	(1.10)	(2.69)	(0.65)
6. Fair value of plan assets as at March 31, 2013	71.80	73.09	74.81
F. Net Actuarial Gain / Loss recognised			
1. Actuarial (Gain) / Loss on benefit obligation	33.10	24.22	78.18
2. Actuarial Gain / (Loss) on Plan Assets	(1.10)	(2.69)	(0.65)
3. Net Actuarial (Gain) / Loss recognised	34.20	26.91	77.53
G. Major categories of plan assets as a percentage of total plan			
Special Deposit Schemes	91.22%	89.61%	78.85%
Bank Balances and recoverables	8.78%	10.39%	21.15%
Total	100.00%	100.00%	100.00%
H. Actuarial Assumptions			
1. Discount rate	8.05%	8.00%	8.00%
2. Salary escalation	5.00%	5.00%	2.00%
3. Expected rate of return on plan assets	8.05%	8.00%	8.00%
4. Attrition rate	2.00%	2.00%	4.00%
5. Mortality rate	(2006-08)	(1994-96)	(1994-96)
	IAL	LIC	LIC
	Ultimate	Ultimate	Ultimate
(b) Defined Contribution Plan			
Employer's Contribution to Provident and Family Pension Fund	118.96	105.31	120.57
Employer's Contribution to Superannuation Fund	8.69	7.81	6.85

Note:

The salary escalation considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The company's best estimate of contribution to be made in the next financial year is Rs.15,00,000



Notes to the financial statements

		(Rs. in lakhs)	
Particulars	31.3.2013	31.3.2012	
30.11 Miscellaneous Expenses			
Cost Audit Fees	0.50	0.50	
Repairs to Others	19.33	13.88	
Printing, Stationery & Subscription	22.56	22.44	
Travelling, Postage, Telex, Telephone & Transport Charges	150.68	113.92	
Other Manufacturing Expenses	28.02	44.41	
Legal and Consultancy Expenses	5.56	18.23	
Freight Charges	166.95	148.95	
Bad Debts written off	11.63	-	
Total	405.23	362.33	
30.12 Expenditure in foreign currency on account of			
Travel	5.78	11.02	
Sales Commission	57.39	73.70	
Subscription	0.73	0.79	
Total	63.90	85.51	
30.13 Earnings in foreign exchange-Export of goods on FOB value			
Cloth	1239.90	2903.97	
Yarn	32.17	154.33	
Total	1272.07	3058.30	
30.14 CIF Value of Imports			
Raw Materials	3.41	-	
Components & Spares	4.97	-	
	8.38	-	

		(Rs. in lakhs)			
Particulars	%	31.3.2013 Value	%	31.3.2012 Value	
30.15 Value of Raw Materials, Stores, and Components consumed					
a) Cotton, Fibre and Yarn					
Imported	0.05	3.41	-	-	
Indigenous	99.95	7417.59	100.00	6259.99	
		7421.00		6259.99	
b) Stores consumed					
Imported	1.73	4.97	-	-	
Indigenous	98.27	282.35	100.00	276.17	
		287.32		276.17	

30.16 In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

		(Rs. in lakhs)	
Particulars	31.3.2013	31.3.2012	
30.17 Details of dividend proposed			
Amount of dividend proposed	83.47	-	
Amount of dividend per Equity share [in Rs.]	12.00	-	

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

30.18 Effective from 1.4.2012, the Company has with retrospective effect changed its method of depreciation on Plant / Electrical Equipment from SLM to WDV method of depreciation. The company has recognized an additional depreciation charge of Rs. 1914.94 lakhs relating to period upto 31.3.2012 which has been disclosed as an exceptional item. Had the company continued to use the earlier method of depreciation, the profit after tax for the current year would have been lower by Rs.93.22 lakhs.

30.19 a) The company does not have any derivatives, financial instruments either for hedging or for speculation purpose outstanding as on the Balance Sheet date.

b) Details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are

Particulars		Amount in foreign currency		Equivalent Rs. in lakhs	
		31.3.2013	31.3.2012	31.3.2013	31.3.2012
Sundry Debtors	USD	Nil	97711	Nil	47.49
Sundry Debtors	GBP	404993.40	Nil	358.70	Nil
Sundry Creditors		Nil	Nil	Nil	Nil
Bank balances (EEFC A/c)	USD	-	197.71	-	0.10

30.20 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

S. Pathy
Chairman & Managing Director

Coimbatore
29th May 2013

R. Santharam
Vice Chairman

N. Singaravel
Company Secretary

In terms of our report of even date
For Subbachar & Srinivasan
Firm Registration No. 0040835
Chartered Accountants
T.S.V. Rajagopal
Partner
Membership No. 200380

To

M/s. SKDC Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road,
Coimbatore 641 006.

**Unit : THE LAKSHMI MILLS COMPANY LIMITED
NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)**

1. Particulars of the shareholder
 - a) Regd. Folio No. :
 - b) Name of the first Regd. Holder (in block letters) :
2. Particulars of the Bank
 - a) Name of the Bank :
 - b) Address of the Branch :
 - c) Account No. (As appearing in the cheque book) :
 - d) Ledger Folio No. (if any) of the bank account :
 - e) Account Type (Please Tick relevant box) :

SAVINGS	CURRENT	CASH CREDIT
---------	---------	-------------
 - f) Nine Digit code number of the bank and branch appearing on the MICR / CTS cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number)

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DECLARATION

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

(Signature of the first Regd. holder)
as per specimen signature with the Company

Place :

Date : Name :

Address :

.....Pincode

- Note :
1. Please send the form to the address mentioned above, if shares are held in physical form.
 2. Shareholders holding shares in Demat form and wish to avail NECS facility are requested to contact their Depository Participant.
 3. In case the scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of Warrants.



THE LAKSHMI MILLS COMPANY LIMITED

Regd. Office: 686, Avanashi Road, Coimbatore - 641 037.

ATTENDANCE SLIP

Reg. Folio.	
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DP.ID *	
Client ID *	

Name & Address of Member :

I hereby record my presence at the Annual General Meeting at Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037

No. of Shares	
---------------	--

Member's / Proxy's Signature **

- Notes :
1. Shareholder / Proxy holder must bring the admission slip to the meeting & hand over at the entrance duly signed.
 2. Shareholders are requested to advise their change in address as well as request for consolidations of folio, if any, to the Registrar's address quoting folio number.



THE LAKSHMI MILLS COMPANY LIMITED

PROXY FORM

I / We

ofbeing a Member / Members of **The Lakshmi Mills Co. Ltd.**,

hereby appointor failing him.....of

..... as my / our Proxy to attend and vote for me / our

behalf at the Hundred and Third Annual General Meeting of the Company, to be held on 4th September, 2013

at 04.15 p.m. at Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam,

Coimbatore - 641 037 and at any adjournment thereof.

As witness my / our hand(s) thisday of2013



Signed by the said.....

Folio No.		DP.ID *		Client ID *	
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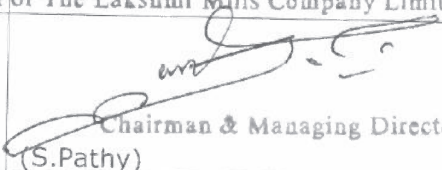



Note : The proxy form must be sent so as to reach the Registered Office of the Company, at 686, Avanashi Road, Coimbatore - 641 037 not less than forty eight hours before the time for holding the aforesaid meeting.

* Applicable to Investors holding shares in electronic form.

** Please indicate whether Member/Proxy

FORM A
(Clause 31(a) of Listing Agreement)

**Format of Covering letter of the Annual Audit Report to be filed with the
Stock Exchanges**

1.	Name of the Company	The Lakshmi Mills Company Limited
2.	Annual financial Statements for the year ended	31 st March 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	--
5.	To Be Signed By	For The Lakshmi Mills Company Limited
	<ul style="list-style-type: none"> Chief Executive Officer / Chairman & Managing Director 	 Chairman & Managing Director, (S.Pathy)
	<ul style="list-style-type: none"> Chief Financial Officer 	 (V.Kannappan)
	<ul style="list-style-type: none"> Audit Committee Chairman 	 (Satish Ajmera)
	<ul style="list-style-type: none"> Auditor of the Company 	For Subbacher & Srinivasan Chartered Accountants (Firm Regn. No.0040835)  (T.S.V.Rajagopal) Partner Membership No.200380