

**LAKSHMI
AUTOMATIC LOOM WORKS
LIMITED**



**38th ANNUAL REPORT
2011 - 2012**



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. SANTHARAM

Mr. SUDHIR SHARMA

Smt. AISHWARYA PATHY

Mr. R. VARADARAJAN

Mr. N. JAYCHANDER
Director-in-Charge

Company Secretary & V. P. - Finance

Mr. A. DORAISWAMY

Registered Office

686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641 037
Tamilnadu

Works

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

Other Engineering Services
100% EOU (Unit-2) and DTA (Unit-3)
Singarampalayam
Kinathukadavu - 642 109
Tamilnadu

Statutory Auditors

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

Bankers

INDIAN BANK

Registrars and Share Transfer Agents

S.K.D.C. Consultants Ltd
Kanapathy Towers, 3rd Floor,
1391/A1, Sathy Road,
Ganapathy, Coimbatore - 641 006
Telephone No.91-0422-2539835, 2539836 & 6549995
Email Id : info@skdc-consultants.com



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notice to Shareholders

Notice is hereby given that the Thirty Eighth Annual General Meeting of the shareholders of the Company will be held on Thursday the 9th day of August, 2012 at 4.30 P.M. 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 receive, consider and adopt the Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss 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 dividend on Preference Shares.
3. To appoint a Director in the place of **Sri V.B. Haribhakti** who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of **Sri N. Jaychander** who retires by rotation and being eligible offers himself for re-election.
5. To appoint M/s. N.R. Doraiswami & Co. Chartered Accountants as 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.

Special Business :

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.
“Resolved that Smt. Aishwarya Pathy, who was appointed as an Additional Director of the Company by the Board of Directors of the Company under Section 260 of the Companies Act, 1956, and the Articles of Association and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as

Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

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

“Resolved that Sri R.Varadarajan, who was appointed as an Additional Director of the Company by the Board of Directors of the Company under Section 260 of the Companies Act, 1956, and the Articles of Association and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

8. To consider and if thought fit, to pass the following resolution as a Special Resolution.

“Resolved that in accordance with the provisions under Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Sri N. Jaychander who retires by rotation at this Annual General Meeting and on his re-election be and is hereby appointed as Director-in-Charge of the Company for a period of two years from 30.10.2012 without any remuneration.”

By Order of the Board

Coimbatore

23.05.2012

(Sd.) A.Doraiswamy

Company Secretary

Note :

1. The Explanatory Statement in respect of item Nos. 6, 7 and 8 of the Agenda are enclosed.
2. The Register of Members of the Company will remain closed from 04.08.2012 to 09.08.2012 (both days inclusive).
3. No unpaid and unclaimed amounts as referred to in sub section (2) of section 205 C of the Companies Act, 1956, for a period of 7 years remain to be transferred by the Company to the Investor Education



and Protection Fund (IEPF) established by the Central Government.

4. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
5. Members are requested to communicate their change of address, if any, quoting their respective folios to the Company's Share Transfer Agent.
6. 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.
7. Disclosure pursuant to clause 49(G) of the listing agreement with respect to the Directors proposed to be re-appointed at the ensuing Annual General Meeting :

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 Companies :

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

COMMITTEE MEMBERSHIPS :

Name of the Committees :

Audit Committee :

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

Investors Grievance Committee :

1. Bajaj Electricals Ltd. - Member
 2. Tilak Nagar Industries Ltd. - Member
- Sri V.B. Haribhakti does not hold any Equity Shares in the Company.

Sri N. Jaychander is a Post Graduate in Business Administration and has intensive experience in various fields of management. He is currently the Vice President-Operations in The Lakshmi Mills Company Ltd. and has been associated with the Textile Industry for the past 24 years.

OTHER DIRECTORSHIPS : - Nil

COMMITTEE MEMBERSHIPS :

Name of the Committees :

Investors Grievance Committee :

1. Lakshmi Automatic Loom Works Ltd. - Member

Sri N. Jaychander is holding 1850 Equity Shares of Rs.10/- each of the Company.

Coimbatore
23.05.2012

By Order of the Board

(Sd.) A. Doraiswamy
Company Secretary



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Annexure to Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

For Ordinary Resolution under Item No. 6.

Smt. Aishwarya Pathy was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on 23rd May, 2012 and her term of Office expires with the conclusion of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956. A Notice under Section 257 of the Act, proposing the appointment of Smt. Aishwarya Pathy as a Director, liable for retirement by rotation has been received from a member together with the requisite deposit.

Smt. Aishwarya Pathy aged about 30 years is a BA graduate of the Wheaton College, Norton, MA (MASSACHUSETTS) and Int'l. Bacalaureate in Art History, Business and Organisation, Spanish.

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

OTHER DIRECTORSHIPS :

Name of the Companies :

1. Aloha Tours & Travels India Pvt. Ltd.
2. Balakumar Shipping & Clearing Agency Pvt. Ltd.
3. RSCL Properties Pvt. Ltd.
4. Prana Ayurveda Coimbatore Pvt. Ltd.
5. Argead Enterprises Pvt. Ltd.
6. Sans Craintes Power Pvt. Ltd.

Trustee

1. GV Memorial Trust
2. Neelaveni Thayarammal Memorial Trust

COMMITTEE MEMBERSHIPS : - NIL

Smt. Aishwarya Pathy is holding 454410 Equity Shares of Rs.10/- each of the Company.

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

Except Smt. Aishwarya Pathy and Sri. S. Pathy, no other Director is concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the Members.

For Ordinary Resolution under Item No.7

Sri R. Varadarajan, was appointed as Additional Director of the Company by the Board of Directors at its Meeting held on 23rd May, 2012 and his term of Office expires with the conclusion of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956. A Notice under Section 257 of the Act, proposing the appointment of Sri R. Varadarajan as a Director, liable for retirement by rotation has been received from a Member together with the requisite deposit.

Sri R. Varadarajan aged about 54 years holds Masters Degree in English literature and also in Business Management. Sri R. Varadarajan has been associated with Rajshree Sugars and Chemicals Limited since its inception in 1987 and is currently the Whole - Time Director of the Company. He has spearheaded the project team of Rajshree Sugars and Chemicals Limited through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of Power. He has vast experience in co-ordination and managing diverse activities in executing green field projects from strategic planning to technical and commercial operations.

OTHER DIRECTORSHIPS :

Name of the Companies :

1. Rajshree Sugars and Chemicals Ltd.
2. Trident Sugars Limited.
3. Sri Krishna Potable Products Private Limited.
4. Rajshree Biotech Private Limited.
5. COCCA Art & Design Institute Pvt. Ltd.
6. Petal Hotels Pvt. Ltd.



COMMITTEE MEMBERSHIPS :

Name of the Committees :

Audit Committee :

Trident Sugars Limited - Member

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

Sri R. Varadarajan is not related to any Director of the Company.

Except Sri R. Varadarajan, no other Director is concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the Members.

For Special Resolution under Item No.8

The Board of Directors have appointed Sri N. Jaychander as Director-in-Charge to carry out the executive responsibilities of the company subject to the superintendence, control and direction of the Board of Directors for a period of 3 years from 30th October 2009. Sri N. Jaychander retires by rotation at the ensuing Annual General Meeting and offers himself for re-election. The Board at its Meeting held on 23.05.2012 has appointed Sri N. Jaychander as Director-in-Charge on his

re-election at the ensuing Annual General Meeting to carryout the executive responsibilities subject to the superintendence, control and direction of the Board of Directors for a further period of two years from 30.10.2012. He will not be drawing any remuneration. Sri N. Jaychander is a Post Graduate in Business Administration and has intensive experience in various fields of Management.

He is currently the Vice President - Operations of The Lakshmi Mills Company Ltd.

The said appointment is being placed before the Members for their approval.

None of the Directors except Sri N. Jaychander is interested in the Resolution.

The proposed resolution under item No. 8 and the Explanatory Statement may be treated as abstract of the terms and conditions of appointment of Sri N. Jaychander as Director-in-Charge for the purpose of Section 302 of the Companies Act, 1956.

Coimbatore
23.05.2012

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



Report of the Board of Directors to the Shareholders

Your Directors submit their Thirty Eighth Annual Report together with the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended 31st March, 2012.

Financial Results

	2011-2012	2010-2011
	Rs. in Lakhs	
Sales and other Income	815.42	654.88
Profit before Depreciation and amortization Expenses	99.85	91.31
Depreciation and amortization Expenses	36.87	40.07
	62.98	51.24
Add : Exceptional items	55.55	41.30
	118.53	92.54
Deferred Tax	(9.65)	—
	128.18	92.54
Proposed dividend on 6% Cumulative Redeemable Preference Shares for the year ended 31.03.2011	51.00	—
Corporate Tax on Dividend	8.27	—
Net Profit / Loss (-)	68.91	92.54
Add : Balance from the Previous year	(-)1681.25	(-)1773.79
Balance Carried Over	(-)1612.34	(-)1681.25

The operations during the year have resulted in a net profit of Rs.128.18 Lakhs after providing for depreciation of Rs.36.54 Lakhs.

Weaving Machinery and Spares - (Unit 1)

The sale of Weaving Machines and Accessories and Spares during the year was Rs.161.90 Lakhs against Rs.273.57 Lakhs in the previous year.

The demand for 'C' type Shuttle Weaving Machines during the year declined due to availability of used Weaving Machines as well as increased use of shuttleless Weaving Machines on account of the technological advantages.

In the absence of orders for machines, the Company's operations were limited to manufacture of accessories and spares of Weaving Machines. The income generated

on renting out of surplus Building space during the year was Rs.180.79 Lakhs.

Other Engineering Services - (Unit 2 & 3)

The deemed export of parts for Machine Tools including Tool Holders during the year was Rs.363.68 Lakhs against Rs.154.24 Lakhs in the previous year. The sale of parts and job work undertaken during the year was Rs.21.66 Lakhs against Rs.62.64 Lakhs in the previous year.

Current Industrial Trend

The use of shuttleless weaving machines both by the organised and unorganised sectors of the Weaving Industry has been increasing. The import of used and new shuttleless weaving machines is continuing.

The development of a suitable indigenous shuttleless weaving machine was hampered due to technoeconomic viability.



Implementation of the Scheme sanctioned by BIFR

The Company is implementing the scheme sanctioned by the BIFR and will be completed by the current year ending 31.03.2013. On the networth becoming positive as on 31.03.2010 the Company has been discharged from the purview of the BIFR as per its order dated 14.07.2010.

Dividend

The Directors have recommended arrears of dividend on the 6% Cumulative Redeemable Preference Shares for the year ended 31.03.2011 absorbing a sum of Rs.59,27,348 and the dividend for the year is deferred to maintain liquidity. No dividend on the Equity shares for the year has been recommended due to carry forward losses.

Directors

Sri Milind M. Shahane resigned his Directorship on 10.02.2012 in view of his other commitments and in the causal vacancy caused Sri Sudhir Sharma has been appointed as a Director by the Board of Directors at their Meeting held on 10.02.2012.

The Board has placed on record the valuable services rendered and the co-operation extended by Sri Milind M. Shahane during the tenure of his Office as a Director.

Smt. Aishwarya Pathy has been appointed as an Additional Director of the Company with effect from 23rd May, 2012.

Sri R. Varadarajan has been appointed as an Additional Director of the Company with effect from 23rd May, 2012.

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 V.B. Haribhakti
2. Sri N. Jaychander

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of the information furnished by the Company's Officers and the Auditors, the Directors state that :

- i) In the preparation of the Statement of Profit and Loss for the year ended 31st March, 2012 and the Balance Sheet as on that date, all the applicable accounting standards have been followed.
- ii) Accounting Policies, that are reasonable and prudent, have been selected and applied consistently so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for the year ended 31st March, 2012.
- iii) The accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the company as also for preventing and detecting fraud and other irregularities, have been properly maintained and
- iv) The Statement of Profit and Loss and Balance Sheet have been prepared on a going concern basis.

AUDITORS

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

By Order of the Board

Coimbatore
23.05.2012

(Sd.) S. Pathy
Chairman



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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, 2012.

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 :
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 and better after sales service.
3. Future Plan of Action :
 - a) Export of Spares for Weaving Machines
 - 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 products 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. 1.30 Lakhs

Total Foreign Exchange earned by the Company during the year. Rs. 386.08 Lakhs

Coimbatore
23.05.2012

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



Management Discussions and Analysis Report

I. Industry Structure and developments :

A. Weaving Machinery and Spares (Unit 1)

The indigenous weaving industry consists of organised and unorganised sectors. The organised Sector, mainly composite weaving mills who were opting for automatic high speed shuttle weaving machines like 'C' type have switched over to shuttleless weaving machines like Rapier and Airjet due to technological advantages. The unorganised sector, mainly power loom clusters who were using plain and automatic looms have also gone for shuttleless weaving machines on account of the availability of used machines at affordable prices and also due to scarcity of labour.

B. Other Engineering Services (Unit 2 & 3) :

The parts for Machine Tools consist of large variety of small parts requiring high precision, the production of which is cost intensive. The international demand for Machine Tool parts and Tool holders is fluctuating and thereby the order inflow is not steady.

II. Opportunities and threats :

A. Weaving Machinery and Spares :

The more and more application of shuttleless technology particularly Rapier and Airjet weaving machines with consequent advantages in higher production and saving in labour have affected the market for 'C' type shuttle weaving machines. The availability of used weaving machines at lower prices has further eroded the demand for new shuttle weaving machines.

B. Other Engineering Services (Unit 2 & 3) :

The deemed export of parts for Machine Tools including Tool holders has increased during the year in spite of the prices having been highly competitive.

III. Segmentwise or Productwise performance

Weaving Machinery and Spares (Unit 1) :

The sale of Weaving Machines and accessories and spares for the year ended 31.03.2012 was Rs.161.90 Lakhs. The rental income earned during the year on letting out of the Buildings was Rs.180.79 Lakhs. The Unit has earned a net profit of Rs.77.26 Lakhs for the year ended 31.03.2012.

Other Engineering Services (Unit 2 & 3) :

The export of Parts for Machine Tools including Tool holders during the year was Rs.363.68 Lakhs. The sale of parts and the income earned by undertaking job work during the year was Rs.21.66 Lakhs. The profit earned by the Units during the year ended 31.03.2012 was Rs.50.92 Lakhs.

IV. Outlook :

The Company's revenue will mainly consist of rental income on Buildings in Hosur. Steps are being taken to augment the revenue in Unit 2 & 3 by diversification of products.

V. Risks and Concerns :

The demand for the Company's 'C' type automatic weaving machines has fallen due to the preference by the user industry for shuttleless weaving machines. The development of a suitable shuttleless weaving machine was hampered due to technoeconomic viability as well as import of both used and new Shuttleless Weaving Machines.

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 :

The Company is implementing the Scheme sanctioned by the BIFR. The network becoming positive as on 31.03.2010, the Company was discharged from the purview of the BIFR. The operations of the Company for the year ended 31.03.2012 have resulted in a net profit of Rs.128.18 Lakhs.

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

The operations in Unit 1 being limited to manufacture of accessories and spares, the strength of labour has been reduced. The relations with labour was cordial during the year. The number of permanent employees on Roll as on 31.03.2012 were 46.



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	-	-
2.	Sri V.B. Haribhakti	Non-Executive Independent	-	6	4	4
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 Sudhir Sharma	Non-Executive Independent	-	-	-	-
6.	Smt. Aishwarya Pathy	Non-Executive	Sri S. Pathy's daughter	-	-	-
7.	Sri R. Varadarajan	Non-Executive Independent	-	2	1	-
8.	Sri N. Jaychander	Executive Director-in-Charge	-	-	1	-

Sri Sudhir Sharma was appointed as a Director of the Company with effect from 10.02.2012 in the casual vacancy caused by the resignation of Sri Milind M.Shahane.

Smt. Aishwarya Pathy and Sri R.Varadarajan were appointed as Additional Directors of the Company with effect from 23.05.2012.

* 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 :

4 Board Meetings were held on **30.05.2011**, **11.08.2011**, **03.11.2011** and **10.02.2012**, during the period from 1st April, 2011 to 31st March, 2012. 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, 2012 :

Sl. No.	Directors	Board Meeting	Audit Committee	Shareholders/ Investors Grievance Committee	Last AGM Attended (Yes / No)
1.	Sri S.Pathy	4	–	–	Yes
2.	Sri V.B.Haribhakti	4	4	–	Yes
3.	Sri R.Santharam	4	4	1	Yes
4.	Sri R.C.H.Reddy	3	3	1	Yes
5.	Sri Milind Madhav Shahane	3	–	–	Yes
6.	Sri S.Venkataraman*	-	1	–	No
7.	Sri Sudhir Sharma	1	–	–	No
8.	Sri N.Jaychander	4	–	1	Yes

* Resigned on 30.05.2011

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	8,000/-	4,67,944
2.	Sri V.B. Haribhakti	16,000/-	Nil
3.	Sri R. Santharam	18,000/-	Nil
4.	Sri R.C.H. Reddy	14,000/-	594
5.	Sri Milind Madhav Shahane	6,000/-	Nil
6.	Sri S. Venkataraman	2,000/-	Nil
7.	Sri Sudhir Sharma	2,000/-	Nil
8.	Sri N. Jaychander	10,000/-	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 as its members :

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

Sri A. Doraiswamy, Company Secretary and VP - Finance 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 4 times during the financial year ended 31st March, 2012.



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 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 and VP - Finance is the Compliance Officer.

During the year 12 letters / complaints were received from the investors which were replied / resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31.03.2012 was Nil. The Committee has met once during the financial year ended 31st March, 2012.

Share Transfer Committee :

The Share Transfer Committee consists of 3 Members of the Board of Directors and 2 Members representing the Registrars and Transfer Agents. The committee has met 14 times during the financial year ended 31st March, 2012.

General Body Meetings :

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

Location	Day	Date	Time
Registered Office : 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037	Monday	20.07.2009	3.30 P.M.
- Do -	Monday	02.08.2010	4.15 P.M.
- Do -	Monday	11.08.2011	4.30 P.M.

Special Resolutions passed during the previous three Annual General Meetings :

A Special Resolution was passed at the Annual General Meeting held on 20.07.2009 for the re-appointment of Director-in-Charge of the Company.

Five 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.

Non Mandatory requirements :

The Company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.

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

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 2011-12 has been affirmed by the Director-in-Charge (CEO).

Means of Communication :

The quarterly results are published in leading news papers viz. Financial Express (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 : Thursday the 9th August, 2012
Time : 4.30 P.M.
Venue : Registered Office: 686, Avanashi Road,
Pappanaickenpalayam, Coimbatore - 641 037.

Financial Calendar

Financial Year : 2011 - 2012
Results announced : 23.05.2012
Posting of Annual Reports : On or before 16.07.2012
Last date of receipt of Proxy Form : 07.08.2012
Announcement of Quarterly Results : August 2011, November 2011, February 2012
and May 2012
Date of Book Closure : 04.08.2012 to 09.08.2012 (both days inclusive)
Dividend Payment Date : On 6% Cumulative Redeemable Preference Shares :
on or before 07.09.2012
On Equity Shares : No dividend recommended
Listing on Stock Exchanges : The Equity Shares of the Company are listed in
Bombay Stock Exchange Ltd.
Payment of listing Fees : Annual Listing Fees for the year 2012-13 has been paid
by the Company.
Stock / Scrip Code : 505302

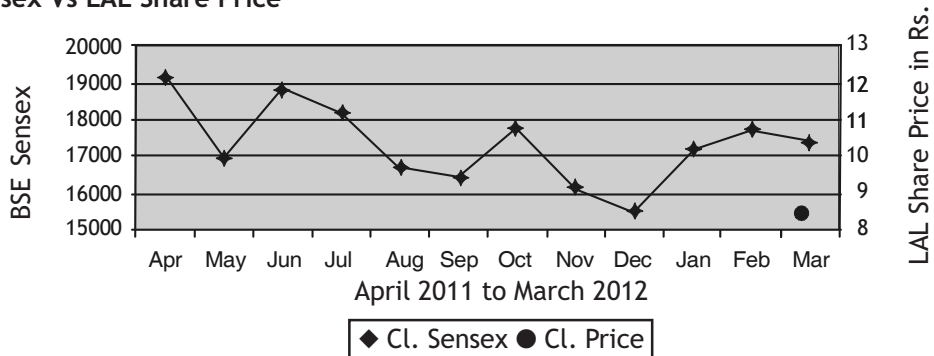
Market Price Data :

The shares were quoted once in the month of March in the last financial year in Bombay Stock Exchange with High and Low at Rs.8.55.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX BSE Sensex Vs LAL Share Price



Registrars and Share Transfer Agents :

(For Shares held in both Physical and Demat mode)

S.K.D.C. Consultants Ltd

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

Telephone No.91-0422-2539835, 2539836 & 6549995

Email Id : info@skdc-consultants.com

Share Transfer System :

The physical share transfers are processed and the share certificates are returned within a period of 30 days from the date of receipt if documents are in order and on approval by the Share Transfer Committee.

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

Distribution of Shareholding as on 31.03.2012 :

Range	No. of Equity Shareholders	No. of Equity Shares of Rs.10/- each held	% of Shareholding
1 – 5000	8927	780976	12.79
5001 – 10000	4	26836	0.44
10001 – 20000	6	86666	1.42
20001 – 30000	1	30000	0.49
30001 – 40000	1	38966	0.64
40001 – 50000	1	50000	0.82
100001 and above	14	5090544	83.40
Total	8954	6103988	100.00



Categories of Equity Shareholders as on 31.03.2012 :

Sl. No.	Category	No. of Share holders	No. of Shares	% of Share holding	Shares pledged
A.	PROMOTERS HOLDING				
1.	Promoters :				
	– Indian Promoters	9	1572874	25.77	Nil
	– Foreign Promoters	Nil	Nil	Nil	Nil
2.	Persons acting in concert	Nil	Nil	Nil	Nil
	Sub Total	9	1572874	25.77	
B.	NON-PROMOTERS HOLDING				
	– Institutional Investors	Nil	Nil	Nil	NA
	– Mutual Funds & UTI	Nil	Nil	Nil	NA
	– Banks, Financial Institutions	2	23000	0.38	NA
	– Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	7	1400186	22.94	NA
	Sub Total	9	1423186	23.32	
C.	FOREIGN INSTITUTIONAL INVESTORS (FIIs)	Nil	Nil	Nil	NA
	Sub Total	Nil	Nil	Nil	
D.	OTHERS :				
	– Bodies Corporate	43	2277953	37.32	NA
	– Indian Public	8757	679345	11.12	NA
	– NRIs	136	150630	2.47	NA
	– Any other	Nil	Nil	Nil	NA
	Sub Total	8936	3107928	50.91	
	Grand Total	8954	6103988	100.00	

Dematerialisation of Shares :

There are 8954 shareholders holding 6103988 Equity Shares of the Company. 6489 shareholders are holding shares in less than marketable lots of 50 shares.

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

As on 31.03.2012, 2717258 Equity shares were dematerialized representing 44.52% of the total paid up Equity share capital of the Company.

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 AND SPARES (UNIT 1)
HOSUR INDUSTRIAL COMPLEX
HOSUR - 635 126

OTHER ENGINEERING SERVICES (UNIT 2 & 3)
SINGARAMPALAYAM, KINATHUKADAVU POST
POLLACHI TALUK, COIMBATORE - 642 109



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Address for Correspondence :

All correspondence from shareholders should be addressed to :-

THE COMPANY SECRETARY

LAKSHMI AUTOMATIC LOOM WORKS LTD

REGISTERED OFFICE : 686, 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

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company and the same has also been posted in the Company's website and that all the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct for the financial year ended 31.03.2012.

Coimbatore
23.05.2012

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

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

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 2012, 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 condition of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange for the year ended 31st March 2012.

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
23.05.2012

For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 000771S
(Sd.) Suguna Ravichandran
Partner
Membership No. 207893



CEO & CFO CERTIFICATE

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

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

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

- a) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March, 2012 and that to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2012 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or prepared to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee :
 - i) Significant changes, if any, in internal control over financial reporting during the year;
 - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements and
 - iii) that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore
23.05.2012

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

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



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, 2012 and also the Statement of Profit and Loss 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) Amendment Order, 2004 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - 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, 2012; and



b) in the case of Statement of Profit and Loss, 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. 000771S

(Sd.) **Suguna Ravichandran**
Partner
Membership No. 207893

Coimbatore
23.05.2012

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.
- iii) The Company has neither taken nor granted any loans or advances in the nature of loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery/repayment of overdue amounts of such loans are taken, does not arise.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

- 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) The Company's (cost accounting record) Rules 2011 is applicable and the company is required to file the compliance report in the prescribed form duly certified by a Cost Accountant in respect of the financial year commencing from 01.04.2011, on or before 30.09.2012. We have been informed that the company is in the process of obtaining the same.
- 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 2012 for a period of more than six months from the date they became payable.
- 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 and cess which have not been deposited on account of any dispute, except as under :

Name of Statute	Nature of Dues	Amount Rs. in Lakhs	Period to which the amount related	Forum where dispute is pending
Central Excise Act / Service Tax Act	Service Tax	8.86	2006 - 2008	Additional Commissioner, Coimbatore
	-do-	1.35	2008 - 2012	Assistant Commissioner, Hosur
	-do-	0.46	2007 - 2009	-do-

- x) The accumulated losses of the Company at the end of the financial year ended 31.03.2012 are in excess of 50% of its net worth. The Company has not incurred any cash losses during the financial year



- covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and as such reporting under clause (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) According to the records of the Company, the Company has not obtained any term loans. Hence, the question of commenting on the utilization of such term loans does not arise.
- xvii) On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised 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.

Coimbatore
23.05.2012

For N.R. DORAISWAMI & CO
Chartered Accountants
Regn. No. 000771S
(Sd.) Suguna Ravichandran
Partner
Membership No. 207893



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Balance Sheet as at 31st March, 2012

Particulars	Note No.	31.03.2012		31.03.2011	
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds :					
a) Share Capital	1		1460.40		1460.40
b) Reserves and Surplus	2		(-)1154.42		(-)1223.33
Total Shareholder's Funds			<u>305.98</u>		<u>237.07</u>
(2) Non - Current Liabilities :					
a) Long - term borrowings	3		73.74		73.74
b) Other Long Term Liabilities			527.74		575.62
c) Long - term provisions			35.83		45.52
			<u>637.31</u>		<u>694.88</u>
(3) Current Liabilities :					
a) Short - term borrowings	4		4.09		11.95
b) Trade payables			7.72		23.49
c) Other current liabilities			63.70		98.40
d) Short - term provisions			77.51		13.56
			<u>153.02</u>		<u>147.40</u>
TOTAL			<u>1096.31</u>		<u>1079.35</u>
II ASSETS					
(1) Non - Current Assets :					
Fixed Assets :					
(i) Tangible assets	5		453.39		375.78
(ii) Capital work-in-progress			9.53		68.53
(iii) Deferred Tax Assets (Net)			9.65		-
(iv) Long - term loans and advances			36.52		28.78
(v) Other non-current assets			14.42		27.66
(vi) Intangible Assets	6		2.28		2.61
(2) Current Assets :					
a) Inventories	7	178.72		259.42	
b) Trade Receivables		63.24		64.88	
c) Cash and cash equivalents		277.19		201.40	
d) Other Current Assets		28.81		23.80	
e) Loans and Advances		<u>22.56</u>		<u>26.49</u>	
			<u>570.52</u>		<u>575.99</u>
TOTAL			<u>1096.31</u>		<u>1079.35</u>

Note : Note 1 to 7 and Significant accounting policies and Notes to Profit and Loss Statement and Balance Sheet form part of this Balance Sheet

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

Coimbatore
23.05.2012

(Sd.) N. JAYCHANDER

Director-in-Charge

(Sd.) A. DORAISWAMY

Secretary and
Vice President-Finance

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

Regn. No. 000771S

(Sd.) SUGUNA RAVICHANDRAN

Partner

Membership No. 207893



Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No.	31.03.2012 Rs. in Lakhs	31.03.2011 Rs. in Lakhs
Income :			
I Revenue from operations	8	548.92	492.38
II Other income	9	266.50	162.50
III Total Revenue (I+II)		<u>815.42</u>	<u>654.88</u>
IV Expenses :			
Cost of materials consumed	10	192.23	191.50
Purchase of machines traded		—	14.57
Changes in inventories of finished goods, work in progress and stock in trade	11	74.89	(-)37.72
Employee benefits expenses	12	189.82	187.88
Finance cost	13	1.40	1.34
Depreciation and amortisation expenses		36.87	40.07
Other expenditure	14	257.23	206.00
Total Expenses		<u>752.44</u>	<u>603.64</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		62.98	51.24
VI Exceptional items	15	55.55	41.30
VII Profit before extraordinary items and tax (V-VI)		118.53	92.54
VIII Extraordinary Items		—	—
IX Profit before tax (VII-VIII)		118.53	92.54
X Tax expense :			
(1) Current tax		—	—
(2) Deferred tax		(9.65)	—
XI Profit (Loss) for the year (IX-X)		<u>128.18</u>	<u>92.54</u>
XII Earnings per equity share :			
(1) Basic		1.13	1.52
(2) Diluted		1.13	1.52

Note : Note 8 to 15 and Significant accounting policies and Notes to Profit and Loss Statement and Balance Sheet form part of this Profit and Loss Statement.

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

(Sd.) N. JAYCHANDER

Director-in-Charge

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

Regn. No. 0007715

(Sd.) A. DORAISWAMY

Secretary and

Vice President-Finance

(Sd.) SUGUNA RAVICHANDRAN

Partner

Membership No. 207893

Coimbatore
23.05.2012



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the Balance Sheet

	31.03.2012		31.03.2011	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
NOTE 1 : SHARE CAPITAL				
Authorised :				
65,00,000 Equity Shares of Rs.10/- each		650.00		650.00
9,00,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each		900.00		900.00
		<u>1550.00</u>		<u>1550.00</u>
Issued, Subscribed and fully Paid-up :				
61,03,988 Equity Shares of Rs.10/- each fully paid up		610.40		610.40
8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each		850.00		850.00
		<u>1460.40</u>		<u>1460.40</u>
NOTE 2 : RESERVES AND SURPLUS				
Securities Premium Reserve :				
As per last Balance Sheet		457.92		457.92
Other Reserves :				
Surplus :				
Net Profit transferred from statement of Profit and Loss	128.18		92.54	
Appropriations :				
Proposed Dividend on Preference Shares	51.00		-	
Dividend Tax	8.27		-	
	<u>68.91</u>		<u>92.54</u>	
Debit balance in Profit and Loss Account brought forward from previous year				
	(-)1681.25		(-)1773.79	
Negative closing balance				
		(-)1612.34		(-)1681.25
		<u>(-)1154.42</u>		<u>(-)1223.33</u>
NOTE 3 : NON-CURRENT LIABILITIES				
a) Long - term borrowings				
UNSECURED LOANS				
Agency Deposit		10.00		10.00
Interest accrued and due		63.74		63.74
		<u>73.74</u>		<u>73.74</u>
b) Other Long - term liabilities				
Trade Payables		202.13		235.67
Others :				
Liabilities for Capital Expenditure		1.96		2.40
Liabilities for other finance		135.40		119.25
Liabilities for expenses		133.14		141.23
Advance received for supply of goods		55.11		77.07
		<u>527.74</u>		<u>575.62</u>



Notes to the Balance Sheet

	31.03.2012	31.03.2011
	Rs. in Lakhs	Rs. in Lakhs
NOTE 3 : NON-CURRENT LIABILITIES (CONTD.)		
c) Long - term provisions		
Provision for employee benefits :		
(i) Provision for Gratuity	27.52	32.49
(ii) Provision for leave encashment	8.31	13.03
Total	<u>35.83</u>	<u>45.52</u>
NOTE 4 : CURRENT LIABILITIES		
a) Short - term borrowings		
Secured Loans		
(a) Loans repayable on demand		
From Banks :		
Working Capital Borrowings :		
Open Loan	4.09	11.95
b) Trade payables		
(i) Due to micro,small and medium enterprises	0.12	-
Due to others	<u>7.60</u>	<u>23.49</u>
	7.72	23.49
(ii) Others		
Liabilities for Capital Expenditure	1.85	24.80
Liabilities for Other Finance	17.56	34.57
Liabilities for Expenses	44.29	39.03
Total	<u>63.70</u>	<u>98.40</u>
c) Short - term provisions :		
a) Provision for employee benefits		
Provision for Gratuity	6.88	3.59
Provision for leave encashment	1.65	1.07
Provision for Bonus	9.71	8.90
b) Others		
Proposed Dividend on Preference Shares	51.00	-
Corporate Tax on Dividend	8.27	-
Total	<u>77.51</u>	<u>13.56</u>



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the Balance Sheet

NOTE 5 : FIXED ASSETS

(Rs. in Lakhs)

Sl. No.	Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2011	Additions	Sales/ Adjustments	As at 31.03.2012	As at 01.04.2011	For the year	With-drawn	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
i)	Tangible Assets										
1	Land										
	Free hold	28.04			28.04					28.04	28.04
	Lease hold	1.12			1.12					1.12	1.12
2	Buildings	620.13	45.19		665.32	319.15	17.65		336.80	328.52	300.98
3	Plant and Equipment	1707.25	0.44	59.22	1648.47	1611.58	14.94	59.17	1567.35	81.12	95.67
4	Vehicles	28.83			28.83	14.18	2.41		16.59	12.24	14.65
5	Furniture & Fixtures	84.04			84.04	81.56	0.71		82.27	1.77	2.48
6	Others										
	(i) Technical Know-how	187.79			187.79	187.78	0.01		187.79		0.01
	(ii) Computer Equipments	35.85	0.04		35.89	34.49	0.82		35.31	0.58	1.36
	(iii) Library	0.93			0.93	0.93			0.93		
	Total	2693.98	45.67	59.22	2680.43	2249.67	36.54	59.17	2227.04	453.39	444.31
	(previous year figures)	2646.36	0.30	21.21	2625.45	2231.14	39.74	21.21	2249.67	375.78	415.22
ii)	Capital work- in - progress		9.53		9.53					9.53	
	(previous year figures)		68.53		68.53					68.53	

31.03.2012
Rs. in Lakhs

31.03.2011
Rs. in Lakhs

iii) Deferred Tax Asset (Net)	9.65	–
iv) Long - term Loans and Advances :		
(Unsecured-considered good-recoverable in cash or in kind)		
Advance for Purchases	1.99	2.02
Advance for Others	2.46	4.71
Advance for Central Excise	8.51	9.23
Deposits	7.86	7.56
Income Tax Deducted at Source	15.70	5.26
Total	<u>36.52</u>	<u>28.78</u>



Notes to the Balance Sheet

		31.03.2012		31.03.2011	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
v) Other Non-current Assets					
(i) Long Term Trade Receivables :					
Unsecured considered good		4.94			13.85
Unsecured considered doubtful	9.32		2.57		
Less : Provision for doubtful debts	9.32		0.45		2.12
		4.94			15.97
ii) Other Non-Current Assets :					
Interest accrued and other receivables		9.48			11.69
Total		14.42			27.66
NOTE 6 : INTANGIBLE ASSETS					
Share Issue Expenses		2.28			2.61
Total		2.28			2.61
NOTE 7 : CURRENT ASSETS					
a) Inventories :					
i) Raw Materials		37.43			43.61
ii) Components		58.79			58.48
iii) Work-in-progress		24.49			75.08
iv) Finished Goods		24.34			48.64
v) Stock of Stores, Tools and Machinery Spares		33.67			33.61
(Valued at cost or Net realisable value whichever is less as per Inventories certified by the Director-in-charge)					
Total		178.72			259.42
b) Trade Receivables :					
Unsecured considered good :					
Outstanding for more than six months	1.66		3.23		
Others	61.58	63.24	61.65		64.88
Total		63.24			64.88
c) Cash and cash equivalents :					
(i) Cash with Banks :					
In Current Accounts		8.64			7.42
In Deposit Accounts		263.10			188.97
Other Bank Balance		4.78			4.78
(in deposit account as margin money)					
(ii) Cash on hand		0.61			0.16
(iii) Stamps and Stamp Papers on hand		0.06			0.07
Total		277.19			201.40



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the Balance Sheet

	31.03.2012	31.03.2011
	Rs. in Lakhs	Rs. in Lakhs
d) Other Current Assets :		
Interest accrued and other receivables	28.81	23.80
Total	28.81	23.80
e) Loans and Advances :		
(Unsecured-considered good-recoverable in cash or in kind)		
Advance for Capital Expenditure	2.43	0.69
Advance for Purchases	0.97	3.77
Advance for Staff	1.93	0.99
Advance for others	0.56	0.40
Advance for Central Excise	7.91	8.99
Prepaid Expenses	3.21	2.13
Income Tax Deducted at Source	5.55	9.52
Total	22.56	26.49
Total	570.52	575.99

Notes to Statement of Profit and Loss

NOTE 8 : REVENUE FROM OPERATIONS

Sale of Weaving Machines	39.22	136.91
Sale of Parts and Accessories for Machine Tools	363.68	154.24
Sale of Accessories & Spares	118.86	191.42
Sale of Components	35.17	27.45
Fabrication Charges	8.02	4.76
	564.95	514.78
LESS :		
Excise Duty	12.85	16.84
Sales Tax	4.96	6.37
	547.14	491.57
Sale of other items	1.78	0.81
Total	548.92	492.38

NOTE 9 : OTHER INCOME

Realisation of Scrap	41.35	16.43
Sale of Consumables	-	0.12
Interest Receipts (TDS Rs.1.27 Lakhs)	15.22	11.13
Miscellaneous income	9.37	2.46
Rent Receipts(TDS Rs. 4.61 Lakhs)	180.79	114.59
Net gain on foreign currency transactions	6.95	5.56
Security Deposit Forfeiture	12.82	12.21
Total	266.50	162.50



Notes to Statement of Profit and Loss

		31.03.2012		31.03.2011
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
NOTE 10 : COST OF MATERIALS CONSUMED				
Opening Stock :				
Raw Materials	43.61		35.89	
Components	<u>58.48</u>	102.09	<u>65.98</u>	101.87
ADD: Purchases				
Raw Materials		151.80		142.88
Components		34.55		48.84
	(A)	<u>288.44</u>		<u>293.59</u>
Closing Stock :				
Raw Materials		37.42		43.61
Components		58.79		58.48
	(B)	<u>96.21</u>		<u>102.09</u>
	(A-B)	<u>192.23</u>		<u>191.50</u>
NOTE 11 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS				
Opening Stock of Finished Goods		48.64		48.56
Opening work-in-progress		75.08		37.44
	(A)	<u>123.72</u>		<u>86.00</u>
Closing Stock of Finished Goods		24.34		48.64
Closing work-in-progress		24.49		75.08
	(B)	<u>48.83</u>		<u>123.72</u>
	(A-B)	<u>74.89</u>		<u>(-)37.72</u>
NOTE 12 : EMPLOYEE BENEFITS EXPENSES				
Salaries and Wages		164.50		169.33
Contribution to Provident Fund, Gratuity, etc		7.50		7.02
Staff and Labour Welfare Expenses		17.82		11.53
	Total	<u>189.82</u>		<u>187.88</u>
NOTE 13 : FINANCE COST				
Interest Expenses		1.40		1.34
	Total	<u>1.40</u>		<u>1.34</u>



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to Statement of Profit and Loss

	31.03.2012 Rs. in Lakhs	31.03.2011 Rs. in Lakhs
NOTE 14 : OTHER EXPENDITURE		
Material Fabrication and Machinery Hire Charges	29.92	34.66
Power and Fuel	49.98	34.07
Consumption of Stores and Spares	42.92	24.21
Repairs to Building	22.89	24.66
Repairs to Machinery	17.69	8.61
Repairs to Furniture and Equipment	1.86	1.49
Printing and Stationery	3.06	2.56
Postage and Telephone	6.82	3.64
Travelling and Maintenance of Motor Vehicles	23.98	22.57
Bank Charges and Filing Fees	6.92	1.61
Advertisement, Subscription and Exhibition	3.47	4.34
Insurance	1.41	2.49
Rates and Taxes	2.53	4.92
Sales Commission	6.92	9.37
Sales Expenses	0.55	0.36
Export Expenses	1.15	2.45
Directors' Sitting Fees	0.76	0.76
Auditors' Remuneration	0.83	0.92
Legal and Professional Charges	10.87	7.87
Water Charges	0.04	0.27
Erection and Commissioning Charges	—	2.98
Rent	2.77	2.70
Miscellaneous Expenses	5.85	4.04
ISO Expenses	0.72	—
Transport Vehicle Hire Charges	4.45	4.45
Provision for Doubtful Debts	8.87	—
Total	<u>257.23</u>	<u>206.00</u>
NOTE 15 : EXCEPTIONAL ITEMS		
Excess provision for interest withdrawn	—	67.16
Profit on Sale of Assets	55.55	5.23
	<u>55.55</u>	<u>72.39</u>
Less : VRS Payment	—	31.09
	<u>55.55</u>	<u>41.30</u>

Signature to Note 1 to 15

Directors

(Sd.) S. PATHY

Chairman

(Sd.) R. SANTHARAM

Director

(Sd.) N. JAYCHANDER

Director-in-Charge

(Sd.) A. DORAISWAMY

Secretary and
Vice President-Finance

As per our report of even date

For N.R. DORAISWAMI & CO

Chartered Accountants

Regn. No. 0007715

(Sd.) SUGUNA RAVICHANDRAN

Partner

Membership No. 207893

Coimbatore
23.05.2012



Significant Accounting Policies and Notes to Statement of Profit and Loss for the year ended 31st March, 2012 and Balance Sheet as at 31st March, 2012

A. SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting :

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

2. Fixed Assets :

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

3. Investments :

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

4. Valuation of Inventories :

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

5. 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 statement of profit and loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference adjusted as income or expense in the statement of profit and loss.

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

6. Depreciation :

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

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

7. Recognition of Revenue :

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized when invoiced / upon completion of work based on confirmed contracts. Dividend from Investments and Export Incentives under Duty drawback scheme are recognized when the right to receive payment / credit is established and no



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

significant uncertainty as to measurability or collectability exists.

8. Borrowing cost :

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

9 Earnings per Share :

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

10. Employee Benefits :

Provision for gratuity and Leave encashment are made as per actuarial valuation at the end of the year as per AS15 (revised) of The Institute of Chartered Accountants of India.

11. Taxes on Income :

- a. Current tax liability on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment / appeals.
- b. Deferred tax is 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.
- c. 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.

12. Provisions, contingent liabilities and contingent assets :

Contingent liabilities are not recognized but are disclosed in the notes to financial

statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

13. Cash Flow Statements :

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

14. Impairment of assets :

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

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

15. Segment Reporting :

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

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



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

	31.03.2012		31.03.2011	
	Rs. in Lakhs		Rs. in Lakhs	
1. I. Raw Materials Consumed :				
a) Iron and Steel		207.63 *		97.04 *
b) Non-metallic items etc.		0.94		0.48
II. Components Consumed:				
(Buffer head, reeds, motor, bearings, Rings, washers, bushes, springs, etc.,)				
a) Components - Indigenous		34.08		54.23
b) Components - Imported		0.17		2.11
* Net of work-in-progress stock adjustment.				
2 A. Value of Imports (C.I.F) :				
a) Raw Materials		Nil		Nil
b) Components		0.41		Nil
c) Consumable Stores		Nil		Nil
d) Capital Goods		Nil		Nil
B. Expenditure in Foreign Currency :				
Travelling Expenses		0.89		0.99
	Rs. in Lakhs	% to total consumption	Rs. in Lakhs	% to total consumption
C. Consumption :				
a) Raw Materials - Imported	-	-	-	-
b) Components - Imported	0.17	0.07	2.11	1.37
c) Raw Materials - Indigenous	208.57	85.89	97.52	63.38
d) Components - Indigenous	34.08	14.04	54.23	35.25
Total	242.82	100.00	153.86	100.00
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		136		136
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		386.08		318.40
3. Remuneration to Auditors :				
a) Audit Fees		0.50		0.50
b) Other Fees :				
For Taxation Matters		-		-
For Other Services		0.33		0.15
For Management Services		-		0.25
For Reimbursement of Expenses		-		0.02
Total		0.83		0.92



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

	31.03.2012		31.03.2011	
	Rs. in Lakhs		Rs. in Lakhs	
	Gratuity (Unfunded)	Leave encashment (Unfunded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
4. Defined Benefit Plans				
A. Expense recognised during year ended 31.03.2012				
1. Current Service Cost	1.74	3.90	1.83	0.25
2. Interest Cost	2.74	1.08	3.44	1.32
3. Expected return on plan assets	—	—	—	—
4. Actuarial Losses / (Gains) during the year	(2.57)	(8.04)	(0.32)	(2.83)
5. Total Expense	1.91	(3.06)	4.95	(1.26)
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 31.03.2012	34.40	9.96	36.08	14.10
2. Fair value of plan assets as on 31.03.2012	—	—	—	—
3. Difference	34.40	9.96	36.08	14.10
4. Unrecognised past service cost	—	—	—	—
5. Liability recognised in the Balance Sheet	34.40	9.96	36.08	14.10
D. Change in Present value of the obligation during the year ended 31.03.2012				
1. Present value of the obligation as at 01.04.2011	36.08	14.10	55.04	17.77
2. Current Service Cost	1.74	3.90	1.83	0.25
3. Interest Cost	2.74	1.08	3.44	1.32
4. Benefits paid	3.59	1.08	23.91	2.41
5. Actuarial(gain)/loss on obligation	(2.57)	(8.04)	(0.32)	(2.83)
6. Present value of obligation as at 31.03.2012	34.40	9.96	36.08	14.10
E. Change in Assets during the year ended 31.03.2012				
1. Fair value of plan assets as at 01.04.2011	—	—	—	—
2. Expected return on plan assets	—	—	—	—
3. Contributions made	3.59	1.08	23.91	2.41
4. Benefits paid	(3.59)	(1.08)	(23.91)	(2.41)
5. Actuarial gain/(loss) on plan assets	—	—	—	—
6. Fair value of plan assets as at 31.03.2012	—	—	—	—
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	8%	8%	8%	8%
2. Salary escalation	5%	5%	4%	4%
3. Expected rate of return on plan assets	0%	0%	0%	0%
4. Attrition rate	10%	10%	10%	10%



5. The open loan availed from bank is secured by first charge on the current assets and second charge on the fixed assets. The loan is further secured by personal guarantee of the chairman.
6. 8,50,000 - 6% Cumulative Redeemable Preference Shares of Rs.100/- each issued and allotted on 24.02.2010 are redeemable in one instalment on expiry of ten years from date of allotment in February, 2020. No provision for payment of Dividend of Rs. 51.00 Lakhs for the financial year ending 31.03.2012 has been made.
- 7 (i) The Company has only one class of equity shares referred to as equity shares having a face value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.
(ii) The details of shareholders holding more than 5% shares as at 31st March,2012 and 31st March,2011 are set out below.

	As at 31st March,2012		As at 31st March,2011	
	No. of Shares	% held	No. of Shares	% held
M/s ITEMA (Switzerland) LTD	1000000	16.38	1000000	16.38
M/s Voltas Ltd	615200	10.08	615200	10.08
Mr Pathy . S	467944	7.67	467944	7.67
Mrs Aishwarya Pathy	452190	7.41	274738	4.50
M/s Lakshmi Machine Works Ltd	441110	7.23	441110	7.23
M/s The Lakshmi Mills Company Ltd	330000	5.41	330000	5.41

8. There are no derivative financial Instruments either for hedging or for speculation outstanding as at the Balance Sheet date.
9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil (previous year Rs. 26.00 Lakhs).
- 10 Deferred tax assets / liabilities comprises timing differences on account of :

	Rs. in Lakhs	
	2011-12	2010-11
Assets :		
Carry forward losses to the extent recognised *	34.90	-
V R S Expenditure	25.60	-
Share Issue Expenses	0.30	-
Provision for bad and doubtful debts	2.75	-
Section 43B disallownces	3.59	-
	<u>67.14</u>	<u>-</u>
Liabilities :		
Depreciation	57.49	-
Deferred Tax Asset (net) recognised in the accounts	9.65	-

* Refer Accounting Policy No. 11C.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

11. The following contingent liabilities have not been provided for :	2011-12	2010-11
	Rs. in Lakhs	
a) 1) Reimbursement of expenses received on rectification of roof leakage restricted to Rs.5.04 Lakhs by the High Court of Madras under appeal before the Supreme Court.	10.83	10.83
2) Claim for damages against the Company contested before the Fast Track Court V, Chennai.	10.00	10.00
b) Bonds executed in favour of The Asst. Commissioner of Central Excise for duty free import of capital goods and excise duty exemption for procurement of raw materials and components for 100% EOU (Unit 2).	98.65	98.65
c) Bank guarantee furnished under (b) above	4.89	4.89
d) Bonds executed in favour of Deputy Commissioner of Central Excise for import of components at Concessional rate of duty for manufacture of weaving machines	8.00	8.00
e) Export obligation as supporting manufacturer for machinery imported by associate company under EPCG scheme and leased to the company to be fulfilled before 4 th December, 2014.	356.92	356.92
f) Service Tax on Appeals Disputed Tax dues are under Appeal before the concerned Appellate Authorities. The Company is advised that the matters are likely to be disposed off in favour of the Company.	10.67	0.46

12. Segment Report for the year ended 31st March, 2012

Primary Business Segment	Weaving Machinery and spares		Other Engineering Services		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Revenue						
External Sales	162.29	273.57	386.63	214.05	548.92	487.62
Inter Segment Transfers	-	0.44	-	1.12	-	1.56
Allocable other Income	215.33	144.03	51.17	28.46	266.50	172.49
Total Revenue	377.62	418.04	437.80	243.63	815.42	661.67
Less : Inter Segment Transfers					-	1.56
Enterprise Revenue					815.42	660.11
Result						
Segment Result	68.93	156.21	51.00	(-)62.33	119.93	93.88
Less : Unallocated Expenses	-	-	-	-	-	-
Operating Profit	68.93	156.21	51.00	(-)62.33	119.93	93.88
Less : Interest Expenses					1.40	1.34
					118.53	92.54
Less : Income Tax Current and Deferred					(9.65)	-
					128.18	92.54
Add : Other Income					-	-
Net Profit after Tax					<u>128.18</u>	<u>92.54</u>



12. Segment Report for the year ended 31st March, 2012 (Contd.)

Rs. in Lakhs

Primary Business Segment	Weaving Machinery and spares		Other Engineering Services		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Other Information						
Segment Assets	705.50	663.99	381.16	412.75	1086.66	1076.74
Add : Unallocated Corporate Assets					9.65	—
Enterprise Assets					<u>1096.31</u>	<u>1076.74</u>
Segment Liabilities	477.52	556.29	253.54	212.24	731.06	768.53
Add : Unallocated Corporate Liabilities					365.25	308.21
Enterprise Liabilities					<u>1096.31</u>	<u>1076.74</u>
Capital Expenditure	55.18	68.53	0.02	0.30	55.20	68.83
Depreciation	14.33	17.08	22.21	22.66	36.54	39.74
SECONDARY-GEOGRAPHICAL SEGMENT						
				31.03.2012		31.03.2011
Revenue from external customers by location of customers						
Domestic Segment				429.34		343.27
Export Segment				386.08		318.40
				<u>815.42</u>		<u>661.67</u>
Less inter-division revenue				—		1.56
Net Income from Sales / Services				<u>815.42</u>		<u>660.11</u>

Notes :

The Company has two main business segments ie (a) Weaving Machinery Comprising of looms accessories & Spares and (b) 100% EOU comprising of Knitting Machinery and accessories & spares 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).

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

a. Names of related parties :	Relationship
The Lakshmi Mills Company Ltd.	Associate
Infocus Marketing and Services Ltd.	- do -
Lakshmi Card Clothing Manufacturing Company Private Ltd.	- do -
Balakumar Shipping & Clearing Agency P Ltd.	- do -
Aloha Tours & Travels (India) Pvt. Ltd.	- do -
Prathista Weaving and Knitting Company Ltd.	- do -



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

b.Transaction during the year		31.03.2012	31.03.2011
Sl. No	Nature of Transaction	(Rs. in Lakhs)	
1.	Purchase of Goods	0.63	3.33
2.	Sale of Goods	0.47	1.84
3.	Rendering of Services	–	0.41
4.	Receiving of Services	5.21	8.50
5.	Agency arrangements	1.02	0.75
6.	Leasing arrangement	6.71	7.78
	Amount receivable	0.19	0.05
	Amount payable	269.19	310.80

14. As defined under Micro, Small and Medium Enterprises Development Act, 2006 the disclosure in respect of the amount payable to such enterprises as at 31.03.2012 has been made in the financial statement based on information received and available with the company. The scheme sanctioned by the BIFR being under implementation, the liability towards interest has not been recognised.

	31.03.2012	31.03.2011
	(Rs. in Lakhs)	
a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	10.17	12.72
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil



31.03.2012 31.03.2011
(Rs. in Lakhs)

15. Earnings per share as per AS - 20 :

Profit as per statement of Profit and Loss.	128.18	92.54
Less: Proposed Dividend on Preference Shares for the year ended 31.03.2011	51.00	—
Corporate tax on Dividend	8.27	—
a) Net Profit after taxes	68.91	92.54
b) No. of Equity Shares outstanding	6103988	6103988
c) EPS (Face value of Rs.10/- per Share)		
Basic	1.13	1.52
Diluted	1.13	1.52

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

	Directors		As per our report of even date
	(Sd.) S. PATHY		For N.R. DORAISWAMI & CO
	Chairman		Chartered Accountants
	(Sd.) R. SANTHARAM		Regn. No. 000771S
	Director	(Sd.) A. DORAISWAMY	(Sd.) SUGUNA RAVICHANDRAN
Coimbatore	(Sd.) N. JAYCHANDER	Secretary and	Partner
23.05.2012	Director-in-Charge	Vice President-Finance	Membership No. 207893



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

31.03.2012 31.03.2011
(Rs. in Lakhs)

	31.03.2012	31.03.2011
A. Cash flow from operating activities		
Net profit as per Statement of Profit & Loss	118.53	92.54
Add :		
Depreciation and amortisation expenses	36.87	40.07
Interest	1.40	1.34
Less :		
Interest Income	15.22	11.13
Profit on sale of assets	55.55	5.23
	(-)32.50	25.05
Operating Profit Before Working Capital Changes	86.03	117.59
Adjustments for		
Decrease in Inventories	80.70	(-)37.18
Increase in Debtors	(-)1.16	(-)20.51
Increase in Other Current Assets	(-)5.01	(-)15.36
Decrease in Loans & Advances	3.73	6.84
Increase in Current Liabilities	11.19	(-)15.68
Decrease in other Non Current assets	8.50	-
	97.95	(-)81.89
Net Cash used in operating activities (A)	183.98	35.70
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(-)55.20	(-)68.83
Interest Income	15.22	11.13
Sale of Fixed Assets	55.60	5.23
Net Cash used in Investing activities (B)	15.62	(-)52.47
C. Cash Flow from Financial Activities		
Interest	(-)1.40	(-)1.34
Decrease in Non Current liabilities	(-)122.41	11.95
Decrease in Sales Tax Deferred and interest	-	(-)101.30
Dividend & Dividend tax on Preference Shares	-	(-)5.87
Net Cash used in Financing activities (C)	(-)123.81	(-)96.56
Net Increase in cash and cash equivalents (A+B+C)	75.79	(-)113.33
Cash and cash equivalents as at 01.04.2011	201.40	314.73
Cash and cash equivalents as at 31.03.2012	277.19	201.40
-ve sign before the figures represent cash outflows.		

Directors

(Sd.) **S. PATHY**
Chairman

(Sd.) **R. SANTHARAM**
Director

Coimbatore
23.05.2012

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

(Sd.) **A. DORAISWAMY**
Secretary and
Vice President-Finance

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

Phone : 91-422- 2245484, 2245485 E-mail : lalwcbe@md2.vsnl.net.in

Dear Shareholders,

Sub : "GREEN INITIATIVE IN THE CORPORATE GOVERNANCE"

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no.17/2011 dated 21/04/2011 and circular no.18/2011 dated 29/04/2011. Accordingly service of documents are allowed to be made through electronic mode on obtaining e-mail address of the Members for sending the notice/ documents such as Notice of AGM, Audited Financial Statement, Directors Report, Auditors Report etc through e-mail by giving an advance opportunity to every Shareholder to register their e-mail address and changes therein from time to time, with the Company.

In cases where any member has not registered his/her e-mail address with the Company, the service of document etc will be effected through postal service.

We therefore request you to kindly register your e-mail ID with the Company's Registered Office at 686, Avanashi Road, Coimbatore-641037 by mailing your E-Mail ID with the following details to lalwcbe@md2.vsnl.net.in. You can also register your email ID with our Registrars and Share Transfer Agents (RTA), S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore-641006 through their Email : info@skdc-consultants.com. You are requested to keep the RTA / Company informed in writing / e-mail as and when there is any change in your e-mail ID.

Folio No. :

Name :

E-mail ID :

Mode of dispatch : Electronic mode / Physical Mode (✓ in the box whichever is applicable)

The Annual Report and other Communications / documents will also be displayed on the Company's website : www.lakshmiautomatic.com

As a member of the Company, you will be entitled to be furnished, free of cost, a copy of the Balance Sheet, and all other documents required by law to be attached thereto including the Statement of profit and loss, Auditors Report and other communication that may be sent to you, on receipt of a requisition from you to this effect.

Thanking you

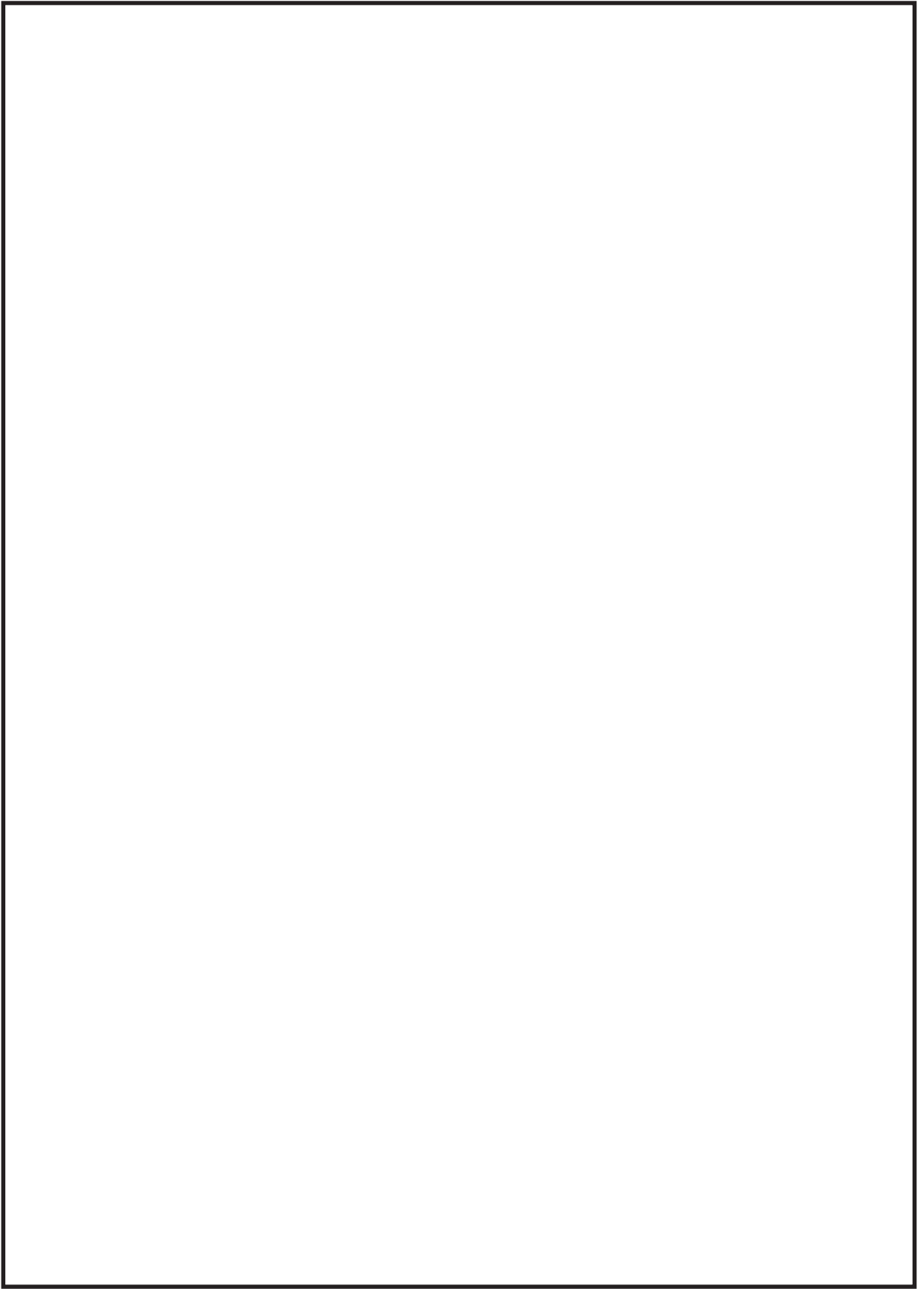
Yours faithfully

For Lakshmi Automatic Loom Works Ltd

(Sd.) A. Doraiswamy

Company Secretary &
Vice President - Finance

Coimbatore
23.05.2012





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
.....
..... ofin the district
of or failing him.....of.....
in the district ofas my/our Proxy
in my / our absence to attend and vote for me/us and on my/our behalf at the THIRTY EIGHTH
ANNUAL GENERAL MEETING of the Company to be held at the Registered Office at 686, Avanashi
Road, Pappanaickenpalayam, Coimbatore - 641 037 on Thursday, the 9th day of August, 2012
at 4.30 P.M. and at any adjournment thereof.

Signed by the said.....

15 Paise
Revenue
Stamp

Date 2012

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