The Lakshmi Mills Company Limited

ESTD · 1910

Regd. Office :
Post Box No. 6301,
686, Avanashi Road,
Pappanaickenpalayam,
Coimbatore - 641 037
INDIA

Telephone : 91 - 422 - 2245461 to 2245465, 4333700
Telegram : "LAKSHMI"
Fax No. : 91 - 422 - 2246508
E-mail : contact@lakshmimills.com
Website : www.lakshmimills.com
CIN : L17111TZ1910PLC000093

SECY / BSE / 2017 /

31.07.2017

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai–400 001

Scrip Code: 502958

Dear Sirs,

Sub: Furnishing of soft copy of Annual Report for the year 2016-17 – Regulation 34 - Reg.

We are enclosing herewith the scanned copy of the Annual Report for the year ended 31.03.2017 for your records and reference.

The above may please be taken on record.

Thanking you

Faithfully

For The Lakshmi Mills Company Ltd,

(N. SINGARAVEL)
Company Secretary.

HUNDRED AND SEVENTH ANNUAL REPORT 2017

107

ESTD - 1910

THE LAKSHMI MILLS COMPANY LTD

COIMBATORE

THE LAKSHMI MILLS COMPANY LIMITED

Annual Report 2016 - 2017

BOARD OF DIRECTORS

Sri R. SANTHARAM - Vice Chairman
Sri V. JAGANNATHAN
Sri D. RAJENDRAN
Sri SATISH AJMERA
Sri SANJAY JAYAVARTHANAVELU
Smt SUGUNA RAVICHANDRAN
Sri ADITYA KRISHNA PATHY - Deputy Managing Director

CHAIRMAN AND MANAGING DIRECTOR

Sri S. PATHY

COMPANY SECRETARY

Sri N. SINGARAVEL

CHIEF FINANCIAL OFFICER

Sri V.KANNAPPAN

AUDITORS

M/s. SUBBACHAR & SRINIVASAN
Chartered Accountants

BANKERS

Central Bank of India
Canara Bank
Indian Overseas Bank

REGISTERED OFFICE

686, Avanashi Road
Coimbatore - 641 037
Phone : 91- 0422 - 2245461 to 2245465, 4333700
Fax : 91- 0422 - 2246508
E-mail : contact@lakshmimills.com
Website : www.lakshmimills.com
CIN : L17111TZ1910PLC000093

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THE LAKSHMI MILLS COMPANY LIMITED

686, Avanashi Road, Coimbatore - 641 037
Phone : 91- 0422 - 2245461 to 2245465, 4333700 Fax : 91- 0422 - 2246508
E-mail : contact@lakshmimills.com Website : www.lakshmimills.com
CIN: L17111TZ1910PLC000093

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **HUNDRED AND SEVENTH 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 26th July 2017 at 4.35 P.M to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Statement of Profit and Loss, Cash Flow Statement, for the financial year ended 31.03.2017, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2017.
3. To appoint a Director in the place of Sri R. Santharam (DIN 00151333), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Auditors of the Company and to fix their remuneration and in this regard to pass the following Resolution as an **Ordinary Resolution**.

   "RESOLVED THAT pursuant to the provisions of sections 139 and 142 and other applicable provisions, of the Companies Act, 2013, if any, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. M.S. Jagannathan & Visvanathan (Firm Registration No. 001209S), Chartered Accountants, Coimbatore, be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Subbachar & Srinivasan, Chartered Accountants, (Firm Regn. No. 004083S), the retiring Statutory Auditors and to hold office for a period of 5 years from the conclusion of this 107th Annual General Meeting till the conclusion of the 112th Annual General Meeting to be held during the year 2022 subject to ratification by the members at every Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which it may deem necessary in this behalf."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT pursuant to the provisions of section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. A. R. Ramasubramania Raja & Co., (Registration No. 000514), Cost Accountants, Coimbatore, appointed by the Board of Directors of the Company for the financial year 2017-18 amounting to ₹ 75,000/- exclusive of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and hereby ratified and confirmed.

   Resolved further that the Board of Directors and / or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

By Order of the Board

Coimbatore
25th May, 2017

N. SINGARAVEL
Company Secretary

NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the AGM) IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. THE INSTRUMENTS APPOINTING THE PROXY DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED

OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ENCLOSED.

4. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
5. Members / Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday - **20.07.2017** to Wednesday - **26.07.2017** (both days inclusive).
7. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, in respect of those members who hold shares in physical form, whose names appear on the Register of Members as on 19.07.2017 and for those who hold shares in electronic form as per the details furnished by the Depositories for this purpose as at the close of the business hours on 19.07.2017.
8. Pursuant to Section 124 (5) of the Companies Act, 2013, 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 2009-2010, 2010-2011, 2012-2013, 2013-14, 2014-15 & 2015-16 are requested to write to the Registrar and Share Transfer Agents of the Company, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 for claiming the dividend.
9. Dividend declared in the year 2010 for the financial year 2009 - 2010 and remaining unclaimed will be transferred to Investor Education and Protection Fund after conclusion of this Annual General Meeting.
10. Company's share transfer work and dematerialisation of shares, is done by M/s.S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006.
11. 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.
12. International Securities Identification Number given to your company is INE938CO1019.
13. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agents for consolidating into single folio.
14. 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. S.K.D.C. Consultants Limited.
15. 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 Warrant / Cheque to Company's Registrar and Share Transfer Agents M/s. S.K.D.C. Consultants Limited quoting their respective folio number.
16. 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.
17. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/ re-election, as required under Reg. 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are provided as Annexure to this Notice.
18. 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.
19. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
20. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose e-mail id is

registered with the Company / Depository Participants unless any such member has requested for a hard copy of the same. For members who have not registered their e-mail id, physical copies of Annual Report and AGM Notice for the year 2016 - 17 are sent through the permitted mode separately.

21. The Notice of the Annual General Meeting and this communication are also available on the website of the Company – www.lakshmimills.com and of the RTA – www.skdc-consultants.com

22. Investors are required to provide a copy of their PAN card for effecting share transfers, transmission and transposition in their favour.

23. Members are requested to note that the venue of the 107th Annual General Meeting is "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 and route map containing the complete particulars of the venue is printed on the backside of the Attendance Slip.

Voting through Electronic Means

i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members, the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

iv. The remote e-voting period commences on 23rd July, 2017 (9:00 am) and ends on 25th July, 2017 (5:00 pm). During this period, members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "The Lakshmi Mills Company Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bkcacbe@gmail.com with a copy marked to evoting@nsdl.co.in

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

(i) Initial password is provided as below/at the bottom of the Proxy Form for the AGM:

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

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

vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

vii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.

viii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

ix. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th July, 2017.

x. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

xi. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

xii. Sri B. Krishnamoorthi, Chartered Accountant (Membership No. 20439) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

xiii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

xiv. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xv. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company – www.lakshmimills.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No. 5:

The Board of Directors of the Company, at their meeting held on 25th May, 2017 on the recommendation of the

Audit Committee, has approved the appointment of and remuneration payable to M/s. A. R. Ramasubramania Raja & Co., Cost Accountants for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended for the financial years 2016 - 17 and 2017 - 18 at a remuneration of ₹ 75,000/- per annum excluding the applicable service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit.

As per Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of the Company. Board recommends this resolution for the approval of the members.

Interest of Directors:

None of the Directors, key managerial personnel or their relatives are concerned or interested in the resolution set out at Item No. 5.

By Order of the Board
N. SINGARAVEL
Company Secretary

Coimbatore
25th May, 2017

Details of Director(s) seeking re-appointment at the Annual General Meeting in pursuance of Secretarial Standards (SS-2) and Regulation 36 of SEBI (LODR) Regulations, 2015.

Name	Sri R. Santharam
DIN	00151333
Date of Birth	21.03.1937
Date of appointment on the Board	27.03.2002
Relationship with other Directors	None
Qualifications	Textile Management (USA)
Experience	50 years
Number of Shares held	Nil
Number of Board Meetings attended during the year	4
Terms and conditions of appointment	Retires by rotation and eligible for re-appointment.
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Directorships held in other companies	The Lakshmi Card Clothing Mfg. Co Pvt Ltd Lakshmi Automatic Loom Works Ltd LCC Investments Limited R. Santharam Marketing & Services Pvt Ltd Sri Revati Spinning Mills Ltd
Committee Chairmanship/ Membership held in other companies	**Audit Committee - Member** The Lakshmi Mills Company Ltd Lakshmi Automatic Loom Works Ltd
	Nomination & Remuneration Committee - Member The Lakshmi Mills Company Ltd
	Stakeholders' Relationship Committee - Chairman The Lakshmi Mills Company Ltd Lakshmi Automatic Loom Works Ltd

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting the Hundred and Seventh year Annual Report together with the audited accounts of the Company for the year ended 31.03.2017.

				(₹ in Lakhs)
WORKING RESULTS		**31.3.2017**		31.3.2016
No. of days worked		**357**		357
Sales		**22,745.05**		19,919.71
Other income		**728.45**		452.79
GROSS REVENUE		**23,473.50**		20,372.50
Profit before Tax and Exceptional Items		**472.40**		184.28
Less : Exceptional items		**17.65**		37.15
Profit before Taxation		**454.75**		147.13
Less : Current Tax	**63.11**		**1.28**	
MAT Credit entitlement	**(61.24)**		**(1.28)**	
Net Current Tax		**1.87**		-
Prior Year Taxes		**3.92**		0.87
Deferred Tax Liability		**333.84**		41.45
NET PROFIT		**115.12**		104.81
Add : Carry forward Profit		**1,365.66**		1,336.19
		1,480.78		1,441.00
Profit Available for appropriation				
Appropriation:				
General Reserve		**-**		-
Proposed Dividend		**-**		62.60
Corporate Tax on Dividend		**-**		12.74
Balance carried forward		**1,480.78**		1,365.66
		1,480.78		1,441.00

The company proposes to retain an amount of ₹ 1,480.78 (₹ **1,365.66)** Lakhs in the Profit & Loss Account.

OPERATIONS

The Spindles capacity remained at the same level of 1.33 lakh spindles throughout the year 2016-17. Overall utilisation remained around 95% - same as that of 2015-16.

Your Company continued to outsource fabrics both for exports as well as for domestic market. Export of yarn and fabric accounted for ₹ 5,318 Lakhs as against ₹ 4,780 Lakhs in the previous year, an increase of around 11% over the previous year's performance.

Overall, the operational performance was better during the year, thanks to improvement in realization of yarn prices as well as power cost reduction.

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017.

DIVIDEND

The Directors have recommended a dividend of ₹ 9/- per Equity Share of ₹ 100/- each, at 9% for the financial year 2016-2017 (Previous Year – 9%). The Dividend of 9%, if approved at the forth coming Annual General Meeting, will

result in the out flow of ₹ 62.60 Lakhs to the company in addition to ₹ 12.74 Lakhs by way of dividend distribution tax.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the Companies Act, 2013 any unclaimed or unpaid Dividend relating to the financial year 2009-10, will be transferred to the Investor Education and Protection Fund established by the Central Government, after the conclusion of this Annual General Meeting.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2017 was ₹ 6,95,55,000/- comprising 6,95,550 shares of ₹ 100/- each. During the year under review the company has not made any fresh issue of shares.

EXTRACT OF ANNUAL RETURN

As per the requirements of the Companies Act, 2013, the extract of annual return in the prescribed Form MGT 9 is annexed hereto as **Annexure - 1** forming part of this report.

BOARD MEETINGS AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW

During the year under review, 4 Meetings of the Board of Directors and 4 Meetings of the Audit Committee, 2 Meetings of the Nomination and Remuneration Committee, 1 Meeting of the Corporate Social Responsibility Committee and 1 Meeting of the Stakeholders Relationship Committee and 20 Meetings of the Share Transfer Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that-

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to act as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The Company has reconstituted the Nomination and Remuneration Committee of Directors of the Company and its composition and attendance are reported elsewhere in the Annual Report. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy on Directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178. The said Policy is attached herewith as **Annexure - 6** to this report and is also available on the website of the Company – www.lakshmimills.com.

EXPLANATION AND COMMENTS ON AUDITOR REPORTS

The reports of the Statutory Auditors M/s. Subbachar and Srinivasan (annexed elsewhere in the Annual Report) and that of the Secretarial Auditor Mr. M.D. Selvaraj, annexed hereto as **Annexure - 2** are self explanatory having no adverse comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS

All transactions of the Company with the related parties were in the ordinary course of business and on an arm's length pricing basis. Since there are no transactions which are not on arm's length basis and material in nature, the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at www.lakshmimills.com.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There is no material change or commitments after the closure of the financial year as on 31.03.2017 and till the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure - 3** to this report.

RISK MANAGEMENT

The Company follows a comprehensive and integrated risk management process. The risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making and are periodically reviewed and revised by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a CSR Committee comprising of Sri S. Pathy, Sri Aditya Krishna Pathy and Sri D. Rajendran.

The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as **Annexure - 4** and attached to this report.

BOARD EVALUATION

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The performance evaluation was carried out on the basis of inputs received from all the Directors / Members of the Committees, as the case may be. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results of evaluation has been communicated to the Chairman of the Board of Directors.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Sri R. Santharam, Director is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

Your directors recommend the re-appointment.

Sri V. S. Velayutham, Independent Director has resigned from the Board of Directors of the Company with effect from 21.04.2016.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Sri S. Pathy - Chairman and Managing Director, Sri Aditya Krishna Pathy - Deputy Managing Director, Sri N. Singaravel - Company Secretary and Sri V. Kannappan - Chief Financial Officer.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any joint venture, subsidiary or associate company.

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, key issues, significant processes and accounting policies.

AUDITORS

STATUTORY AUDITORS

M/s. Subbachar & Srinivasan (Firm Registration No.004083S), Chartered Accountants, Statutory Auditors of the Company were appointed as statutory auditors in the 104th Annual General Meeting to hold office till the conclusion of the 107th Annual General Meeting.

As per Companies Act, 2013, M/s. Subbachar & Srinivasan have completed their term of office and are not eligible for re-appointment. Based on the recommendation of the Audit Committee, the Company seeks approval for the appointment of M/s. M.S.Jagannathan & Visvanathan (Firm Registration No. 001209S), Chartered Accountants, Coimbatore, as statutory auditors of the company to hold office from the conclusion of this 107th Annual General Meeting upto the conclusion of the 112th Annual General Meeting to be held in 2021-2022. There are no qualifications or reservations or remarks made by the auditors in their report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure - 2**.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee have appointed M/s. A.R.Ramasubramania Raja & Co., a firm of Cost Accountants, as the Cost Auditor of the Company for the financial year 2017 – 18.

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2016-17 & 2017 – 18 is subject to the approval of the shareholders in a general meeting. The Board recommends the ratification of their remuneration.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding compliance of conditions of Corporate Governance provided elsewhere in this Report, forms part of the Directors' Report.

COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has reconstituted the Audit Committee of the Board of Directors of the Company and its composition and attendance are disclosed elsewhere in the Annual Report. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and the policy is explained in corporate governance report and also posted on the website of company and can be accessed at the link http://www.lakshmimills.com. During the year under review, there were no complaints received under this mechanism.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliant Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2016 - 17.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure - 5** to this Report.

ACKNOWLEDGEMENT

The Board acknowledges the continued assistance from the Bankers, Cotton, Yarn and Cloth Dealers of the Company and Shareholders and appreciates 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
(DIN 00013899)

Coimbatore
25th May, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Textile Industry is the largest employer in the manufacturing sector. Next to agriculture, it provides direct employment to over 35 million workers and also another 50 million workers in the allied sector. It has over 57 million spindles and around 8.70 lac rotors together with looms in different parts of the country. It is blessed with large acreage of Cotton cultivation to produce on an average of over 350 lacs of bales of Cotton every year. Besides, it has adequate raw material base for man made fibres like PSF, VSF, Acrylic. With such strong base, the Indian textile industry had played and is playing a significant role in the growth and development of Indian economy.

However, the development of the industry over the years had not been taking place in a wholesome way. Each segment like Spinning, Weaving, Processing and Knitting are all segregated and not well integrated making production processes time consuming, lengthy and expensive. Policies of the successive Governments were primarily responsible for the disintegrated development. Regulations and Rules enacted by Governments over the years like Hank yarn obligation, Handloom Reservation Act etc., instead of facilitating growth and development had only checkmated the progress. There is a need to overcome these impediments to make it grow faster and make more contribution for the growth of the Indian economy.

Government of India has at last taken up the issue seriously and has started extending helping hand to overcome some of the problems. The introduction of "Power Tex India" – a comprehensive Powerloom development scheme w.e.f. 01.04.2017 is bound to bolster the development of Powerloom production both in terms of volume as well as in quality. More such initiatives are needed to bolster the Powerloom sector. Further, policy decisions especially on Pollution control norms are needed for the healthy development of the processing segment, which continues to suffer.

II. OPPORTUNITIES AND THREATS

India has emerged as one of the fastest growing economies in recent times. Global growth prospects also look positive. Main driving forces for the growth of the Indian economy are:-

i) Increased Government spending on Infrastructure

ii) Pick up for private investment

iii) Expectation of good monsoon and

iv) Expected surge in consumer spending will help the textile sector in a big way.

The implementation of the Goods and Service Tax Bill will end interstate barriers to trade and help free movement of goods. It will be a win-win for all stake holders.

Though the demonetisation of currency in November '16, had affected the textile trade initially as this segment was largely dependent on cash, yet over a period of time, this could be overcome. Further, the move had benefitted in mobilising surplus money in the banking sector. Today Banking sector is flush with funds and is offering loans at relatively lower rates. There has been a drastic reduction in the lending rates by the Banks. This would benefit the textile sector too.

Textile industry needs to explore new avenues like Technical textiles which has great potential for future growth. There is a big gap between demand and supply in this segment and that Indian Textile Industry need to bridge the gap.

Rupee has appreciated by around 6% in the past six months. This is making it extremely difficult to be competitive at a time when some of our major competiting countries are depreciating against dollar. Exporters are badly affected. Indian Textile industry needs to overcome some of the threats looming large in this front.

The protectionism adopted by US will harm India. Besides some of the countries like Sri Lanka are entering into Bilateral agreements for exporting goods to UK and other European countries. Unless India enters into Bilateral agreements with various countries, its exports would be greatly affected. There is therefore urgent need to expedite bilateral agreement for exports of textile goods to European countries and U.K.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Operations of the Company are under one broad segment – textile intermediate products and hence no further analysis is needed.

IV. OUTLOOK

The Indian Textile industry has a bright future. Textile Policy needs to recognise this and to prioritise segments which have potential and need focus.

There is a need to promote the growth of textile industry in sectors like Technical Textiles – where there is a great potential to expand and develop. Government need to announce policy decisions for its growth and development.

Textile exports to be made competitive in the face of protectionism etc. displayed by Developed economies. This has to be addressed on a war footing. This should receive the immediate attention.

V. RISKS AND CONCERNS

Textile industry is always subject to facing crisis in a cyclical way. Timely action is needed to overcome this situation by taking corrective and proactive steps, then and there.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System commensurate with its size and operations. 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 ₹ 22,745.05 Lakhs and your Company could make a Net Profit of ₹ 115.12 Lakhs after tax.

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

The Company had on its Roll 557 employees as on 31.3.2017 as against 591 employees as on 31.3.2016.

By Order of the Board
For **The Lakshmi Mills Co. Ltd.,**
S. PATHY
Chairman and Managing Director
(DIN 00013899)

Coimbatore
25th May, 2017

ANNEXURE -1

EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2017

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

FORM NO. MGT - 9

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	L17111TZ1910PLC000093
ii)	Registration Date	01.04.1910
iii)	Name of the Company	The lakshmi Mills Company limited
iv)	Category / Sub-Category of the company	Public Company, Limited by Shares
v)	Address of the Registered office and contact details	686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 Phone: 0422 - 2245461 - 465 Fax: 0422 - 2246508 Mail: contact@lakshmimills.com Website: www.lakshmimills.com
vi)	Whether Listed Company Yes / No	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	M/s. S.K.D.C. Consultants Ltd Kanapati Towers, 3rd Floor. 1391 / A- 1, Sathy Road, Ganapathy Coimbatore 641 006 Phone: 0422 - 4958995, 2539835 - 36 Fax No. 0422 - 2539837 Mail: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1.	Cotton yarn	17115	17.86%
2.	Cotton Blended Yarn	17114	20.10%
3.	Man made Fibre Blended Yarn	17111	51.41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
NIL					

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

i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/ HUF	2,56,333	-	2,56,333	36.85	2,57,935	15	2,57,950	37.09	0.23
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	1,57,918	-	1,57,918	22.70	1,61,242	-	1,61,242	23.18	0.48
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	**4,14,251**	**-**	**4,14,251**	**59.56**	**4,19,177**	**15**	**4,19,192**	**60.27**	**0.71**
(2)	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoters									
	(A) = (A)(1)+(A)(2)	**4,14,251**	**-**	**4,14,251**	**59.56**	**4,19,177**	**15**	**4,19,192**	**60.27**	**0.71**
B.	**Public shareholding**									
1.	**Institutions**									
a)	Mutual Funds	30	10	40	0.01	30	10	40	0.01	-
b)	Banks / FI	-	265	265	0.04	-	265	265	0.04	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	5,107	5,107	0.73	-	5,107	5,107	0.73	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	37,600	-	37,600	5.41	37,600	-	37,600	5.41	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others - Foreign Financial Institutions / Banks	20	-	20	0.00	20	-	20	0.00	-
	Sub-total (B)(1):-	**37,650**	**5,382**	**43,032**	**6.19**	**37,650**	**5,382**	**43,032**	**6.19**	**-**

i) Category-wise Share Holding (Contd.)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2.	**Non-Institutions**									
a)	**Bodies Corporate**									
i)	Indian	33,731	20,751	54,482	7.83	32,060	20,741	52,801	7.59	-0.24
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	**Individuals**									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	80,739	68,040	1,48,779	21.39	80,718	66,081	1,46,799	21.10	-0.29
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,777	5,245	24,022	3.45	16,732	5,245	21,977	3.16	-0.29
c)	**Others**									
i)	Trusts	382	-	382	0.05	382	-	382	0.05	-
ii)	Directors and their relatives	-	570	570	0.08	-	570	570	0.08	-
iii)	Non Resident Indians	1,734	304	2,038	0.29	1,837	79	1,916	0.28	-0.01
iv)	Clearing Members	1,639	-	1,639	0.24	2,769	-	2,769	0.40	0.16
v)	Hindu Undivided Families	6,355	-	6,355	0.91	6,112	-	6,112	0.88	-0.03
	Sub-total (B)(2):-	**1,43,357**	**94,910**	**2,38,267**	**34.26**	**1,40,610**	**92,716**	**2,33,326**	**33.55**	**-0.71**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,81,007**	**1,00,292**	**2,81,299**	**40.44**	**1,78,260**	**98,098**	**2,76,358**	**39.73**	**-0.71**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**5,95,258**	**1,00,292**	**6,95,550**	**100.00**	**5,97,437**	**98,113**	**6,95,550**	**100.00**	**0.00**

ii) Shareholding of Promoters

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2016			No. of Shares held at the end of the year31.03.2017			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	S. Pathy	1,11,790	16.07	-	1,12,218	16.13	-	0.06
2	Aditya Krishna Pathy	64,725	9.31	-	65,614	9.43	-	0.12
3	Aishwarya Pathy	30,219	4.35	-	30,519	4.39	-	0.04
4	Rajshree Pathy	9,877	1.42	-	9,877	1.42	-	0.00
5	S Sunitha	3,563	0.51	-	3,563	0.51	-	0.00
6	B Anirudh	382	0.05	-	382	0.05	-	0.00
7	Abhinav Narayana B	382	0.05	-	382	0.05	-	0.00
8	K Arjun	9,318	1.34	-	9,318	1.34	-	0.00
9	K. Nithin	9,145	1.31	-	9,145	1.31	-	0.00
10	D Thayarammal	90	0.01	-	90	0.01	-	0.00
11	D. Suguna	7	0.00	-	7	0.00	-	0.00
12	Sanjay Jayavarthanavelu	13,213	1.90	-	13,213	1.90	-	0.00
13	J Rajyalakshmi	1,392	0.20	-	1,392	0.20	-	0.00
14	R Uttara	486	0.07	-	486	0.07	-	0.00
15	Nethra J S Kumar	1,744	0.25	-	1,744	0.25	-	0.00
16	Lakshmi Card Clothing Mfg Co Ltd	41,681	5.99	-	41,681	5.99	-	0.00
17	LCC Investments Ltd	16,145	2.32	-	16,145	2.32	-	0.00
18	Sans Craintes Stud Farm Pvt Ltd	19,415	2.79	-	19,415	2.79	-	0.00
19	Infocus Marketing & Services Ltd	7,130	1.03	-	7,130	1.03	-	0.00
20	R Santharam Marketing & Services P Ltd	4,085	0.59	-	4,085	0.59	-	0.00
21	Coimbatore Lakshmi Cotton Press Pvt Ltd	68,906	9.91	-	72,230	10.39	-	0.48
22	Sans Craintes Live Stock P Ltd	556	0.08	-	556	0.08	-	0.00
	TOTAL	**4,14,251**	**59.56**	**-**	**4,19,192**	**60.27**	**-**	**0.71**

iii) Change in Promoters' shareholding

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**S. Pathy**				
	At the beginning of the year	**1,11,790**	**16.07**		
	Bought during the year on the following dates				
	04/11/2016	100	0.01	1,11,890	16.08
	11/11/2016	73	0.01	1,11,963	16.09
	18/11/2016	150	0.02	1,12,113	16.11
	17/02/2017	105	0.02	1,12,218	16.13
	At the end of the year			**1,12,218**	**16.13**
2	**Aditya Krishna Pathy**				
	At the beginning of the year	**64,725**	**9.31**		
	Bought during the year on the following dates				
	19/08/2016	152	0.02	64,877	9.33
	26/08/2016	177	0.02	65,054	9.35
	02/09/2016	40	0.01	65,094	9.36
	09/09/2016	170	0.02	65,264	9.38
	07/10/2016	130	0.02	65,394	9.40
	02/12/2016	220	0.03	65,614	9.43
	At the end of the year			**65,614**	**9.43**
3	**Aishwarya Pathy**				
	At the beginning of the year	**30,219**	**4.35**		
	Bought during the year on the following dates				
	06/05/2016	50	0.00	30,269	4.35
	03/06/2016	7	0.00	30,276	4.35
	01/07/2016	2	0.00	30,278	4.3
	14/10/2016	59	0.01	30,337	4.36
	11/11/2016	50	0.01	30,387	4.37
	25/11/2016	50	0.01	30,437	4.38
	02/12/2016	10	0.00	30,447	4.38
	30/12/2016	24	0.00	30,471	4.38
	10/02/2017	33	0.01	30,504	4.39
	01/03/2017	15	0.00	30,519	4.39
	At the end of the year			**30,519**	**4.39**
4	**The Coimbatore Lakshmi Cotton Press Pvt. Ltd.**				
	At the beginning of the year	**68,906**	**9.91**		
	Bought during the year on the following dates				
	03/06/2016	140	0.02	69,046	9.93
	10/06/2016	121	0.02	69,167	9.94
	17/06/2016	385	0.06	69,552	10.00
	08/07/2016	128	0.02	69,680	10.02

iii) Change in Promoters' shareholding (Please specify, if there is no change) (Contd.)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	**The Coimbatore Lakshmi Cotton Press Pvt. Ltd. (Contd.)**				
	Bought during the year on the following dates				
	15/07/2016	144	0.02	69,824	10.04
	22/07/2016	17	0.00	69,841	10.04
	12/08/2016	111	0.02	69,952	10.06
	19/08/2016	12	0.00	69,964	10.06
	26/08/2016	5	0.00	69,969	10.06
	11/11/2016	60	0.01	70,029	10.07
	18/11/2016	100	0.01	70,129	10.08
	25/11/2016	200	0.03	70,329	10.11
	02/12/2016	69	0.01	70,398	10.12
	23/12/2016	47	0.01	70,445	10.13
	30/12/2016	263	0.04	70,708	10.17
	06/01/2017	200	0.03	70,908	10.20
	24/02/2017	41	0.00	70,949	10.20
	03/03/2017	353	0.05	71,302	10.25
	10/03/2017	289	0.04	71,591	10.29
	17/03/2017	179	0.03	71,770	10.32
	24/03/2017	400	0.06	72,170	10.38
	31/03/2017	60	0.01	72,230	10.39
	At the end of the year			**72,230**	**10.39**

Note: There is no change in the shareholding of other Promoters.

iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Sharaes	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	**37,600**	**5.41**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**37,600**	**5.41**
2	**Lakshmi Machine Works Ltd**				
	At the beginning of the year	**26,916**	**3.87**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**26,916**	**3.87**

iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs) (Contd.)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	**Lakshmi Technology and Engineering Industries Ltd**				
	At the beginning of the year	**19,914**	**2.86**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**19,914**	**2.86**
4	**N. Krishnaveni**				
	At the beginning of the year	**8,146**	**1.17**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**8,146**	**1.17**
5	**Governor of Kerala**				
	At the beginning of the year	**5,107**	**0.73**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**5,107**	**0.73**
6	**D.Dhorrairaaj**				
	At the beginning of the year	**2,974**	**0.43**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**2,974**	**0.43**
7	**MSPL Ltd**				
	At the beginning of the year	**2,588**	**0.37**		
	Sold during the year on the following date 03/03/2017	(48)	(0.00)	2,540	0.37
	At the end of the year			**2,540**	**0.37**
8	**Payal Prem Raheja**				
	At the beginning of the year	**2,503**	**0.36**		
	Bought during the year on the following date	-	-	-	-
	04/11/2016	22	0.00	2,525	0.36
	At the end of the year			**2,525**	**0.36**
9	**N. Jaychander**				
	At the beginning of the year	**2,426**	**0.35**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**2,426**	**0.35**
10	**Krishnaraj Dwarkadas**				
	At the beginning of the year	**1,960**	**0.28**		
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year			**1,960**	**0.28**

v) **Shareholding of Directors and Key Managerial Personnel:**

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**S. Pathy**				
	At the beginning of the year	**1,11,790**	**16.07**		
	Bought during the year on the following dates				
	04/11/2016	100	0.01	1,11,890	16.08
	11/11/2016	73	0.01	1,11,963	16.09
	18/11/2016	150	0.02	1,12,113	16.11
	17/02/2017	105	0.02	1,12,218	16.13
	At the end of the year			**1,12,218**	**16.13**
2	**Aditya Krishna Pathy**				
	At the beginning of the year	**64,725**	**9.31**		
	Bought during the year on the following dates				
	19/08/2016	152	0.02	64,877	9.33
	26/08/2016	177	0.02	65,054	9.35
	02/09/2016	40	0.01	65,094	9.36
	09/09/2016	170	0.02	65,264	9.38
	07/10/2016	130	0.02	65,394	9.40
	02/12/2016	220	0.03	65,614	9.43
	At the end of the year			**65,614**	**9.43**
3	**V. Jagannathan**				
	At the beginning of the year	**450**	**0.06**	**450**	**0.06**
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year	**450**	**0.06**	**450**	**0.06**
4	**Sanjay Jayavarthanavelu**				
	At the beginning of the year	**13213**	**1.90**	**13213**	**1.90**
	Datewise Increase/Decrease in shareholding during the year	-	-	-	-
	At the end of the year	**13213**	**1.90**	**13213**	**1.90**

No other Director except Sri S. Pathy, Sri Aditya Krishna Pathy, Sri V. Jagannathan and Sri Sanjay Jayavarthanavelu holds any shares in the Company.

Other than Sri S. Pathy, Chairman and Managing Director, Sri Aditya Krishna Pathy, Deputy Managing Director, no Key Managerial Personnel holds any shares in the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,242.29	—	—	6,242.29
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	**6,242.29**	—	—	**6,242.29**
Change in Indebtedness during the financial year				
Addition	783.49	—	—	783.49
Reduction	(624.70)	—	—	(624.70)
Net Change	**158.79**	—	—	**158.79**
Indebtedness at the end of the financial year				
i) Principal Amount	6401.08	—	—	6401.08
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	**6401.08**	—	—	**6401.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri. S. Pathy Chairman and Managing Director	Sri. Aditya Krishna Pathy Deputy Managing Director	Total
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	59.80	38.42	98.22
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	3.60	2.04	5.64
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, PF Employer's Contribution	7.18	4.61	11.79
	Others, Superannuation Fund Contribution	8.97	5.76	14.73
	Total (A)	**79.55**	**50.83**	**130.38**
	Overall ceiling as per the Act	**As per Schedule V of the Companies Act, 2013**		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other Directors:

S. No	Name of Directors	Particulars of Remuneration			Total (B)(1) ₹ in Lakhs
		Fee for attending Board / Committee Meetings	Commission	Others, please specify	
1.	**Independent Directors**				
	Sri. V. Jagannathan	0.95	-	-	0.95
	Sri. D. Rajendran	1.70	-	-	1.70
	Sri. Satish Ajmera	1.35	-	-	1.35
	Smt Suguna Ravichandran	1.10	-	-	1.10
	Total (1)	**5.10**			**5.10**
2.	**Other Non-Executive Directors**				
	Sri. R. Santharam	1.85	-	-	1.85
	Sri. Sanjay Jayavarthanavelu	0.95	-	-	0.95
	Total (2)	**2.80**	**-**	**-**	**2.80**
	Total B = (1+2)	**7.90**	**-**	**-**	**7.90**
	Total Mangerial Remuneration (A+B)				**138.28**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD ₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri. N.Singaravel Company Secretary	Sri. Kannappan Chief Financial Officer	Total Amount
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9.86	20.65	30.51
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.38	0.32	0.70
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, PF Employer's Contribution	0.39	0.80	1.19
5	Others, please specify	-	-	-
	Total	**10.63**	**21.77**	**32.40**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding	NONE				
B. DIRECTORS Penalty Punishment Compounding	NONE				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NONE				

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

S. PATHY
Chairman and Managing Director
(DIN 00013899)

Coimbatore
25th May, 2017

ANNEXURE - 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
The Lakshmi Mills Company Limited
(CIN: L17111TZ1910PLC000093)
Old No. 1100, New No. 686, Avanashi Road,
Pappanaickenpalayam,
Coimbatore – 641037.

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

Based on my verification of M/s. The Lakshmi Mills Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Companies Act, 1956 (the Act) and the rules made thereunder (to the extent applicable);

iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iv. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

I have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);

b. Listing Agreement entered into by the Company with BSE Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/events in pursuant of the following Rules / Regulations requiring compliance thereof by the Company:

a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test - check basis, the Company has complied with the labour and environmental laws as applicable.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period, there were no instances of:

- Public / Rights / Preferential issue of shares / debentures / sweat equity
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013
- Merger / Amalgamation / Reconstruction etc
- Foreign technical collaborations

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

Place : Coimbatore
Date : 25.05.2017

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report

'Annexure A'

To

The Members,
The Lakshmi Mills Company Limited
(CIN: L17111TZ1910PLC000093)
Old No. 1100, New No. 686, Avanashi Road,
Pappanaickenpalayam,
Coimbatore – 641037.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable standards, laws, rules and regulation is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

Place : Coimbatore
Date : 25.05.2017

ANNEXURE - 3

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

i. Steps taken for conservation of energy

A. In Palladam Mill, as energy saving measures the following steps were taken.

i) "B Unit" Spinning Frames 29 Nos. and "C Unit" Spinning Frames 12 Nos. having Pneumafil fans were replaced with Light weight energy efficient fans.

ii) Installed Cyclic Timer in 8 Nos. "B Unit" autoconer for intermediate stopping and running of empties conveyor motor.

iii) Inverter drives for suction motors were fitted in 3 Nos. VJ autoconers.

iv) Water temperature sensor fitted for YCP Cooling Tower Fan and Pump motors.

v) In Ladies Hostel, 14 Nos. 36 Watts Florescent Tube Street lights were replaced with 20 Watts LED Street lights.

Due to above measures, 41,604 units per month of saving achieved during the year.

B. In Kovilpatti Mill, as energy saving measures the following steps were taken.

i) "A Unit" Spinning Frames 3 Nos. and "B Unit" Spinning Frames 28 Nos. having Pneumafil fans were replaced with Light weight energy efficient fans.

ii) Installed Cyclic Timer for 2 Nos. H Plant Pump motor.

iii) Inverter drives for suction motors were fitted in 4 Nos. Savio autoconers.

iv) In "B Unit", 1 No. 34 KW motor was replaced with 40 KW energy efficient motor.

v) BEECHEM Beruspin Spindle oil used in 2 Nos. G5/1 Spinning in "B Unit".

vi) ELGI – EE75 Energy Efficient Compressor was replaced for Reciprocating Compressor and Air leakages were arrested in A, B & C Units.

Due to above measures, 50,718 units per month of saving achieved during the year.

ii. Steps taken by the Company for utilizing alternate sources of energy

The Company has not initiated any alternate source of energy during the year under review.

iii. Capital investment on energy conservation equipment - ₹ 31.48 Lakhs.

B. Technology Absorption

i. Efforts made towards technology absorption, adaptation and innovation:

a. The Company has not absorbed any Technology from outsiders

ii. Benefits derived as a result of the above efforts: Not applicable

iii. Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year): Not applicable

iv. Expenditure incurred on Research & Development: Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Foreign Exchange earnings and outgo are furnished in Note Nos. 30.12, 30.13 & 30.14 to the Financial Statements.

S. PATHY
Chairman and Managing Director
DIN: 00013899

Coimbatore
25th May, 2017

ANNEXURE- 4

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   The Company has framed a Corporate Social Responsibility Policy with intent on improving the welfare of the people by providing education and basic sanitation facilities to the impoverished classes of people. Besides improving welfare, the policy framed in accordance with Schedule VII of the Companies Act, 2013 also focuses on environmental sustainability and preservation of national heritage, art and culture. The company also intends to promote sports among the rural masses through its various initiatives. The detailed policy on the Corporate Social Responsibility has been posted on the website of the Company and can be accessed at the link – www.lakshmimills.com

2. **Composition of CSR Committee**

   The CSR Committee of the Board of Directors has been constituted with the following directors as its members:

   - Sri S.Pathy - Chairman
   - Sri Aditya Krishna Pathy - Member
   - Sri D.Rajendran - Member

3. **Average Net Profit of the Company for last three Financial Years as per Section 198 of the Companies Act, 2013:**

   Average Net Profit: ₹ (6,224.95) Lakhs .

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

   The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the preceeding three financial years of the Company was in the negative.

5. **Details of CSR spent during the Financial Year 2016-17**

   a) Total amount spent for the financial year : NIL

   b) Amount unspent, if any: NIL

   c) Manner in which the amount spent during the financial year is detailed below:

   As the company was not required to spend any amount on CSR expenses, the disclosure with regard to the manner in which the amount was spent during the financial year does not arise.

6. **Reasons for not spending an amount equal 2% of the Average Net Profits of the last three financial years:**

   The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the preceding three financial years of the Company was in the negative.

7. **Responsibility statement of the CSR Committee:**

   The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

ADITYA KRISHNA PATHY
Deputy Managing Director
DIN: 00062224

S. PATHY
Chairman of CSR Committee &
Chairman and Managing Director
DIN: 00013899

Coimbatore
25th May, 2017

ANNEXURE -5

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2016-17:

Sl. No	Name	Category	Ratio
1	Sri S. Pathy	Chairman & Managing Director	33.59 : 1
2	Sri Aditya Krishna Pathy	Deputy Managing Director	21.46 : 1

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration

ii. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17:

Sl. No	Name	Category	%
1	Sri S. Pathy	Chairman & Managing Director	5.53
2	Sri Aditya Krishna Pathy	Deputy Managing Director	18.18
3	Sri N. Singaravel	Company Secretary	22.32
4	Sri V. Kannappan	Chief Financial Officer	9.95

iii. The percentage increase in the median remuneration of employees in the financial year: **0.25%.**

iv. The number of permanent employees on the rolls of Company: 557 (591).

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The increase in remuneration for employees other than Managerial Personnel and KMP is 0.25% (14.72%) while it is 10.82% (10.63%) for Managerial Personnel and KMP.

vi. Affirmation that the remuneration paid during the year is as per the Remuneration Policy of the Company. **Yes**

vii. Particulars of employees: Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name (Age in years)	Designation	Gross Remuneration paid in (₹)	Qualification	Date of commencement of employment (Experience in years)	Previous employment
NIL					

ANNEXURE - 6

NOMINATION AND REMUNERATION POLICY

Introduction

In pursuance of the Company's Policy to pay equitable remuneration to Directors, Key Managerial Personnel (KMP) and employees of the Company consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time, this Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

The objective and purpose of this policy are

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the manufacturing sector.
- To carryout evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To compensate them to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons. In the context of the aforesaid criteria the following Policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 25.07.2014.

Effective Date:

This Policy shall be effective from 1st August 2014.

Constitution of the Nomination and Remuneration Committee

The Board has changed the nomenclature of Remuneration Committee constituted on 29.05.2002 by renaming it as Nomination and Remuneration Committee on 26th May, 2014. The Nomination and Remuneration Committee comprises of the following Non Executive Directors:

1.	Sri D. Rajendran	Chairman (Independent)
2.	Sri R. Santharam	Member (Non – Independent)
3.	Sri V. S. Velayutham	Member (Independent)
4.	Sri Satish Ajmera	Member (Independent)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Board of Directors of the Company as constituted or reconstituted by the Board.
- Company means THE LAKSHMI MILLS COMPANY LIMITED.
- Independent Director means a director referred to in Section 149(6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means -

i) Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;

ii) Company Secretary;

iii) Chief Financial Officer.

- Senior Management means -

  All Members of Company's Management team one level below the executive director including functional heads and such other officer as may be prescribed under the applicable statutory provisions / regulations.

  Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to -

- Directors
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A - MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- Recommend to the Board, appointment and removal of Directors, KMP and Senior Management Personnel.

PART – B - POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

1. Chairman and Managing Director / Whole-time Director:

   The Company shall appoint or re-appoint its Chairman and Managing Director or Whole - time Director for a term not exceeding five years at a time. No re - appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

   An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

   No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

   Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole Time Director of a listed company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (but atleast once in a year).

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C - POLICY RELATING TO THE REMUNERATION FOR THE KMP AND SENIOR MANAGEMENT PERSONNEL

General:

1. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the KMP shall be in accordance with the slabs / conditions / percentage approved by the Board subject to the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Chairman and Managing Director or Whole Time Director.
4. Where any insurance is taken by the Company on behalf of its Chairman and Managing Director or Whole-time Director, the Company Secretary and Chief Financial Officer or any other Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Chairman and Managing Director or Whole Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Sitting Fees:

The Company may pay sitting fees to Directors for attending Meetings of the Board or Committees thereof such sum as may be decided by the Board of directors which shall not exceed One lakh Rupees per meeting of the Board or Committee thereof or such amount as may be prescribed by the Central Government from time to time.

Commission:

Commission to Non Executive Directors may be paid within the monetary limit approved by shareholders, subject to the prescribed limit on the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

PHILOSOPHY ON CODE OF GOVERNANCE

Lakshmi Mills is committed to the sound ethical practice of corporate functioning with maximum 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 means 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 of Directors of the Company consists of Eight (8) Directors. Sri S. Pathy is the Managing Director, Sri Aditya Krishna Pathy is the Deputy Managing Director and all other Directors are Non-Executive Directors (out of which four (4) are Independent Directors including one (1) Woman Director).

The Board met 4 times during the Financial Year on 26th May 2016, 22nd July 2016, 04th November 2016 and 09th February 2017. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

Name of the Directors	Category	Attendance Particulars		No of Directorship in other Companies#	No. of Board Committee Memberships/ Chairmanships held$	
		Board Meeting	Last AGM		Member	Chairman
Sri S. Pathy (DIN: 00013899)	Executive - Chairman & Managing Director	4	Yes	3	1	-
Sri R. Santharam (DIN: 000151333)	Non - Executive Vice Chairman	4	Yes	3	2	2
Sri V. Jagannathan (DIN: 00002643)	Non - Executive - Independent	4	No	-	1	-
Sri D. Rajendran (DIN: 00003848)	Non - Executive Independent	4	Yes	-	1	-
Sri Satish Ajmera (DIN: 00208919)	Non - Executive - Independent	3	Yes	3	3	3
Sri Sanjay Jayavarthanavelu (DIN: 00004505)	Non - Executive – Non Independent	4	No	9	-	2
Sri Aditya Krishna Pathy (DIN: 00062224)	Executive – Deputy Managing Director	4	Yes	1	-	-
Smt Suguna Ravichandran (DIN: 00170190)	Non - Executive - Independent	4	Yes	1	1	-

Excludes Alternate Directorships; Directorships in Foreign Companies, Section 8 Companies and Private Companies.

$ Only Audit Committee and Stakeholders Relationship Committee are considered.

Sri Aditya Krishna Pathy is the son of Sri S.Pathy. None of the other Directors are related to each Other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor are they the Chairman / Chairperson of more than 5 Committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2017-

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

There has been no materially significant transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

INDEPENDENT DIRECTORS

Directors' Induction and Familiarization

The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and familiarization programmes are provided to the Directors. The management provides information such as specific project, activity or process of the Company at the meeting of Board of Directors or otherwise.

The induction process is designed to:

a. build an understanding of businesses and the markets and regulatory environment in which it operates;

b. provide an appreciation of the role and responsibilities of the Director;

c. fully equip the Directors to perform their role on the Board effectively; and

d. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings to discuss strategy.

The Independent Directors are well versed in the field of Textile Industry by virtue of their educational qualifications and working experience and are familiar with the operations of the Company. The details on the operations of the Company and regulatory changes from time to time are apprised to the Directors at the Meetings. New Directors are oriented with the operations of the Company by Senior Managerial Personnel.

The familiarization program for Independent Directors and the appointment letters of the Independent Directors has been posted in the website - www.lakshmimills.com

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors have expressed their satisfaction with the evaluation process.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 09th February, 2017, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

COMMITTEE OF DIRECTORS

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

1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee, 4) Share Transfer Committee and 5) Corporate Social Responsibility Committee.

AUDIT COMMITTEE

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues conforming to the requirements specified by the Companies Act, 2013 and by the Stock Exchanges in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met 4 times during the financial year 26th May 2016, 22nd July 2016, 04th November 2016 and 09th February 2017. The composition and the attendance of the members at the Committee Meetings held during the year are as under:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri Satish Ajmera (Chairman)	Non-Executive - Independent	4	3
Sri D. Rajendran (Member)	Non-Executive - Independent	4	4
Sri R. Santharam (Member)	Non-Executive - Vice Chairman	4	4
Smt Suguna Ravichandran (Member)*	Non-Executive - Independent	4	2

* Appointed as a Member with effect from 22nd July, 2016.

Sri N. Singaravel, Company Secretary is the Secretary of the Audit Committee.

The Chief Financial Officer has also attended the Committee meetings. The Board has accepted the recommendations of the Committee and there were no incidences of deviation from such recommendations during the financial year under review.

NOMINATION AND REMUNERATION COMMITTEE

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act 2013, and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee was constituted for identifying the persons to be appointed as Directors and Senior Management personnel, recommend to the Board – the appointment and removal of Directors, carry out evaluation of Directors, formulate the criteria for determining qualifications, positive attributes and independence of Directors, and to recommend a policy relating to the remuneration of Directors.

The Committee met 2 times during the Financial Year on 22nd July 2016 and 09th February 2017. The composition and attendance of the members at the Committee Meetings held during the year are as under:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri D. Rajendran (Chairman)	Non-Executive - Independent	4	3
Sri Satish Ajmera (Member)	Non-Executive - Independent	4	4
Sri R. Santharam (Member)	Non-Executive - Vice Chairman	4	4
Sri Sanjay Jayavarthanavelu (Member)*	Non-Executive-Non Independent	4	1

* Appointed as a Member with effect from 22nd July, 2016.

The Committee had formulated performance evaluation criteria for the evaluation of the Chairman, the Board as a whole, Committees of the Board, Independent Directors and Non – Independent Directors. The evaluations were carried out as per the criteria determined by this Committee.

The remuneration policy of the Company can be accessed on the Company's website at www.lakshmimills.com

REMUNERATION OF DIRECTORS

The Directors appointments are governed by the resolutions passed at the Annual General Meeting of the Company pursuant to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration paid or payable to Directors during the year 2016 – 17 are given below: (in ₹)

Name of the Directors	Sitting Fees	Salary	Perquisites	Contribution to PF & Superannuation	Total
Sri S. Pathy *	NA	59,80,833	3,60,000	16,14,825	79,55,658
Sri R. Santharam	1,85,000	NA	NA	NA	1,85,000
Sri V. Jagannathan	95,000	NA	NA	NA	95,000
Sri D. Rajendran	1,70,000	NA	NA	NA	1,70,000
Sri Satish Ajmera	1,35,000	NA	NA	NA	1,35,000
Sri Sanjay Jayavarthanavelu	95,000	NA	NA	NA	95,000
Sri Aditya Krishna Pathy *	NA	38,41,935	2,04,000	10,37,322	50,83,257
Smt Suguna Ravichandran	1,10,000	NA	NA	NA	1,10,000

* Remuneration as approved by the Shareholders.

The Managing Director is not entitled to any sitting fees for attending meetings of the Board and Committees.

Non-Executive Directors are only paid 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 2017. No service contracts were entered into with Directors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee has been formed comprising of the following three Non-Executive Directors as its members to specifically serve the grievance of the shareholders / investors. The Committee reviews the services rendered namely - redressal of complaints of the shareholders like delay in transfer of shares, non receipt of Annual Report, non receipt of dividends, etc., and also the action taken by the Company on such matters. The committee met on 9th February, 2017 during the financial year ended 31st March 2017.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri R. Santharam(Chairman)	Non-Executive - Vice Chairman	1	1
Sri V. Jagannathan (Member)	Non-Executive - Independent	1	1
Sri Satish Ajmera (Member)	Non-Executive - Independent	1	1

Sri N. Singaravel, Company Secretary is the Compliance Officer.

During the year, the company had received one (1) complaint from the investor, which was adequately resolved on time to the satisfaction of the shareholder. There was no complaint / query remaining unresolved as on 31.03.2017.

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 20 times and approved Transfer of shares, Transmission of Shares and the issuance of Duplicate Share Certificates. There were no pending share transfers as on 31.03.2017.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

UNCLAIMED SUSPENSE ACCOUNT

The Company is in the process of sending reminders to the shareholders who have not claimed their shares.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The terms of reference of this Committee, assigned by their Board encompasses:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.

b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A.

c. To monitor the CSR policy of the Company from time to time.

Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India.

Name of the Members	Category	Designation
Sri S. Pathy	Executive - Chairman and Managing Director	Chairman
Sri Aditya Krishna Pathy	Executive - Deputy Managing Director	Member
Sri D. Rajendran	Non - Executive - Independent	Member

The committee met on 9th February, 2017 during the financial year ended 31st March 2017. All the members were present for the meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms a part of this Annual Report.

GENERAL BODY MEETINGS

Location and time for the last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

Financial Year ended	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed,if any
31st March 2014	15.09.2014	4.35 P.M.	Nani Palkhivala Auditorium, Mani Hr. Sec. School, Coimbatore - 641037	Remuneration payable to Sri S. Pathy, Chairman & Managing Director. Borrowing power u/s. 180(1)(c), Consent to create mortgage, charge u/s. 180(1)(a) Alteration of Articles of Association.
31st March 2015	04.09.2015	4.35 P.M.	Nani Palkhivala Auditorium, Mani Hr. Sec. School, Coimbatore - 641037	Re-appointment and payment of remuneration to Sri S. Pathy, Chairman & Managing Director. Adoption of new set of Articles of Association of the Company.
31st March 2016	15.09.2016	4.35 P.M.	Nani Palkhivala Auditorium, Mani Hr. Sec. School, Coimbatore - 641037	Nil

EGM AND POSTAL BALLOT

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

No Special resolution requiring postal ballot is being proposed.

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.lakshmimills.com.

Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to Stock Exchanges periodically and also posted in the portal hosted by BSE and www.corpfiling.co.in/Listing.bseindia.com. The Company has not made any presentations to the institutional investors or to the analysts.

SHAREHOLDERS INFORMATION

107th ANNUAL GENERAL MEETING

Day & Date	:	Wednesday, 26th July, 2017
Time	:	4.35 P.M.
Venue	:	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

FINANCIAL CALENDAR

Financial year	:	1st April, 2016 to 31st March, 2017
Announcement of Annual Results 2016-17	:	25.05.2017
Posting of Annual Reports 2016-17	:	On or before 1st July, 2017
Evoting period	:	23.07.2017 - 9.00 AM to 25.07.2017- 5.00 PM
Last date of receipt of Proxy Forms	:	24.07.2017
Date of Book Closure	:	20.07.2017 Thursday to 26.07.2017 Wednesday (both days inclusive)
Date of payment of Dividend	:	On or before 20.08.2017
Announcement of Quarterly Results 2017-18	:	August 2017, October 2017, February 2018 & May/June 2018

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at	:	BSE Limited, Mumbai – 400 001.
Bombay Stock Exchange Limited, Stock Code	:	502958
ISIN No.	:	INE938CO1019

Listing fee for 2017-2018 have been paid in respect of BSE Ltd.

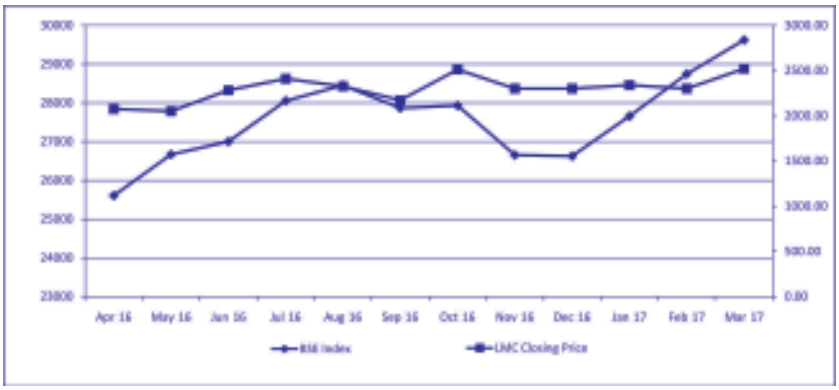
MARKET PRICE DATA

The Company's Shares were traded under permitted category in the National Stock Exchange under a tie - up arrangement made by the Madras Stock Exchange from November 2009. Since the Madras Stock Exchange was liquidated, no trading would be undertaken in National Stock Exchange any further.

The High and Low prices during each month in the last financial year in BSE are given below:

Month	High Price	Low Price	Month	High Price	Low Price
April - 2016	2,270.00	1,985.00	October	2,700.00	2,105.05
May	2,320.00	1,962.00	November	2,650.00	1,940.00
June	2,420.00	2,030.00	December	2,389.00	2,011.20
July	2,450.00	2,250.00	January - 2017	2,456.00	2,070.05
August	2,500.00	2,100.05	February	2,415.00	2,204.15
September	2,400.00	2,112.00	March	2,520.00	2,300.00

SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX



REGISTRAR & SHARE TRANSFER/DEMAT AGENTS

M/s. S.K.D.C. Consultants Ltd.,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy,
Coimbatore – 641 006.
Phone : 0422 4958995 / 2539835 - 36
Email : info@skdc-consultants.com

DETAILS OF COMPLIANCE OFFICER

Sri N.Singaravel,
Company Secretary
The Lakshmi Mills Company Limited
686, Avanashi Road, Coimbatore - 641 037, India.
Phone: +91-422-2245461 - 65, 4333700
Fax: +91-422-2246508
E-Mail: secretarial@lakshmimills.com

SHARE TRANSFER SYSTEM

The share transfers are registered and the share certificates are returned within 15 days from the date of receipt if all the documents are in order. The share transfers are approved by the Share Transfer Committee.

SHAREHOLDING PATTERN (as on 31.03.2017)

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and Promoters group	22	4,19,192	60.27
2	Financial Institutions, Banks and Mutual Funds	14	37,905	5.45
3	Central / State Government(s)	1	5,107	0.73
4	Foreign Financial Institutions / Banks	1	20	0.00
5	Bodies Corporate	73	52,801	7.59
6	Individuals	6,050	1,68,776	24.26
7	Others	168	11,749	1.70
	Total	**6,329**	**6,95,550**	**100.00**

DISTRIBUTION OF SHARE HOLDING (as on 31.03.2017)

Range (No. of Shares)			No. of Shareholders	No. of Shares	% held
1	-	50	5,674	61,015	8.77
51	-	100	303	22,073	3.17
101	-	200	184	26,460	3.80
201	-	300	61	14,906	2.14
301	-	400	29	9,984	1.44
401	-	500	23	10,316	1.48
501	-	1000	25	17,795	2.56
1001	-	10000	19	77,536	11.15
10001	and	Above	11	4,55,465	65.49
	Total		**6,329**	**6,95,550**	**100.00**

DEMATERIALISATION OF SHARES

The fully paid-up Equity shares 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 31.03.2017, 5,97,437 Shares constituting 85.89% 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.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

NOMINATION FACILITY

The Companies Act, 2013 has provided the facility of nomination for the shares of the Company. The nomination form (Form SH-13) 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:

Sri N. Singaravel
Company Secretary
The Lakshmi Mills Company Limited
686, Avanashi Road, Coimbatore - 641 037, India.
Phone: +91-422-2245461 - 65, 4333700 Fax: +91-422-2246508
E-Mail: csns@lakshmimills.com

Investors' grievances email id : secretarial@lakshmimills.com

DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

b) Details of non-compliance by the company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

No penalty, strictures was imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to Capital Markets during the last three years.

c) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

A Whistle Blower Policy is adopted by the Company. The whistle blower mechanism is in operation and no personnel has been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has compiled with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

e) Disclosure on "material" subsidiaries.

The Company has no material subsidiary.

f) Web link where policy on dealing with related party transactions is disclosed.

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is http://www.lakshmimills.com/policies.html

g) Disclosure of commodity price risks and commodity hedging activities.

The Company is not undertaking any commodity hedging activities; hence there is no risk of commodity hedging to the Company.

h) Disclosure on accounting treatment.

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

i) Disclosure on risk management.

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

All the requirements of Corporate Governance Report of sub - paragraphs (2) to (10) of Schedule V has been duly complied with.

None of the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been adopted.

The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub - Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CERTIFICATE FROM CEO / CFO

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of directors, in its meeting held on 25th May, 2017 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate from the Auditors' regarding compliance of conditions of Corporate Governance forms part of this Report.

CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Company has also formulated "The Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 2016-17 has been affirmed by the Chairman and Managing Director (CEO).

DECLARATION FOR CODE OF CONDUCT

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 2016 - 2017.

Coimbatore
25th May, 2017

S. PATHY
Chairman and Managing Director
DIN : 00013899

Auditor's Certificate on compliance of conditions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 **31st March 2017** as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 and based on the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of representation received from the Registrar and Share Transfer Agents of the Company and on the basis of the records maintained by the Stakeholders Relationship 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

Coimbatore
25th May 2017

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 **The Lakshmi Mills Company Limited** ('the Company'), which comprise the balance sheet as at **31 March 2017**, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the financial position of the Company as at **31 March 2017,** its financial performance and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
   (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act,

read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on **31 March 2017** taken on record by the Board of Directors, none of the directors is disqualified as on **31 March 2017** from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B";** and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30.1 to the financial statements;

ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these disclosures are in accordance with the books of accounts maintained by the company.— Refer Note 30.19 to the financial statements

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

T.S.V. Rajagopal
Partner
Membership No. 200380

Coimbatore
25th May 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March **2017**, we report that:

1. In respect of its Fixed Assets:
   a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   b. The company has physically verified fixed assets during the year in accordance with a regular and phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventories:

   As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. The company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the financial year and hence sub-clauses (a) to (c) of clause (iii) of the Order are not applicable.
4. The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.

5. The Company has not accepted any deposits from the public and as such clause 3(v) of the Order is not applicable.
6. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, as applicable to the Company, and are of the opinion that prima facie the specified cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and on the basis of our examination of the records of the Company in respect of the statutory dues:
   a The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March 2017** for a period of more than six months from the date they became payable.
   b. The details of disputed statutory dues are as under:

Name of the Statute	Nature of Dues	Amount ₹ in Lakhs	Amount paid/ adjusted [₹ in Lakhs]	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and Interest	28.57	4.30	A Y 2014 - 15	CIT (A)

8. The Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for purposes for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

T.S.V. Rajagopal
Partner
Membership No. 200380

Coimbatore
25th May 2017

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **THE LAKSHMI MILLS COMPANY LIMITED** as of **31st March 2017** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of

the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2017,** based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T.S.V. Rajagopal
Partner
Membership No. 200380

Coimbatore
25th May 2017

Balance Sheet as at 31st March, 2017

(₹ in Lakhs)

Particulars	Note No	31.3.2017	31.3.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	**695.55**	695.55
(b) Reserves and Surplus	4	**12,931.95**	12,816.83
Non - Current Liabilities			
(a) Long-term borrowings	5	**1,513.12**	1,500.78
(b) Other Long term liabilities	6	**174.63**	114.73
(c) Long-term provisions	7	**345.87**	357.32
Current Liabilities			
(a) Short-term borrowings	8	**4,316.81**	4,180.36
(b) Trade payables	9		
(A) total outstanding dues of MSME		**86.74**	138.96
(B) total outstanding dues of creditors other than MSME		**2,308.88**	2,058.34
(c) Other current liabilities	10	**1,573.62**	1,497.51
(d) Short-term provisions	11	**128.76**	140.73
TOTAL		**24,075.93**	23,501.11
ASSETS			
Non - Current Assets			
(a) Fixed Assets	12		
(i) Tangible assets (Property, Plant & Equipment)		**4,458.49**	4,166.62
(ii) Intangible assets		**10.63**	7.84
(iii) Capital work-in-progress		**7.76**	-
(b) Non-current investments	13	**170.89**	170.89
(c) Deferred tax assets (net)	14	**1,879.55**	2,213.39
(d) Long term loans and advances	15	**726.86**	668.39
Current Assets			
(a) Stock in Trade of Land		**10,607.93**	10,607.93
(b) Inventories	16	**3,060.59**	3,055.95
(c) Trade receivables	17	**2,603.09**	2,158.09
(d) Cash and cash equivalents	18	**297.81**	125.30
(e) Short-term loans and advances	19	**56.16**	56.49
(f) Other current assets	20	**196.17**	270.22
TOTAL		**24,075.93**	23,501.11
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

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

Coimbatore
25th May 2017

N. Singaravel
Company Secretary

V. Kannappan
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No	31.3.2017	(₹ in Lakhs) 31.3.2016
REVENUE			
Revenue from operations	21	**22,745.05**	19,919.71
Less: Excise Duty		**-**	-
		22,745.05	19,919.71
Other Income	22	**728.45**	452.79
Total Revenue		**23,473.50**	**20,372.50**
EXPENSES			
Cost of materials consumed	23	**10,956.60**	9,344.29
Purchase of Stock-in-Trade	24	**1,780.44**	1,225.32
(Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	25	**187.39**	(716.54)
Employee benefits expenses	26	**3,382.03**	3,205.68
Finance costs	27	**944.83**	1,030.60
Depreciation and amortization expense	12	**660.31**	693.41
Power and Fuel Charges		**2,821.95**	3,160.51
Other expenses	28	**2,267.55**	2,244.95
Total Expenses		**23,001.10**	20,188.22
Profit before exceptional items and tax		**472.40**	184.28
Exceptional Items	**29**	**17.65**	37.15
Profit before tax		**454.75**	147.13
Tax expense			
Current tax		**63.11**	1.28
MAT Credit entitlement		**(61.24)**	(1.28)
Net Current tax		**1.87**	-
Prior Year Taxes		**3.92**	0.87
Deferred tax		**333.84**	41.45
Total Tax Expenses		**339.63**	42.32
Profit after tax		**115.12**	104.81
Basic & Diluted Earnings per share [in ₹] [Face Value ₹ 100 per share]	30.7		
Before exceptional items		**19.09**	20.41
After exceptional items		**16.55**	15.07
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

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

Coimbatore
25th May 2017

N. Singaravel
Company Secretary

V. Kannappan
Chief Financial Officer

Cash Flow Statement for the year ended 31st March 2017

(₹ in Lakhs)

Particulars		31.3.2017		31.3.2016
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and after exceptional items		**454.75**		147.13
[Net exceptional items of ₹ 17.65 lakhs (P.Y. ₹ 37.15 lakhs)]-Refer Note: 29				
Adjustments for :				
Depreciation	**660.31**		693.41	
Investment Income	**(208.00)**		(195.00)	
Interest Income	**(14.77)**		(18.96)	
Interest Expenditure	**816.49**		917.38	
(Profit) / Loss on sale of assets [Net]	**(7.74)**	**1,246.29**	5.59	1,402.42
Operating Profit before Working Capital Changes		**1,701.04**		1,549.55
(Increase)/Decrease in trade and other receivables	**(367.42)**		10.22	
(Increase)/Decrease in inventories	**(4.64)**		(687.14)	
Increase/(Decrease) in trade and other payables	**347.74**	**(24.32)**	280.49	(396.43)
Cash generated from operations		**1,676.72**		1,153.12
Direct taxes (paid)/refund received		**(32.01)**		(44.64)
Net Cash from Operating activities (A)		**1,644.71**		1,108.48
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	**(973.15)**		(552.91)	
Proceeds from sale of assets	**18.16**		29.82	
Proceeds from sale of Investments (Net)	**-**		1.85	
Decrease / (Increase) in other Bank Balances	**(178.34)**		22.37	
Interest received	**20.10**		39.03	
Dividend received	**208.00**		195.00	
Net cash used in investing activities (B)		**(905.23)**		(264.84)
C. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds from/(Repayment of) long term borrowings	**12.34**		(28.05)	
Proceeds from/(Repayment of) short term borrowings	**132.98**		18.22	
Interest paid	**(816.49)**		(917.38)	
Dividend paid	**(60.39)**		(100.17)	
Dividend transferred to IEPF	**(1.01)**		(1.06)	
Corporate Dividend tax paid	**(12.74)**		(21.24)	
Net cash used in financing activities (C)		**(745.31)**		(1,049.68)
Net increase/(Decrease) in cash and cash equivalents (A+B+C)		**(5.83)**		(206.04)

Cash Flow Statement for the year ended 31st March 2017

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
Cash and cash equivalents at the beginning of the year	**39.53**	245.57
Cash and cash equivalents at the end of the year	**33.70**	39.53
Net increase/(Decrease) in cash and cash equivalents	**(5.83)**	(206.04)
Note: Cash and Bank balances include the following balances which are restricted and not available for use by the Company.		
Unpaid Dividend Warrant Account	**17.44**	16.24
Margin Money Deposit	**264.06**	85.72

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

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

Coimbatore
25th May 2017

N. Singaravel
Company Secretary

V. Kannappan
Chief Financial Officer

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 with BSE Ltd., Mumbai. 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 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention and on accrual basis and in accordance with the provisions of Companies Act, 2013 and accounting principles generally accepted in India and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Companies Act, 2013 to the extent notified and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 (Property, Plant & Equipment)

Property, Plant and Equipment 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

a) Finished goods: Yarn, cloth and garments at lower of weighted average cost (Including excise duty) and net realizable value, wherever applicable.

b) Waste at contracted prices.

c) Raw materials and stock-in-process at lower of weighted average cost and net realisable value.

d) Stores and spare parts, components at weighted average cost.

e) 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 the period in which they arise.

2.7 Depreciation

Depreciation is provided on all tangible assets on WDV basis adopting the useful lives of property, plant and equipment as specified in Part C of Schedule II of the Companies Act, 2013. For additions and deletions, depreciation is provided on pro-rata basis. Intangible assets are amortised over their individual estimated useful lives on a straight line basis commencing from the date the asset is available to the company for its use.

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. Actuarial gains or losses are recognized immediately in the profit and loss statement 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 Statement and Cash and cash equivalents

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. The cash flows from operting, investing and financing activities of the company are segregated. 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 property, plant and equipment 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

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 3: SHARE CAPITAL		
Authorised		
10,00,000 Equity Shares of ₹100/- each	**1,000.00**	1,000.00
Issued, Subscribed & Fully Paid up		
6,95,550 Equity Shares of ₹ 100/- each	**695.55**	695.55
Total	**695.55**	695.55

Equity shareholders holding more than 5% Equity shares	31.3.2017		31.3.2016	
	Number	%	Number	%
Lakshmi Card Clothing Mfg. Co. P. Ltd	**41,681**	**5.99**	41,681	5.99
Coimbatore Lakshmi Cotton Press P. Ltd	**72,230**	**10.38**	68,906	9.91
Life Insurance Corporation of India	**37,600**	**5.41**	37,600	5.41
S. Pathy	**112,218**	**16.13**	111,790	16.07
Aditya Krishna Pathy	**65,614**	**9.43**	64,725	9.31
Total	**329,343**		**324,702**	
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 a par value of ₹ 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.

Notes to the financial statements

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
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	**1,344.86**	1,344.86
Add : Transfer from surplus in Statement of Profit & Loss	**-**	-
Add : Transfer from Investment Fluctuation Reserve	**46.71**	-
	1,391.57	1,344.86
4. Investment Fluctuation Reserve		
As per last Balance Sheet	**46.71**	46.71
Less: Transfer to General Reserve	**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	**1,365.66**	1,336.19
Add : Transfer from Statement of Profit & Loss	**115.12**	104.81
	1,480.78	1,441.00
Less : Allocations & Appropriations during the year		
Transfer to General Reserve	**-**	-
Proposed Dividend	**-**	62.60
Tax on Proposed Dividend	**-**	12.74
Closing balance	**1,480.78**	1,365.66
Total	**12,931.95**	12,816.83

"The Board of Directors of the Company has proposed final dividend of Rs. 9/- (9%) per share, which is subject to the approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard – 4 – 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016), proposed dividend for the year and Corporate Dividend Tax thereon has not been recognized as a distribution of profit in the current year's accounts."

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 5: LONG-TERM BORROWINGS		
Secured		
Term Loans from Banks [Refer Note No. 30.2 & 30.3]	**1,513.12**	1,500.78
Total	**1,513.12**	1,500.78
NOTE 6 : OTHER LONG TERM LIABILITIES		
Rent Advance	**174.63**	114.73
Total	**174.63**	114.73
NOTE 7 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	**345.87**	**357.32**
Total	**345.87**	357.32

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 8 : SHORT TERM BORROWINGS		
Secured		
Working capital loan from banks [Refer Note No. 30.2 & 30.3]	**4,316.81**	4,180.36
Total	**4,316.81**	4,180.36
NOTE 9 : TRADE PAYABLES		
Micro, Small and Medium Enterprises	**86.74**	138.96
Other creditors	**2,308.88**	2,058.34
Total	**2,395.62**	2,197.30
NOTE 10 : OTHER CURRENT LIABILITIES		
Current maturities of long term debt		
Term loans from Banks	**571.15**	561.15
Unpaid dividends - Covered by IEPF	**17.44**	16.24
Other payables		
Liabilities for expenses	**288.69**	227.93
Other liabilities	**201.22**	183.60
Trade Deposits from customers	**12.27**	25.74
Amount Refundable towards Land Sale	**482.85**	482.85
Total	**1,573.62**	1,497.51
NOTE 11 : SHORT TERM PROVISIONS		
Provision for Gratuity	**87.98**	65.39
Provision for Direct Taxes	**40.78**	-
Proposed Dividend	**-**	62.60
Tax on Proposed Dividend	**-**	12.74
Total	**128.76**	140.73

NOTE 12 : FIXED ASSETS (₹ in lakhs)

S. No.	Particulars	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
		As at 1.4.2016	Additions	Disposals	**As at 31.3.2017**	As at 1.4.2016	For the year	Disposals	**As at 31.3.2017**	**As at 31.3.2017**	As at 31.3.2016
A	**Tangible Assets (Property, Plant & Equipment)**										
1	Land	947.42	-	-	**947.42**	-	-	-	**-**	**947.42**	947.42
2	Buildings	1,919.95	127.53	-	**2,047.48**	877.71	96.15	-	**973.86**	**1,073.62**	1,042.24
3	Plant & Equipment	12,923.56	780.23	13.18	**13,690.61**	10,973.61	494.62	12.60	**11,455.63**	**2,234.98**	1,949.95
4	Electrical Plant & Equipment	1,115.12	30.25	-	**1,145.37**	1,003.41	26.50	-	**1,029.91**	**115.46**	111.71
5	Furniture & Fixtures	35.79	-	-	**35.79**	32.50	1.24	-	**33.74**	**2.05**	3.29
6	Vehicles	282.50	15.79	39.53	**258.76**	193.41	29.60	29.77	**193.24**	**65.52**	89.09
7	Office Equipments	167.04	2.94	-	**169.98**	145.83	5.90	-	**151.73**	**18.25**	21.21
8	Computer Equipments	157.94	3.79	1.42	**160.31**	156.23	4.23	1.34	**159.12**	**1.19**	1.71
	Sub Total	17,549.32	960.53	54.13	**18,455.72**	13,382.70	658.24	43.71	**13,997.23**	**4,458.49**	4,166.62
B	**Intangible Assets**										
	Computer Software	33.57	4.86	-	**38.43**	25.73	2.07	-	**27.80**	**10.63**	7.84
C	**Capital Work-In-Progress**	-	7.76	-	**7.76**	-	-	-	**-**	**7.76**	-
	Total	**17,582.89**	**973.15**	**54.13**	**18,501.91**	**13,408.43**	**660.31**	**43.71**	**14,025.03**	**4,476.88**	**4,174.46**
	Previous Year (2015-16)	17,286.50	565.93	269.55	17,582.88	12,936.14	693.41	221.12	13,408.43	4,174.46	

Notes to the financial statements

(₹ in lakhs)

Particulars	Face value per Share ₹	No. of Shares	31.3.2017 Amount	No. of Shares	31.3.2016 Amount
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	**520000**	**17.34**	520000	17.34
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			**103.39**		103.39
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
Sub Total			**67.50**		67.50
Total			**170.89**		170.89

	Cost	Market Value	Cost	Market Value
(i) Value of Non-Current Investments -Quoted	**103.39**	**22,245.46**	103.39	17,522.46
(ii) Value of Non-Current Investments-Unquoted	**67.50**	**-**	67.50	-
Total	**170.89**	**22,245.46**	170.89	17,522.46

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 14 : DEFERRED TAX ASSET (NET)		
Deferred Tax Asset		
43 B Disallowance-Gratuity & Bonus	**150.74**	137.38
Unabsorbed Depreciation and Carry Forward losses	**1,763.03**	2,196.70
Voluntary Retirement Scheme	**17.73**	19.00
Provision for doubtful debts	**48.37**	-
	1,979.87	2,353.08
Deferred Tax Liability		
Depreciation	**100.32**	139.69
Deferred Tax Asset (Net) Total	**1,879.55**	2,213.39
NOTE 15 : LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Electricity deposits	**167.97**	180.21
Other deposits	**9.67**	9.77
Advances recoverable in cash or in kind or for value to be received	**130.13**	120.56
MAT Credit Entitlement	**419.09**	357.85
Total	**726.86**	668.39

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)		
Raw materials	**727.09**	529.69
Work in progress-Yarn	**531.91**	466.85
Finished goods		
Yarn	**1,524.63**	1,813.24
Waste	**36.70**	16.04
Stock in Trade- Trading		
Yarn	**3.54**	15.12
Cloth	**69.76**	37.18
Garments	**2.29**	7.79
Stores and spares	**164.67**	170.04
Total	**3,060.59**	3,055.95
NOTE 17 : TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months from due date	**9.59**	29.42
Others	**2,593.50**	2,128.67
	2,603.09	2,158.09
(Unsecured, Considered doubtful)		
Outstanding for a period exceeding six months from due date	**139.77**	114.77
Others	**-**	-
	139.77	114.77
Less: Provision for doubtful debts	**139.77**	114.77
	-	-
Total	**2,603.09**	2,158.09
NOTE 18 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks		
In Current Account	**7.76**	15.54
Unpaid Dividend Warrant Accounts	**17.44**	16.24
Cash on hand	**8.50**	7.75
Sub Total	**33.70**	39.53
Other Bank Balances		
Bank deposits held as margin money	**264.06**	85.72
Savings Certificate	**0.05**	0.05
Sub Total	**264.11**	85.77
Total	**297.81**	125.30

Notes to the financial statements

Particulars	31.3.2017	(₹ in lakhs) 31.3.2016
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Advance payment of Direct taxes (Refund receivable)	**27.63**	21.87
Advances recoverable in cash or in kind or for value to be received	**1.90**	5.41
Balance with Central Excise/ Sales tax authorities	**26.63**	29.21
Total	**56.16**	56.49
NOTE 20 : OTHER CURRENT ASSETS		
Prepaid expenses	**30.12**	50.24
Interest accrued on Bank Deposits	**3.41**	8.74
Income Receivable	**162.64**	211.24
Total	**196.17**	270.22
NOTE 21 : REVENUE FROM OPERATIONS		
Revenue from Sale of products		
Manufactured - Cotton and Synthetic Yarn	**19,882.02**	17,506.27
Cloth	**228.11**	477.97
Trading - Cotton and Synthetic Yarn	**184.20**	87.51
Cloth	**1,670.78**	1,324.91
Garments	**21.98**	13.67
Waste	**461.63**	345.77
Raw Materials	**2.16**	2.84
Sub Total	**22,450.88**	19,758.94
Other operating revenues		
Sale of Scrap	**22.89**	31.26
Export incentives	**271.28**	129.51
Sub Total	**294.17**	160.77
Total Revenue from Operations	**22,745.05**	19,919.71
Less: Excise Duty	**-**	-
Total	**22,745.05**	19,919.71
NOTE 22 : OTHER INCOME		
Interest income	**14.77**	18.96
Dividend income	**208.00**	195.00
Rent	**226.40**	230.03
Miscellaneous Income	**10.74**	6.54
Foreign Exchange gain	**260.80**	1.05
Profit on sale of assets	**7.74**	1.21
Total	**728.45**	452.79
NOTE 23 : MATERIALS CONSUMED		
Opening Stock	**529.69**	553.69
Add : Purchases	**11,154.00**	9,320.29
Less : Closing Stock	**727.09**	529.69
Cost of Materials Consumed	**10,959.60**	9,344.29
NOTE 24 : PURCHASES OF STOCK-IN-TRADE		
Purchase for resale		
Yarn	**180.02**	87.58
Cloth	**1,591.89**	1,131.51
Garment	**8.53**	6.23
Total	**1,780.44**	1,225.32

(₹ in Lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 25 : CHANGES IN INVENTORY OF FINISHED GOODS AND WIP		
Opening Stock		
Yarn	1,828.36	1,106.39
Cloth	37.18	146.34
Garments	7.79	7.98
Waste	16.04	9.90
Work in Progress	466.85	369.07
Sub Total	2,356.22	1,639.68
Closing Stock		
Yarn	1,528.17	1,828.36
Cloth	69.76	37.18
Garments	2.29	7.79
Waste	36.70	16.04
Work in Progress	531.91	466.85
Sub Total	2,168.83	2,356.22
(Increase)/Decrease in Stocks	187.39	(716.54)
NOTE 26 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	2,829.01	2,685.66
Managing Directors' Remuneration (Minimum)	130.39	118.40
Contribution to PF & Administrative Charges	144.06	142.92
Gratuity	61.65	56.57
Contribution to Superannuation Fund	0.93	0.92
ESI Contribution	53.98	51.49
Welfare Expenses	162.01	149.72
Total	3,382.03	3,205.68
NOTE 27 : FINANCE COSTS		
Interest on Bank borrowings	816.49	917.38
Bank Charges	128.34	113.22
Total	944.83	1,030.60
NOTE 28 : OTHER EXPENSES		
Consumption of stores and spare parts	185.24	171.49
Consumption of Packing materials	306.81	303.74
Rent	37.51	35.81
Repairs to Buildings	147.16	117.08
Repairs to Machinery	227.92	235.03
Insurance	12.92	17.14
Rates and Taxes, excluding taxes on income	107.08	99.72
Other Manufacturing Expenses	170.46	213.27
Sales Commission	229.81	185.64
Sales Expenses, Advertisement, Export Expenses & Freight	324.46	289.09
Office Maintenance & Administration Expenses	270.33	290.79
Loss on sale of assets	-	6.80
Directors' Sitting Fees	7.90	9.35
Auditor's Remuneration		
Audit fees	3.00	3.00
Taxation matters	1.60	1.43
Certification	1.05	0.65
Reimbursement of expenses	0.46	0.45
Miscellaneous Expenses [Refer Note No. 30.11]	233.84	264.47
Total	2,267.55	2,244.95

Notes to the financial statements

(₹ in lakhs)

Particulars	31.3.2017	31.3.2016
NOTE 29 : EXCEPTIONAL ITEMS (NET)		
Voluntary Retirement Scheme Expenses	**17.65**	37.15
Total	**17.65**	37.15
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	**1,468.19**	1,322.80
Bills discounted with banks	**612.84**	632.76
Income tax Liability	**28.57**	-
Central Excise / Service tax disputed demands	**-**	2.68
Disputed Electricity charges	**83.22**	49.22
Sub Total	**2,192.82**	2,007.46
Commitments		
Estimated amount of contracts unexecuted on capital account	**110.80**	41.25
Sub Total	**110.80**	41.25
Total	**2,303.62**	2,048.71

Disputed tax dues are appealled before concerned appellate authorities. The Company is advised that the cases are likely to be disposed off in favour of the Company and hence no provision is considered necessary therefor.

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	**214.00**	424.78
Canara Bank	**292.16**	253.16
Indian Overseas Bank	**212.61**	349.71
b) Canara Bank Vehicle Loan	**11.26**	21.16
c) Canara Bank DPN Loan - FD	**22.50**	67.50
d) Suppliers' line of credit		
Canara Bank	**344.55**	384.47
Indian Overseas Bank	**416.04**	-
Total	**1,513.12**	1,500.78
b) Short Term Borrowings		
Working Capital Loan from Banks-Secured		
Cash Credit	**4,176.81**	4,040.36
Packing Credit	**140.00**	140.00
Total	**4,316.81**	4,180.36

30.3 a) Terms of repayment of long term borrowings

Particulars		Maturity term	Instalments		Rate of Interest
DPN Loan	- Canara Bank	2018-19	18	Monthly	12.15%
Canara Bank	- Vehicle Loan -I	2017-18	07	Monthly	10.00%
	- Vehicle Loan -II	2018-19	24	Monthly	13.30%
	- Vehicle Loan -III	2020-21	45	Monthly	9.80%
	- Vehicle Loan -IV	2020-21	50	Monthly	9.85%
	- Vehicle Loan -V	2020-21	50	Monthly	9.85%
TUF Loan	- Central Bank of India	2018-19	8	Quarterly	12.30%
	- Indian Overseas Bank	2020-21	38	Monthly	12.30%
	- Canara Bank	2021-22	18	Quarterly	11.80%
Term Loan	- Canara Bank	2023-24	72	Monthly	11.80%

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

Term loans from Central Bank of India, Canara Bank and Indian Overseas Bank are secured by first charge on relevant assets of Kovilpatti and Palladam units purchased under Project Loan.

Working Capital and Term Loan from Indian Overseas Bank and Canara Bank is secured by pari passu first charge on the fixed assets at Coimbatore. Working Capital and Term Loan from Central Bank of India is secured by first charge on fixed assets at Palldam and Kovilpatti unit.

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.

30.4 Disclosure as per Schedule III

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

		As at 31.3.2017	As at 31.3.2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
	Principal	**86.74**	138.96
	Interest	**Nil**	Nil

30.5 a) The net deferred tax assets carried over as at the end of the year comprises of the following :

(₹ in Lakhs)

Particulars	Opening as on 1.4.2016	Movement for the year	Closing as on **31.3.2017**
Deferred Tax Asset			
43 B Disallowance-Gratuity & Bonus	137.38	13.36	**150.74**
Unabsorbed Depreciation and Carry Forward Losses	2,196.70	(433.67)	**1,763.03**
Voluntary Retirement Scheme	19.00	(1.27)	**17.73**
Provision for doubtful debts	-	48.37	**48.37**
	2,353.08	(373.21)	**1,979.87**
Deferred Tax Liability			
Depreciation	139.69	39.37	**100.32**
	139.69	39.37	**100.32**
Deferred Tax Asset (Net)	2,213.39	(333.84)	**1,879.55**

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 Discontinued Operations

As part of overall 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 loss on sale of machinery during the financial year is ₹ Nil (Previous year ₹ 6.80 Lakhs).The land rendered available for development and converted into stock in trade has a carrying amount of ₹ 10,607.93 Lakhs (Previous year ₹ 10,607.93 Lakhs).

Notes to the financial statements

Particulars	31.3.2017	31.3.2016
30.7 Earnings per Share (Gross)		
Profit after tax as per Statement of Profit & Loss before exceptional items (₹ in lakhs)	**132.77**	141.96
Profit after tax as per Statement of Profit & Loss after exceptional items (₹ in lakhs)	**115.12**	104.81
Weighted average number of equity shares outstanding	**6,95,550**	6,95,550
Basic and diluted earnings per share - Before exceptional items (in ₹) (Face value ₹ 100 per share)	**19.09**	20.41
After exceptional items (in ₹) (Face value ₹100 per share)	**16.55**	15.07

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.

30.9 Disclosure of related parties and related party transactions

Related Parties

Key Management Personnel

1. Sri S. Pathy - Chairman & Managing Director
2. Sri Aditya Krishna Pathy - Deputy Managing Director
3. Sri N.Singaravel - Company Secretary
4. Sri V.Kannappan - Chief Financial Officer

Post retirement employee benefit plans

1. The Lakshmi Mills Co. Ltd. Employees Gratuity Fund
2. The Lakshmi Mills Superannuation Fund

Other Related Parties

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
5. Sans Craintes Knitters
6. Major Corporate Services (India) Ltd

(₹ in Lakhs)

Transaction with related parties	Key Management Personnel		Post retirement employee benefit plans		Other Related Parties	
	31.3.2017	31.3.2016	**31.3.2017**	31.3.2016	**31.3.2017**	31.3.2016
Purchase of Goods / assets	-	-	-	-	28.41	45.98
Sale of Goods / assets	-	-	-	-	1.01	1.60
Receiving of Services	-	-	-	-	115.55	102.04
Rendering of Services	-	-	-	-	37.02	34.98
Remuneration to Key Managerial Personnel	162.78	146.89	-	-	-	-
Contribution made to Gratuity Fund	-	-	50.51	47.22	-	-
Contribution to Superannuation Fund	-	-	15.67	14.31	-	-
Amount Receivable	-	-	-	-	47.51	62.04
Amount Payable	-	-	433.85	422.71	135.96	136.90

Note: Related party relationships are as identified by the management

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

1. Purchase of goods/assets includes Lakshmi Card Clothing Manufacturing Company P Ltd ₹ 28.41 Lakhs; (Previous year ₹ 45.98 Lakhs).
2. Sale of Goods / assets include Lakshmi Card Clothing Mfg. Co.P.Ltd ₹ 1.01Lakhs. (Previous year ₹ 1.60 Lakhs).
3. Receiving of Services include Balakumar Shipping & Clearing Agency P.Ltd ₹ 33.24 lakhs (Previous year ₹ 20.42 Lakhs); Aloha Tours & Travels (India) Private Ltd ₹ 27.83 Lakhs (Previous year ₹.24.85 Lakhs); Major Corporate Services (India) Ltd ₹ 49.63 Lakhs (Previous year ₹ 52.04 Lakhs); Lakshmi Card Clothing Manufacturing Company P Ltd ₹ 4.69 Lakhs (Previous year ₹ 4.73 Lakhs) and Sans Craintes Knitters ₹ 0.15 Lakhs (Previous year Nil)
4. Rendering of Services include Lakshmi Card Clothing Manufacturing Company P.Ltd ₹ 11.88 Lakhs (Previous year ₹ 11.22 Lakhs); Lakshmi Automatic Loom Works Ltd ₹ 21.69 lakhs (Previous year ₹ 20.34 Lakhs) and Sans Craintes Knitters ₹ 3.45 Lakhs (Previous year ₹ 3.42 Lakhs).
5. Remuneration to Key Managerial Personnel includes Sri S. Pathy ₹ 79.55 Lakhs (Previous year ₹ 75.39 Lakhs); Sri Aditya Krishna Pathy ₹ 50.83 Lakhs (Previous year ₹ 43.01 Lakhs); Sri N.Singaravel ₹ 10.63 Lakhs (Previous year ₹ 8.69 Lakhs); Sri V.Kannappan ₹ 21.77 lakhs (Previous year ₹ 19.80 Lakhs)
6. Contribution to Gratuity Fund ₹ 50.51 lakhs (Previous year ₹ 47.22 Lakhs).
7. Contribution to Superannuation Fund ₹ 15.67 Lakhs (Previous year ₹ 14.31 Lakhs).
8. Amount Receivable from other related parties includes Lakshmi Automatic Loom Works Ltd ₹ 2.20 Lakhs (Previous year ₹ 2.04 Lakhs); Balakumar Shipping & Clearing Agency P Ltd ₹ 45.09 Lakhs (Previous year ₹ 59.74 Lakhs) and Sans Craintes Knitters ₹ 0.22 Lakhs (Previous year ₹ 0.26 Lakhs)
9. Amount payable for Post retirement employee benefit plan includes The Lakshmi Mills Co. Ltd. Employees Gratuity Fund ₹ 433.85 Lakhs (Previous year ₹ 422.71 Lakhs)
10. Amount payable to other related parties include Lakshmi Card Clothing Manufacturing Company Pvt Ltd ₹ 132.77 Lakhs (Previous year ₹ 131.10 Lakhs); Aloha Tours & Travels (India) Private Ltd ₹ 1.90 Lakhs (Previous year ₹ 4.84 Lakhs); Major Corporate Services (india) Ltd ₹ 1.29 Lakhs (Previous year ₹ 0.96 Lakhs).

Notes to the financial statements

(₹ in Lakhs)

	Particulars	31.3.2017	31.3.2016	31.3.2015
30.10	**Employees benefits**			
	(a) Defined Benefit Plans		**Gratuity Funded**	
A.	**Expense recognised during the year**			
	1. Current Service cost	**40.67**	38.04	28.83
	2. Interest cost	**35.44**	34.82	31.47
	3. Expected return on plan assets	**(5.11)**	(4.89)	(5.11)
	4. Actuarial Losses / (Gains) during the year	**(9.35)**	(11.40)	31.51
	5. Total Expense	**61.65**	56.57	86.70
B.	**Actual return on Plan assets**			
	1. Expected return on plan assets	**5.11**	4.89	5.11
	2. Actuarial (Loss) / Gain on Plan assets	**(0.02)**	0.91	(5.03)
	3. Actual return on plan assets	**5.09**	5.80	0.08
C.	**Net Asset/(Liability) recognised in the Balance Sheet**			
	1. Present value of the obligation at the end of the year	**500.54**	489.04	480.10
	2. Fair value of plan assets as at the end of the year	**66.46**	66.10	66.51
	3. Funded status surplus/(deficit)	**(434.08)**	(422.94)	(413.59)
	4. Unrecognised past service cost	**-**	-	-
	5. Net Asset/(Liability) recognised in the Balance Sheet	**(434.08)**	(422.94)	(413.59)
D.	**Change in Present value of the Obligation during the year**			
	1. Present value of the obligation as at the beginning of the year	**489.04**	480.10	421.94
	2. Current service cost	**40.67**	38.04	28.83
	3. Interest cost	**35.44**	34.82	31.47
	4. Benefits paid	**(55.24)**	**(53.43)**	(28.62)
	5. Actuarial (gain) / loss on obligation	**(9.37)**	(10.49)	26.48
	6. Present value of the obligation at the end of the year	**500.54**	489.04	480.10
E.	**Change in Plan Assets during the year**			
	1. Fair value of plan assets as at the beginning of the year	**66.10**	66.51	71.55
	2. Expected return on plan assets	**5.11**	4.89	5.11
	3. Contributions made	**50.51**	47.22	23.50
	4. Benefits paid	**(55.24)**	(53.43)	(28.62)
	5. Actuarial gain / (loss) on plan assets	**(0.02)**	0.91	(5.03)
	6. Fair value of plan assets as at the end of the year	**66.46**	66.10	66.51
F.	**Net Actuarial Gain / Loss recognised**			
	1. Actuarial (Gain) / Loss on benefit obligation	**(9.37)**	(10.49)	26.48
	2. Actuarial Gain / (Loss) on Plan Assets	**(0.02)**	0.91	(5.03)
	3. Net Actuarial (Gain) / Loss recognised	**(9.35)**	(11.40)	31.51
G.	**Major categories of plan assets as a percentage of total plan**			
	Special Deposit Schemes	**98.55%**	99.09%	98.48%
	Bank Balances and recoverables	**1.45%**	0.91%	1.52%
	Total	**100.00%**	100.00%	100.00%
H.	**Actuarial Assumptions**			
	1. Discount rate	**7.29%**	7.68%	7.72%
	2. Salary escalation	**4.75%**	3.50%	3.75%
	3. Expected rate of return on plan assets	**8.00%**	7.68%	8.00%
	4. Attrition rate	**1.67%**	1.00%	1.00%
	5. Mortality rate	**(2006-08) IAL Ultimate**	(2006-08) **IAL** Ultimate	(2006-08) **IAL** Ultimate
	(b) Defined Contribution Plan			
	Employer's Contribution to Provident and Family Pension Fund	**144.06**	142.90	136.84
	Employer's Contribution to Superannuation Fund	**15.67**	14.31	13.26

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 ₹ 25,00,000/-.

(₹ in Lakhs)

	Particulars	31.3.2017	31.3.2016
30.11	**Miscellaneous Expenses**		
	Cost Audit Fees	**0.75**	0.75
	Repairs to Others	**16.79**	24.32
	Printing, Stationery & Subscription	**17.56**	32.58
	Travelling, Postage, Telex, Telephone & Transport Charges	**154.04**	192.50
	Legal and Consultancy Expenses	**19.70**	14.32
	Provision for doubtful debts	**25.00**	-
	Total	**233.84**	264.47
30.12	**Expenditure in foreign currency on account of**		
	Travel	**8.73**	7.47
	Sales Commission	**48.00**	39.18
	Subscription	**4.80**	2.18
	Total	**61.53**	48.83
30.13	**Earnings in foreign exchange-Export of goods on FOB value**		
	Cloth	**1,743.81**	1,189.36
	Yarn	**3,675.64**	3,470.08
	Total	**5,419.45**	4,659.44
30.14	**CIF Value of Imports**		
	Raw Materials	**375.68**	305.30
	Components & Spares	**-**	-
		375.68	305.30

(₹ in Lakhs)

	Particulars	31.3.2017 %	31.3.2017 Value	31.3.2016 %	31.3.2016 Value
30.15	**Value of Raw Materials, Stores, and Components consumed**				
	a) Cotton, Fibre and Yarn				
	Imported	**3.87%**	**424.03**	1.64%	153.00
	Indigenous	**96.13%**	**10,532.57**	98.36%	9,191.29
			10,956.60		9,344.29
	b) Stores, spare parts and packing materials consumed				
	Imported	**-**	**-**	**-**	-
	Indigenous	**100.00%**	**492.05**	**100.00%**	475.23
			492.05		475.23

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.

(₹ in Lakhs)

	Particulars	31.3.2017	31.3.2016
30.17	**Details of dividend proposed**		
	Amount of dividend proposed	**62.60**	62.60
	Amount of dividend per Equity share [in ₹]	**9.00**	9.00

Notes to the financial statements

30.18 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	Amount in foreign currency		Equivalent ₹ in Lakhs	
		31.3.2017	31.3.2016	**31.3.2017**	31.3.2016
Sundry Debtors	USD	**548,802**	193,179	**355.84**	128.27
Sundry Debtors	GBP	**345,800**	82,110	**279.68**	77.55
Supplier's line of credit	EURO	**1,112,800**	512,000	**770.58**	384.46

30.19 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(₹ in Lakhs)

	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	0.10	3.55	3.65
(+) Permitted receipts	-	37.26	37.26
(-) Permitted payments	-	37.61	37.61
(-) Amount deposited in Banks	0.10	-	0.10
Closing cash in hand as on 30.12.2016	-	3.20	3.20

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

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

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

Coimbatore
25th May 2017

N. Singaravel
Company Secretary

V. Kannappan
Chief Financial Officer

To

M/s. S.K.D.C. Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapthy
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)

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

ESTD - 1910

Registered Office: 686, Avanashi Road, Coimbatore - 641 037
Phone : 91-0422-2245461 to 2245465 Fax : 91-0422-2246508
E-mail : contact@lakshmimills.com web : www.lakshmimills.com
CIN: L17111TZ1910PLC000093

FORM NO. MGT - 11

PROXY FORM

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

Name & Address of
the member(s):
Folio No./Client ID
DP ID
E-mail ID:

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

1) Name :.....
Address :.....
Email ID :..... Signature ..... or failing him/her

2) Name :.....
Address :.....
Email ID :..... Signature ..... or failing him/her

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

as our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 107th Annual General Meeting of the Company to be held on Wednesday, the 26th July 2017 at 4.35 p.m at "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, Tamilnadu and at any adjournment thereof in respect of such resolutions as mentioned overleaf:

P.T.O.

✂ Cut here

Electronic Voting Particulars

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD
106394		

✂ Cut here

THE LAKSHMI MILLS COMPANY LIMITED

ESTD - 1910

Registered Office: 686, Avanashi Road, Coimbatore - 641 037
Phone : 91-0422-2245461 to 2245465 Fax : 91-0422-2246508
E-mail : contact@lakshmimills.com web : www.lakshmimills.com
CIN: L17111TZ1910PLC000093

ATTENDANCE SLIP

Folio No. / Demat ID :

No. of Shares held :

Attendance by
Please ✓ the appropriate box

- ☐ Member
- ☐ Proxy
- ☐ Authorised Representative

I hereby record my presence at 107th Annual General Meeting being held on Wednesday, 26th July, 2017 at "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, Tamilnadu.

* Strike out whichever is not applicable

Signature of Member / Proxy*

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Annual Financial Statements as on 31.3.2017.			
2	Declaration of Dividend for the year ended 31.3.2017.			
3	Appointment of a Director in the place of Sri R. Santharam (DIN 00151333), who retires by rotation and being eligible offers himself for re - appointment.			
4	Appointment of M/s. M.S.Jagannathan & Visvanathan, Chartered Accountants, Coimbatore as Statutory Auditors of the Company for the financial year 2017 - 18 and to fix their remuneration.			
Special Business				
5	Ratification of appointment of M/s. A.R.Ramasubramania Raja & Co, Cost Accountants, (Registration. No. 000514), Coimbatore, appointed by the Board of Directors of the Company for the financial year 2017-18 and fixing their remuneration.			

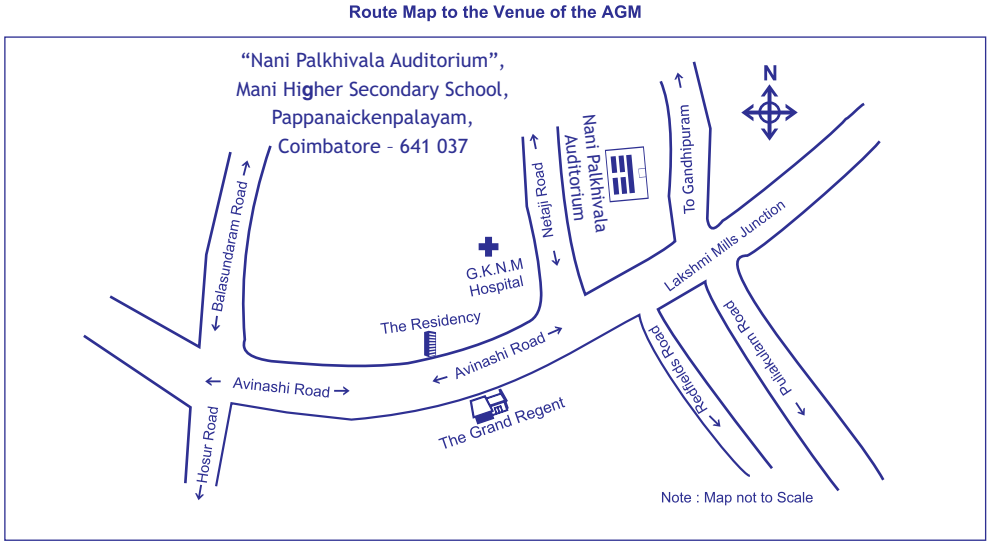
Signed this ..... day of 2017

Affix ₹1/- Revenue Stamp

Signature of the Member : .....

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

Note :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Those members who have multiple folios with different joint holders may use copies of this attendance slip/proxy form.

Route Map to the Venue of the AGM