



LAKSHMI

**AUTOMATIC LOOM WORKS
LIMITED**

Website : www.lakshmiautomatic.com

CIN : L29269TZ1973PLC000680

REGISTERED OFFICE :
PH : 2245484-85

686, AVINASHI ROAD
FAX : 0422-2244887

PAPPANAICKENPALAYAM
E-mail : contact@lakshmiautomatic.com

COIMBATORE - 641 037
TAMILNADU, INDIA

LAL:CS:44AGM:AR:

:2018-19

24.09.2018

The Secretary
BSE Ltd
Phiroza Jeejeebhoy Towers
Dalal Street
MUMBAI - 400001

Scrip Code: 505302

Dear Sir,

Sub: Submission of 44th Annual Report of the Company - Reg.

We wish to inform you that the 44th Annual Report of the Company for the year ended 31.03.2018 approved and adopted by the Shareholders at their Meeting held on 19-08-2018 is attached herewith as per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Kindly take the above on record.

Thanking you

Yours faithfully

For Lakshmi Automatic Loom Works Ltd.,

Company Secretary.

LAKSHMI AUTOMATIC LOOM WORKS LIMITED



44th Annual Report
2017-18



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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Lakshmi Automatic Loom Works Limited

Board of Directors

Mr. S. PATHY
Chairman

Mr. R. SANTHARAM

Mr. R.C.H. REDDY

Smt. AISHWARYA PATHY

Mr. R. VARADARAJAN

Mr. C. KAMATCHISUNDARAM

Mr. N. JAYCHANDER

Mr. R.R. BALASUNDHARAM

Chief Executive Officer

MR. J. BALASUBRAMANIAM

Chief Financial Officer

MR. K.P. KRISHNAKUMAR

Company Secretary

Mr. R. MUTHUKUMAR

Registered Office

686, Avanashi Road,
Pappanaickenpalayam
Coimbatore - 641 037
Tamil Nadu
CIN : L29269TZ1973PLC000680
Website : www.lakshmiautomatic.com
Email : contact@lakshmiautomatic.com

Business Segments:

1. Warehousing Rental Services
Hosur Industrial Complex
Hosur - 635 126
Tamilnadu
2. Other Engineering Services
Singarampalayam
Kinathukadavu Taluk
Pollachi - 642 109
Coimbatore District
Tamilnadu

Statutory Auditors

M/s. SUBBACHAR & SRINIVASAN
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
Phone : 91-422-2539835, 2539836 & 4958995
Email : info@skdc-consultants.com



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notice to the Shareholders

Notice is hereby given that the Forty Fourth Annual General Meeting of the shareholders of the Company will be held on Wednesday the 19th day of September, 2018 at 3.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641037 for transacting the following business:

Agenda

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Report of the Board of Directors and the Report of the Auditors thereon.
2. To appoint a Director in the place of Sri R.Santharam (DIN No.00151333) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri N.Jaychander (DIN No. 00015091) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

Re-classification of the Authorised Share Capital of the Company with consequential amendments in the Memorandum of Association & Articles of Association of the Company.

"RESOLVED THAT pursuant to the provisions of Sections 13, 14, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) read with the Rules framed there under, as may be amended from time to time and Article 3 and other enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authority, the consent of the Shareholders be and is hereby accorded for reclassification of the Authorized Share Capital of the Company from ₹ 15,50,00,000 divided into (a) 65,00,000 Equity Shares of ₹ 10/- each and (b) 9,00,000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each into ₹ 15,50,00,000 (Rupees Fifteen Crores and Fifty Lakhs only) divided into (a) 1,15,00,000 (One Crore and Fifteen Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only), (b) 2,00,000 (Two Lakhs) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) and (c) 2,00,000 (Two Lakhs) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only)."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 13, 14, 61 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force) and applicable Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authority consequent to the reclassification of the Authorised Capital, the existing clause (V) of the Memorandum of Association & Article 3 of the Articles of Association be altered by deletion of the existing Clause & Article respectively and by substitution thereof with the following:



Clause V - Memorandum of Association

- V. The Authorised Share Capital of the Company shall be ₹ 15,50,00,000 (Rupees Fifteen Crores and Fifty Lakhs only) divided into (a) 1,15,00,000 (One Crore and Fifteen Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only), (b) 2,00,000 (Two Lakhs) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) and (c) 2,00,000 (Two Lakhs) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) with a right on the part of the Company to increase, decrease and / or re-classify the same.

Article 3 - Articles of Association

3. The Authorised Share Capital of the Company shall be ₹ 15,50,00,000 (Rupees Fifteen Crores and Fifty Lakhs only) divided into (a) 1,15,00,000 (One Crore and Fifteen Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only), (b) 2,00,000 (Two Lakhs) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) and (c) 2,00,000 (Two Lakhs) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) with a right on the part of the Company to increase, decrease and / or re-classify the same.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other Executive(s) of the Company”

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

CONVERSION OF 4,00,000 (Four Lakhs) 6% CUMULATIVE REDEEMABLE PREFERENCE SHARES INTO EQUITY SHARES.

“RESOLVED THAT pursuant to the provisions of Section 42, 48, 55 & 62 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force), the relevant Provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI (ICDR) Regulations”) and the Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the applicable regulations of Stock Exchange on which the equity shares of the Company are listed and all other applicable laws, issued from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions; consents and sanctions and which may be agreed to by the Board of Directors of the Company, consent and approval of the Members of the Company be and is hereby accorded for the paid up 4,00,000 (Four Lakhs) 6% Cumulative Redeemable Preference Shares of ₹ 100/- each (Rupees Hundred only) to be altered as (a) 2,00,000 (Two Lakhs) 6% Non Cumulative Compulsorily Convertible Preference Shares (“CCPS”) of ₹ 100/- each (Rupees Hundred only) and the same be converted into 2,91,758 (Two Lakhs Ninety One Thousand Seven Hundred and Fifty Eight) Equity Shares of ₹ 10/- each (Rupees Ten only) issued at a premium of ₹ 58.55 (Rupees Fifty Eight and Paise Fifty Five only) per share and (b) 2,00,000 (Two Lakhs) 6% Non Cumulative Optionally Convertible Preference Shares (“OCPS”) of ₹ 100/- each (Rupees Hundred only) and the same be converted into 2,91,758 (Two Lakhs Ninety One Thousand Seven Hundred and Fifty Eight) Equity Shares of ₹ 10/- each (Rupees Ten only) issued at a Premium of ₹ 58.55 (Rupees Fifty Eight and Paise Fifty Five only) per share within a period of Eighteen months from the date of passing of this Resolution, as may be decided by the Board of Directors on the option exercised by the Optionally Convertible Preference Shareholders on or after April 1, 2019”.



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"RESOLVED FURTHER THAT the equity shares of the Company to be allotted upon conversion of the Compulsorily and Optionally Convertible Preference Shares, in accordance with the terms above, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of ₹ 10/- each of the Company".

"RESOLVED FURTHER THAT the Directors Smt.Aishwarya Pathy and Sri.N.Jaychander of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary for giving effect to the above resolution".

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

Registered Office:
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037

CIN:L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com

Place : Coimbatore

Date : 20.08.2018

Explanatory Statement

(Pursuant to Sections 102(1) of the Companies Act, 2013)

Item No. 4

To facilitate the proposed conversion of Preference Shares into Equity Shares as stated in item No. 5 of the Notice, it is necessary to reclassify the present Authorised Share Capital of the Company of ₹ 15,50,00,000 divided into (a) 65,00,000 Equity Shares of ₹ 10/- each and (b) 9,00,000 6% Cumulative Redeemable Preference Shares of ₹ 100/- each into (a) 1,15,00,000 (One Crore and Fifteen Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten Only), (b) 2,00,000 (Two Lakhs) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100/- (Rupees Hundred only) each and (c) 2,00,000 (Two Lakhs) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only). Consequent to the said reclassification, the Capital Clause V of Memorandum of Association and Article 3 of Articles of Association of the Company are also required to be altered.

Hence, the Board of Directors recommends the amendment of Memorandum of Association and Articles of Association for the consent of the Members by way of Special Resolution in terms of Section 13, 14 and 61 of the Companies Act, 2013.

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

A draft of the altered Memorandum of Association and Articles of Association of the Company shall be available for inspection by the Members of the Company on any working day between 10.00 A.M. and 1.00 P.M. up to September 19, 2018 (Wednesday) at the Registered Office of the Company.



Item No. 5

As per the provisions of the Companies Act, 2013, and with the approval of the Members, the Company bought back 4,50,000 (Four Lakhs and Fifty Thousand) 6% Cumulative Redeemable Preference Shares of ₹ 100/- each (Rupees Hundred only) by utilizing the Securities Premium Reserve as it has not been possible to create necessary Capital Redemption Reserve due to carry over of previous years losses. The remaining 4,00,000 (Four Lakhs) 6% Cumulative Redeemable Preference Shareholders have given their consent in writing in terms of Section 48 of the Companies Act for changing the terms of Preference Shares by altering the nature of Preference Shares from Redeemable to Convertible Preference Shares and to convert the same into Equity Shares.

Accordingly it is proposed to convert 4,00,000 (Four Lakhs) 6% Cumulative Redeemable Preference Shares of ₹ 100/- each (Rupees Hundred only) into (a) 2,00,000 (Two Lakhs) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) and (b) 2,00,000 (Two Lakhs) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 100/- each (Rupees Hundred only) and convert the same (a & b) into Equity Shares of ₹ 10/- each (Rupees Ten only) issued at a premium of ₹ 58.55 (Rupees Fifty Eight and Paise Fifty Five only) per share. The fair value of the Equity Shares of the Company as per the Valuation Report is ₹ 44.37. However the last purchase price of shares by the Promoters on 25-01-2018 being higher at ₹ 68.55 it is proposed to adopt the price of ₹ 68.55 as the fair value.

- (i) **Objects of the issue:-** Due to carryover of the previous years losses, the Company is not in a position to redeem the Preference Shares falling due for redemption in February, 2020 by creation of necessary Capital Redemption Reserve. Hence the Company has obtained the consent of the Preference Shareholders for conversion of the shares into Equity Capital.
- (ii) **Total Number of shares to be issued:-** 5,83,516 Equity shares of ₹ 10/- each at a premium of ₹ 58.55 per share.
- (iii) **The price or price band at/within which the allotment is proposed is ₹ 68.55 that is at a premium of ₹ 58.55 per share on face value of ₹ 10/- each.**
- (iv) **Basis on which the price of Equity Shares has been arrived at :-**

The fair value as per the Valuation Report of the independent Valuer determined in accordance with Regulation 76A of the SEBI (ICDR) Regulations 2009, as amended is ₹ 44.37 per share. However the last purchase price by the Promoters being on 25-01-2018 is higher at ₹ 68.55 it is proposed to adopt the price at ₹ 68.55 per share.
- (v) **Relevant Date** for the purpose of preferential issue of Convertible Preference Shares shall be 30 days prior to the date of this Meeting of the Members or in the case where the relevant date falls on weekend/Holiday, the day preceding the weekend/Holiday will be reckoned as the relevant date in terms of Explanation to Regulation 71 of the ICDR Regulations 2009, as amended.
- (vi) **The class or classes of persons to whom the allotment is proposed to be made:-** The present holders of 6% Cumulative Redeemable Preference Shares being Promoters and Promoter group.
- (vii) **Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer:-** The entire offer is made to the present holders of 6% Cumulative Redeemable Preference Shares being Promoters and Promoter group.



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(viii) The Proposed time within which the allotment shall be completed :-

The proposed issue and allotment of shares on preferential basis through private placement would be completed within 18 months from the date of passing of the special resolution by the shareholders of the Company i.e 18th March, 2020.

(ix) The name of the allottees and the percentage of Post Preferential Offer :-

Name of Allottee	Percentage of Equity shareholding (%)	
	Post issue of CCPS	After issue of OCPS
1. Smt Aishwarya Pathy - Promoter	12.64	12.09
2. Lakshmi Card Clothing Manufacturing Company Private Limited - Promoter group	2.28	6.54
3. Infocus Marketing and Services Limited- Promoter group	1.14	1.09

(x) Change in control, if any consequent to the preferential offer :-

On allotment of the said Equity Shares, there would be no change in control of the management.

(xi) The number of persons to whom allotment on preferential basis have already been made during the year:- Nil.

(xii) Justification for proposed allotment:- Due to carryover previous years losses, the Company is not able to create necessary Capital Redemption Reserve to redeem the preference shares which are falling due for redemption during February 2020. The Company has obtained the consent of the Preference Shareholders for conversion of Preference Shares into Equity Share Capital at ₹ 10/- each with a premium of ₹ 58.55 per share based on the last purchase price by the Promoters on 25-01-2018 being higher of the fair value of ₹ 44.37 as per the Valuation Report by independent valuer.

(xiii) The time within which the preferential issue shall be completed:

Under Regulations 74(1) of the ICDR Regulations, allotment of the Compulsorily Convertible Shares are required to be completed within a period of 15 days from the date of passing of the special Resolution. If any approval or permission by any regulatory authority for allotment is pending, the period of 15 days shall be counted from the date of such approval.

(xiv) Certificate from Statutory Auditors:

The Certificate from M/s. Subbachar & Srinivasan, Statutory Auditors of the Company certifying that the Preferential issue of Equity shares is being made in accordance with the requirements of SEBI (ICDR) Regulations will be made available for inspection on any working day between 10.00 A.M. and 1.00 P.M. at the Registered Office of the Company.

(xv) The Equity Shares allotted to the Promoters shall be locked-in as per the provisions of the SEBI (ICDR) Regulations.

(xvi) The Shareholding Pattern of the Company before and after the proposed issue :-



Sl. No.	Category & Name of Shareholder	Pre Issue		Post Issue of CCPS		After Issue of CCPS	
		No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares on or before 31 st March, 2019*	% of Equity Shareholding	No. of Equity Shares after 1 st April, 2019*	% of Equity Shareholding
A	Shareholding of Promoter and Promoter Group						
1	Indian						
(a)	Individuals/Hindu Undivided Family						
	D Thayarammal	2308	0.038	2308	0.036	2308	0.035
	K Arjun	38966	0.638	38966	0.609	38966	0.583
	K Nithin	17166	0.281	17166	0.268	17166	0.257
(b)	Directors & Their Relatives						
	S Pathy	470078	7.701	470078	7.350	470078	7.029
	Rajshree Pathy	5000	0.082	5000	0.078	5000	0.075
	Aishwarya Pathy	735359	12.047	808299	12.638	808299	12.087
	Aditya Krishna Pathy	200	0.003	200	0.003	200	0.003
(c)	Bodies Corporate						
1	The Lakshmi Mills Company Ltd	330000	5.406	330000	5.160	330000	4.935
2	Lakshmi Card Clothing Mfg.Co.P.Ltd	—	—	145878	2.281	437636	6.544
3	Infocus Marketing & Services Ltd	—	—	72940	1.140	72940	1.091
	Sub Total (A)	1599077	26.197	1890835	29.564	2182593	32.637
B	Shareholding of Non-Promoters						
1	Institutions						
(a)	Financial Institutions / Banks	23000	0.377	23000	0.360	23000	0.344
(b)	Insurance Companies	1392016	22.805	1392016	21.765	1392016	20.815
	Sub-Total (B)(1)	1415016	23.182	1415016	22.125	1415016	21.160
2	Central Government / State Government(s)/ President of India	—	—	—	—	—	—
	Sub-Total (B)(2)	—	—	—	—	—	—
3	Non-institutions						
(a)	Individuals-						
	i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	619581	10.149	619581	9.687	619581	9.265
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	—	—	—	—	—	—



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Sl. No.	Category & Name of Shareholder	Pre Issue		Post Issue of CCPS		After Issue of OCPS	
		No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares on or before 31 st March, 2019*	% of Equity Shareholding	No. of Equity Shares after 1 st April, 2019*	% of Equity Shareholding
(b)	Any other (Specify)						
	Directors & their Relatives	27944	0.458	27944	0.437	27944	0.418
	Bodies Corporate	1161638	19.031	1161638	18.163	1161638	17.370
	Trusts	2	0.000	2	0.000	2	0.000
	Non Resident Indians	147329	2.414	147329	2.304	147329	2.203
	Overseas Corporate Bodies						
	Terrot Strickmaschinen GmbH Germany	125000	2.048	125000	1.954	125000	1.869
	ITEMA (Switzerland) Ltd	1000000	16.383	1000000	15.635	1000000	14.953
	Hindu Undivided Families	8401	0.138	8401	0.131	8401	0.126
	Sub-Total(B)(3)	3089895	50.621	3089895	48.312	3089895	46.204
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	4504911	73.803	4504911	70.436	4504911	67.363
	GRAND TOTAL (A) + (B)	6103988	100.000	6395746	100	6687504	100.000

* Subject to necessary approvals

The Board of Directors recommends the conversion of Preference Shares into Equity Shares.

Except Sri S.Pathy, Chairman, Smt Aishwarya Pathy, Director and Sri R.Santharam, Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested (financial or otherwise) in the resolution.

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

Registered Office:
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037

CIN:L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com

Place : Coimbatore

Date : 20.08.2018



Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Information of Directors proposed to be re-appointed : Brief resume, nature of their expertise in specific functional areas, names of companies / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provided on page No. 13 forms part of the Notice.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
7. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, September 13, 2018 to Wednesday, September 19, 2018 (both days inclusive).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA S.K.D.C. Consultants Ltd.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company’s website at www.lakshmiautomatic.com, under the section “Investors”.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA M/s.S.K.D.C.Consultants Ltd. for consolidation into a single folio.
11. Non-Resident Indian Members are requested to inform RTA M/s.S.K.D.C. Consultants Ltd. immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pincode Number, if not furnished earlier.



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12. No unpaid and unclaimed Dividend amounts as referred to in sub section (5) of Section 124 of the Companies Act, 2013 for a period of 7 years remain to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.
13. 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.
14. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.**
15. Securities and Exchange Board of India vide its notification dated 8th June, 2018 has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrar or Share Transfer Agent with effect from 5th December 2018. Therefore, the members holding share certificates in physical form are requested to immediately dematerialise their shareholding in the Company.

16. Electronic Voting

Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose e-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their e-mail id, physical copy of Annual Report and AGM Notice for the year 2017-18 are sent through the permitted mode separately.

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 44th Annual General Meeting scheduled to be held on Wednesday the 19th day of September 2018 at 3.30 P.M. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the remote e-voting facilities as per instructions below.
- II. The facility for voting through Ballot paper shall be made available at the Annual General Meeting and the members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by 'Remote e-voting' may vote at the meeting through Ballot paper.
- III. **Instructions to Members for e-voting are as under:**
 - (a) Date and time of commencement of voting through electronic means : 16th September, 2018 at 9.00 A.M.
 - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: 18th September, 2018 at 5.00 P.M.
 - (c) Details of Website : www.evoting.nsdl.com
 - (d) Details of persons to be contacted for issues relating to e-voting:

S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy,
Coimbatore - 641 006, Telephone No. 91-422-4958995, 2539835, 2539836, Fax: 91-422 2539837,
Email Id: info@skdc-consultants.com, Website: www.skdc-consultants.com

The Remote e-voting module shall be disabled for voting on 18th September, 2018 at 5.00 P.M. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of members shall be in proportion to their share in the paid up equity share capital of the Company as on 12th September, 2018 (cut-off date).



IV. The process and manner for Remote e-voting are as under:

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

- (i) Open email and open PDF file viz; "LALW AGM remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of Remote e-voting opens. Click on Remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Lakshmi Automatic Loom Works Limited".
- (viii) Now you are ready for Remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bkcacbe@gmail.com with a copy marked to evoting@nsdl.co.in

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

- (i) Initial password is provided as below/at the bottom of the Proxy Form for the Annual General Meeting

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

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

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

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com.

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

IX. A member may participate in the Annual General Meeting even after exercising his right to vote through Remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

X. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-voting as well as voting at the Annual General Meeting through Ballot paper.

XI. Sri.B.Krishnamoorthi, Practising Chartered Accountant (Membership No. 20439) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the Remote e-voting facility.

XIII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through Remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will collate the votes downloaded from the e-voting system, and the votes cast at the Annual General Meeting and make a Scrutinizer's Report of the votes cast in favour or against, if any, within 2 days of conclusion of the meeting to the Chairman of the Company who shall countersign the same and declare the results of the voting forthwith.

XIV. The results declared along with the Scrutinizer's Report shall be available on the Company's website: www.lakshmiautomatic.com and on the website of NSDL and communicated to the BSE Limited, Mumbai immediately after the declaration of the result by the Chairman.

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

Registered Office:
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037

CIN:L29269TZ1973PLC000680

Website: www.lakshmiautomatic.com

Place : Coimbatore

Date : 20.08.2018



Information of Directors seeking Re-appointment at the ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Sri R.Santharam (DIN No.00151333) has studied Textile Management in USA and is closely associated with the Textile Industry for the last 50 years. He is the Chairman and Managing Director of Lakshmi Card Clothing Manufacturing Company Pvt. Ltd a leading Card Clothing Manufacturing Company in India. He is looking after the entire operations including Production, Personnel, Finance and Marketing of the Company. He is the past Chairman of Textile Machinery Manufacturers' Association (India).

OTHER DIRECTORSHIPS:

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

COMMITTEE MEMBERSHIPS:

Audit Committee :

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

Stakeholders Relationship Committee:

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

Nomination and Remuneration Committee:

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

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

Sri N.Jaychander (DIN No.00015091) 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 30 years and possesses Management and Financial expertise.

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

OTHER DIRECTORSHIPS : NIL

COMMITTEE MEMBERSHIPS:

Stakeholders Relationship Committee:

- Lakshmi Automatic Loom Works Ltd : Member

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Report of the Board of Directors to the Shareholders

Your Directors submit their Forty Fourth Annual Report together with the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended 31st March, 2018.

Financial Summary / Highlights

₹ in lakhs

	2017-18	2016-17
Sales and other income	831.38	801.36
Profit before Depreciation and Amortization Expenses	272.08	219.58
Depreciation and amortization Expenses	35.99	29.96
	236.09	189.62
Add: Exceptional items	—	85.34
Comprehensive Income	1.18	0.58
	237.27	275.54
Less: Tax expense		
Current Tax	(-) 61.96	(-) 95.77
Deferred Tax	(-) 1.24	5.15
For earlier years	—	(-) 138.09
Net Profit / Loss (-)	174.07	46.83
Add: Balance from the Previous year	(-) 742.58	(-) 789.41
Balance Carried Over	(-) 568.51	(-) 742.58

Transition to Indian Accounting Standards

The Company has adopted the Indian Accounting Standards (Ind AS) from April 1, 2017 with a transition date of April 1, 2016 pursuant to the Notification dated 16.02.2015 in the official gazette by the Ministry of Corporate Affairs (MCA). The following are the areas which had an impact on account of transition to Ind AS

- Investment Property presented separately with the fair values
- 6% Cumulative Redeemable Preference Share Capital considered as borrowing
- Employee Cost pertaining to defined benefit obligation
- Revenue recognition
- Deferred taxes

The reconciliation and description of the effect of the transition from GAAP to Ind AS have been provided in the Notes to Accounts.



Operations

The operations during the year have resulted in a net profit of ₹ 237.27 lakhs after providing for depreciation of ₹ 35.99 lakhs. The net profit after Tax is ₹ 174.07 lakhs.

On adoption of Ind AS, the revenue segments of the Company have been reclassified as a) Warehousing Rental Services being the Unit 1 at SIPCOT Industrial Complex, Hosur - 635 126 and b) Other Engineering Services being Unit 2 at Pollachi Road, Coimbatore 642 109.

The Warehousing Rental Services segment consists of Warehousing Rental income on the Land and Buildings at Hosur and the Other Engineering Services segment consists of Manufacture and Sale of Accessories and Spares of Weaving and Knitting Machines and Parts and Accessories for Machine Tools at Pollachi Road, Coimbatore - 642 109.

Warehousing Rental Services

The income generated from Warehousing Rental Services during the year was ₹ 458.75 lakhs against ₹ 414.06 lakhs in the previous year.

Other Engineering Services

The sale of Accessories and Spares of Weaving Machines during the year was ₹ 69.06 lakhs against ₹ 113.49 lakhs in the previous year.

The sale of Parts and Accessories for Machine Tools during the year was ₹ 194.69 lakhs against ₹ 163.81 lakhs in the previous year. The inflow of orders for Parts and Accessories for Machine Tools from an EOU is based on the demand in the international market.

Outlook

The Company's income mainly consists of Warehousing Rental income on Land and Buildings at Hosur. In view of the demand for Warehousing Space at Hosur, being near to Bangalore, the Company is constructing additional Buildings in the existing land to augment its revenue.

Share Capital

The paid up Equity Share Capital as on March 31, 2018 is ₹ 610.40 lakhs. The Company bought back unlisted 2,00,000 - 6% Cumulative Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 200 lakhs during the year by utilising the Securities Premium Amount. As required under Ind AS the 6% Cumulative Redeemable Preference Share Capital of ₹ 400 lakhs is classified under Borrowings in the Balance Sheet as on 31-03-2018.

During the year under review the Company has not issued any shares or any convertible instruments.

Deposits

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013.

Extract of Annual Return

The Extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in form MGT-9 is furnished in Annexure 1 forming part of the Board's Report.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Board and its Committees Meetings conducted during the year under review

Five Meetings of the Board of Directors were held on 29.05.2017, 09.08.2017, 25.09.2017, 06.12.2017 and 07.02.2018, during the Financial Year from 1st April, 2017 to 31st March, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Attendance of each Director at the Meetings of the Board and various Committees of the Board during the financial year ended 31st March, 2018 are as below:

Sl. No.	Name of Directors	Board Meetings attended	Audit Committee Meetings Attended	Nomination & Remuneration Committee Meetings attended	Stakeholders Relationship Committee Meeting attended	Last AGM Attended (Yes/No)
1	Sri S.Pathy	5	—	2	—	Yes
2	Sri R.Santharam	4	3	2	1	Yes
3	Sri R.C.H.Reddy	5	4	2	1	Yes
4	Smt.Aishwarya Pathy	3	—	—	—	Yes
5	Sri R.Varadarajan	4	4	1	—	Yes
6	Sri C.Kamatchisundaram	5	—	—	—	Yes
7	Sri N.Jaychander	4	—	—	—	Yes
8	Sri R.R.Balasundharam	5	4	—	—	Yes

Audit Committee

The Independent Audit Committee as below consists of three Independent Directors and one Non-Executive Director as its members. Sri R.C.H.Reddy, Independent Director is the Chairman of the Committee.

1.	Sri R.C.H.Reddy	Chairman	Independent Director
2.	Sri R.Santharam	Member	Non Executive Director
3.	Sri R.Varadarajan	Member	Independent Director
4.	Sri R.R.Balasundharam	Member	Independent Director

The Company Secretary is the Secretary of the Audit Committee.

Four Committee Meetings were held during the Financial Year ended 31st March, 2018 on 29.05.2017, 09.08.2017, 06.12.2017 and 07.02.2018. The Statutory Auditors, Internal Auditors, the Chief Executive Officer and the Chief Financial Officer attend the Audit Committee Meetings on invitation. The Senior Managerial Personnel attend the meetings as may be required by the Committee.

Nomination and Remuneration Committee

The Committee has been re-constituted as below at the Board Meeting held on 07.02.2018 with four Directors as Members of which two Members are Independent Directors. The Chairman of the Committee Sri R.C.H. Reddy is an Independent Director.



1.	Sri R.C.H.Reddy	Chairman	Independent Director
2.	Sri R.Santharam	Member	Non Executive Director
3.	Smt Aishwarya Pathy	Member	Non Executive Director
4.	Sri R.Varadarajan	Member	Independent Director

The Committee has met two times during the Financial Year ended 31st March, 2018 on 25.09.2017 and 07.02.2018. The Company Secretary is the Secretary of the Committee.

Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration in terms of Section 178(3) of the Companies Act, 2013. The Nomination and Remuneration Policy as approved by the Board is disclosed on the Company's website at the link at : <http://www.lakshmiautomatic.com/investors/policies/nomination-and-remuneration-policy/> in terms of the proviso to Section 178(4) of the Companies Act, 2013.

Salient Features of the Policy include:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies, in the manufacturing sector.
- To carryout evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To compensate them to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons.
- To perform such other functions as may be necessary as appropriate for the performance of the Directors.

Annual Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria and the manner for effective evaluation of the performance of the Board, its Committees and individual Directors for the Financial Year 2017-18. Accordingly a peer evaluation excluding the Director being evaluated was carried out by the Board on 07.02.2018. By a questionnaire circulated, each Board member was requested to give his/her views in evaluation of the Company performance, strategy and the performance of the Board, its Committees and individual Directors. Some of the performance parameters on which the independent Directors were evaluated include contribution, commitment, Initiative, Integrity, Independence, Independent views and judgment, fulfillment of functions, Qualifications, Knowledge, Experience and Competency and Role in active participation in Board and Committee Meetings.

The Independent Directors at their meeting held on 07.02.2018 reviewed the performance of Non-Independent Directors, the Board and the Chairperson of the Company.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

The performance of the Key Managerial and Senior Management Personnel of the Company was evaluated based on their qualifications, experience and the duties and responsibilities carried out by them.

Directors Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company state that:

- i) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable Accounting Standards have been followed;
- ii) the Directors have selected such accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended 31st March 2018;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual account for the financial year ended 31st March 2018 on a going concern basis.
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

The Company has received declaration from all the Independent Directors of the Company in terms of Section 149(7) of the Companies Act, 2013 confirming that they meet with the criteria of independence as prescribed under sub Section (6) of Section 149 of the Companies Act, 2013 and Regulations 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, M/s.Subbachar & Srinivasan, Chartered Accountants, (Membership No.004083S) in the Auditors' Report.

Secretarial Auditor

The Board has appointed Mr.M.R.L.Narasimha, Practising Company Secretary, (Membership No.2851, CP 799) to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed to this Report (Annexure 2). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.



Related Party Transactions:

All Related Party Transactions entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. There are no materially significant Related Party Transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Hence Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at the link at www.lakshmiautomatic.com/investors/policies/related-party-transaction-policy/

Dividend

The Directors were unable to recommend a dividend on the Equity shares for the year on account of carried over previous years losses. The 6% Cumulative Redeemable Preference Shareholders have given consent in writing for waiver of dividend.

Risk Management

The Company has laid down the Risk Assessment and Minimisation Procedures and on evaluation by the Audit Committee, are reviewed by the Board from time to time.

Corporate Social Responsibility

Your Company is not coming under the purview of the Corporate Social Responsibility under Section 135 of the Companies Act, 2013.

Directors and Key Managerial Personnel

Sri R.Santharam and Sri N.Jaychander, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A brief profile of the Directors retiring by rotation and seeking re-election, is annexed to the Notice of Annual General Meeting.

The Board of Directors of the Company at their meeting held on 25.9.2017 had appointed Mr.J.Balasubramaniam as the Chief Executive Officer of the Company for a term of 2 years. There was no other changes in the Key Managerial Personnel during the year.

The details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are furnished in **Annexure 3** forming part of the Board's Report.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. The Internal Audit - objectives, scope, functioning, periodicity and methodology is defined in the Internal Audit Programme. The quarterly internal Audit Report is placed before the Audit Committee of the Board. The internal Auditors monitor the adequacy of internal control systems, Accounting Procedures and Policies of the Company and corrective actions based on the observations are taken wherever necessary. During the year, such controls were reviewed and no reportable material weakness in the system or operation was observed by the Audit Committee.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Auditors

M/s.Subbachar & Srinivasan, Chartered Accountants, have been appointed as the Statutory Auditors of the Company, for a term of five financial years, commencing from 2017-18 and ending with 2021-22 and to hold office till the conclusion of the Annual General Meeting to be held in 2022.

Report on Corporate Governance and Management Discussion and Analysis

The report on Management Discussions and Analysis (Annexure 4) form part of the Annual Report.

Pursuant to Regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply to the Company. Hence the reporting on Corporate Governance in a separate section is not furnished. The Certificate from the Auditors of the Company to this effect is furnished (Annexure 5). However, as a good Corporate Governance practice the company has implemented the Corporate Governance provisions and shall report the same in the Annual Report when it becomes applicable to the Company.

Vigil Mechanism

The Company has adopted the Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. No personnel is denied access to the Audit Committee. No protected disclosures were received by the Nodal Officer during the year ended 31st March, 2018.

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

Demat Suspense Account / Unclaimed Suspense Account

The Share Certificates of the Company issued to the Shareholders on amalgamation of the erstwhile The Coimbatore Pioneer Machine Works Limited in exchange of the Share Certificates held by them, remained unclaimed were transferred to the Unclaimed Suspense Account. The details of the said Shares in Demat Suspense Account of the Company are :

Sl.	Particulars	No of Share holders	No. of Shares
(a)	Aggregate Number of Shareholders and the outstanding shares held in demat suspense account lying at the beginning of the year.	1108	3197
(b)	Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	1	6
(c)	Number of Shareholders to whom share were transferred from Suspense account during the year	1	6
(d)	Aggregate Number of Shareholders and the outstanding Shares in the suspense account lying at the end of the year	1107	3191
(e)	The Voting Rights on these shares shall remain frozen till the rightful owner of such shares claims the Shares.	1107	3191



General

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended hereto.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to Deposits covered under Chapter V of the Companies Act, 2013
2. Issue of equity shares with differential rights as to dividend, voting or otherwise in terms of Section 43 and 47 of the Companies Act, 2013 and the Rules made there under.
3. Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme.

Your Directors further state that during the year under review:

1. There were no complaints pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year under review and the date of this report.
4. The Annual Listing Fees for the year 2018-19 has been paid by the Company to BSE Limited.
5. No penalty or strictures have been imposed on the Company by the Capital Market Authorities for non-compliance of law, during the last three years.

Coimbatore
07.08.2018

By Order of the Board

(Sd.) **S. PATHY**
Chairman
DIN : 00013899



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

- a) The Manufacture of Spares and Accessories for Textile Machinery and Parts for Machine Tools is not energy intensive. Efforts are continuously made to reduce the waste of energy to the minimum.
- b) The Company currently manufactures Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines and Parts for Machine Tools and the consumption of energy is minimal. There was no significant capital investment on energy conservation equipments during the year.

B. Technology Absorption:

- (i) Efforts made towards technology absorption.

The Company has fully absorbed the technology in manufacturing Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines and Parts for Machine Tools.

- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

The quality Spares and Accessories for 'C' type Shuttle Weaving and Circular Knitting Machines and Parts for Machine Tools supplied by the Company at market price are well received by the users.

- (iii) The Company has not imported any new technology during the last three Financial Years.

- (iv) The expenditure incurred on R&D during the year was not material.

C. Foreign Exchange Earnings and Outgo:

Total Foreign Exchange earned by the Company during the year. : ₹ 17.51 lakhs

Total Foreign Exchange outgo during the year. : NIL

**ANNEXURE 1****FORM No. MGT - 9****EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31.03.2018**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L29269TZ1973PLC000680
ii)	Registration Date	12.12.1973
iii)	Name of the Company	Lakshmi Automatic Loom Works Limited
iv)	Category of the Company	Public Company
	Sub Category of the Company	Limited by shares
v)	Address of the Registered office and contact details	686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 Phone : 91 - 422 - 2245484-85 Fax No. : 91 - 422 - 2244887 E-Mail : contact@lakshmiautomatic.com Website : www.lakshmiautomatic.com
vi)	Whether Listed Company	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agent. (RTA)	M/s. S.K.D.C. Consultants Limited 3rd Floor, Kanapati Towers, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 Phone : 91- 422 - 2539835-36 & 4958995 Fax No. : 91 - 422 - 2539837 E-Mail : info@skdc-consultants.com Website : www.skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main Products / Services	NIC Code of the Products/ Service	% to total turnover of the Company
1	Accessories & Spares for Weaving & Knitting Machines	3538	9.26%
2	Parts & Accessories for Machine Tools including Tool Holders	3570	26.12%
3	Receiving Services (Receipt of Warehousing Charges)	5210	64.62%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary or Associate Companies.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

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

i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	58440	—	58440	0.957	58440	—	58440	0.957	—
b)	Central Govt	—	—	—	—	—	—	—	—	—
c)	State Govt(s)	—	—	—	—	—	—	—	—	—
d)	Bodies Corporate	330000	—	330000	5.406	330000	—	330000	5.406	—
e)	Banks / FI	—	—	—	—	—	—	—	—	—
f)	Any other	—	—	—	—	—	—	—	—	—
f. (i)	Director & their Relatives	1207837	—	1207837	19.788	1210587	50	1210637	19.834	(+)0.046
	Sub Total (A)(1)	1596277	—	1596277	26.151	1599027	50	1599077	26.197	(+)0.046
(2)	Foreign									
a)	NRIs - Individuals	—	—	—	—	—	—	—	—	—
b)	Other individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corporate	—	—	—	—	—	—	—	—	—
d)	Banks / FI	—	—	—	—	—	—	—	—	—
e)	Any other	—	—	—	—	—	—	—	—	—
	Sub Total (A)(2)	—	—	—	—	—	—	—	—	—
	Total shareholding of Promoters (A) =(A)(1)+(A)(2)	1596277	—	1596277	26.151	1599027	50	1599077	26.197	(+)0.046
B.	Public shareholding									
1.	Institutions									
a)	Mutual Funds	—	—	—	—	—	—	—	—	—
b)	Banks / FI	—	23000	23000	0.377	—	23000	23000	0.377	—
c)	Central Govt	—	—	—	—	—	—	—	—	—
d)	State Govt(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	1392016	—	1392016	22.805	1392016	—	1392016	22.805	—
g)	FIs	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
	Others - (specify)	—	—	—	—	—	—	—	—	—
	Sub-total (B)(1)	1392016	23000	1415016	23.182	1392016	23000	1415016	23.182	—



Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2.	Non-Institutions									
a)	Bodies Corporate	7857	1149095	1156952	18.954	12543	1149095	1161638	19.031	(+) 0.077
i)	Indian	—	—	—	—	—	—	—	—	—
ii)	Overseas	—	—	—	—	—	—	—	—	—
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	156987	472394	629381	10.311	166509	453072	619581	10.149	(-) 0.162
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
c)	Others (Specify)									
i)	Trusts	2	—	2	0.000	2	—	2	0.000	—
ii)	Directors and their Relatives	594	27350	27944	0.458	594	27350	27944	0.458	—
iii)	Non Resident Indians	3700	146130	149830	2.455	4199	143130	147329	2.414	(-) 0.041
iv)	Overseas Corporate Bodies	—	1125000	1125000	18.431	—	1125000	1125000	18.431	—
v)	Clearing Members	233	—	233	0.004	—	—	—	—	(-) 0.004
vi)	Hindu Undivided Families	6353	—	6353	0.104	8401	—	8401	0.138	(+)0.034
	Sub-total (B)(2)	175726	2916969	3092695	50.667	192248	2897647	3089895	50.621	(-)0.046
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	1567742	2939969	4507711	73.849	1584264	2920647	4504911	73.803	(-)0.046
C.	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	3164019	2939969	6103988	100.000	3183291	2920697	6103988	100.000	—

The Physical Shares acquired by the Promoters Group submitted for Dematerialization on 21.03.2018 has been credited to the Demat Account on 03.05.2018.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ii) Shareholding of Promoters

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2017			No. of Shares held at the end of the year 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	Sri S Pathy	470078	7.701	—	470078	7.701	—	—
2	Smt Rajshree Pathy	5000	0.082	—	5000	0.082	—	—
3	Sri Aditya Krishna Pathy	200	0.003	—	200	0.003	—	—
4	Smt Aiswarya Pathy	732559	12.001	—	735359	12.047	—	(+)0.046
5	Sri K Arjun	38966	0.638	—	38966	0.638	—	—
6	Sri K Nithin	17166	0.281	—	17166	0.281	—	—
7	Smt D.Thayarammal	2308	0.038	—	2308	0.038	—	—
8	M/s. The Lakshmi Mills Company Ltd	330000	5.406	—	330000	5.406	—	—
	TOTAL	1596277	26.151	—	1599077	26.197	—	(+)0.046

iii) Change in Promoters' shareholding

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Smt. Aishwarya Pathy				
	At the beginning of the year 01.04.2017	732559	12.001	732559	12.001
	Bought during the year on the following dates:				
	21.06.2017	1250	0.020	733809	12.022
	01.07.2017	100	0.002	733909	12.023
	01.08.2017	1400	0.023	735309	12.046
	25.01.2018	50	0.001	735359	12.047
	At the End of the year	735359	12.047		

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



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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year 01.04.2017	3573326	58.541		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/ bonus/sweat equity etc):				
1	ITEMA (Switzerland) Ltd	1000000	16.383	1000000	16.383
2	Voltas Ltd.,	615200	10.079	615200	10.079
3	Lakshmi Machine Works Limited	441110	7.227	441110	7.227
4	United India Insurance Company Limited	300186	4.918	300186	4.918
5	The New India Assurance Company Limited	300000	4.915	300000	4.915
6	General Insurance Corporation Of India	294500	4.825	294500	4.825
7	Life Insurance Corporation Of India	200000	3.277	200000	3.277
8	National Insurance Company Ltd	160000	2.621	160000	2.621
9	The Oriental Insurance Company Limited	137330	2.250	137330	2.250
10	Terrot Strickmaschinen Gmbh Germany	125000	2.048	125000	2.048
	At the end of the year 31.03.2018	3573326	58.541		



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	DIRECTORS				
1	Sri S.Pathy				
	At the beginning of the year	470078	7.701	470078	7.701
	Bought or Sold during the year	—	—	—	—
	At the end of the year	470078	7.701	470078	7.701
2	Sri R.Santharam	—	—	—	—
3	Sri R.C.H.Reddy				
	At the beginning of the year	594	0.010	594	0.010
	Bought or Sold during the year	—	—	—	—
	At the end of the year	594	0.010	594	0.010
4	Smt. Aishwarya Pathy				
	At the beginning of the year	732559	12.001	732559	12.001
	Bought during the year on the following dates:				
	21.06.2017	1250	0.020	733809	12.022
	01.07.2017	100	0.002	733909	12.023
	01.08.2017	1400	0.023	735309	12.046
	25.01.2018	50	0.001	735359	12.047
	At the end of the year	735359	12.047	—	—
5	Sri R.Varadarajan	—	—	—	—
6	Sri C.Kamatchisundaram	—	—	—	—
7	Sri N.Jaychander				
	At the beginning of the year	1850	0.030	1850	0.030
	Bought or Sold during the year	—	—	—	—
	At the end of the year	1850	0.030	1850	0.030
8	Sri R.R.Balasundharam				
	At the beginning of the year	10300	0.169	10300	0.169
	Bought or Sold during the year	—	—	—	—
	At the end of the year	10300	0.169	10300	0.169
	KEY MANAGERIAL PERSONNEL				
9	Sri J.Balasubramaniam	—	—	—	—
10	Sri K.P.Krishnakumar	—	—	—	—
11	Sri R.Muthukumar	—	—	—	—



V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46.44	—	10.00	10.00
ii) Interest due but not paid	—	—	0.53	0.53
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	46.44	—	10.53	10.53
Change in Indebtedness during the financial year				
* Addition	609.79	—	—	—
* Reduction	—	—	0.53	0.53
Net Change	656.23	—	10.00	10.00
Indebtedness at the end of the financial year				
i) Principal Amount	656.23	—	10.00	10.00
ii) Interest due but not paid	—	—	0.53	0.53
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	656.23	—	10.53	10.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No		Name of MD/ WTD/Manager	Total Amount
	Gross Salary	NIL	NIL
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	—	—
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission	—	—
	- as % of profit	—	—
	- Others	—	—
5	Others	—	—
	Total (A)	NIL	NIL
	Ceiling as per the Act	—	—



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

B. Remuneration to other Directors:

Amount in ₹

S. No	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board / Committee Meetings	Commission	Others, please specify	
1.	Independent Directors				
	Sri R.C.H. Reddy	1,14,000	—	—	1,14,000
	Sri R. Varadarajan	88,000	—	—	88,000
	Sri C. Kamatchisundaram	58,000	—	—	58,000
	Sri R.R. Balasundharam	90,000	—	—	90,000
	Total (1)	3,50,000	—	—	3,50,000
2.	Other Non-Executive Directors				
	Sri S. Pathy	66,000	—	—	66,000
	Sri R. Santharam	88,000	—	—	88,000
	Smt. Aishwarya Pathy	30,000	—	—	30,000
	Sri N. Jaychander	40,000	—	—	40,000
	Total (2)	2,24,000	—	—	2,24,000
	Total (B)=(1+2)	5,74,000	—	—	5,74,000
	Total Managerial Remuneration (A+B)	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	—	—	—	—



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount in ₹

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
	Gross Salary				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,82,000	7,79,051	10,68,000	25,29,051
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961				
	i) Motor car with Driver	16,200	—	—	16,200
	ii) Medical expenses reimbursed	—	30,240	—	30,240
	iii) Electric energy reimbursed	4,020	—	—	4,020
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	N.A	N.A	N.A	N.A
2	Stock Options	N.A	N.A	N.A	N.A
3	Sweat Equity	N.A	N.A	N.A	N.A
4	Commission				
	- as % of Profit	N.A	N.A	N.A	N.A
	- others, specify	N.A	N.A	N.A	N.A
5	Others, please specify	N.A	N.A	N.A	N.A
	Total	7,02,220*	8,09,291	10,68,000	25,79,511

* Part of the year.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

ANNEXURE 2

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

FORM No. MR - 3

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
Lakshmi Automatic Loom Works Limited
[CIN:L29269TZ1973PLC000680]
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037

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

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the Financial Year ended 31st March, 2018 and the information provided by the Company, its officers, agents and authorized representatives during my conduct of Secretarial Audit.

I hereby report that, in my opinion, during the audit period covering the Financial Year ended on 31st March 2018 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter of even date annexed to this report as Annexure - A.

1. I have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - i. The Companies Act, 2013 (the Act), the rules made thereunder.
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - iii. The Depositories Act, 1996 and the regulations and bye-laws framed there under.
 - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.



2. I am informed that, for the Financial Year ended on March 31, 2018 that there were no transaction under:
- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
 - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
3. The Company is not engaged in an industry regulated by a Sectoral Regulator.
- i. I have also examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
 - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - iii. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2018 but before the issue of this report, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
4. I further report that:
- (i) The Board of Directors of the Company is duly constituted with proper balance of Independent Directors, Non Independent Directors and a Women Director. There were no changes in the composition of the Board of Directors during the period under review.
 - (ii) Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings along with Agenda and detailed notes on agenda were sent at least seven days in advance before the Meeting.
 - (iii) A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting Directors' views on any of the matters during the year that were required to be captured and recorded as part of the Minutes.
 - (iv) There are adequate systems and processes in the Company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Coimbatore
Date : 07.08.2018

(Sd/-)
M.R.L. NARASIMHA
Practicing Company Secretary
Membership No: F2851
Certificate of Practice No.799
34-C, 3rd Cross, R.L.Nagar
K.K.Pudur, Coimbatore - 641 038



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Annexure - A to Secretarial Audit Report of even date

To

The Members,
Lakshmi Automatic Loom Works Limited
[CIN:L29269TZ1973PLC000680]
686, Avanashi Road
Pappanaickenpalayam
Coimbatore - 641037

My Secretarial Audit Report (Form MR-3) of even date for the Financial Year ended 31st March, 2018 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. I have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Coimbatore
Date : 07.08.2018

(Sd/-)
M.R.L. NARASIMHA
Practicing Company Secretary
Membership No: F2851
Certificate of Practice No.799
34-C, 3rd Cross, R.L.Nagar
K.K.Pudur, Coimbatore - 641 038



ANNEXURE 3

Disclosure pertaining to remuneration and other details required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

Directors were not paid any Remuneration other than Sitting Fees during the Financial Year.

2. The Number of permanent Employees on the rolls of the Company as on 31-03-2018 : 55 (fifty five only).
3. Average percentile increase in the salaries other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and if there are any exceptional circumstances for increase in the managerial remuneration:

Directors were not paid any managerial remuneration other than sitting fees during the Financial Year.

4. Affirmation that the remuneration is as per the remuneration policy of the Company: YES

5. Particulars of Employees

- a) Details of employees, employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crore and Two Lakhs: None
- b) Details of employees, employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate, was not less than Rupees Eight Lakhs and Fifty Thousand per month: None
- c) Details of employees, if employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None



Management Discussion and Analysis Report

I Industry structure and Development:

On the advent of shuttleless technology, the demand for High Speed Automatic 'C' type Shuttle Weaving Machines manufactured by the Company was affected. As the market for the Company's 'C' type Shuttle Loom was eroded, only Spares and Accessories for the Company's Shuttle Looms were manufactured during the year.

In order to augment the revenue the available building space is rented out to logistic services providers. In every industry segment, warehouses play a vital role in the entire value chain from raw material to final product especially in the manufacturing sector.

The supply of Parts for Machine Tools including Tool Holders to the Export Oriented Unit depends on the export market and is price competitive. Demand for Loom accessories and spares is also stagnant due to gradual phasing out of the looms supplied by the Company in earlier years.

II. Opportunities and Threats:

A. Warehousing Rental Services:

The size of the Indian warehousing industry is estimated to be around ₹ 560 billion. The sector is growing at more than 10% per annum. Of the total warehousing industry, cold storages have a share of about 16% and the warehouses catering to the Industrial and Retail players are holding the maximum share at about 55%. The Company is concentrating on Warehousing Rental Services for augmenting its revenue.

The entry of more Warehouses developers with additional facilities may have an adverse impact on the rental rate. However the location advantage of the Company's buildings may offset the impact.

B. Other Engineering Services:

The orders from the Export Oriented Unit for supply of Parts for Machine Tools including Tool Holders are based on the export orders bagged by them. As the export market for Parts for Machine Tools and Tool Holders is fluctuating the inflow of orders to the Company is also not consistent. Your Company has taken steps to source orders from domestic manufacturers and the rates offered are highly competitive.

III. Outlook:

The income from Warehouse Rental Services at Hosur will tend to increase. Additional Building Area is constructed to meet the demand by the Warehousing & Logistic Services Providers.

IV. 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.

V Discussion of Financial Performance with respect to Operational Performance:

The Company has achieved its revenue at ₹ 831.38 Lakhs from operations and the net profit for the year under review is ₹ 174.07 Lakhs after providing ₹ 35.99 Lakhs for Depreciation and ₹ 63.20 Lakhs towards taxation.

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

The number of employees engaged during the year was in line with operational requirement of the Company. The relation with labour was cordial during the year. The permanent employees on Roll as on 31-03-2018 were fifty five (55).



ANNEXURE 5

Auditors' Certificate on Corporate Governance

To

The Members,
Lakshmi Automatic Loom Works Limited
Coimbatore - 641037

We hereby certify that the paid up Equity Share Capital of LAKSHMI AUTOMATIC LOOM WORKS LIMITED ('the Company') is Rs. 6.10 crores and the net worth of the Company is Rs. 3.26 crores as on the last day of the previous Financial Year i.e. 31.03.2017. As per Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Listing Regulations shall not apply in respect of:

- a) the listed entity having Paid Up Equity Share Capital not exceeding Rupees Ten Crores and Net Worth not exceeding Rupees Twenty Five Crores, as on the last day of the previous Financial Year, provided that where the provisions of the regulations specified in this regulation becomes applicable to a listed entity at a later date, such listed entity shall comply with the requirements of those regulations within six months from the date on which the provisions became applicable to the listed entity.

Accordingly, Corporate Governance provisions are not applicable to the Company for the Financial Year ended March 31, 2018.

Coimbatore
May 24, 2018

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Independent Auditors' Report

To The Members of M/s. Lakshmi Automatic Loom Works Limited

Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** ("the Company"), which comprise of the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to IND AS financial statements)

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143 (11) of the Act.

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the IND AS financial statements.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2018**, and its profit, total comprehensive income, the cash flows and the changes in equity for the year ended as on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Company as on **March 31, 2018** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 2018** from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"** and
 - g) with respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements - Refer note no 29A to the IND AS financial statements.
 - ii The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There is no amount required to be transferred to the Investor Education and Protection Fund by the Company and hence the question of delay in transferring such sums does not arise.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Other matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 29th May 2017 and 23rd May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IND AS, which have been audited by us.

Coimbatore
May 24, 2018

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

Annexure - "A" to the Independent Auditors' Report

(Referred to in Paragraph 1 under "Report on Other legal and regulatory requirements" section of our report to the members of LAKSHMI AUTOMATIC LOOM WORKS LIMITED of even date).

We report that,

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

As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed.
3. The company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the financial year and hence sub-clauses (a) to (c) of clause (iii) of the Order are not applicable to the company.
4. The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.
5. The company has not accepted any deposits from the public during the year to which the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.



6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of the statutory dues:

- a. The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March 2018** for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of dispute is as under:

Name of Statute	Nature of the Dues	Amount (₹ in Lakhs)	Amount paid / adjusted (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act/ Service Tax Act	Service Tax	8.86	Nil	February 2007 to September 2008	Customs, Excise & Service Tax Appellate Tribunal, Chennai.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the company has not raised any money by way of term loans or by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(ix) of the Order is not applicable to the company.
10. To the best of our knowledge and belief and according to the information and explanations given to us during the course of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, no fraud on or by the company was noticed or reported during the year that causes the IND AS financial statements to be materially misstated.
11. The company has not paid any managerial remuneration during the year and hence the requirement of getting requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the IND AS financial statements as required by the applicable accounting standards.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Coimbatore
May 24, 2018

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

Annexure - "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under "Report on Other legal and regulatory requirements" section of our report to the members of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** of even date).

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

We have audited the internal financial controls over financial reporting of **LAKSHMI AUTOMATIC LOOM WORKS LIMITED** as of **31st March 2018** in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2018**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Coimbatore
May 24, 2018

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



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Balance Sheet as at March 31, 2018

₹ in Lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	4	124.92	142.83	127.86
(b) Capital work-in-progress		0.88	34.74	10.95
(c) Investment Property	5	702.75	223.84	234.34
Non-current financial assets				
(d) Financial assets				
- Other financial assets	6	23.54	24.54	23.79
(e) Deferred tax assets (net)		—	—	76.12
(f) Other non-current assets	7	22.91	61.42	37.83
Total non - current assets		875.00	487.37	510.89
2 Current assets				
(a) Inventories	8	61.01	59.54	65.43
(b) Financial assets				
(i) Trade receivables	9	101.75	110.10	71.61
(ii) Cash and cash equivalents	10	26.67	6.28	26.39
(iii) Bank balances other than cash and cash equivalents	10	413.31	581.56	871.47
(iv) Other financial assets	6	10.00	13.36	23.28
(c) Current tax assets (net)		9.33	—	—
(d) Other current assets	7	11.89	27.78	28.81
Total Current Assets		633.96	798.62	1,086.99
TOTAL ASSETS		1,508.96	1,285.99	1,597.88
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	610.40	610.40	610.40
(b) Other equity	12	(110.59)	(284.66)	(331.49)
Total Equity		499.81	325.74	278.91
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings (includes Preference Share Capital)	13	558.52	610.00	860.00
(ii) Other financial liabilities	16	65.88	58.94	185.64
(b) Provisions	14	52.63	51.53	46.62
(c) Deferred tax liabilities (Net)	25	23.21	21.51	—
Total Non - Current Liabilities		700.24	741.98	1,092.26



Balance Sheet as at March 31, 2018 (Contd...)

₹ in Lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	73.67	47.50	—
(ii) Trade payables	15	13.49	14.95	18.06
(iii) Other financial liabilities	16	151.42	90.53	106.25
(b) Provisions	14	20.82	21.16	17.57
(c) Other current liabilities	17	49.51	44.13	70.03
(d) Current tax liabilities (net)		—	—	14.80
Total current liabilities		308.91	218.27	226.71
Total Liabilities		1,009.15	960.25	1,318.97
TOTAL EQUITY AND LIABILITIES		1,508.96	1,285.99	1,597.88

See accompanying notes to the financial statements 1 to 35

For and on behalf of the Board of Directors

(Sd.) **S. PATHY**
Chairman (DIN:00013899)

(Sd.) **R. SANTHARAM**
Director (DIN:00151333)

Coimbatore (Sd.) **N. JAYCHANDER**
May 24, 2018 Director (DIN:00015091)

(Sd.) **K.P. KRISHNAKUMAR**
Chief Financial Officer

(Sd.) **R. MUTHUKUMAR**
Company Secretary

In terms of our report attached
For **SUBBACHAR & SRINIVASAN**
Chartered Accountants
Firm Registration No. 0040835
(Sd.) **T.S.V. RAJAGOPAL**
Partner
(Membership No. 200380)



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
I Revenue from operations	18	747.38	728.39
II Other income	19	84.00	72.97
III Total income (I + II)		831.38	801.36
IV Expenses			
Cost of materials consumed	20.a	78.99	73.60
Changes in inventories of finished goods and work-in-progress	20.b	(2.77)	6.46
Excise duty on sale of goods		2.02	10.93
Employee benefits expense	21	253.18	245.68
Finance costs	22	5.45	4.79
Depreciation and amortisation expenses	4	35.99	29.96
Other expenses	23	222.43	240.32
Total Expenses (IV)		595.29	611.74
V Profit before Exceptional Items and tax (III - IV)		236.09	189.62
VI Exceptional Items	24	—	85.34
VII Profit Before Tax (V - VI)		236.09	274.96
VIII Tax expense	25		
Current tax			
in respect of current year		61.96	95.77
in respect of earlier years		—	138.09
Deferred tax		1.24	(5.15)
Total tax		63.20	228.71
IX Profit for the year (VII - VIII)		172.89	46.25
X Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss:			
(a) Remeasurement of employee defined benefit plans		1.64	0.86
(b) Income tax on (a) above		(0.46)	(0.28)
Total Other comprehensive income		1.18	0.58
XI Total comprehensive income for the year (IX + X)		174.07	46.83
XII Earnings per equity share of ₹ 10/-			
Basic	27	2.83	0.76
Diluted	27	2.83	0.76

See accompanying notes to the financial statements 1 to 35

For and on behalf of the Board of Directors

(Sd.) S. PATHY
Chairman (DIN:00013899)

(Sd.) R. SANTHARAM
Director (DIN:00151333)

Coimbatore (Sd.) N. JAYCHANDER
May 24, 2018 Director (DIN:00015091)

(Sd.) K.P. KRISHNAKUMAR
Chief Financial Officer

(Sd.) R. MUTHUKUMAR
Company Secretary

In terms of our report attached
For SUBBACHAR & SRINIVASAN
Chartered Accountants
Firm Registration No. 0040835
(Sd.) T.S.V. RAJAGOPAL
Partner
(Membership No. 200380)



Statement of changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at April 1, 2016	610.40
Changes in equity share capital during the year	—
Balance as at March 31, 2017	610.40
Changes in equity share capital during the year	—
Balance as at March 31, 2018	610.40

B. Other Equity

₹ in Lakhs

Particulars	Reserves & Surplus			Other Comprehensive Income Employees defined benefit plan	Total other equity
	Securities premium reserve	Capital redemption reserve	Retained earnings		
Balance as at April 1, 2016	457.92	—	(789.41)	—	(331.49)
250,000 - 6% Cumulative redeemable preference shares of ₹ 100/- each bought back	(250.00)	—	—	—	(250.00)
Capital Redemption Reserve during the year	—	250.00	—	—	250.00
Profit for the year (net of taxes)	—	—	46.25	—	46.25
Other Comprehensive Income for the year (net of taxes)	—	—	—	0.58	0.58
Total Comprehensive income for the year	—	—	46.25	0.58	46.83
Balance as at March 31, 2017	207.92	250.00	(743.16)	0.58	(284.66)
200,000 - 6% Cumulative redeemable preference shares of ₹ 100/- each bought back	(200.00)	—	—	—	(200.00)
Capital Redemption Reserve during the year	—	200.00	—	—	200.00
Profit for the year (net of taxes)	—	—	172.89	—	172.89
Other Comprehensive Income for the year (net of taxes)	—	—	—	1.18	1.18
Total Comprehensive income for the year	—	—	172.89	1.18	174.07
Balance as at March 31, 2018	7.92	450.00	(570.27)	1.76	(110.59)

For and on behalf of the Board of Directors

(Sd.) S. PATHY
Chairman (DIN:00013899)

(Sd.) R. SANTHARAM
Director (DIN:00151333)

Coimbatore (Sd.) N. JAYCHANDER
May 24, 2018 Director (DIN:00015091)

(Sd.) K.P. KRISHNAKUMAR
Chief Financial Officer

(Sd.) R. MUTHUKUMAR
Company Secretary

In terms of our report attached
For SUBBACHAR & SRINIVASAN
Chartered Accountants
Firm Registration No. 004083S
(Sd.) T.S.V. RAJAGOPAL
Partner
(Membership No. 200380)



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Cash flow Statement for the year ended March 31, 2018

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	236.09	274.96
Adjustments for:		
Depreciation and amortisation expense	35.99	29.96
Liability written back	—	(85.34)
Net loss/(gain) on disposal of property, plant and equipment	(9.38)	—
Interest income	(38.04)	(57.77)
Interest expense	5.45	4.79
Operating profit before working capital changes	230.11	166.60
Adjustments for:		
(Increase)/decrease in inventories	(1.47)	5.89
(Increase)/decrease in trade receivables	8.35	(38.49)
(Increase)/decrease in other current assets	15.89	1.03
(Increase)/decrease in other non-current financial assets	1.00	(0.75)
(Increase)/decrease in other non-current assets	(1.68)	5.33
Increase/(decrease) in trade payables	(1.46)	(3.11)
Increase/(decrease) in provisions	2.40	9.36
Increase/(decrease) in other non-current financial liabilities	6.94	(41.36)
Increase/(decrease) in other financial liabilities	26.85	(15.72)
Increase/(decrease) in other current liabilities	(41.31)	(26.86)
Cash generated from operations	245.62	61.92
Net income tax (paid) / refunds	(71.29)	(128.73)
Net cash flow from operating activities (A)	174.33	(66.81)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment (including capital advances)	(376.25)	(103.61)
Proceeds from sale of property, plant and equipment	9.38	—
Bank balances other than cash and cash equivalents	168.25	289.91
Interest received	41.40	67.69
Net cash used in investing activities (B)	(157.22)	253.99
C. Cash flow from financing activities		
Proceeds from non-current borrowings for capital expenditure	200.00	—
Repayment of non-current borrowings	(17.44)	—
Current borrowings (net)	26.17	47.50
Finance costs	(5.45)	(4.79)
Buyback of preference shares	(200.00)	(250.00)
Net cash flow used in financing activities (C)	3.28	(207.29)
Net increase in Cash and cash equivalents (A+B+C)	20.39	(20.11)
Cash and cash equivalents at the beginning of the year (refer note 10)	6.28	26.39
Cash and cash equivalents at the end of the year (refer note 10)	26.67	6.28
Net increase in Cash and cash equivalents	20.39	(20.11)

See accompanying notes to the financial statements 1 to 35

For and on behalf of the Board of Directors

(Sd.) S. PATHY

Chairman (DIN:00013899)

(Sd.) R. SANTHARAM

Director (DIN:00151333)

(Sd.) N. JAYCHANDER

Director (DIN:00015091)

(Sd.) K.P. KRISHNAKUMAR

Chief Financial Officer

(Sd.) R. MUTHUKUMAR

Company Secretary

In terms of our report attached
For SUBBACHAR & SRINIVASAN

Chartered Accountants

Firm Registration No. 004083S

(Sd.) T.S.V. RAJAGOPAL

Partner

(Membership No. 200380)

Coimbatore
May 24, 2018



Notes to the financial statements for the year ended March 31, 2018

1 CORPORATE INFORMATION

Lakshmi Automatic Loom Works Limited was incorporated under the Companies Act, 1956. The company's shares are listed with BSE Limited, Mumbai. The company is manufacturing spares and accessories for C type automatic weaving machines, circular knitting machines and parts for machine tools. The revenue from operations includes warehousing rental services.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company had prepared and presented its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 3 for the details of first-time adoption exemptions availed by the Company.

(ii) Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Use of estimates and judgement

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that

are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, else in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(iv) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, and similar allowances.

a) Sale of goods: Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;



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- the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- b) Service income: Service income is recognised on rendering of services.
- c) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(vi) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income and expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(vii) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge.

(viii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying

assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Borrowing costs that are not directly attributable to a qualifying asset are amortised over the term of the related borrowing and is included in finance costs.

(ix) Employee benefits

The Company participates in various employee benefit plans. The employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity benefit is unfunded. The Company's obligation in respect of the gratuity, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

(x) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- a) **Current tax:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- b) **Minimum Alternate Tax (MAT):** MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c) **Deferred tax:** Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(xi) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion



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is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible assets are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(xii) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. However, for transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the

property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation on investment properties (other than land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(xiii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of the assets are estimated to be less than their carrying amounts, the carrying amounts of those assets are reduced to their recoverable amounts. Impairment losses are recognised immediately in the Statement of Profit and Loss. When impairment losses are subsequently reversed, the carrying amount of those assets are increased to their revised estimates of their recoverable amounts, so that the increased carrying amounts do not exceed the carrying amounts that would have been determined had no impairment losses recognised for those assets in prior years. The reversal of impairment losses are recognised immediately in the Statement of Profit and Loss.

(xiv) Inventories

Inventories are stated at the lower of cost or net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined using weighted average basis.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes, if any.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



(xv) Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(xvi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at Fair Value Through Profit and Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

a) Non-derivative Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective interest method:

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

b) Derecognition of financial assets:

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset; or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

- c) **Foreign exchange gains and losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL,



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the exchange differences are recognised in Statement of Profit and Loss.

d) Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through the Statement of Profit and Loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised and through the amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(xvii) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) as per Ind AS 108. The Company is reported at an overall level, and hence there are two reportable segments viz., "Warehousing Rental Services" and "Other Engineering Services". Geographic information is based on business sources from that geographic region. Accordingly the geographical segments are determined as Domestic ie., within India and External ie., Outside India.

(xviii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into

known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits (with an original maturity of three months or less from the date of acquisition) with banks.

(xix) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3 EXEMPTIONS AVAILED AND MANDATORY EXCEPTIONS

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for all fiscal years presented. The Company has prepared opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-2.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

- (i) Since there is no change in the functional currency, the Company has elected to continue with the carrying value as at 1 April 2016 for all of its investment property and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.
- (ii) Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.



Notes to the financial statements for the year ended March 31, 2018

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Description of Assets	Freehold Land	Buildings	Plant & Equipment	Vehicles	Office Equipment	Total Property, Plant and Equipment
I. Gross Block (cost or deemed cost)						
Balance as at April 1, 2016	24.91	72.52	28.24	0.04	2.15	127.86
Additions	—	—	27.33	5.00	2.10	34.43
Disposals	—	—	—	—	—	—
Balance as at March 31, 2017	24.91	72.52	55.57	5.04	4.25	162.29
Additions	—	—	0.22	0.67	2.30	3.19
Disposals	—	—	—	—	—	—
Balance as at March 31, 2018	24.91	72.52	55.79	5.71	6.55	165.48
II. Accumulated Depreciation and Impairment						
Balance as at April 1, 2016	—	—	—	—	—	—
Charge for the year	—	9.94	8.10	0.37	1.05	19.46
Withdrawal on Disposals	—	—	—	—	—	—
Balance as at March 31, 2017	—	9.94	8.10	0.37	1.05	19.46
Charge for the year	—	9.93	8.71	0.55	1.91	21.10
Withdrawal on Disposals	—	—	—	—	—	—
Balance as at March 31, 2018	—	19.87	16.81	0.92	2.96	40.56
Net block (I-II)						
Balance as at March 31, 2018	24.91	52.65	38.98	4.79	3.59	124.92
Balance as at March 31, 2017	24.91	62.58	47.47	4.67	3.20	142.83
Balance as at April 1, 2016	24.91	72.52	28.24	0.04	2.15	127.86

NOTE 5 - INVESTMENT PROPERTY

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cost or deemed cost			
Balance at beginning of year	234.34	234.34	234.34
Additions/(Disposals)	493.80	—	—
Balance at end of year	728.14	234.34	234.34
Accumulated depreciation			
Balance at beginning of year	10.50	—	—
Charge for the year / (withdrawal on disposals)	14.89	10.50	—
Balance at end of year	25.39	10.50	—
Net Block	702.75	223.84	234.34



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Notes to the financial statements for the year ended March 31, 2018

Information regarding income and expenditure of investment property

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Income derived from investment properties	458.75	414.06
Direct operating expenses (including repairs and maintenance)	(24.42)	(19.83)
Profit arising from investment properties before depreciation	434.33	394.23
Depreciation	14.89	10.50
Profit arising from investment properties	419.44	383.73

The Company's investment properties consist of properties in the nature of land (freehold and leasehold) and buildings in India. As at March 31, 2018 and March 31, 2017 the fair values of the properties excluding leasehold land are ₹ 6,213.56 Lakhs and ₹ 6,140.38 Lakhs respectively. These are based on valuations performed by independent valuers. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. (refer note 32.2B for note on fair value hierarchy).

The Company has no restrictions on the realisability of its investment properties except the leasehold land and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note 6 - OTHER FINANCIAL ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Measured at amortised cost			
Security Deposits	23.54	24.54	23.79
Total	23.54	24.54	23.79
Current			
At cost			
Interest accrued on fixed deposits	10.00	13.36	23.28
Total	10.00	13.36	23.28

Note 7 - OTHER ASSETS

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Capital advance	6.66	46.85	0.50
Balances with revenue authorities			
- Central Excise	7.40	7.40	12.73
Advance Income Tax (Net of provisions)	6.51	6.51	23.94
Other assets	2.34	0.66	0.66
Total	22.91	61.42	37.83



Notes to the financial statements for the year ended March 31, 2018

Note 7 - OTHER ASSETS (Contd...)

(Unsecured and considered good)

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Balances with revenue authorities	4.43	21.46	22.21
Prepaid expenses	2.44	2.99	3.16
Advance to Suppliers	0.36	0.36	0.02
Advance for expenses	3.57	0.13	0.21
Other assets	1.09	2.84	3.21
Total	11.89	27.78	28.81

Note 8 - INVENTORIES

(Lower of cost or net realisable value)

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	7.13	7.57	7.95
Components	18.34	19.46	19.62
Work-in-progress	7.34	4.03	10.45
Finished goods	7.02	7.56	7.60
Stock of stores and spares	21.18	20.92	19.81
Total	61.01	59.54	65.43

The mode of valuation of inventories has been stated in note 2 (xiv) of Significant Accounting Policies.

The cost of inventories recognised as an expense amounted to ₹ 76.22 Lakhs (Previous year ₹ 80.06 Lakhs).

Note 9 - TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured and considered good			
from Related Parties	1.49	1.47	2.16
from others	100.26	108.63	69.45
Unsecured and considered doubtful			
from Related Parties	—	—	—
from others	—	2.80	2.80
Less: Provision for doubtful debts	—	(2.80)	(2.80)
Total	101.75	110.10	71.61



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Notes to the financial statements for the year ended March 31, 2018

Note 10 - CASH AND BANK BALANCES

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Cash in hand	0.49	0.28	0.90
Balances with banks in Current accounts	26.18	6.00	25.49
Total	26.67	6.28	26.39
Other bank balances			
(i) Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	157.45	148.55	—
(ii) Fixed deposits (maturity of not more than 12 months from the balance sheet date)	255.86	433.01	871.47
Total	413.31	581.56	871.47

Note 11 - SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
(a) Authorised						
Equity shares of ₹ 10 each with voting rights	65,00,000	650.00	65,00,000	650.00	65,00,000	650.00
6% Cumulative Redeemable preference shares of ₹ 100 each	9,00,000	900.00	9,00,000	900.00	9,00,000	900.00
(b) Issued, Subscribed and fully paid up						
Equity shares of ₹ 10 each with voting rights	61,03,988	610.40	61,03,988	610.40	61,03,988	610.40
Total	61,03,988	610.40	61,03,988	610.40	61,03,988	610.40

(c) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each share holder is entitled for one vote. As per the terms of the share issued, dividend is payable to the share holders in proportion to the respective equity shares held by them on a fully diluted basis. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.



Notes to the financial statements for the year ended March 31, 2018

(d) Reconciliation of the shares outstanding at the beginning and at the end of the year

₹ in Lakhs

Particulars	Opening Balance	Fresh Issue / Conversion/ Redemption	Bonus issue	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2018				
- Number of shares	61,03,988	—	—	61,03,988
- Amount (in lakhs)	610.40	—	—	610.40
Year ended March 31, 2017				
- Number of shares	61,03,988	—	—	61,03,988
- Amount (in lakhs)	610.40	—	—	610.40
As at April 1, 2016				
- Number of shares	61,03,988	—	—	61,03,988
- Amount (in lakhs)	610.40	—	—	610.40

(e) Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
Mr. S Pathy	4,70,078	7.70%	4,70,078	7.70%	4,70,078	7.70%
Mrs. Aishwarya Pathy	7,35,359	12.05%	7,32,559	12.00%	7,32,453	12.00%
The Lakshmi Mills Company Ltd	3,30,000	5.41%	3,30,000	5.41%	3,30,000	5.41%
Lakshmi Machine Works Ltd	4,41,110	7.23%	4,41,110	7.23%	4,41,110	7.23%
Voltas Ltd	6,15,200	10.08%	6,15,200	10.08%	6,15,200	10.08%
ITEMA (Switzerland) Ltd	10,00,000	16.38%	10,00,000	16.38%	10,00,000	16.38%

(f) The Company has not issued any bonus shares during the period of 5 years immediately preceeding the balance sheet date

Note 12 - OTHER EQUITY

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium reserve (Amounts received on issue of shares in excess of the par value has been classified as securities premium)	7.92	207.92	457.92
Capital redemption reserve (Statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of Company Law)	450.00	250.00	—
Retained earnings (Retained earnings comprise of the Company's undistributed earnings after taxes)	(570.27)	(743.16)	(789.41)
Other comprehensive income (Items of other comprehensive income consists of remeasurement of net defined benefit liability/asset)	1.76	0.58	—
Total	(110.59)	(284.66)	(331.49)



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Notes to the financial statements for the year ended March 31, 2018

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium reserve		
Balance at beginning of year	207.92	457.92
Less: Utilised for preference shares buy back	(200.00)	(250.00)
Balance at end of year	7.92	207.92
Capital Redemption reserve		
Balance at beginning of year	250.00	—
Transfer from securities premium reserve	200.00	250.00
Balance at end of year	450.00	250.00
Retained earnings		
Balance at beginning of year	(743.16)	(789.41)
Profit attributable to owners of the Company	172.89	46.25
Balance at end of year	(570.27)	(743.16)
Other comprehensive income		
Balance at beginning of year	0.58	—
Remeasurement of defined benefit obligations (net of tax)	1.18	0.58
Balance at end of year	1.76	0.58

Note 13 - BORROWINGS

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Measured at amortised cost			
Unsecured			
6% Cumulative Redeemable Preference Shares	600.00	850.00	850.00
Less: Shares bought back	(200.00)	(250.00)	—
	400.00	600.00	850.00
Secured borrowing from bank			
Rent Encashment Loan	182.56	—	—
Current maturities of long term borrowings	(34.04)	—	—
	148.52	—	—
Unsecured Loans			
Agency deposit (Rate of interest - 10.50%)	10.00	10.00	10.00
Total	558.52	610.00	860.00



Notes to the financial statements for the year ended March 31, 2018

(i) Details of terms of repayment of long-term borrowings and interest thereon are as follows: ₹ in Lakhs

Particulars	Terms of repayment	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Indian Bank	Repayable in 55 monthly instalments upto November 2022. The loan carries an interest rate of MCLR 1 Yr + Sp 2.25%. Presently 10.85%	182.56	—	—

Current ₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured - at amortised cost			
Loans from bank	73.67	47.50	—
Total	73.67	47.50	—

Details of loans from bank ₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Indian Bank			
Overdraft facility	73.67	39.84	—
Open Cash Credit	—	7.66	—
Total	73.67	47.50	—

Details of security for non-current and current borrowings from bank:

The open cash credit facility from bank is secured by exclusive charge on the current assets and extension of charge on fixed assets of the Company. The overdraft facility from the bank is secured by pledge of fixed deposits. Rent encashment loan is secured by an extension of charge on land and buildings at Hosur. The loans from bank other than overdraft facility is further secured by personal guarantee of the Chairman.

NOTE 14 - PROVISIONS ₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Provision for employee benefits:			
Gratuity	40.73	40.54	36.76
Leave encashment	11.90	10.99	9.86
Total	52.63	51.53	46.62
Current			
Provision for employee benefits:			
Gratuity	6.83	5.26	4.50
Leave encashment	2.87	4.55	1.88
Bonus	11.12	11.35	11.19
Total	20.82	21.16	17.57



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

Note 15 - TRADE PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Payable to micro and small enterprises (refer note below)	5.24	7.93	7.42
Others	8.25	7.02	10.64
Total	13.49	14.95	18.06

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given in Note 34

(ii) The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Company ensures that payables are paid within the credit terms.

NOTE 16 - OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Rental security deposit	65.88	58.94	185.64
Total	65.88	58.94	185.64
Current			
Current maturities of long term borrowings from Bank	34.04	—	—
Rental security deposit	69.35	89.19	105.87
Payables for Capital Works	48.03	1.34	0.38
Total	151.42	90.53	106.25

NOTE 17 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory remittances	12.47	1.26	2.87
Liability for expenses	36.71	42.48	47.93
Others	0.33	0.39	19.23
Total	49.51	44.13	70.03



Notes to the financial statements for the year ended March 31, 2018

NOTE 18 - REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of goods, including excise duty	265.78	289.39
Other operating revenue (refer note below)	481.60	439.00
Total	747.38	728.39

Note

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other operating revenue comprises:		
Fabrication income	22.85	24.94
Warehousing Rental Income	458.75	414.06
Total	481.60	439.00

NOTE 19 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets at Amortised Cost	38.04	57.77
Profit on disposal of fixed assets	9.38	—
Net gain on foreign currency transactions	0.09	0.45
Realisation of scrap	29.48	14.72
Excess provision written back	2.80	—
Miscellaneous income	4.21	0.03
Total	84.00	72.97

NOTE 20.a - COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	27.03	27.57
Add: Purchases	77.43	73.06
	104.46	100.63
Less: Closing stock	(25.47)	(27.03)
Total	78.99	73.60
Cost of materials consumed comprises:		
Iron and steel	62.22	56.47
Components	16.77	17.13
Total	78.99	73.60



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

NOTE 20.b - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished goods	7.02	7.56
Work-in-progress	7.34	4.03
	14.36	11.59
Inventories at the beginning of the year:		
Finished goods	7.56	7.60
Work-in-progress	4.03	10.45
	11.59	18.05
Net decrease / (increase)	(2.77)	6.46

NOTE 21 - EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	218.97	213.81
Contribution to provident fund	15.74	14.51
Gratuity and Leave encashment	11.60	10.67
Staff welfare expenses	6.87	6.69
Total	253.18	245.68

Note 22 - FINANCE COST

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses	13.64	5.01
Less: Interest capitalised	(8.19)	(0.22)
Total	5.45	4.79

NOTE 23 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Material fabrication charges	15.51	14.97
Power and fuel	34.74	32.41
Consumption of stores and spares	27.89	20.65
Repairs and maintenance - Buildings	19.37	16.02
Repairs and maintenance - Machinery	6.51	7.25
Repairs and maintenance - Others	1.85	0.90
Maintenance charges to SIPCOT	8.82	8.14
Printing and stationery	3.41	3.11

(Contd...)



Notes to the financial statements for the year ended March 31, 2018

NOTE 23 - OTHER EXPENSES (Contd...)

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Postage and Telephone	7.56	6.42
Travelling and maintenance of Motor Vehicles	20.38	21.46
Bank charges and Filing Fees	0.87	0.77
Advertisement and Subscription	3.03	3.62
Insurance charges	2.10	1.81
Rates and Taxes	6.21	7.55
Sales Commission	1.11	2.43
Sales Expenses	0.07	0.03
Export Expenses	0.32	0.62
Directors Sitting Fees	5.74	6.70
Remuneration to Auditors [Refer Note (i) below]	2.00	1.59
Legal and other professional costs	18.24	50.98
Water Charges	1.79	1.03
Rent	22.94	21.76
Transport Vehicles Hire Charges	4.46	4.45
Miscellaneous expenses	7.51	5.65
Total	222.43	240.32

Note (i) Remuneration to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit fees	2.00	0.87
Limited review certifications	—	0.61
Reimbursement of expenses	—	0.11
Total	2.00	1.59

NOTE 24 - EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Liability written back on one time settlement	—	85.34
Total	—	85.34



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

NOTE 25 - TAX EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	61.96	95.77
In respect of earlier years	—	138.09
Deferred tax	1.24	(5.15)
Total income tax expense recognised in the current year	63.20	228.71

The reconciliation between the provision made for income tax by the Company and the tax computed by applying the rate of income tax on profit before taxes is as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax:		
Profit before tax	236.09	274.96
Enacted income tax rate	27.55%	33.06%
Computed expected tax expense	65.04	90.91
Effect of:		
Depreciation	(2.63)	1.65
Share issue expenses	—	0.11
Disallowance under 43B of Income Tax Act (Net)	0.32	3.09
Provision for doubtful debts reversed	(0.77)	—
Adjustments recognised in the current year in relation to prior years	—	138.09
Income tax expense recognised on the profit	61.96	233.86
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	1.24	(5.15)
Tax expense reported in the Statement of Profit and Loss	63.20	228.71

Deferred tax

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	21.51	(76.12)
MAT Credit Entitlement	—	102.50
Recognised in Profit or loss		
Property, plant and equipment	(1.90)	(2.06)
Section 43B disallowance	3.14	(3.09)
	1.24	(5.15)
Recognised in Other Comprehensive Income		
Defined benefit obligation	0.46	0.28
Closing balance	23.21	21.51



Notes to the financial statements for the year ended March 31, 2018

NOTE 26 - SEGMENT INFORMATION

The CEO of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented.

The Company is structured into two reportable business segments - "Warehousing Rental Services" and "Other Engineering Services". During the period, the Company has restructured its verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure used to report to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Geographic information is based on business sources from that geographic region. Accordingly the geographical segments are determined as Domestic ie., within India and External ie., Outside India.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practicable to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

Business Segment

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Segment Revenue		
Net Sales/Income		
a. Warehousing Rental Services	481.67	415.30
b. Other Engineering Services	311.67	328.29
Total	793.34	743.59
Less: Inter-Segment revenue	—	—
Net Sales/Income	793.34	743.59
Segment Results		
Profit / (Loss)		
a. Warehousing Rental Services	262.28	232.91
b. Other Engineering Services	(31.51)	48.34
Total	230.77	281.25
Less: Finance costs	5.45	4.79
Add/(Less): Other unallocable Income net of unallocable expenses	10.77	(1.50)
Total Profit/Loss before Tax	236.09	274.96
Segment Assets		
a. Warehousing Rental Services	1,264.07	1,009.08
b. Other Engineering Services	229.07	270.40
c. Unallocated	15.82	6.51
Total	1,508.96	1,285.99



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Segment Liabilities		
a. Warehousing Rental Services	527.54	276.91
b. Other Engineering Services	58.39	61.86
c. Unallocated	423.22	621.48
Total	1,009.15	960.25

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital Expenditure	376.25	103.61
Depreciation	35.99	29.96
Geographical Segment		
Revenues		
a. Domestic	775.84	718.80
b. External	17.50	24.79
Total	793.34	743.59
Less: Inter-Segment revenue	—	—
Net Sales/ Income from operations	793.34	743.59

Note: Two customers contributed 10% or more to the company's revenue for both 2017-18 and 2016-17.

NOTE 27 - EARNINGS PER SHARE (EPS)

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to ordinary shareholders - for Basic and Diluted EPS	172.89	46.25
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	61,03,988	61,03,988
Weighted average number of equity shares used in the calculation of diluted EPS	61,03,988	61,03,988
Earnings per share of ₹ 10/- each		
- Basic (in ₹)	2.83	0.76
- Diluted (in ₹)	2.83	0.76

NOTE 28 - ASSETS GIVEN ON OPERATING LEASES

28.1 The above includes following assets given on operating lease :

₹ in Lakhs

Particulars	Land *	Buildings	Plant & Equipment
As at 31 March 2018			
Gross Block	4.25	691.58	32.31
Accumulated Depreciation	—	23.06	2.33
Net Block	4.25	668.52	29.98
Depreciation for the year	—	13.15	1.74
As at 31 March 2017			
Gross Block	4.25	226.15	3.94
Accumulated Depreciation	—	9.93	0.57
Net Block	4.25	216.22	3.37
Depreciation for the year	—	9.93	0.57

* includes leasehold land of ₹ 1.12 lakhs (₹ 1.12 lakhs)



Notes to the financial statements for the year ended March 31, 2018

NOTE 29 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Other monies for which the Company is contingently liable:			
(i) Claims for refund of security deposit	5.42	5.42	5.42
(ii) Disputed service tax on appeal (Disputed tax dues are under appeal before the concerned Appellate Authorities. The Company is advised that the matters are likely to be disposed off in favour of the Company)	8.86	8.86	8.86

Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at respective Forums/Authorities. Management is hopeful of successful outcome in the Appellate proceedings.

B. Commitments

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	—	279.91	—

C. Out of 8,50,000-unlisted 6% Cumulative Redeemable Preference Shares of ₹ 100/- each due for redemption on February 24, 2020, the Company bought back 250,000 Shares on November 7, 2016 and 200,000 Shares on February 19, 2018 utilising the Security Premium. No provision for accrual of dividend on 6% Cumulative Redeemable Preference Shares has been made on the consent in writing given by the Preference Shareholders for waiver.

NOTE 30 - EMPLOYEE BENEFIT PLANS

(a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs towards the benefits. The Company has recognised ₹ 10.51 Lakhs (for the year ended March 31, 2017 ₹ 10.52 Lakhs) as contribution to Provident Fund, and ₹ 5.23 Lakhs (for the year ended March 31, 2017 ₹ 3.99 Lakhs) as payment under Employee State Insurance Scheme in the Statement of Profit and Loss. These contributions have been made at the rates specified in the rules of the respective schemes and has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company has not funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Defined Benefit Obligation at beginning of the year	45.79	15.54	41.25	11.73
Current service cost	3.58	3.28	3.00	4.81
Interest cost	3.35	0.97	3.12	0.87
Actuarial (Gain) / Loss	(1.64)	0.41	(0.86)	(1.13)
Benefits paid	(3.53)	(5.43)	(0.72)	(0.74)
Defined Benefit Obligation at year end	47.55	14.77	45.79	15.54

Reconciliation of opening and closing balances of fair value of Plan Assets

₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Fair value of Plan Assets at beginning of year	—	—	—	—
Employer contributions	3.53	5.43	0.72	0.74
Expected Return on Plan Assets	—	—	—	—
Actuarial Gain / (Loss)	—	—	—	—
Benefits paid	(3.53)	(5.43)	(0.72)	(0.74)
Fair value of Plan Assets at year end	—	—	—	—

Expenses recognised during the year

₹ in Lakhs

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Leave encashment	Gratuity	Leave encashment
In Income Statement				
Current service cost	3.58	3.28	3.00	4.81
Interest on net defined benefit liability/ (asset)	3.35	0.97	3.12	0.87
Immediate recognition of (gain) /loss - other long term benefits	—	0.41	—	(1.13)
Net Cost	6.93	4.66	6.12	4.55
In Other Comprehensive Income				
Actuarial (Gain) / Loss	(1.64)	—	(0.86)	—
Net (Income) / Expense for the period Recognised in OCI	(1.64)	—	(0.86)	—

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.



Notes to the financial statements for the year ended March 31, 2018

Actuarial assumptions for both gratuity and leave encashment

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate (per annum)	7.60%	7.06%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	10.00%	10.00%

The retirement age of employees of the Company is 58 years.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ultimate table.

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ in Lakhs

Particulars	Gratuity		Leave encashment	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
As at March 31, 2018				
Defined benefit obligation on plus 100 basis points	45.79	49.40	14.41	15.00
Defined benefit obligation on minus 100 basis points	49.48	45.83	15.18	14.56
As at March 31, 2017				
Defined benefit obligation on plus 100 basis points	43.28	47.69	15.10	15.81
Defined benefit obligation on minus 100 basis points	47.83	43.37	16.03	15.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	Gratuity		Leave encashment	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Expected total benefit payments				
Within 1 year	6.83	8.25	1.71	1.20
1 year to 2 years	7.97	6.10	1.92	1.39
2 years to 3 years	4.14	7.00	0.62	1.51
3 years to 4 years	2.65	3.79	0.51	0.63
4 years to 5 years	3.52	2.48	0.47	0.51
5 years and above	22.44	18.17	9.54	10.30



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

The employee benefit obligations expose the Company to actuarial risks such as: longevity risk and salary risk.

Longevity Risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the participants during their employment. An increase in the life expectancy of the participants will increase the obligation.

Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of the participants. As such, an increase in the salary of the participants will increase the obligation.

NOTE 31 - RELATED PARTY DISCLOSURES

List of related parties where control exists and also related parties with whom transactions have taken place and relationships

Names of the related parties	Relationship
The Lakshmi Mills Company Limited	Directors hold more than 2% shares
Infocus Marketing and Services Limited	Directors hold more than 2% shares
Balakumar Shipping & Clearing Agencies Priavte Limited	Directors are Directors
Aloha Tours & Travels (India) Private Limited	Director is a Director
Prathista Weaving and Knitting Company Limited	Director is a Member
Texcity Sales and Services Private Limited	Director is a Director
Mr. A. Doraiswamy *	Key Managerial Personnel - Chief Executive Officer
Mr. J. Balasubramaniam #	Key Managerial Personnel - Chief Executive Officer
Mr. K. P. Krishnakumar	Key Managerial Personnel - Chief Financial Officer
Mr. R. Muthukumar	Key Managerial Personnel - Company Secretary

* ceased since April 01, 2017, # appointed from September 25, 2017

Transactions with related parties during the year are set out in the table below

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	0.43	0.37
Texcity Sales and Services Private Limited	0.43	0.37
Sale of goods	2.33	3.70
Prathista Weaving and Knitting Company Limited	2.33	3.70
Receipt of services	34.25	28.01
The Lakshmi Mills Company Limited	28.39	19.95
Infocus Marketing and Services Limited	0.09	0.09
Aloha Tours & Travels (India) Private Limited	0.35	3.26
Texcity Sales and Services Private Limited	5.20	4.71
Balakumar Shipping & Clearing Agency Priavte Limited	0.22	—
Agency arrangement	0.23	1.14
Infocus Marketing and Services Limited	0.23	1.14
Remuneration to Key Managerial Personnel	30.26	28.16
Mr. A. Doraiswamy	—	9.92
Mr. J. Balasubramaniam	11.49	—
Mr. K. P. Krishnakumar	10.68	10.42
Mr. R. Muthukumar	8.09	7.82



Notes to the financial statements for the year ended March 31, 2018

₹ in Lakhs

Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Balances outstanding as at the year end		
Payable	3.18	4.46
The Lakshmi Mills Company Limited	0.57	2.20
Mr. A. Doraiswamy	—	0.75
Mr. J. Balasubramaniam	1.10	—
Mr. K. P. Krishnakumar	0.89	0.62
Mr. R. Muthukumar	0.62	0.89
Receivable	1.49	1.47
Texcity Sales and Services Private Limited	1.49	1.47

The remuneration of Directors and other members of Key Managerial Personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	30.26	28.16
Post-employment benefits	1.74	0.92

NOTE 32 - FINANCIAL INSTRUMENTS

32.1 Capital management

The Company's management objectives are:

- to ensure the Company's ability to continue as a going concern
- to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and preference share capital.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing instruments less cash and cash equivalents and other bank balances (including non-current earmarked balances)

The table below summarises the capital, net debt and net debt to equity ratio (Gearing ratio) of the Company

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debts	192.21	—	—
Total Equity	499.81	325.74	278.91
Gearing ratio (in %)	38%	—	—

32.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xvi) of Significant Accounting Policies.



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Notes to the financial statements for the year ended March 31, 2018

A. Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below: ₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Measured at amortised cost						
Other financial assets - non current	23.54	23.54	24.54	24.54	23.79	23.79
Trade receivables	101.75	101.75	110.10	110.10	71.61	71.61
Cash and cash equivalents	26.67	26.67	6.28	6.28	26.39	26.39
Bank balances other than cash and cash equivalents	413.31	413.31	581.56	581.56	871.47	871.47
Other financial assets - current	10.00	10.00	13.36	13.36	23.28	23.28
Total financial assets	575.27	575.27	735.84	735.84	1,016.54	1,016.54
Financial liabilities						
Measured at amortised cost						
Borrowings	632.19	632.19	657.50	657.50	860.00	860.00
Trade payables	13.49	13.49	14.95	14.95	18.06	18.06
Other financial liabilities - current	151.42	151.42	90.53	90.53	106.25	106.25
Total financial liabilities	797.10	797.10	762.98	762.98	984.31	984.31

The management has assessed that the fair values of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following methods and assumptions are used to estimate the fair values:

Fair values of the Company's interest-bearing instruments are determined by using Effective Interest Rate (EIR) method. The own non- performance risk as at March 31, 2018 was assessed to be insignificant.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32.3 - Financial risk management objective

The Company's activities expose it to certain / reasonable financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimize potential adverse effects on its financial performance.

The Company has a risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.



Notes to the financial statements for the year ended March 31, 2018

The risk management process aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks-identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Risk management
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Periodic review by management
Market risk - interest rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit risk	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.
Liquidity risk	Borrowings and other liabilities	Availability of committed credit and borrowing facilities

Market risk - Foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. Exposures to foreign currency balances are periodically reviewed to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company concentrate mainly on domestic market hence the risk on account of foreign exchange is very minimal.

Market risk - Interest rate

(i) Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowing from Banks	182.56	7.66	—
Fixed rate borrowing			
- 6% Cumulative Redeemable Preference Shares	400.00	600.00	850.00
- Banks	73.67	39.84	—
- Others	10.00	10.00	10.00
Total borrowings	666.23	657.50	860.00

Interest rate sensitivity analysis:

For non derivative instruments there is no change in the floating rate borrowings during the year. Hence there is no impact in the Company's profit for the year ended March 31, 2018 (year ended March 31, 2017 Nil).

(ii) Assets:

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The Company has very limited history of customer default, and considers the credit quality of trade receivables, that are not past due or impaired, to be good.

Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.

The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations.

Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by long term and short term borrowings from banks and trade payables. The maturity profile of the Company's short term and long term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company. ₹ in Lakhs

Particulars	Less than 1 year	1-3 year	More than 3 year	Total
March 31, 2018				
Borrowings	107.71	480.17	78.35	666.23
Trade payable	13.49	—	—	13.49
Other financial liabilities	151.42	—	—	151.42
Total	272.62	480.17	78.35	831.14
March 31, 2017				
Borrowings	47.50	400.00	10.00	457.50
Trade payable	14.95	—	—	14.95
Other financial liabilities	90.53	—	—	90.53
Total	152.98	400.00	10.00	562.98
April 1, 2016				
Borrowings	—	200.00	410.00	610.00
Trade payable	18.06	—	—	18.06
Other financial liabilities	106.25	—	—	106.25
Total	124.31	200.00	410.00	734.31

33 First-time Ind AS adoption reconciliations

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.



Notes to the financial statements for the year ended March 31, 2018

33.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

₹ in Lakhs

Particulars	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)			As at April 1, 2016 (Date of transition)		
		Previous GAAP (Re-Grouped)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (Re-Grouped)	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
1 Non-current assets							
(a) Property, plant and equipment	(i)	366.67	(223.84)	142.83	362.20	(234.34)	127.86
(b) Capital work-in-progress		34.74	—	34.74	10.95	—	10.95
(c) Investment Property	(i)	—	223.84	223.84	—	234.34	234.34
(d) Financial assets							
(i) Other financial assets		24.54	—	24.54	23.79	—	23.79
(e) Deferred tax assets (net)		—	—	—	76.12	—	76.12
(f) Other non-current assets		61.42	—	61.42	37.83	—	37.83
Total non - current assets		487.37	—	487.37	510.89	—	510.89
2 Current assets							
(a) Inventories		59.54	—	59.54	65.43	—	65.43
(b) Financial assets							
(i) Trade receivables		110.10	—	110.10	71.61	—	71.61
(ii) Cash and cash equivalents		6.28	—	6.28	26.39	—	26.39
(iii) Bank balances other than cash and cash equivalents		581.56	—	581.56	871.47	—	871.47
(iii) Other financial assets		13.36	—	13.36	23.28	—	23.28
(c) Current tax assets (net)		—	—	—	—	—	—
(d) Other current assets		27.78	—	27.78	28.81	—	28.81
Total Current Assets		798.62	—	798.62	1,086.99	—	1,086.99
Total Assets		1,285.99	—	1,285.99	1,597.88	—	1,597.88
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		610.40	—	610.40	610.40	—	610.40
(b) Preference share capital	(ii)	600.00	(600.00)	—	850.00	(850.00)	—
(c) Other equity	(iv)	(284.66)	—	(284.66)	(331.49)	—	(331.49)
Total Equity		925.74	(600.00)	325.74	1,128.91	(850.00)	278.91
LIABILITIES							
1 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(ii)	210.00	400.00	610.00	260.00	600.00	860.00
(ii) Other financial liabilities		58.94	—	58.94	185.64	—	185.64
(b) Provisions		51.53	—	51.53	46.62	—	46.62
(c) Deferred tax liabilities (Net)		21.51	—	21.51	—	—	—
Total Non-Current Liabilities		341.98	400.00	741.98	492.26	600.00	1,092.26



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

₹ in Lakhs

Particulars	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)			As at April 1, 2016 (Date of transition)		
		Previous GAAP (Re-Grouped)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (Re-Grouped)	Effect of transition to Ind AS	As per Ind AS balance sheet
2 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		47.50	—	47.50	—	—	—
(ii) Trade payables		14.95	—	14.95	18.06	—	18.06
(iii) Other financial liabilities	(ii)	(109.47)	200.00	90.53	(143.75)	250.00	106.25
(b) Provisions		21.16	—	21.16	17.57	—	17.57
(c) Other current liabilities		44.13	—	44.13	70.03	—	70.03
(d) Current tax liabilities (net)		—	—	—	14.80	—	14.80
Total current liabilities		18.27	200.00	218.27	(23.29)	250.00	226.71
Total Liabilities		360.25	600.00	960.25	468.97	850.00	1,318.97
Total Equity and Liabilities		1,285.99	—	1,285.99	1,597.88	—	1,597.88

33.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

₹ in Lakhs

Particulars	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)	As at April 1, 2016 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		925.74	1,128.91
Adjustments:			
Impact due to reclassification of preference share capital from Equity to Borrowings	(ii)	(600.00)	(850.00)
Total equity under Ind AS		325.74	278.91



Notes to the financial statements for the year ended March 31, 2018

33.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

₹ in Lakhs

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)		
		Previous GAAP (Re-Grouped)	Effect of transition to Ind AS	As per Ind AS
Revenue from operations		728.39	—	728.39
Other income		72.97	—	72.97
Total income		801.36	—	801.36
EXPENSES				
Cost of materials consumed		73.60	—	73.60
Changes in stock of finished goods, work-in-progress and stock-in-trade		6.46	—	6.46
Excise duty on sale of goods		10.93	—	10.93
Employee benefits expense	(iii)	244.82	(0.86)	245.68
Finance costs		4.79	—	4.79
Depreciation and amortisation expense		29.96	—	29.96
Other expenses		240.32	—	240.32
Total Expenses		610.88	(0.86)	611.74
Profit before exceptional items and tax		190.48	0.86	189.62
Exceptional item		85.34	—	85.34
Profit before tax		275.82	0.86	274.96
Tax expense				
Current tax		95.77	—	95.77
Tax relating to earlier years		138.09	—	138.09
Deferred tax	(iii)	(4.87)	0.28	(5.15)
Total tax		228.99	0.28	228.71
Profit for the year		46.83	0.58	46.25
Other comprehensive income				
Items that will not be reclassified to the statement of profit or loss				
(a) Remeasurement of employee defined benefit plans	(iii)	—	0.86	0.86
(b) Income tax on (i) above	(iii)	—	(0.28)	(0.28)
Total Comprehensive Income		46.83	0.58	46.83



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

Notes to the financial statements for the year ended March 31, 2018

33.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

₹ in Lakhs

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		46.83
Adjustments:		
Remeasurement of the defined benefit plans	(iii)	(0.86)
Tax adjustments	(iii)	0.28
Profit for the year as per Ind AS		46.25
Other comprehensive income for the year (net of tax)	(iii)	(0.58)
Total comprehensive income under Ind AS		46.83

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

33.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

33.6 Notes

- (i) Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the balance sheet.
- (ii) Under previous GAAP, the 6% Cumulative Redeemable Preference Share Capital was considered as part of Equity. Under Ind AS, this preference share capital is required to be considered as borrowings which is repayable beyond one year and other financial liabilities which is payable within one year.
- (iii) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.
- (iv) Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for (iii) above.
- (v) Under Previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented in the statement of profit and loss.
- (vi) Under previous GAAP, minimum alternate tax entitlements were classified under other non-current assets. Under Ind AS, it is classified as unused tax credits under deferred tax.
- (vii) Previous periods figures have been re-grouped / re-classified, where necessary to comply with Ind AS accounting.



Notes to the financial statements for the year ended March 31, 2018

NOTE - 34: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	5.24	7.93
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	—	—
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	—	—
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	—	—
(v) The amount of interest accrued and remaining unpaid as on	—	—
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	—	—
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received and available with the Company. This has been relied upon by the auditors.		

35 The financial statements of Lakshmi Automatic Loom Works Limited were approved by the Board of Directors and authorised for issue on May 24, 2018.

For and on behalf of the Board of Directors

(Sd.) **S. PATHY**
Chairman (DIN:00013899)

(Sd.) **R. SANTHARAM**
Director (DIN:00151333)

Coimbatore (Sd.) **N. JAYCHANDER**
May 24, 2018 Director (DIN:00015091)

(Sd.) **K.P. KRISHNAKUMAR**
Chief Financial Officer

(Sd.) **R. MUTHUKUMAR**
Company Secretary

In terms of our report attached
For **SUBBACHAR & SRINIVASAN**
Chartered Accountants
Firm Registration No. 004083S
(Sd.) **T.S.V. RAJAGOPAL**
Partner
(Membership No. 200380)



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CIN : L29269TZ1973PLC000680

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

E-mail : contact@lakshmiautomatic.com Website : www.lakshmiautomatic.com

ATTENDANCE SLIP

Forty Fourth Annual General Meeting on Wednesday 19th September, 2018 at 3.30 PM

For Demat Shareholders

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

For Physical Shareholders

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

I hereby record my presence at the 44th Annual General Meeting of the Company at 3.30 PM at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 on Wednesday, the 19th September, 2018.

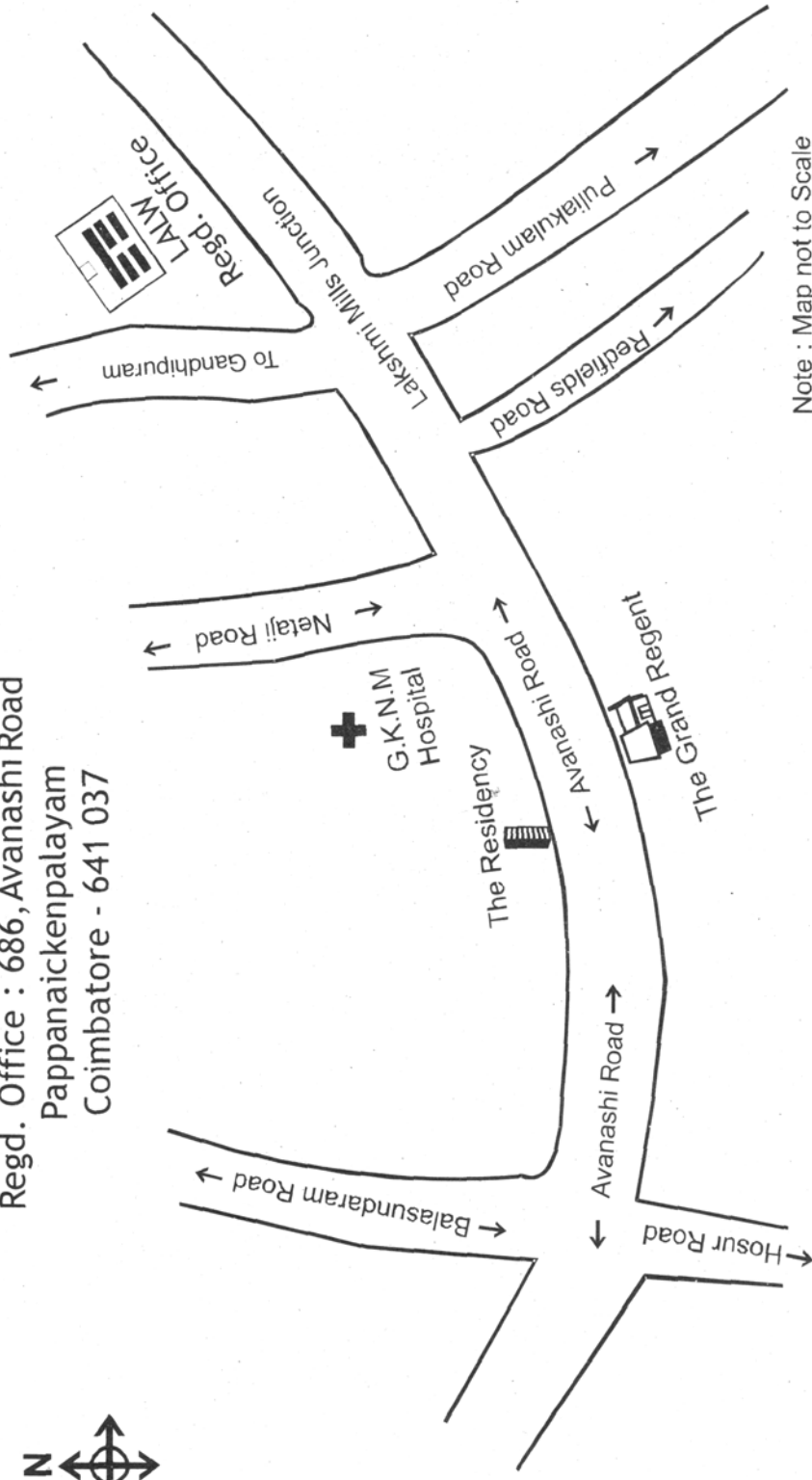
If Shareholder, please sign here	If Proxy, please sign here

Note :

- 1) Members attending the meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.
- 2) Members are requested to bring their copy of Annual Report to the meeting.

Route Map to the Venue of the AGM

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



Note : Map not to Scale

**LAKSHMI AUTOMATIC LOOM WORKS LIMITED**

CIN : L29269TZ1973PLC000680

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

Fax : +91-422-2244887 Phone No: +91-422-2245484, 2245485

E-Mail : contact@lakshmiautomatic.com Website: www.lakshmiautomatic.com

NOTICE TO THE SHAREHOLDERS

Corrigendum to the Notice dated 20.08.2018, convening the 44th Annual General Meeting of the shareholders of the Company scheduled to be held on 19th September 2018 at 3.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore-641037.

In the Explanatory Statement relating to Special Resolution No.5 on Page No. 6 of the Notice:-

1. In Para (ix), the table shown under 'The name of the allottees and the percentage of Post Preferential offer' shall be substituted with the following table:

Name of the Proposed Allottee	If allottee is not a natural person, identity of the natural person who are the ultimate beneficial owner of the shares proposed to be issued or who ultimately control the proposed allottees, if applicable	Percentage of Equity Share holding (%)	
		Post issue of CCPS	Post issue of OCPS
1. Smt Aishwarya Pathy - Promoter	Not Applicable	12.64	12.09
2. Lakshmi Card Clothing Manufacturing Company Private Limited - Promoter Group	1. Sri R.Santharam 2. Smt.S.Sunitha 3. Sri S.Pathy 4. Sri S.Harishankar 5. Sri Aditya Krishna Pathy 6. Smt.Aishwarya Pathy	2.28	6.54
3. Infocus Marketing & Services Limited - Promoter Group	1. Sri.R.Santharam 2. Smt S.Sunitha 3. Sri S.Pathy 4. Smt Aishwarya Pathy 5. Sri S.Harishankar	1.14	1.09

2. The following declaration as Para (xvii) be added after Para (xvi) :

(xvii) In terms of SEBI (ICDR) Regulations 2009 (Regulations), M/s Lakshmi Automatic Loom Works Limited hereby undertake that:

- It shall re-compute the price of the Specified Securities in terms of the provisions of these Regulations where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in these Regulations, the Specified Securities shall continue to be locked-in till the time such amount is paid by the allottee.

This Corrigendum be read along with the printed Notice, already sent to you. This Corrigendum is also available on the website of the Company viz. www.lakshmiautomatic.com

For Lakshmi Automatic Loom Works Ltd

Coimbatore
07.09.2018

(Sd) R. Muthukumar
Company Secretary



LAKSHMI AUTOMATIC LOOM WORKS LIMITED

CIN : L29269TZ1973PLC000680, Website: www.lakshmiautomatic.com
Registered Office : 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037
Phone : 91-422-2245484, 2245485, Fax : 91-422-2244887,
E-mail: contact@lakshmiautomatic.com

FORM NO. MGT - 11

PROXY FORM

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

**44th Annual General Meeting
19th September, 2018**

Folio No./Client ID & DP ID

Name & Address of
the member(s):

E-mail ID:

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

- 1) Name :
Address:
Email ID : Signature or failing him/her
- 2) Name :
Address:
Email ID : Signature or failing him/her
- 3) Name :
Address:
Email ID : Signature or failing him/her

as my / our proxy to attend and vote (on a poll) for me/us and on/my/our behalf at the 44th Annual General Meeting of the Company, to be held on **Wednesday, the 19th September, 2018 at 3.30 P.M. at the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 Tamil Nadu** and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

✂ — Cut here —

Electronic Voting Particulars

EVEN (E-Voting Event Number)	USER ID	PASSWORD
109234		

S.No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Audited Financial Statements of the Company for the Financial year ended 31 st March, 2018 , the Report of Board of Directors and the Report of Auditors thereon.		
2.	Re-appointment of Sri R.Santharam (DIN No.00151333) who retires by rotation, as a Director.		
3.	Re-appointment of Sri N.Jaychander (DIN No.00015091) who retires by rotation, as a Director.		
	Special Business		
4.	Re-classification of the Authorised Share Capital of the Company with consequential amendments in the Memorandum of Association & Articles of Association of the Company.		
5.	Conversion of 4,00,000 6% Cumulative Redeemable Preference Shares of Rs. 100/- each into Equity Shares of Rs. 10/- each issued at a premium		

Signed this day of 2018

Affix ₹1/-
Revenue
Stamp

Signature of shareholder :

Signature of proxy holder :

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 44th Annual General Meeting.
3. It is optional to put "✓" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.