

**LAKSHMI
AUTOMATIC LOOM WORKS
LIMITED**



**36th ANNUAL REPORT
2009 - 2010**



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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Lakshmi Automatic Loom Works Limited

Board of Directors

Mr. S. PATHY
Chairman

Mr. V.B. HARIBHAKTI

Mr. R.C.H. REDDY

Mr. R. SANJHARAM

Mr. SANTOSH DATTA
Special Director of BIFR

Mr. S. VENKATARAMAN

Mr. N. JAYCHANDER
Director-in-Charge

Secretary

Mr. A. DORAISWAMY

Auditors

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

Bankers

INDIAN BANK

Registered Office

686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641 037
Tamilnadu

Works

Weaving Machinery Division (Unit-1) :
Hosur Industrial Complex
Hosur - 635 126
Tamilnadu

Knitting Machinery Division :
(100% EOU Unit-2 and DTA Unit-3)
Singarampalayam
Kinathukadavu - 642 109
Tamilnadu



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notice to Shareholders

Notice is hereby given that the Thirty Sixth Annual General Meeting of the shareholders of the Company will be held on Monday the 2nd day of August, 2010 at 4.15 PM at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037 for transacting the following business:

Agenda

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and also the Report of the Auditors thereon.
2. To declare a dividend on the Preference Shares of the Company.
3. To appoint a director in the place of Sri S.Pathy who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of Sri V.B. Haribhakti who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors of the Company to hold office from the closure of this meeting until the closure of the next Annual General Meeting and fix their remuneration.

By Order of the Board

Coimbatore
27.05.2010

(Sd.) A.Doraiswamy
Company Secretary

Note:

1. The Register of Members of the Company will remain closed from 31-07-2010 to 02-08-2010 (both days inclusive).

2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
3. Members are requested to communicate their change of address if any quoting their respective folios.
4. 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.
5. Disclosure pursuant to clause 49 of the listing agreement with respect to the Directors proposed to be re-appointed at the ensuing Annual General Meeting:

Sri S.Pathy has been on the Board of Directors of the Company from inception holding the office of Joint Managing Director, Managing Director and Vice Chairman and is presently the Chairman of the Company. Sri S.Pathy is a Commerce Graduate from the University of Madras and has intensive experience in various fields of Management. He has been associated with the Textile Machinery Manufacturing Industry for the past 36 years. He was a Member of the Executive Council of the Textile Machinery Manufacturers' Association (India). He is the Chairman and Managing Director of The Lakshmi Mills Company Ltd.

Other Directorships:

Name of the Company:

1. The Lakshmi Mills Company Ltd.
2. Lakshmi Machine Works Ltd.
3. LCC Investments Ltd.
4. Lakshmi Card Clothing Manufacturing Company Private Ltd.



5. The Coimbatore Lakshmi Cotton Press Private Ltd.
6. Sans Craintes Stud Farm Private Ltd.
7. Sans Craintes Livestock Private Ltd.
8. Sans Craintes Racing & Bloodstock Private Ltd.
9. Rasakondalu Developers Private Ltd.
10. Sans Craintes Power Private Ltd.

Committee Memberships:

Name of the Committees:

Audit Committee:

1. Lakshmi Machine Works Ltd. - Member

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

6. Sri V.B. Haribhakti has been on the Board of Directors of the Company from 28-12-1984. Sri V.B. Haribhakti is a Partner of Haribhakti & Co., a leading firm of Chartered Accountants. He is on the Board of several Public Limited Companies and Committees.

Other Directorships:

Name of the Company

1. Bajaj Electricals Ltd.
2. Citadel Realty and Developers Ltd.
3. The Simplex Realty Ltd.
4. The Anglo French Drug Co. (Eastern) Ltd.
5. Ester Industries Ltd.

6. Hindustan Composites Ltd.
7. Tilak Nagar Industries Ltd.
8. BDQ Haribhakti Consulting Pvt. Ltd.
9. Mirae Asset Trustee Co. Pvt. Ltd.

Committee Chairmanships:

Name of the Committees :

Audit Committee :

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

Committee Memberships:

Name of the Committees :

Investors Grievance Committee:

1. Bajaj Electricals Ltd. - Member
2. Hindustan Composites Ltd. - Member
3. Tilak Nagar Industries Ltd. - Member

Audit Committee :

4. Lakshmi Automatic Loom Works Ltd - Member
5. Citadel Realty and Developers Ltd. - Member

Shareholding : Nil

Coimbatore
27.05.2010

By Order of the Board
(Sd.) A. Doraiswamy
Company Secretary



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Report of the Board of Directors to the Shareholders

Your Directors submit their Thirty Sixth Annual Report together with the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended 31st March, 2010.

Financial Results

	2009-2010	2008-2009
	Rs. in Lakhs	
Sales and other income	1693.00	1229.37
Profit before Depreciation	963.74	(-)245.77
Depreciation	38.51	46.29
	925.23	(-)292.06
Add : Amount set-off against claim for loss of profit		212.09
Excess Depreciation withdrawn	0.03	-
Less : Fringe Benefit Tax	-	1.54
Share issue expenses	11.79	-
	913.47	(-)81.51
Proposed dividend on 6% Cumulative Redeemable Preference Shares	5.87	-
Net Profit / Loss (-)	907.60	(-)81.51
Add : Balance from the Previous year	(-)2681.39	(-)2599.88
Balance Carried Over	(-)1773.79	(-)2681.39

The performance during the year was affected due to the continued demand recession for Weaving Machines & Spares, Parts for Machine Tools and Circular Knitting Machines. On taking into account the sale proceeds of land at Hosur, the operations during the year have resulted in a net profit of Rs. 913.47 lakhs after providing for depreciation of Rs. 38.51 lakhs.

Weaving Machinery Division - Unit 1

The sale of Weaving Machines and Spares including exports during the year was Rs. 149.40 lakhs against Rs. 652.74 lakhs in the previous year.

Due to the availability of Shuttleless Looms both used and new, the Market for the company's 'C' type Shuttle Weaving Machines was affected drastically. The use of 'C' type

Shuttle Weaving Machines is limited to specific applications such as for weaving heavy sorts, industrial fabrics, etc. and the demand is unsteady.

100% EOU - Unit 2 & DTA - Unit 3

The export of Parts for Machine Tools including Tool Holders and Parts for Circular Knitting Machines during the year was lower at Rs. 102.63 lakhs against Rs. 479.49 lakhs in the previous year. The order inflow for Parts for Machine Tools and Parts for Circular Knitting Machines was sluggish during the year due to price competition and the global recession.

Current Industrial Trend

The industrial growth though showed signs of improvement, the demand for 'C' type Shuttle



Weaving Machines continues to be dormant. The revival of textile industry is hampered by the fluctuation in cotton prices, shortage of power, demand for trained labour, etc. The demand for Weaving Machinery is linked to the prospects of textile industry.

Modified Rehabilitation Scheme (MRS)

As per the Modified Rehabilitation Scheme sanctioned by the BIFR, 14.406 acres of land at Sipcot Industrial Complex, Hosur, was sold and the sale proceeds of the land were utilised for settling the dues to the secured creditors, payment of VRS compensation and other liabilities of the company. An agreement for leasing a part of the buildings at the Weaving Machinery Division at Hosur has been entered into and the lease rental for the remaining area of the buildings is under negotiation. The rental income from the buildings will contribute to the overall income of the Company.

Issue of Preference Shares

The Authorised Capital of the Company has been increased from Rs. 10 crores to Rs. 15 crores on reclassification and issue of 8,50,000 - 6 % Cumulative Redeemable Preference Shares of Rs. 100/- each on preferential basis in conformity with Section 81(1A) of the Companies Act, 1956. The Preference Shares are redeemable in one instalment on expiry of ten years from the date of allotment. The proceeds were applied in settling the outstanding liabilities to the unsecured creditors, payment of VRS compensation, etc.

Dividend

The Directors have recommended a dividend of 6% for the year on the Cumulative Redeemable Preference Shares, payable proportionally from the date of allotment of the shares. The Directors are unable to recommend a dividend on the Equity Shares on account of the accumulated losses.

Directors

In accordance with the Companies Act, 1956 and the Articles of Association, the following Directors are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment:

1. Sri S. Pathy
2. Sri V.B. Haribhakti

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In the preparation of Profit and Loss Account for the period ended 31st March, 2010 and the Balance Sheet as on that date, all the applicable accounting standards have been followed.
- ii) Accounting Policies, that are reasonable and prudent, have been selected and applied consistently so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the Profit of the company for the period ended 31st March, 2010.
- iii) The accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the company as also for preventing and detecting fraud and other irregularities, have been properly maintained and
- iv) The Profit and Loss Account and Balance Sheet have been prepared on a going concern basis.

AUDITORS:

The Company's Auditors M/s. N.R. Doraiswami & Co., are to retire at the ensuing Annual



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

General Meeting and are eligible for re-appointment and necessary certificate has been received from them as required under Section 224(IB) of the Companies Act, 1956.

GENERAL:

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 is appended hereto.

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

Your Directors thank the Indian Bank and ESA Eppinger, Germany for their continued support and co-operation and Voltas Ltd and Infocus Marketing and Services Ltd, for their services rendered during the year.

Coimbatore
27.05.2010

By Order of the Board

(Sd.) S. Pathy
Chairman

Addendum to the Directors' Report

"With reference to the remarks made by the Auditors in their report under Para IX of the Annexure to the Auditors' Report your Directors wish to state that the High Court of Madras on disposing of the petition filed by the Company for necessary direction for waiver of Penal interest, has directed the State of Tamil Nadu to consider the request of waiver of the Penal interest on the belated payment of Interest Free Sales Tax Loan. Pending receipt of the order of the government on waiver of Penal interest, the Interest Free Sales Tax Loan of Rs.7.43 lakhs has not been paid as the

amount will be adjusted against Penal interest instead of principal. Pending disposal of the writ petition filed by the Company in the High Court of Madras for necessary direction for waiver of penal interest on the delayed payment of Sales Tax deferral, Penal interest of Rs.205.43 lakhs on Sales Tax deferral upto 31-3-2010 has not been paid."

Coimbatore
27.05.2010

By Order of the Board

(Sd.) S. Pathy
Chairman



Information pursuant to Section 217(1)(e) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2010.

A. Conservation of Energy:

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

B. Technology Absorption:

Research & Development (R & D)

- 1. Specific Areas in which R & D was carried out by the Company.
 - a) Application Technology for the use of Shuttleless Looms in production of new fabrics.
 - b) Improvement on Rapier Loom for better productivity and performance.
 - c) Field Level Investigation and performance assessment at the Weaving installations.
- 2. Benefits derived as a result of the above R & D:

Improvement in market acceptability of the products.
- 3. Future Plan of Action:
 - a) Introduction of Shuttleless Looms.

b). Export of high precision engineering parts.

4. Expenditure on R & D :

- a) Capital
 - b) Recurring
 - c) Total
- The expenditure could not be quantified with reasonable accuracy as the efforts were contributed by various departments in the Organisation.
- d) Total R & D expenditure as percentage of total turnover may be reckoned at 1% of the turnover.

Technology Absorption, Adaptation & Innovation:

- 1. Efforts in brief, made towards technology absorption, adaptation and innovation:

Developments on manufacturing and application of Weaving Machines are continued.
- 2. Benefits derived out of the above efforts:

Improvement in quality, performance and productivity were achieved.
- 3. Information of imported Technology (imported during the last 5 years reckoned from the beginning of the financial year) :

NIL

C. Foreign Exchange Earnings and Outgo :

Total Foreign Exchange used by the Company during the year.	Rs. 4.50 (laks)
Total Foreign Exchange earned by the Company during the year.	Rs. 107.92 (laks)

Coimbatore
27.05.2010

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

I. Industry Structure and developments:

A. Weaving Machinery Division (Unit 1)

The conditions of the textile industry though have improved in the last quarter, the fluctuation in cotton prices, shortage of power, etc. were not favourable for the growth of the industry. The demand for Textile Machinery depend upon the prospects of Textile Industry. The demand for Weaving Machinery continued to be adverse during the year. The Market for Shuttle Weaving Machines was further affected by the preference of Shuttleless Weaving Machines owing to its technoeconomic viability.

B. 100% Export Oriented Unit (Unit 2):

The demand for parts for Machine Tools including Tool Holders and parts for Circular Knitting Machines continued to be adverse during the year due to the global recession. An early revival of the export demand for Tool Holders in the current year is awaited.

II. Opportunities and threats:

A. Weaving Machinery:

There are about 6 to 7 Weaving Machinery Manufacturers in the world and most of them have setup their Units in China. A large number of benefits are available to the Chinese Manufacturers for exporting their looms to India. Due to import of second hand machinery under the TUFPS, technological gaps and lack of R & D initiatives and design and engineering facilities, the indigenous Weaving Machinery Manufacturers were not able to upgrade their technology.

In view of the fact that the thrust demand is for shuttleless looms and also on account of the availability of second hand looms, the demand for 'C' type Shuttle Weaving Machine is limited to specific applications such as industrial fabrics due to increased use of Shuttleless Weaving Machines for woven fabrics.

B. Parts for Machine Tools including Tool holders and parts for Circular Knitting Machinery:

The demand for export of parts for Machine Tools including Tool holders and parts for Circular Knitting Machines remained sluggish due to price competition and global recession.

III. Segment wise or Product wise Performance:

Weaving Machinery Division (Unit 1)

5 Weaving Machines were manufactured and delivered during the year ended 31-03-2010 as against 102 Weaving Machines in the previous year. The sales during the year was affected due to adverse market conditions.

100% Export Oriented Unit (Unit 2) and DTA Unit (Unit 3)

The export of Parts for Machine Tools including Tool holders during the year decreased to Rs.88.66 lakhs against Rs.363.21 lakhs in the previous year. The sale of parts for Circular Knitting Machines was Rs.30.52 lakhs against Rs.115.06 lakhs in the previous year.



The DTA Unit (Unit 3) was catering to the needs of the 100% EOU Unit and the domestic industries by undertaking job work. The value of the processing charges earned by the DTA Unit during the year was Rs.13.56 lakhs.

IV. Outlook:

With the increased use of Shuttleless Weaving Machines, the demand for Lakshmi Ruti 'C' type Shuttle Weaving Machines is limited to specific applications such as for weaving heavy sorts and industrial fabrics. The inflow of orders is sluggish and unsteady.

V. Risks and Concerns:

The availability of imported Shuttleless Weaving Machines both new and used has affected the market for Lakshmi Ruti 'C' type automatic Shuttle Weaving Machines. Due to lack of R & D facilities, the development of a suitable indigenous Shuttleless Weaving Machine is hampered.

VI. Internal Control System and the adequacy:

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

VII. Discussions of Financial Performance with respect to Operational Performance:

Due to the adverse operational results, the financial performance of the company was affected. The Modified Rehabilitation Scheme (MRS) sanctioned by the BIFR is under implementation.

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

As per the Modified Rehabilitation Scheme sanctioned by the BIFR, permanent workmen numbering 68 at the Weaving Machinery Division were relieved on payment of VRS compensation.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

REPORT ON CORPORATE GOVERNANCE

Philosophy on Code of Governance:

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

Board of Directors:

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material information are placed before the Board at the meetings.

Composition:

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

Position of Board of Directors:

Sl. No.	Directors	Position	Interse relationships	Other Directorships *	Board Committees	
					Mem-ber-ship	Chair-man-ship
1.	Sri S. Pathy	Non-Executive Chairman	Sri R. Santharam's wife's brother	3	1	—
2.	Sri V.B. Haribhakti	Non-Executive Independent	—	7	5	5
3.	Sri R.C.H. Reddy	Non-Executive Independent	—	5	3	1
4.	Sri R. Santharam	Non-Executive	Sri S. Pathy's sister's husband	3	2	2
5.	Sri Santosh Datta	Special Director of BIFR Non-Executive Independent	—	—	—	—
6.	Sri S. Venkataraman	Non-Executive Independent	—	—	—	—
7.	Sri N. Jaychander	Non-Executive Director-in-Charge	—	—	1	—

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

**Board Meetings and Attendance:**

6 Board Meetings were held on 22.05.2009, 11.06.2009, 20.07.2009 and 30.10.2009, 20.01.2010, 24.02.2010 during the period from 1st April, 2009 to 31st March, 2010. Details of Attendance of each Director at the Meetings of the Board and various committees of the Board during the financial year ended 31st March, 2010:

Sl. No.	Directors	Board Meeting	Audit Committee	Shareholders/ Investors Grievance Committee	Last AGM Attended (Yes / No)
1.	Sri S. Pathy	5	—	—	Yes
2.	Sri V.B. Haribhakti	6	5	—	Yes
3.	Sri R. Santharam	5	4	1	Yes
4.	Sri R.C.H. Reddy	4	5	1	Yes
5.	Sri Santosh Datta	5	4	—	Yes
6.	Sri S. Venkataraman	5	—	—	Yes
7.	Sri N. Jaychander	6	—	1	Yes

Remuneration of Directors:

No remuneration other than Sitting Fees was paid to the Directors as below:

Sl. No.	Name of Directors	Sitting Fees Rs.	No. of equity shares of Rs.10/- each held.
1.	Sri S. Pathy	10,000	4,67,944
2.	Sri V.B. Haribhakti	22,000	—
3.	Sri R. Santharam	20,000	—
4.	Sri R.C.H. Reddy	20,000	594
5.	Sri Santosh Datta	18,000	—
6.	Sri S. Venkataraman	10,000	—
7.	Sri N. Jaychander	14,000	1,850

Committee of Directors:

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

Audit Committee :

The Audit Committee consists of the following Directors:

1.	Sri R.C.H. Reddy	Chairman
2.	Sri R. Santharam	Member
3.	Sri V.B. Haribhakti	Member

Sri A. Doraiswamy, Company Secretary is the Secretary of the Audit Committee.

The Audit Committee is empowered as per the requirements of Paragraph II of Clause 49 of the Listing Agreement.

The Committee has met 5 times during the financial year ended 31st March, 2010.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Shareholders / Investors Grievance Committee:

The Committee has been formed to specifically look into shareholders / investors complaints, if any, on transfer of shares, non-receipt of Balance sheet, non-receipt of declared dividends, etc. and also the action taken by the Company on the above matters.

The Committee consists of the following Non-Executive Directors as its members:

1.	Sri R. Santharam	Chairman
2.	Sri R.C.H. Reddy	Member
3.	Sri N. Jaychander	Member

Sri A. Doraiswamy, Company Secretary is the Compliance Officer.

During the year 9 letters / complaints were received from the investors, which were replied / resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31-03-2010 was Nil. The Committee has met once during the financial year ended 31st March, 2010.

Share Transfer Committee:

The Share Transfer Committee consists of 3 Members of the Board of Directors. The committee has met 16 times during the financial year ended 31st March, 2010.

General Body Meetings:

Information regarding the last 3 Annual General Meetings of the shareholders are given below:

Location	Day	Date	Time
Registered Office: New No. 686 (Old No. 1100), Avanashi Road, Pappanaickenpalayam Coimbatore - 641 037	Friday	20.07.2007	4.30 P.M.
- Do -	Thursday	24.07.2008	3.30 P.M.
- Do -	Monday	20.07.2009	3.30 P.M.

A Special Resolution was passed at the Annual General Meeting held on 20-07-2009 for the re-appointment of Director-in-Charge of the Company.

5 Special Resolutions were passed at the Extraordinary General Meeting held on 20-02-2010 for reclassification and increase in the Authorised Capital of the Company, amendment of the Capital Clause in the Memorandum of Association of the Company, amendment of Article 3 of the Articles of Association of the Company and issue of 8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each to the exclusion of other shareholders who were entitled to the same by virtue of Section 81 of the Companies Act, 1956.

No Special Resolution was passed last year through Postal Ballot.

No Special Resolution is proposed to be considered through postal ballot at the ensuing Annual General Meeting.

Disclosures:

There are no materially significant related party transactions that would have potential conflict with the interests of the company at large.

No penalty or strictures have been imposed on the company by any Capital Market authority for non-compliance of law.

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



As regards the non-mandatory requirements stipulated in Annexure D of Clause 49 of the Listing Agreement on the Code of Corporate Governance, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

Code of Conduct:

The Code of Conduct for the Directors and Senior Management 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 2009-10 has been affirmed by the Director-in-Charge (CEO).

Means of Communication:

The quarterly results are published in leading news papers viz. Business Standard (English) and Malai Malar (Tamil).

The Shareholding Pattern, Financial Statements and Product range are available in the Company's Website www.lakshmiautomatic.com

SHAREHOLDERS INFORMATION

Annual General Meeting:

Day & Date : Monday the 2nd August, 2010
Time : 4.15 P.M.
Venue : Registered Office: 686 (Old No. 1100),
Avanashi Road,
Pappanaickenpalayam, Coimbatore - 641 037.

Financial Calendar

Financial Year : 2009 - 2010
Results announced : 27.05.2010
Posting of Annual Reports : On or before 07.07.2010
Last date of receipt of Proxy Form : 31.07.2010
Announcement of Quarterly Results : July 2009, October 2009, January 2010 and May 2010
Date of Book Closure : 31.07.2010 to 02.08.2010 (both days inclusive)
Dividend Payment Date : on 6% Cumulative Redeemable Preference Shares
on or before 31.08.2010
on Equity Shares : No Dividend declared

Listing on Stock Exchanges : The Equity Shares of the Company are listed in
Bombay Stock Exchange Ltd.

Stock / Scrip Code : 505302

Market Price Data:

The shares were not quoted in the last financial year in Bombay Stock Exchange.

Share performance in comparison with BSE Index:

The Website of Bombay Stock Exchange does not reveal any price movement during the year under review. Hence the price movement / performance vis-a-vis BSE Index is not furnished.

Registrar of Share Transfer / Demat Agents:

Company's share transfer work is done in-house at the Registered Office of the Company.

LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Share Transfer System:

The share transfers are registered and returned within a period of 30 days from the date of receipt if documents are in order. The share transfers are approved by the Share Transfer Committee.

Distribution of Shareholding as on 31.03.2010:

Range	No. of Shareholders	No. of Shares	% held
Upto - 5000	8970	788962	12.93
5001 - 10000	6	38694	0.63
10001 - 20000	7	105070	1.72
20001 - 30000	2	55350	0.91
30001 - 40000	1	38966	0.64
40001 - 50000	2	99402	1.63
50001 - 100000	2	130882	2.14
100001 and above	16	4846662	79.40
Total	9006	6103988	100.00

Categories of Shareholders as on 31.03.2010:

Sl. No.	Category	No. of Share holders	No. of Shares	% of Share holding	Shares pledged
A.	PROMOTERS HOLDING				
1.	Promoters:				
	- Indian Promoters	19	1509432	24.73	Nil
	- Foreign Promoters	Nil	Nil	Nil	Nil
2.	Persons acting in concert	Nil	Nil	Nil	Nil
	Sub Total	19	1509432	24.73	
B.	NON-PROMOTERS HOLDING				
	- Institutional investors	Nil	Nil	Nil	NA
	- Mutual Funds & UTI	Nil	Nil	Nil	NA
	- Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	9	1423186	23.31	NA
	Sub Total	9	1423186	23.31	
C.	FOREIGN INSTITUTIONAL INVESTORS (FIIs)	Nil	Nil	Nil	NA
	Sub Total	Nil	Nil	Nil	
D.	OTHERS:				
	- Bodies Corporate	43	2334279	38.24	NA
	- Indian Public	8798	686461	11.25	NA
	- NRIs	137	150630	2.47	NA
	- Any other	Nil	Nil	Nil	NA
	Sub Total	8978	3171370	51.96	
	Grand Total	9006	6103988	100.00	

Dematerialisation of Shares:

There are 9006 shareholders holding 6103988 Equity Shares of the Company. 6497 shareholders are holding shares in less than marketable lots of 50 shares.

The Company's application for admission of Equity shares of the Company has not been considered by both the depositories i.e. Central Depository Services (India) Ltd and the National Securities Depository Ltd. Hence the Equity shares of the Company are held in physical form only.

Nomination Facility:

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

Plant Locations:

The Company has 3 Plants situated at the following locations:

WEAVING MACHINERY DIVISION (Unit-1)
HOSUR INDUSTRIAL COMPLEX
HOSUR - 635 126.

100% EOU (Unit-2) and DTA (Unit-3)
KINATHUKADAVU
POLLACHI TALUK
COIMBATORE - 642 109.

Address for Correspondence:

All correspondence from shareholders should be addressed to:

**THE COMPANY SECRETARY
LAKSHMI AUTOMATIC LOOM WORKS LTD
REGISTERED OFFICE
686 (OLD NO.1100), AVANASHI ROAD
COIMBATORE - 641 037.**

Telephone : 0422 2245484, 2245485
Telefax : 0422 2244887
E-mail : lalwcbe@md2.vsnl.net.in
Website : www.lakshmiautomatic.com
Investors Grievance
Registration - E-mail ID : lalsecretarial@vsnl.net



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

DECLARATION

The Members of the Board and the Senior Management Personnel of the Company have affirmed compliance of the Code of Conduct laid down by the Company for the year 2009-10.

Coimbatore
27.05.2010

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

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

To the Members of Lakshmi Automatic Loom Works Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Lakshmi Automatic Loom Works Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges for the year ended 31st March, 2010.

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

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

Coimbatore
27.05.2010

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



CEO & CFO CERTIFICATE

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

Re : Financial Statements for the year 2009-10 - Certification by CEO & CFO

We, N. Jaychander, Director-In-Charge and A. Doraiswamy, Secretary and Vice President (Finance) of Lakshmi Automatic Loom Works Limited, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2010 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended March 31, 2010 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - (a) there have been no significant changes in internal control during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Coimbatore.
27.05.2010

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

(Sd.) A. Doraiswamy
Secretary and
Vice President (Finance)



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Auditors' Report

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

1. We have audited the attached Balance Sheet of M/s. Lakshmi Automatic Loom Works Limited, as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanation, which to the best of

our knowledge and belief were necessary for the purposes of our audit:

- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books;
- iii. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. As regards Government Nominee Directors, they are exempted from the provisions of section 274 (1) (g) in view of general circular issued by the Department of Company affairs.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India read with the significant accounting policies and other notes thereon,



- a) in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2010; and
- b) In the case of Profit and Loss Account, of the Profit for the year ended on that date.

- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 0007715

(Sd.) Suguna Ravichandran
Partner

Coimbatore
27.05.2010

Membership No. 207893

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

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

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
- c) The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) In respect of its inventories :
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to

us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

- c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- ii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company had taken interest free loan from a company aggregating to Rs.226.00 Lakhs.
 - b) The terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - c) The repayment of the principal amount is as per the agreed terms.
 - d) There is no overdue amount of such loans taken from aforesaid company.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

v) In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;

a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.

b) In our opinion, the aforesaid transactions exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) Based on our scrutiny of the Company's records and according to the information and explanations provided by the management, in our opinion the Company has not accepted any deposits from the public.

vii) In our opinion, the internal audit functions carried out during the year by independent Chartered Accountants appointed by the management have been commensurate with the size and nature of its business.

viii) As explained to us, no order for the maintenance of cost records under section 209(1) (d) of the Act has been made by the Central Government for any of the products of the Company.

(ix) In respect of statutory dues :

a) According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other statutory dues applicable to it.

b) According to the information and explanations given, there were no undisputed amounts payable in respect of income tax, service tax, wealth tax, customs duty, excise duty, cess and other statutory dues which have remained outstanding as at March 31st 2010 for a period of more than six months from the date they became payable except IFST Loan dues of Rs.7.43 Lakhs.

c) According to the records of the Company, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty, cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Forum where Dispute is pending
Tamilnadu General Sales Tax Act	Penal Interest on sales tax deferral dues	205.43 (current year 13.66)	Honourable High Court of Judicature at Chennai
Tamilnadu General Sales Tax Act	Penal Interest on belated payment of IFST Loan dues	66.16 (current year 13.92)	Government of Tamilnadu, Chennai



- x) The accumulated losses of the Company at the end of the financial year ended 31.03.2010 are in excess of 50% of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and has incurred a cash loss of Rs.73.70 lakhs during the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and as such reporting under clause (xiii) of the Order is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause (xiv) of the Order is not applicable to the Company.
- xv) According to the records of the Company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvii) On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
- xviii) The Company has made a preferential allotment of 8,50,000 - 6% Cumulative Redeemable Preference shares of Rs.100/- each, redeemable at par on the expiry of 10 years from the date of allotment.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have been informed by the management of any such instance being noticed or reported during the year.

For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 0007715

(Sd.) Suguna Ravichandran
Partner
Membership No. 207893

Coimbatore
27.05.2010



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Balance Sheet as at 31st March, 2010

	SCHEDULE	31.03.2010		31.03.2009	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SOURCES OF FUNDS:					
Shareholders' Funds:					
a) Capital	1		1460.40		610.40
b) Reserves and Surplus	2		457.92		457.92
Total Shareholders' Funds			<u>1918.32</u>		<u>1068.32</u>
Loan Funds:					
a) Secured Loans	3		-		491.65
b) Unsecured Loans	4		175.05		458.16
Total			<u>175.05</u>		<u>949.81</u>
Total Funds Employed			<u>2093.37</u>		<u>2018.13</u>
APPLICATION OF FUNDS:					
Fixed Assets:					
a) Gross Block	5		2646.36		2612.95
b) Less: Depreciation			2231.14		2206.51
Net Block			<u>415.22</u>		<u>406.44</u>
Investments					
	6		-		-
Current Assets, Loans and Advances:					
a) Inventories		222.24		371.93	
b) Sundry Debtors		60.34		100.89	
c) Cash and Bank Balances		314.73		12.38	
d) Other Current Assets		20.13		17.80	
e) Loans and Advances		62.11		96.87	
		<u>679.55</u>		<u>599.87</u>	
Less: Current Liabilities and Provisions:					
a) Current Liabilities	8	699.44		1506.75	
b) Provisions		78.68		174.28	
		<u>778.12</u>		<u>1681.03</u>	
Net Current Assets			<u>(-198.57)</u>		<u>(-1081.16)</u>
Miscellaneous Expenditure and Losses	9		1776.72		2692.85
Total			<u>2093.37</u>		<u>2018.13</u>

Note: Schedules 1 to 9 and Notes to Profit and Loss Account and Balance Sheet form part of this Balance Sheet.

	Directors			As per our report of even date
	(Sd.) S. PATHY			For N.R. DORAISWAMI & CO
	Chairman			Chartered Accountants
	(Sd.) R. SANTHARAM			Regn. No. 0007715
	Director			(Sd.) SUGUNA RAYICHANDRAN
Coimbatore	(Sd.) N. JAYCHANDER	(Sd.) A. DORAISWAMY		Partner
27.05.2010	Director-in-Charge	Secretary		Membership No. 207893



Profit and Loss Account for the year ended 31st March, 2010

SCHEDULE	31.03.2010		31.03.2009
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Income:			
Sales	10	252.03	1150.32
Stock Adjustment	11	(-)56.62	(-)10.86
Fabrication Charges		14.87	8.46
Other Income	12	1482.72	81.45
Total		<u>1693.00</u>	<u>1229.37</u>
Expenditure:			
Raw Materials and Components Consumed	13	148.48	551.82
Purchase of Machines Traded		4.90	-
Material Fabrication and Machinery Hire Charges		15.61	111.36
Salaries and Wages	14	361.16	449.35
Power and Fuel		30.92	59.40
Stores Consumed		23.93	87.19
Repairs	15	16.43	23.39
Interest	16	39.02	66.65
Other Expenditure	17	88.81	125.98
Depreciation		38.51	46.29
Total		<u>767.77</u>	<u>1521.43</u>
Profit for the year		925.23	(-)292.06
Add : Amount set off against claim for loss of profit		-	212.09
Excess Depreciation withdrawn		0.03	-
Less : Share Issue Expenses written off		11.79	-
Fringe Benefit Tax		-	1.54
		913.47	(-)81.51
Less : Proposed Dividend on Preference Shares		5.87	(-)81.51
		907.60	(-)81.51
Add : Balance brought forward from previous year		(-)2681.39	(-)2599.88
Balance carried to Balance Sheet		<u>(-)1773.79</u>	<u>(-)2681.39</u>
Earnings per share in Rs. (Face value Rs.10/- per share)		14.87	(-)1.34

Note : Schedules 10 to 17 and Notes to Profit and Loss Account and Balance Sheet form part of this Profit and Loss Account.

Coimbatore 27.05.2010	Directors (Sd.) S. PATHY Chairman (Sd.) R. SANTHARAM Director (Sd.) N. JAYCHANDER Director-in-Charge	(Sd.) A. DORAISWAMY Secretary	As per our report of even date For N.R. DORAISWAMI & CO Chartered Accountants Regn. No. 0007715 (Sd.) SUGUNA RAVICHANDRAN Partner Membership No. 207893
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**LAKSHMI AUTOMATIC LOOM WORKS LIMITED****Schedules to the Balance Sheet**

	31.03.2010 Rs. in Lakhs	31.03.2009 Rs. in Lakhs
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
1,00,00,000 Equity Shares of Rs.10/- each		1000.00
65,00,000 Equity Shares of Rs.10/- each	650.00	
9,00,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each	900.00	
Total	<u>1550.00</u>	<u>1000.00</u>
Issued, Subscribed, Called and Paid-up:		
61,03,988 Equity Shares of Rs.10/- each fully called up	610.40	610.40
8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each	850.00	
Total	<u>1460.40</u>	<u>610.40</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Share Premium Account :		
As per last Balance Sheet	457.92	457.92
Total	<u>457.92</u>	<u>457.92</u>
SCHEDULE 3 : SECURED LOANS		
From Bank		
a) Working Capital Borrowings		
i) Open Loan	-	215.41
ii) Bill discounting facilities	-	27.59
(Secured by First charge on the Current Assets and Second Charge on the Fixed Assets)		
b) Term Loans :		
From Indian Banks :		
Rupee Term Loan I	-	120.00
Rupee Term Loan II	-	56.10
Working Capital Term Loan	-	54.70
Short Term Loan	-	15.00
(Secured by First charge on the Fixed Assets by way of equitable mortgage on immovable properties of the Company and by hypothecation of all moveables of the Weaving Machinery Division (Unit-1) and Knitting Machinery Division (100% EOU Unit-2 and DTA Unit-3) of the Company, subject to a prior charge on current Assets to secure Working Capital (units). Loans from Indian Bank are further secured by		
a) A third party Corporate guarantee		
b) Collateral of immovable property of a third party corporate		
c) Personal guarantee of a Director		
Interest Accrued and due		2.85
Total		<u>491.65</u>



31.03.2010

31.03.2009

Rs. in Lakhs

Rs. in Lakhs

SCHEDULE 4 : UNSECURED LOANS

Agency Deposit	10.00	10.00
Interest Free Sales Tax Loan from SIPCOT (Two of the Promoters have given personal guarantee to SIPCOT)	7.43	7.43
Inter Corporate Loan	—	226.00
Sales Tax - Deferred	26.71	83.82
Interest accrued and due	130.91	130.91
Total	175.05	458.16

SCHEDULE 5 : FIXED ASSETS

Sl. No.	Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost Upto 31.03.2009	Additions	Sales/Adjustments	Cost Upto 31.03.2010	Upto 31.03.2009	For the year	With-drawn	Upto 31.03.2010	Costless Depreciation As at 31.03.2010	As at 31.03.2009
1	Land	31.67	—	2.51	29.16	—	—	—	—	29.16	31.67
2	Buildings	485.93	72.31	6.64	551.60	289.15	15.24	2.90	301.49	250.11	196.78
3	Machinery	1183.62	—	30.10	1153.52	1095.35	7.08	10.98	1091.45	62.07	88.27
4	Technical Know-how	187.79	—	—	187.79	187.72	0.03	—	187.75	0.04	0.07
5	Electrical Equipments	121.63	0.24	—	121.87	109.98	1.58	—	111.56	10.31	11.65
6	Computer Equipments	35.85	—	—	35.85	30.96	1.93	—	32.89	2.96	4.89
7	Furniture & Office Equipments	83.86	—	—	83.86	75.70	3.01	—	78.71	5.15	8.16
8	Vehicles	33.76	—	—	33.76	14.26	2.43	—	16.69	17.07	19.50
9	Library	0.93	—	—	0.93	0.83	0.08	—	0.91	0.02	0.10
10	Material Handling Equipments	123.24	—	—	123.24	121.21	0.65	—	121.86	1.38	2.03
11	Jigs & Fixtures	126.92	—	—	126.92	115.91	1.72	—	117.63	9.29	11.01
12	Patterns	148.07	0.08	—	148.15	132.50	2.83	—	135.33	12.82	15.57
13	Laboratory & Testing Equipments	49.68	0.03	—	49.71	32.94	1.93	—	34.87	14.84	16.74
	Total	2612.95	72.66	39.25	2646.36	2206.51	38.51	13.88	2231.14	415.22	406.44
	(Previous year figures)	2600.16	12.79	—	2612.95	2160.22	46.29	—	2206.51	406.44	439.94

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

	31.03.2010	31.03.2009
	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 6 : INVESTMENTS		
Non - Trade		
2,32,100 Equity Shares of Rs.10/- each in Lakshmi Synthetic Machinery Manufacturers Limited. (In liquidation)	69.95	69.95
Less : Investment Fluctuation Reserve	69.95	69.95
Total	<u> </u>	<u> </u>
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
a) Inventories :		
i) Stock-in-trade		
(As per Lists certified by the Director-in-Charge Raw Materials, Components, Work-in-progress and Finished Goods valued at cost or Net realisable value whichever is less)		
Raw Materials	35.89	62.57
Components	65.98	99.14
Work-in-progress	37.44	107.02
Finished Goods	48.56	56.63
ii) Stock of Stores, Tools and Machinery Spares (Valued at cost or Net realisable value which ever is less as per inventories certified by the Director-in-Charge)	34.37	46.57
	<u>222.24</u>	<u>371.93</u>
b) Sundry Debtors :		
(Unsecured considered good)		
Outstanding for more than six months	97.35	83.96
Less : Provision for Doubtful Debts	74.48	74.48
Others	37.47	91.41
	<u>60.34</u>	<u>100.89</u>
c) Cash and Bank Balances :		
Cash on hand	0.14	0.40
Cash with Nationalised Banks :		
In Current Accounts	112.83	3.62
In Deposit Accounts	201.68	8.28
Stamps and Stamp Papers on hand	0.08	0.08
	<u>314.73</u>	<u>12.38</u>
Carried over	597.31	485.20



	31.03.2010		31.03.2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 7 : (Contd.)				
	Brought forward	597.31		485.20
d) Other Current Assets :				
Interest accrued and other receivables		20.13		17.80
e) Loans and Advances :				
Unsecured-considered good-recoverable in cash or in kind :				
Advance for Capital Expenditure		5.15		2.37
Advance for Purchases		6.34		32.68
Advance for Others		5.81		15.10
Advance for Central Excise		21.36		22.54
Deposits		13.85		15.32
Prepaid Expenses		3.94		4.00
Income Tax Deducted at Source		5.66		4.86
		<u>62.11</u>		<u>96.87</u>
Total		<u>679.55</u>		<u>599.87</u>
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities :				
Liabilities for Capital Expenditure		16.04		0.69
Liabilities for Purchases:				
Due to micro, small and medium enterprises	16.36		29.95	
Due to Others	<u>268.71</u>		<u>448.36</u>	
		285.07		478.31
Liabilities for Other Finance		130.92		162.08
Liabilities for Expenses		187.27		782.12
Advance received for the supply of goods		80.14		83.55
		<u>699.44</u>		<u>1506.75</u>
b) Provisions:				
Provision for Gratuity		55.04		150.55
Provision for Leave encashment		17.77		23.73
Proposed Dividend on Preference Shares		5.03		-
Tax on Proposed Dividend		0.84		-
Total		<u>778.12</u>		<u>1681.03</u>
SCHEDULE 9 : MISCELLANEOUS EXPENDITURE AND LOSSES				
Share Issue Expenses		2.93		11.46
Profit and Loss Account		<u>1773.79</u>		<u>2681.39</u>
Total		<u>1776.72</u>		<u>2692.85</u>

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED****Schedules to the Profit and Loss Account**

	31.03.2010		31.03.2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 10 : SALES				
Sale of Weaving Machines		38.34		517.74
Sale of Parts and Accessories for Machine Tools		88.66		363.21
Sale of Accessories & Spares		108.81		265.82
Sale of Components		31.02		23.79
		<u>266.83</u>		<u>1170.56</u>
Less :				
Excise Duty	9.64		16.08	
Sales Tax	5.17		5.56	
		<u>14.81</u>		<u>21.64</u>
		252.02		1148.92
Sale of other items		0.01		1.40
Total		<u>252.03</u>		<u>1150.32</u>
SCHEDULE 11 : STOCK ADJUSTMENT				
Closing Stock of Finished Goods		48.56		56.63
(A)		<u>48.56</u>		<u>56.63</u>
Opening Stock of Finished Goods		56.63		67.49
Stock adjustment		48.55		
(B)		<u>105.18</u>		<u>67.49</u>
(A-B)		<u>(-)56.62</u>		<u>(-)10.86</u>
SCHEDULE 12 : OTHER INCOME				
Realisation of Scrap		26.43		56.21
Sale of Consumables		0.40		0.25
Interest		4.17		1.21
Miscellaneous Income		4.06		15.38
Profit on Sale of Assets		1447.66		
Difference in Exchange				8.40
Total		<u>1482.72</u>		<u>81.45</u>



31.03.2010

31.03.2009

Rs. in Lakhs Rs. in Lakhs Rs. in Lakhs Rs. in Lakhs

SCHEDULE 13 : RAW MATERIALS AND COMPONENTS CONSUMED**Opening Stock :**

Raw Materials		62.57		115.25
Components		99.14		111.39
Work-in-Progress	107.02			221.57
Less : Stock Adjustment	48.55	58.47		
			220.18	448.21
Add : Purchases				
Raw Materials			46.61	234.90
Components			19.40	91.21
	(A)		<u>286.19</u>	<u>774.32</u>

Closing Stock :

Raw Materials		35.89		62.57
Components		65.98		99.14
Work-in-Progress		37.44		107.02
	(B)		<u>139.31</u>	<u>268.73</u>
	(A-B)		146.88	505.59
Add : Payment under Cenvat Rule 6(3)(b)			1.60	46.23
Total			<u>148.48</u>	<u>551.82</u>

SCHEDULE 14 : SALARIES AND WAGES

Salaries, Wages, Gratuity, etc.,		189.31		398.57
VRS Payment		152.78		15.37
Contribution to Provident Fund		9.37		17.28
Staff and Labour Welfare		9.70		18.13
Total			<u>361.16</u>	<u>449.35</u>

SCHEDULE 15 : REPAIRS

Machinery		4.09		9.94
Buildings		11.18		11.57
General		1.16		1.88
Total			<u>16.43</u>	<u>23.39</u>

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

	31.03.2010		31.03.2009	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 16 : INTEREST				
On Long Term Loans		18.50		41.41
On Others		20.52		25.24
Total		39.02		66.65
SCHEDULE 17 ; OTHER EXPENDITURE				
Staff Selection and Training		0.01		0.08
Printing and Stationery		1.61		3.72
Postage and Telephone		4.23		6.38
Travelling and Maintenance of Motor Vehicles		18.86		25.52
Bank Charges, Filing Fees and Licence and Taxes		7.16		9.84
Advertisement, Subscription and Exhibition		8.69		6.91
Insurance		2.60		3.79
Sales Commission		6.04		21.79
Sales Expenses		0.40		2.78
Difference in Exchange		4.14		1.86
Export Expenses		0.83		6.10
Directors' Sitting Fees		1.14		0.86
Auditors' Remuneration		0.91		0.93
Legal and Professional Charges		16.57		12.83
Rent, Lighting and water		4.01		3.00
Miscellaneous Expenses		2.62		5.42
Vehicle Hire Charges		8.99		13.61
ISO 9001 Expenses				0.56
Total		88.81		125.98

Signatures to Schedules 1 to 17

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

Coimbatore
27.05.2010(Sd.) N. JAYCHANDER
Director-in-Charge(Sd.) A. DORAISWAMY
Secretary

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

Regn. No. 0007715

(Sd.) SUGUNA RAVICHANDRAN

Partner

Membership No. 207893



Notes to Profit and Loss Account for the year ended 31st March, 2010 and Balance Sheet as at 31st March, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

- I. The company adopts accrual basis of accounting.
- II. i. Depreciation on Fixed Assets for the year has been provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956.
ii. Payments towards Technical Know-how have been classified under Fixed Assets and has been appropriately depreciated.
- III. Fixed Assets are capitalised at cost inclusive of expenses in connection with acquisition of the assets and net of cenvat credit, if any.
- IV. The investments are accounted at cost. Diminution in the value of Investments if any, in respect of long term investments is recognised.
- V. Provision for Gratuity and Leave encashment was made as per actuarial valuation at the end of the year as per AS 15(Revised).
- VI. The value of CENVAT benefits availed have been reduced from the purchase value of Materials and Capital Items wherever applicable. The payments under Rule 6(3)(b) of Cenvat Credit Rules, 2002 are added to purchase value of materials.
- VII. The foreign currency transactions are recorded at the exchange rates prevailing on the date of such transaction. Foreign currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and the difference on realignment is recognised in the Profit and Loss Account.
- VIII. Valuation of Inventories is as per Accounting Standard 2 (AS 2) of The Institute of Chartered Accountants of India.
- IX. Current tax liability on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment/appeals.
Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realised.
- X. As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine (i) the provision for impairment loss, if any, required or (ii) the reversal, if any, required of impairment loss recognised in previous periods. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

B. NOTES TO PROFIT AND LOSS ACCOUNT AND BALANCE SHEET

	Quantity	31.03.2010 Rs. in Lakhs	Quantity	31.03.2009 Rs. in Lakhs
1. Details of Turnover:				
a) Sale of Weaving Machines	6 Nos.	37.27	105 Nos.	516.53
b) Sale of Parts and Accessories for Machine Tools.	13140 Nos.	88.66	62599 Nos.	363.21
c) Sale of Accessories and Spares, etc.	—	126.10	—	269.18



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

	31.03.2010		31.03.2009	
	Qty. in Tons	Rs. in Lakhs	Qty. in Tons	Rs. in Lakhs
2. I. Raw Materials Consumed:				
a) Iron and Steel	134.813	95.41*	626.262	398.76 *
b) Non-metallic items etc. (Quantitative details for non-metallic items could not be given as their list is large and the unit of measurement differs from item to item and no item individually accounts for 10% or more of the Raw Materials Consumed)		0.51		3.36
II. Components Consumed:				
a) Components - Indigenous		39.40		131.18
b) Components - Imported (Quantitative details could not be given as their list is too large and no item individually accounts for 10% or more of the Components Consumed)		13.16		18.52
* Net of work-in-progress stock adjustment.				
3. Stock of Finished Goods:				
a) Opening Stock - Weaving Machines		11 Nos.		14 Nos.
Circular Knitting Machines		2 Nos.		2 Nos.
b) Closing Stock - Weaving Machines		10 Nos.		11 Nos.
Circular Knitting Machines		2 Nos.		2 Nos.
4. Licensed and Installed Capacity:				
	Licensed	Installed	Licensed	Installed
Weaving Machinery and Components, Accessories and Spares of Weaving Machinery	1800 Nos.	1200 Nos.	1800 Nos.	1200 Nos.
Circular Knitting Machinery and Parts and Accessories of Circular Knitting Machinery	200 Nos.	200 Nos.	200 Nos.	200 Nos.
Parts and Accessories for Machine Tools including work or Tool Holders and Accessories	500000 Nos.	500000 Nos.	500000 Nos.	500000 Nos.
5. Actual Production:				
Weaving Machines		5 Nos.		102 Nos.
Parts and Accessories for Machine Tools including work or Tool Holders and Accessories		13140 Nos.		62599 Nos.



		31.03.2010		31.03.2009
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
5. A. Value of Imports (C.I.F.) :				
a) Raw Materials		—		—
b) Components		4.50		3.04
c) Consumable Stores		—		1.02
d) Capital Goods		—		7.27
B. Expenditure in Foreign Currency:				
Travelling Expenses		—		—
	Rs. in Lakhs	% to total consumption	Rs. in Lakhs	% to total consumption
C. Consumption:				
a) Raw Materials - Imported	0.03	0.02	0.58	0.10
b) Components - Imported	13.16	8.86	18.52	3.36
c) Raw Materials - Indigenous	95.89	64.58	401.55	72.77
d) Components - Indigenous	39.40	26.54	131.17	23.77
Total	<u>148.48</u>	<u>100.00</u>	<u>551.82</u>	<u>100.00</u>
D. Amount remitted during the year in Foreign Currencies :				
a) On account of dividends (Net after deduction of tax at source)		Nil		Nil
b) Number of Non-resident shareholders		137		137
c) Number of shares held by Non-resident shareholders on which dividends are due		Nil		Nil
d) The year to which dividends related		N/A.		N/A.
E. Earnings in Foreign Exchange:				
Export of goods calculated on F.O.B. Basis		107.92		489.62
7. Remuneration to Auditors:				
a) Audit Fees		0.50		0.50
b) Other Fees:				
Issue of Certificates and others		0.41		0.40
Travelling Expenses		—		0.03
Total		<u>0.91</u>		<u>0.93</u>


LAKSHMI AUTOMATIC LOOM WORKS LIMITED

	31.03.2010		31.03.2009	
	Rs. in Lakhs		Rs. in Lakhs	
	Gratuity (Unfunded)	Leave encashment (Unfunded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
8. Defined Benefit Plans				
A. Expense recognised during year ended 31.3.2010				
1. Current Service Cost	3.02	0.89	6.53	4.08
2. Interest Cost	6.58	1.65	9.11	1.58
3. Expected return on plan assets	-	-	-	-
4. Actuarial Losses / (Gains) during the year	28.43	(3.29)	30.58	(0.14)
5. Total Expense	38.03	(0.75)	46.22	5.52
B. Actual return on plan assets				
1. Expected return on Plan Assets	-	-	-	-
2. Actuarial(Loss)/ Gain on Plan assets	-	-	-	-
3. Actual return on Plan assets	-	-	-	-
C. Net Asset/(Liability) recognised in the Balance Sheet				
1. Present value of the obligation as on 31.3.2010	55.04	17.77	150.55	23.73
2. Fair value of plan assets as on 31.3.2010	-	-	-	-
3. Difference	55.04	17.77	150.55	23.73
4. Unrecognised past service cost	-	-	-	-
5. Liability recognised in the Balance Sheet	55.04	17.77	150.55	23.73
D. Change in Present value of the obligation during the year ended 31.3.2010				
1. Present value of the obligation as at 1.4.2009	150.55	23.73	123.33	21.26
2. Current Service Cost	3.02	0.89	6.53	4.08
3. Interest Cost	6.58	1.65	9.11	1.58
4. Benefits paid	133.54	5.21	19.00	(3.05)
5. Actuarial(gain)/loss on obligation	28.43	(3.29)	30.58	(0.14)
6. Present value of plan assets as at 31.3.2010	55.04	17.77	150.55	23.73
E. Change in Assets during the year ended 31.3.2010				
1. Fair value of plan assets as at 1.4.2009	-	-	-	-
2. Expected return on plan assets	-	-	-	-
3. Contributions made	133.54	5.21	19.00	3.05
4. Benefits paid	(133.54)	(5.21)	(19.00)	(3.05)
5. Actuarial gain/(loss) on plan assets	-	-	-	-
6. Fair value of plan assets as at 31.3.2010	-	-	-	-
F. Major categories of plan assets as a percentage of total plan				
Qualifying Insurance policies				
Own plan assets	Nil	Nil	Nil	Nil
Total				
G. Actuarial Assumptions				
1. Discount rate	7.85%	7.85%	7.5%	7.5%
2. Salary escalation	4%	4%	4%	4%
3. Expected rate of return on plan assets	0%	0%	0%	0%
4. Attrition rate	10%	10%	5%	5%



9. 8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each issued and allotted on 24.2.2010 are redeemable in February, 2020.
10. There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date.
11. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.13.57 lakhs.
12. The following contingent liabilities have not been provided for:
 - a) Claim from the official liquidator in the matter of F.D. Stewart Pvt. Ltd. for payment of Rs.0.26 lakhs with interest is contested.
 - b) The Company has filed a special leave petition in the Supreme Court against the order of the Division bench of the High Court, Madras restricting the reimbursement of expenses incurred on rectification of the roof leakage to Rs.5.04 lakhs against Rs.15.87 lakhs ordered by the single Judge.
The claim against the company for Rs.10 lakhs is contested.
 - c) The writ filed by the company at the High Court of Madras for necessary direction for waiver of penal interest on the belated payment of Interest Free Sales Tax Loan dues (Rs.79.00 lakhs paid against Rs.86.43 lakhs due) was disposed off vide its order dated 22.12.2009 directing the State of Tamil Nadu to consider the request of waiver of penal interest within a period of 12 weeks from the date of receipt of a copy of the order. Pending the receipt of the government order for waiver of penal interest, no provision has been made in the current year for the penal interest of Rs.13.92 lakhs. The cumulative amount on this account upto 31.3.2010 is Rs.66.16 lakhs.
 - d) As per the interim injunction order passed by the High Court, the company is repaying the Sales tax deferred in instalments. Pending disposal of the writ no provision for penal interest of Rs.13.66 lakhs has been made. The cumulative amount on this account upto 31.3.2010 is Rs.205.43 lakhs.
13. The appeal against the order of the trial court, for recovery of interest of Rs. 6.81 Lakhs from a customer for belated payment of dues to the company, is pending with the High Court of Madras.
14. The Company has executed Bonds for Rs.98.65 Lakhs in favour of The Assistant Commissioner of Central Excise for duty free import of Capital goods and procurement of Raw Materials and Components free of excise duty for Manufacture of parts for Machine Tools in the 100% Export Oriented Unit (Unit 2).
15. The Company has furnished bank guarantees for Rs.4.89 lakhs in favour of The Assistant Commissioner of Central Excise for duty free import of capital goods and for procurement of Raw Materials and Components free of Excise Duty for use in the 100% E O U
16. The Company has executed Bonds under the Customs (import of goods at concessional rate of duty for manufacture of Excisable Goods) Rules, 1996 for Rs.8 lakhs with the Deputy Commissioner of Central Excise for import of Components at concessional rate of duty for manufacture of shuttle and shuttleless weaving machines.
17. The Company has undertaken to fulfil export obligation of Rs.356.92 lakhs for machinery imported by third party under EPCG Scheme and leased to the company. The company's appeal for treating the export of weaving machines of Rs.479.66 lakhs in fulfilment of the export obligation is pending before the commissioner of customs (Appeals), Chennai.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

18. As required under AS-17 the reportable segments are as under:

PRIMARY-BUSINESS SEGMENT

31.03.2010 31.03.2009
(Rs. in Lakhs)

1. Net Sales/Income		
a) Weaving Machinery Division (Unit-1)	168.88	694.11
b) Knitting Machinery Division (100% EOU Unit-2 and DTA Unit-3)	129.86	559.50
Total	<u>298.74</u>	<u>1253.61</u>
Less: Inter-divisions revenue	0.45	14.59
Other Income	46.26	88.70
Net Sales/Income from operations	<u>252.03</u>	<u>1150.32</u>
2. Profit (+)/Loss (-)		
a) Weaving Machinery Division (Unit-1)	(-)334.83	(-)211.57
b) Knitting Machinery Division (100% EOU Unit-2 and DTA Unit-3)	(-)160.34	(-)13.84
Total	<u>(-)495.17</u>	<u>(-)225.41</u>
Less/Add : Interest	39.02	66.65
Profit/Loss	<u>(-)534.19</u>	<u>(-)292.06</u>
3. Capital Employed: (Segment Assets - Segment Liabilities)		
a) Weaving Machinery Division (Unit-1)	127.01	(-)972.10
b) Knitting Machinery Division (100% EOU Unit-2 and DTA Unit-3)	189.65	53.54
Total	<u>316.66</u>	<u>(-)918.56</u>

SECONDARY-GEOGRAPHICAL SEGMENT

Revenue from external customers by location of customers		
Domestic Segment	190.82	763.99
Export Segment	107.92	489.62
	<u>298.74</u>	<u>1253.61</u>
Less : Inter-division revenue	0.45	14.59
Net Income from Sales/Services	<u>298.29</u>	<u>1239.02</u>

Notes : The Company has two main business segments (a) Weaving Machinery comprising of looms accessories & Spares and (b) 100% EOU comprising Knitting Machinery, accessories & parts and parts for machine tools including Tool holders.

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



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

	31.03.2010	31.03.2009
	(Rs. in Lakhs)	
Purchase of Goods	3.28	1.21
Sale of Goods	0.34	3.06
Rendering of Services	4.62	8.37
Receiving of Services	9.63	11.67
Agency arrangements	1.40	1.17
Leasing arrangement	7.90	48.57
Amount receivable as on 31.03.2010	-	-
Amount payable as on 31.03.2010	284.35	256.40

Names of related parties and description of relationships:

- Associates : - The Lakshmi Mills Company Ltd.
- Infocus Marketing and Services Ltd.
- Lakshmi Card Clothing Manufacturing Company Private Ltd.
- Balakumar Shipping & Clearing Agency P Ltd.
- Aloha Tours & Travels (India) Pvt. Ltd.
- Prathista Weaving and Knitting Company Ltd.

20. The Company's Equity shares are listed in the Bombay Stock Exchange and the Company has paid the annual listing fee.

21. As defined under Micro, Small and Medium enterprises Development Act, 2006 the disclosure in respect of the amount payable to such enterprises as at 31.03.2010 has been made in the financial statement based on information received and available with the company. The company having been declared as sick company by the BIFR and the sanctioned scheme being under implementation, the liability towards interest has not been recognised.

	31.03.2010	31.03.2009
	(Rs. in Lakhs)	
a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	16.36	29.95
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	NIL	NIL
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

31.03.2010 31.03.2009
(Rs. in Lakhs)

22. Earnings per share as per AS-20 :

a) Net Profit after taxes	907.60	(-)81.51
b) No. of Shares outstanding	6103988	6103988
c) EPS/diluted EPS (Face value of Rs.10/- per Share)	14.87	(-)1.34

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

Directors

(Sd.) S. PATHY
Chairman

(Sd.) R. SANTHARAM
Director

(Sd.) N. JAYCHANDER
Director-in-Charge

(Sd.) A. DORAISWAMY
Secretary

As per our report of even date
For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 0007715
(Sd.) SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

Coimbatore
27.05.2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

31.03.2010

31.03.2009

(Rs. in Lakhs)

	31.03.2010	31.03.2009
A. Cash Flow from Operating Activities		
Net profit as per Profit & loss Account	925.23	(-)292.06
Add:		
Depreciation	38.51	46.29
Interest	39.02	66.65
Voluntary Retirement Scheme	152.78	-
Difference in Exchange	4.14	(-)6.54
Less:		
Interest Income	4.17	1.21
Profit on sale of assets	1447.66	-
Share Issue Expenses written off	11.79	106.19
Operating Profit Before Working Capital Changes	(-)1303.94	(-)186.87
Adjustments for:		
Decrease in Inventories	149.69	219.13
Decrease in Debtors	40.55	147.94
Decrease in Other Current Assets	(-)2.33	21.19
Decrease in Loans & Advances	34.76	9.25
Decrease in Current Liabilities	(-)902.91	(-)317.35
Decrease in deferred revenue expenditure	8.54	6.54
Difference in Exchange	(-)4.14	86.70
Cash generated from Operations	(-)979.78	(-)100.17
Fringe Benefit Tax	-	(-)11.54
Set off of balance towards claim for loss of profit	-	212.09
Proposed Dividend on Preference Shares	(-)5.87	-
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(-)72.66	(-)12.78
Interest Income	4.17	1.21
Sale of Fixed Assets	1473.06	-
Voluntary Retirement Scheme	(-)152.78	-
C. Cash Flow from Financial Activities		
Interest	(-)41.88	(-)69.05
Increase in Share Capital	850.00	-
Increase in Working Capital Loan	(-)258.00	97.61
Increase in Indian Bank Term Loan	(-)230.80	(-)77.00
Decrease in Sales Tax Deferred	(-)57.11	(-)49.73
Decrease in Inter corporate loan	(-)226.00	36.21
Net Increase in cash and cash equivalents	302.35	0.64
Cash and cash equivalents as at 1.4.2009	12.38	11.74
Cash and cash equivalents as at 31.3.2010	314.73	12.38

-ve sign before the figures represent cash outflows.

Previous year figures have been regrouped/rearranged wherever necessary.

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

Coimbatore
27.05.2010(Sd.) N. JAYCHANDER
Director-in-Charge(Sd.) A. DORAISWAMY
SecretaryAs per our report of even date
For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 0007715
(Sd.) SUGUNA RAVICHANDRAN
Partner
Membership No. 207893



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	: 181-000680	State Code	: 18
Balance Sheet Date	: 31.03.2010		

II Capital Raised during the year(Amount in Rs.Thousands)

Public Issue	: Nil	Rights Issue	: Nil
Bonus Issue	: Nil	Private Placement	: 85000

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	: 209337	Total Assets	: 209337
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Sources of Funds

Paid-up Capital	: 146040	Reserves & Surplus	: 45792
Secured Loans	: -	Unsecured Loans	: 17505

Application of Funds

Net Fixed Assets	: 41522	Investment	: -
Net Current Assets	: (-)9857	Misc.Expenditure	: 293
Accumulated Losses	: 177379		

IV Performance of Company(Amount in Rs.Thousands)

Turnover	: 25203	Total Expenditure	: 76777
Profit /Loss before tax	: 91347	Profit/Loss after setoff and tax	: 91347
Earnings per Share in Rs.	: 14.87	Dividend Rate % on Equity Shares	: Nil
		Dividend Rate % on Cumulative Redeemable Preference Shares	: 6%

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
a) 84462109	Weaving Machines-Shuttle type, Accessories and Spares
b) 84471211	Circular Knitting Machines, Accessories and Spares
c) 84660000	Parts and Accessories for Machine Tools including Work or Tool Holders and Accessories

Directors

(Sd.) S. PATHY
Chairman

(Sd.) R. SANTHARAM
Director

Coimbatore
27.05.2010

(Sd.) N. JAYCHANDER
Director-in-Charge

(Sd.) A. DORAISWAMY
Secretary

As per our report of even date
For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 0007715
(Sd.) SUGUNA RAVICHANDRAN
Partner
Membership No. 207893



Balance Sheet - Summary

Rs. in Lakhs

Year ended 31st March	2010	2009	2008	2007	2006	2005	2004	2003
Gross Block	2646.36	2612.95	2600.16	2551.15	2508.44	2492.81	3084.39	3022.67
Depreciation	2231.14	2206.51	2160.22	2091.81	2011.64	1918.46	2299.96	2230.88
Net Block	415.22	406.44	439.94	459.34	496.80	574.35	784.43	791.79
Investments	-	69.95	69.95	69.95	69.95	69.95	69.95	74.09
Current Assets	617.44	503.00	890.62	936.25	1596.69	1282.49	935.17	1147.76
Loans and Advances	62.11	96.87	106.12	117.50	115.38	127.66	121.98	119.61
Sub Total	1094.77	1076.26	1506.63	1583.04	2278.82	2054.45	1911.53	2133.25
Secured Loans	-	491.65	472.29	560.14	763.07	785.99	856.30	2047.17
Unsecured Loans	175.05	458.16	509.03	605.39	813.60	897.34	834.84	571.63
Current Liabilities and Provisions	778.12	1681.03	1998.38	1880.00	2503.00	2259.65	2164.50	2188.76
Sub Total	953.17	2630.84	2979.70	3045.53	4079.67	3942.98	3855.64	4807.56
Net Worth	141.60	(-)1554.58	(-)1473.07	(-)1462.49	(-)1800.85	(-)1888.53	(-)1944.11	(-)2674.31
Represented by Share Capital	1460.40	610.40	610.40	610.40	610.40	610.40	610.40	610.40
Reserves and Surplus	457.92	527.87	527.87	527.87	527.87	527.87	542.87	472.92
Miscellaneous Expenditure and Losses	(-)1776.72	(-)2692.85	(-)2611.34	(-)2600.76	(-)2939.12	(-)3026.80	(-)3097.38	(-)3757.63
Net Profit/Loss	925.23	(-)292.06	(-)25.00	297.86	47.71	11.86	47.39	(-)436.99



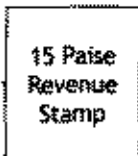
LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Registered Office:
686, AVANASHI ROAD, PAPPANAICKENPALAYAM
COIMBATORE - 641 037

FORM OF PROXY

I/We.....
of.....
in the district of.....
being a Member/Members of Lakshmi Automatic Loom Works Limited hereby appoint
..... of..... in the district
of..... or failing him..... of.....
in the district of..... as my/our Proxy
in my / our absence to attend and vote for me/us and on my/our behalf at the THIRTY SIXTH
ANNUAL GENERAL MEETING of the Company to be held at the Registered Office at 686, Avanashi
Road, Pappanaickenpalayam, Coimbatore - 641 037 on Monday, the 2nd day of August, 2010
at 4.15 P.M. and at any adjournment thereof.

Signed by the said.....



Date 2010

Shareholder's Code No.

- Note :**
1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
 2. A Proxy need not be a Member.
 3. A 15 Paise Revenue Stamp should be affixed to this and it should then be signed by the Member.
 4. The proxy must be deposited at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037 not less than 48 hours before the time for holding the meeting.

BOOK - POST

If undelivered please return to :



LAKSHMI AUTOMATIC LOOM WORKS LIMITED
686, AVANASHI ROAD
COIMBATORE - 641 037
TAMILNADU
INDIA