

*HUNDRED AND FIFTH
ANNUAL REPORT
2015*

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ESTD - 1910

THE LAKSHMI MILLS COMPANY LTD
COIMBATORE

THE LAKSHMI MILLS COMPANY LIMITED

Annual Report 2014 - 2015

BOARD OF DIRECTORS

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

CHAIRMAN AND MANAGING DIRECTOR

Sri S. PATHY

COMPANY SECRETARY

Sri N. SINGARAVEL

AUDITORS

M/s. SUBBACHAR & SRINIVASAN
Chartered Accountants

BANKERS

Central Bank of India
Canara Bank
Indian Overseas Bank

REGISTERED OFFICE

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

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THE LAKSHMI MILLS COMPANY LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Hundred and Fifth Annual General Meeting of the Shareholders of the Company will be held at "Nani Palkhivala Auditorium", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, on Friday, the 4th September 2015 at 4.35 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March 2015.
3. To appoint a Director in the place of Sri.Sanjay Jayavarthanavelu (DIN 00004505), who retires by rotation and being eligible offers himself for re - appointment.
4. To ratify the appointment of the Auditors and to fix their remuneration and in this regard to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 139(1) & 142(1) of the Companies Act, 2013, the appointment of M/s.Subbchar & Srinivasan (Firm Registration No.004083S), Chartered Accountants, Coimbatore as the Statutory Auditors of Company for the financial year 2015 - 16, be and is hereby ratified, on such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. Suguna Ravichandran (DIN 00170190) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 11th February 2015 and who holds office up to the

date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years or the date of 110th Annual General Meeting whichever is earlier, not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2014-15 to M/s. S.Mahadevan & Co, Cost Accountants (Firm Regn. No.000007) appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2014-15, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus service tax as applicable and reimbursement of conveyance on actual basis as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri.S.Pathy (DIN 00013899) as Managing Director of the Company for a further period of 5 years and payment of remuneration for a period of 3 years with effect from 24.04.2016 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their meeting held on 29th July 2015.



MEMORANDUM OF TERMS AND CONDITIONS

- 1 Salary : ₹ 5,00,000 per month with an annual increment of ₹ 50,000/- per month.
- 2 Commission : 1% on the net profit of the Company, as may be applicable.
- 3 Benefits : Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company to the extent, these either singly or put together do not exceed the limits fixed under the Income Tax Act, 1961.
- 4 Gratuity : Shall not exceed half a month's salary for every completed year of service.
- 5 Leave : Shall be entitled to
Encashment encashment of Leave at the end of the tenure.

The items under Sl. Nos. 3, 4 & 5 above, viz., Provident Fund, Superannuation Fund, Gratuity and Leave Encashment shall not be considered as perquisites.

Perquisites

In addition to the salary and commission, the Managing Director shall also be entitled to interchangeable perquisites like furnished accommodation, gas, electricity, water, medical reimbursement, LTA for self and family, club fees, medical insurance etc., in accordance with the rules of Company. However, the aggregate of such perquisites shall not exceed ₹ 3,60,000/- per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

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

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Managing Director of the Company shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013.

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Sri. Aditya Krishna Pathy (DIN 00062224) as Deputy Managing Director of the Company for a further period of 5 years with effect from 30.07.2015 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their meeting held on 29th July 2015.

MEMORANDUM OF TERMS AND CONDITIONS

- 1 Salary : ₹ 3,00,000/- per month with an annual increment of ₹ 30,000/- per month.
- 2 Commission : 1% on the net profit of the Company, as may be applicable.
- 3 Benefits : Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company to the extent, these either singly or put together do not exceed the limits fixed under the Income Tax Act, 1961.
- 4 Gratuity : Shall not exceed half a month's salary for every completed year of service.
- 5 Leave : Shall be entitled to
Encashment encashment of Leave at the end of the tenure.

THE LAKSHMI MILLS COMPANY LIMITED

The items under Sl.Nos.3, 4 & 5 above, viz., Provident Fund, Superannuation Fund, Gratuity and Leave Encashment shall not be considered as perquisites.

Perquisites

In addition to the salary and commission, the Deputy Managing Director shall also be entitled to interchangeable perquisites like medical reimbursement, LTA for self, club fees, medical insurance etc., in accordance with the rules of the Company. However, the aggregate of such perquisites shall not exceed ₹ 2,04,000/- per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

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

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Deputy Managing Director of the Company shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013.

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

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard.

I. General Information

1. Nature of Industry:

The Company is manufacturing Cotton and Synthetic yarn and outsourcing cloth. The installed capacity is 1,33,392 Ring spindles. The Company presently has two manufacturing Units, one at Palladam and another at Kovilpatti.

2. Date of commencement of Commercial Production: 01.04.1910
2014 - 15
₹ in lakhs

3. Financial Performance:
- | | |
|---|-----------|
| Sales | 22,130.01 |
| Profit before Interest, Depreciation and Taxation | 1,920.62 |
| Net Profit | 429.08 |
| Capital Employed | 15,522.85 |

4. Export Performance and Net foreign exchange earnings:
- | | |
|-------|----------|
| Yarn | 2,902.96 |
| Cloth | 1,448.35 |

5. Foreign Investments or Collaborators: NIL

II. Information about the appointee Sri S. Pathy, Managing Director

Sri S. Pathy was appointed as Managing Director on the Board on 24.04.2011 for a period of 5 years. He takes care of day to day operations of the Company including modernization and global export market.

Past Remuneration : ₹ 5,00,000/- per month inclusive of all allowances and perquisites.

Remuneration Proposed : ₹ 5,00,000/- per month with annual increment of ₹ 50,000/- per month

Commission : 1% on the Net Profit of the Company.

The remuneration proposed is commensurate with the size of the Company, the responsibilities and the industry norms.

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



III. Other information

The Company is one of the leading Textile Mills in South India established in the year 1910. The Company has a track record of paying dividend to the shareholders without any break for the last 76 years excepting the year 2011-12. The equity shares of ₹ 100/- each of the Company were quoted at around ₹ 2200/- per share, on 31.03.2015

The working of the Company for the financial year 2014-15 has resulted in a net profit of ₹ 429.08 Lakhs and is expected to maintain the trend in future years considering the improvement in productivity owing to the modernization carried out in the manufacturing units.

IV. Disclosures

1. The shareholders of the Company are informed of the remuneration package of the managerial persons.
2. All elements of remuneration package such as salary, benefits etc. of all the Directors are mentioned in the Board of Directors' Report.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself 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 Annual General Meeting 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. Members/Proxies are requested to bring duly filled Attendance Slips sent herewith to attend the meeting.

3. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
4. Statement pursuant to Section 102 of the Companies Act, 2013 with respect to special businesses has been annexed to this notice.
5. Brief resume, details of shareholding and inter-se relationship of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement, are provided as annexure to this report.
6. The Register of Members and Share Transfer Books of the Company shall remain closed between **29.08.2015** and **04.09.2015** (both days inclusive).
7. Subject to the provisions of Section 123 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Meeting will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of members as on 28.08.2015.
8. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividends shall be transferred to the 'Investor Education and Protection Fund' of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2007 - 2008, 2008 - 2009, 2009 - 2010, 2010 - 2011, 2012 - 2013 & 2013 - 14 are requested to write to the Registrar and Share Transfer Agent of the Company, M/s.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 for claiming the dividend.
9. Dividend declared in the year 2008 for the financial year 2007 - 2008 and remaining unclaimed will be transferred to Investor Education and Protection fund after conclusion of this Annual General Meeting.
10. Company's share transfer work and dematerialisation of shares, is done by M/s.SKDC Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
11. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not to the Company or its depository / transfer agent.

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12. International Securities Identification Number given to your company is INE938CO1019.
13. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agent for consolidating into single folio.
14. Investors are required to provide a copy of their PAN card for effecting share transfers, transmission and transposition in their favour.
15. Shareholders who are interested to avail the facility of Dividend payment by National Electronic Clearing Service (NECS) are requested to fill the NECS Mandate in the prescribed form (enclosed) and send it to the company's Registrar and Share Transfer Agents M/s.SKDC Consultants Limited.
16. Members holding shares in Physical form are requested to intimate the change of address and their bank account details such as bank name, branch with address and account number for incorporating the same in Dividend Warrants/ Cheques to Company's Registrar and Share Transfer Agent M/s. SKDC Consultants Limited quoting their respective folio number.
17. Members holding shares in Demat form are requested to intimate change of address notifications and updates of bank account details to their respective Depository Participants.
18. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the company in respect of shares held in Physical form and with the concerned DP in respect of shares held in Demat form to enable the company to serve documents in electronic form, in future.
19. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose email ID is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. For members who have not registered their email ID, Physical copies of Annual Reports and AGM Notice for the year 2014-15 are sent through the permitted mode separately.
20. 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.

Voting through Electronic Means

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 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members facility to exercise their votes for all the resolutions detailed in the Notice of the 105th Annual General Meeting scheduled to be held at 4.35 p.m on Friday, the 4th September 2015 by electronic means and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities.

The Facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.

The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again Votes cast by members who hold shares on the cut-off date namely 28.08.2015 alone will be counted.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 01.09.2015 at 9.00 AM and ends on 03.09.2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28.08.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.



- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:
- For Members holding shares in Demat Form and Physical Form**
- PAN
- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
 - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)**
- Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant to M/s. The Lakshmi Mills Company Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to

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change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section

or write an email to helpdesk.evoting@cdslindia.com.

21. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record Date.
22. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM, shall be announced at the registered office of the Company, by the Chairman or any person authorized by him within three days from the date of the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer’s report, will be posted on the Company’s website and website of CDSL and a copy of the same will be forwarded to the Stock Exchanges where the shares are listed.

The notice of the Annual General Meeting and this communication are also available on the website of the Company www.lakshmill.com and of the Registrar and Transfer Agent- www.skdc-consultants.com

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 5

Smt.Suguna Ravichandran (DIN 00170190) was appointed by the Board of Directors at their meeting held on 11.02.2015 as an Additional Director of the Company. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Smt.Suguna Ravichandran holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act along with the deposit of ₹ 1,00,000/-, proposing the candidature of Smt.Suguna Ravichandran as an Independent Director.

The Company has received from Smt.Suguna Ravichandran - (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014; (ii) intimation in Form DIR - 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the



Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of Independence as provided in sub-section (6) of Section 149 of the companies Act, 2013 and Clause 49 of the Listing Agreement.

The Resolution seeks the approval of shareholders for the appointment of Smt.Suguna Ravichandran as an Independent Director of the Company for a period of five consecutive years or the date of 110th Annual General Meeting, whichever is earlier from the date of the ensuing Annual General Meeting.

In the opinion of the Board, Smt.Suguna Ravichandran fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement for her appointment as an Independent Director of the Company and is independent of the Management.

Brief resume of Smt.Suguna Ravichandran, nature of her expertise in specific functional areas and name of Companies in which she holds directorships and memberships / Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, has been detailed in the annexure attached.

Copy of the draft letter for appointment as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 10.00 A.M and 03.00 P.M on any day, excluding Saturday and Sunday.

The Board recommends the resolution relating to appointment of Independent Director in Item No. 5, for the approval by the shareholders of the Company.

Except Smt.Suguna Ravichandran, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. S.Mahadevan & Co, Cost Accountants, to conduct the audit of the cost

records of the Company for the financial year ended March 31, 2015, at a remuneration of ₹ 75,000/- plus service tax as applicable and reimbursement of conveyance at actuals, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditors during the year 2014-15 as set out in the resolution for the aforesaid services to be rendered by them.

The Board recommends the resolution set out in Item No. 6 of the Notice for the approval of the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No. 7

The Board of Directors of the Company at their meeting held on 29th July 2015 have re-appointed Sri. S.Pathy as Managing Director of the Company for a further period of 5 years and payment of remuneration for a period of 3 years with effect from 24th April 2016 on such remuneration as recommended by the Nomination and Remuneration Committee.

Sri.S.Pathy has been tirelessly working towards improving the prospects of the Company and therefore the Board of Directors are of the notion that the re-appointment of Sri.S.Pathy as the Managing Director for a further period of 5 years would be in the best interests of the Company.

Pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the re-appointment of the Managing Director shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence the necessary resolution has been set out in Item No.7 of the Notice for the approval of the shareholders.

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Except Sri.S.Pathy, being the appointee director and Sri.Aditya Krishna Pathy being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7.

Item No. 8

The Board of Directors of the Company at their meeting held on 29th July 2015 have re-appointed Sri.Aditya Krishna Pathy as Deputy Managing Director of the Company for a further period of 5 years with effect from 30th July 2015 on such remuneration as recommended by the Nomination and Remuneration Committee.

Considering the persistent efforts of Sri.Aditya Krishna Pathy towards the growth of the company and his ever increasing responsibilities the Board of Directors have re-appointed Sri.Aditya Krishna Pathy as the Deputy Managing Director for a further period of 5 years with effect from 30.07.2015.

Pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the re-appointment of the Deputy Managing Director shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence the necessary resolution has been set out in Item No.8 of the Notice for the approval of the shareholders.

Except Sri.Aditya Krishna Pathy, being the appointee director and Sri.S.Pathy, being his relative, none of

the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 8.

Item No. 9

The existing Articles of Association of the Company were formulated in accordance with the Companies Act, 1956. Accordingly, with the commencement of the Companies Act, 2013 with effect from 1st April 2014, many regulations in the existing articles of association of the Company are no longer relevant.

Given this position it is considered expedient to wholly replace the existing Articles by adoption of a new set of Articles. The new set of Articles to be replaced in place of the existing Articles is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model Articles for a company limited by shares and also carries forward certain provisions from the existing Articles suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of Articles is available for inspection to the shareholders at the Registered Office of the company between 11.00 A.M and 1.00 P.M till the date of the meeting on all working days (except Sunday and Public Holiday).

The Board recommends this resolution set out in Item No. 9 for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

Details of Directors seeking appointment / re-appointment at the Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Name	Sri S. Pathy	Sri Aditya Krishna Pathy	Sri Sanjay Jayavarthanavelu	Smt. Suguna Ravichandran
DIN	00013899	00062224	00004505	00170190
Date of Birth / Age	17.11.1949	31.07.1986	15.06.1968	11.08.1958
Nationality	Indian	Indian	Indian	Indian
DOA on the Board	27.09.1995	11.06.2009	30.07.2010	11.02.2015
Relationship with other Director	Related to Sri Aditya Krishna Pathy	Related to Sri. S. Pathy	Not related to any other Directors of the Company	Not related to any other Directors of the Company
Qualification	B.Com	Business Management Manufacture	MBA	Chartered Accountant
Expertise in area	42 Years	7 Years	25 Years	17 Years
No of Shares held	106715	64245	13213	Nil
List of Directorships held in other companies	Lakshmi Automatic Loom Works Ltd Lakshmi Machine Works Ltd Lakshmi Card clothing Mfg. Co. Pvt Ltd LCC Investments Ltd The Coimbatore Lakshmi Cotton Press Pvt Ltd Sans Craintes Stud Farm Pvt Ltd Sans Craintes Livestock Pvt Ltd Sans Craintes Racing & Bloodstock Pvt Ltd Rasakondalu Developers Pvt Ltd Sans Craintes Power Pvt Ltd	Lakshmi Card clothing Mfg. Co. Pvt Ltd LCC Investments Ltd The Coimbatore Lakshmi Cotton Press Pvt Ltd Sans Craintes Stud Farm Pvt Ltd Sans Craintes Livestock Pvt Ltd	Lakshmi Machine Works Ltd Super Sales India Ltd Lakshmi Electrical Control System Ltd Carborandum Universal Ltd Lakshmi Cargo Company Ltd Lakshmi Life Sciences Ltd	Super Spinning Mills Ltd Versa Pack Pvt. Ltd
Other Committee Memberships	NIL	NIL	Audit Committee Carborandum Universal Ltd Lakshmi Cargo Company Ltd	NIL

THE LAKSHMI MILLS COMPANY LIMITED

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting the Hundred and Fifth year Annual Report together with the audited accounts of the Company for the year ended 31.03.2015.

	31.3.2015	(₹ in lakhs)	31.3.2014
WORKING RESULTS			
No. of days worked	358		357
Sales	22,130.01		21,800.57
Other income	625.23		413.93
GROSS REVENUE	22,755.24		22,214.50
Profit before Tax and Exceptional Items	567.71		258.95
Add / (Less): Exceptional items	(284.81)		731.14
Profit before Taxation	282.90		990.09
Less : Current Tax	45.26	225.02	
MAT Credit entitlement	(44.14)	(216.74)	
Net Current Tax	1.12		8.28
Prior Year Taxes	(17.91)		203.17
Deferred Tax Credit (Net)	(129.39)		(161.31)
NET PROFIT	429.08		939.95
Add : Carry forward Profit	1,117.24		349.35
	1,546.32		1,289.30
Less: Written down of carrying amount of assets	34.56		-
Available for appropriation	1,511.76		1,289.30
Appropriation:			
General Reserve	50.00		50.00
Proposed Dividend	104.33		104.33
Corporate Tax on Dividend	21.24		17.73
Balance carried forward	1,336.19		1,117.24
	1,511.76		1,289.30

An amount of Rs.50 lakhs has been transferred to the General Reserves and an amount of Rs.1,336.19 Lakhs has been retained in the Profit & Loss account.

OPERATIONS

The Spindles capacity remained at the same level of 1.33 lac spindles throughout the year 2014-15. Overall utilisation remained around 95% - same as that of 2013-14.

Your Company continued to outsource fabrics both for exports as well as for domestic markets. Export of yarn and fabric accounted for ₹ 4392 lakhs as against ₹ 1661 lakhs of previous year. The increase was around 164% over previous year performance.

The Operational Performance of the Company in the fields of capacity utilisation, productivity and sales realisation were more or less maintained at the levels of last year's achievement.

Easy availability of raw materials both Cotton and Polyester fibre throughout the year coupled with relatively favourable market conditions enabled your Company to have a healthy trend in its operations during the year.



DIVIDEND

The Directors have recommended a dividend of ₹ 15/- per Equity Share of ₹ 100/- each, at 15% for the financial year 2014-2015 (Previous Year - 15%). The Dividend of 15%, if approved at the forth coming Annual General Meeting, will result in the out flow of ₹ 104.33 lakhs to the company in addition to ₹ 21.24 lakhs by way of dividend distribution tax.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the Companies Act, any unclaimed or unpaid dividend relating to the financial year 2007-08, will be transferred to the Investor Education and Protection Fund established by the Central Government, after the conclusion of this Annual General Meeting.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was Rs.6,95,55,000/- comprising 6,95,550 shares of ₹ 100/- each. During the year under review the company has not made any fresh issue of shares.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW

During the year under review, 4 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 3 Meetings of the Nomination and Remuneration Committee, 1 Meeting of the Corporate Social Responsibility Committee and 1 Meeting of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that -

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards.
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

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

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

THE LAKSHMI MILLS COMPANY LIMITED

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under both the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

As per the requirements of the provisions of the Companies Act, 2013, a Nomination and Remuneration Committee was constituted by the Board of Directors and the details of the Members of the Committee are disclosed elsewhere in this Annual Report. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said Policy is annexed hereto as **Annexure - 2** forming part of the Board's Report and the same can also be accessed on the Company's website in the link <http://www.lakshmill.com/policies.html#>

EXPLANATION AND COMMENTS ON AUDITOR REPORTS

The reports of the Statutory Auditors (annexed elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as **Annexure - 3**) are self explanatory having no adverse comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year 2014-15 were in the ordinary course of business and on an arm's length pricing basis. Since there are no transactions which are not on arm's length basis and material nature the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <http://www.lakshmill.com/policies.html#>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There is no material change or commitments after the closure of the financial year as on 31.03.2015 and till the date of this report.

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

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure 4** to this report.

RISK MANAGEMENT

The Company has a structured risk management policy. The risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making.

CORPORATE SOCIAL RESPONSIBILITY

The Board has formed a Corporate Social Responsibility Committee comprising of Sri.S.Pathy, Sri.Aditya Krishna Pathy and Sri.D.Rajendran.



The Committee at its meeting held on 11th February, 2015, recommended a CSR policy for adoption by the Company in line with the provisions of Schedule VII of the Companies Act, 2013.

The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting mechanisms for CSR activities.

The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as **Annexure 5** and attached to this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated to the Chairman of the Board of Directors. All the Directors of the Board are familiar with the business of the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL

At the 104th Annual General Meeting of the company held on 15th September, 2014 the company had appointed Sri.V.Jagannathan, Sri.D.Rajendran, Sri.Satish Ajmera and Sri.V.S.Velayutham as independent directors under the companies Act, 2013 to hold office for five consecutive years or the date of 109th Annual General Meeting, whichever is earlier.

Sri.Sanjay Jayavarthanelu, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Smt.Suguna Ravichandran appointed as Additional Director of the Company with effect from 11.02.2015 holds office upto the date of this Annual General Meeting. Accordingly, necessary resolution proposing the appointment of Smt.Suguna Ravichandran as an Independent Director of the Company has been included in the Agenda of the Annual General Meeting for the approval of the Shareholders.

Your directors recommend their appointment/ re-appointment.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any joint venture or subsidiary company. However, the company has one associate company namely M/s. LCC Investments Limited.

A report containing the salient features of the associate as required under Section 129(3) of the Companies Act, 2013 has been annexed herewith in Form AOC-1 and is attached as **Annexure 6** to this report

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, all the deposits accepted prior to the commencement of the Companies Act, 2013, i.e., 01.04.2014, were fully repaid and no amount remains unpaid as on 31.03.2015.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control

THE LAKSHMI MILLS COMPANY LIMITED

deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, key issues, significant processes and accounting policies.

AUDITORS

STATUTORY AUDITORS

M/s.Subbachar & Srinivasan (Firm Registration No.004083S), Chartered Accountants have been appointed as statutory auditors of the company for a period of three years at the Annual General Meeting held on 15.09.2014. Accordingly, pursuant to Section 139 of the Companies Act, 2013, the ratification of appointment of Statutory Auditors is being sought from the shareholders of the Company at the ensuing Annual General Meeting. The auditors have consented and confirmed their eligibility and willingness to continue as Statutory Auditors of the Company.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure 3**.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee have appointed Sri A.R.Ramasubramania Raja, of M/s. A.R.Ramasubramania Raja & Co., a firm of Cost Accountants, as the Cost Auditor of the Company for the financial year 2015 - 16.

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is subject to the approval of the shareholders in a general meeting. The Board recommends the ratification of their remuneration.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding compliance of conditions of Corporate Governance provided elsewhere in this Report, forms part of the Directors' Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and the policy is explained in corporate governance report and also posted on the website of company and can be accessed at the link <http://www.lakshmill.com/policies.html#>. During the year under review, there were no complaints received under this mechanism.

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

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliant Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2014-15.



PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure 7** to this Report.

ACKNOWLEDGEMENT

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

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

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

S. PATHY

Chairman and Managing Director
(DIN 00013899)

Coimbatore
29th July, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

CURRENT INDUSTRIAL TREND AND FUTURE PROSPECTS

The impact of China's Policy on the import of Cotton and Cotton yarn has resulted in recent times inventory carrying resulting in lower capacity utilisation in some of the south based spinning units. There is a feeling that there exists a mismatch between India's spinning sector and fabric sector. Yarn manufacturing capacity has expanded rapidly in the past few years while fabric manufacturing base within the country has remained more or less stagnant which has resulted in glut in yarn in the domestic market. This has been aggravated on account of steep drop in the export of Cotton yarn to China since the beginning of 2015. Indian Textile industry especially the standalone spinning units spinning Cotton yarn is saddled with higher levels of inventory on account of poorer offtake. This trend is likely to affect the operational performance of the standalone spinning units in the financial year 2015-16 unless some drastic changes in the export front takes place in the course of next six months.

Indian Textile Industry with around 50 million Spindles and about 8.3 lakh Rotors together with Looms spread across in different parts of the country provides large scale employment both directly and indirectly and the industry is the second largest source of employment generation in the country. The industry had great potential to export Cotton, Yarn and Fabrics and earns valuable foreign exchange.

However, the industry is passing through some sort of a crisis since the beginning of 2015 on account of considerable fall in the quantities of Cotton and Cotton yarn exports ending 31.03.2015 compared to the previous year. The fall in exports of Cotton yarn and Raw Cotton was substantial resulting in intense pressure in the domestic market.

The country is likely to carry forward record quantities of Cotton as carryover stocks for the next Cotton year. This is likely to result in sobering down of prices of Raw Cotton in the current financial year unless the new crop of 2015-16 proves a failure - which is unlikely. With Cotton supply likely to be adequate, the industry can therefore look forward for stable prices to prevail in Cotton market. However in the yarn front, unless the exports pick up and grow, pressure will be on prices in the domestic front. The spinning industry is likely to face a turbulent period at least for the period upto September 2015, if not beyond that.

This phenomenon could be temporary and the industry has to withstand. The industry has got great potential to grow and play an effective role in the economic development of the country. It has therefore to draw up strategic plans to grow faster in all segments in the next few years not only to increase exports but also to cater to the needs of the growing domestic market.

THE LAKSHMI MILLS COMPANY LIMITED

II. OPPORTUNITIES AND THREATS

Government of India is coming up with big project for the installation of additional capacities for production of Non-Conventional energy - Wind Mills, Solar Power etc. The industry need to grab these opportunities and go in for utilising such energies to supplement the conventional energy which is being used.

Further, the Government of India had embarked on a nationwide programme for skill development of workers in different industries including textile industry. Financial assistance is also provided for this purpose by Government of India. The Industry therefore need to make full use of these opportunities to ensure that the workforce in the industry gets the much needed skill development which will be of immense benefit for improving productivity and quality in textile products.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

IV. OUTLOOK

Indian Textile industry has to look forward for robust growth in the years ahead - taking advantage of the availability of Raw material, competent technical and managerial personnel and vast domestic market besides export potential. Some of the States like Maharashtra, Telangana, Andhra Pradesh and Gujarat had announced textile policies to attract large investments for the development and growth of textile industry in these respective states as the industry has vast potential for employment generation. Tamilnadu is also likely to announce its Textile policy which is eagerly awaited. We therefore need to take stock of these situations and chalk out a plan of action for the development and growth of our Company in the years ahead.

Textile industry is a very important industry in our country providing employment to millions of people both directly and indirectly. It has to grow continuously. Hence long term approach for its development is the need of the hour.

V. RISKS AND CONCERNS

Textile industry is well known for facing crisis in a cyclical way. There is need to insulate against such situations by long term planning and strategy.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

VII. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Net Sales during the year was ₹ 22,130.01 lakhs and your Company could make a Net Profit of ₹ 429.08 lakhs.

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

The Company had on its Roll 616 employees as on 31.03.2015 as against 636 employees as on 31.03.2014.

Coimbatore
29th July, 2015

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

**ANNEXURE -1****EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2015**

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

FORM NO. MGT - 9

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	L17111TZ1910PLC000093
ii)	Registration Date	01.04.1910
iii)	Name of the Company	The lakshmi Mills Company limited
iv)	Category / Sub-Category of the company	Public Company having Share Capital
v)	Address of the Registered office and contact details	686, Avanashi Road, Pappanaickenpalayam, Coimbatore 641 037 Phone: 0422 - 2245461 - 465 Fax: 0422 - 2246508 Mail: contact@lakshimimills.com Website: www.lakshimimills.com
vi)	Whether Listed Company Yes / No	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	M/s. SKDC Consultants Ltd Kanapati Towers, 3 rd Floor. 1391 / A- 1, Sathy Road, Ganapathy Coimbatore 641 006 Phone: 0422 - 6549995, 2539835 - 36 Fax No. 0422 - 2539837 Mail: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1.	Cotton yarn	5205	24.47%
2.	Blended Yarn	5509	61.37%
3.	Cotton Grey Fabric	5208	10.22%

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

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	LCC Investments Ltd, Semmipalayam, Kuppusamy Naidu Puram Post, Palladam Taluk, Coimbatore 641 662	U65993TZ1994PLC004818	Associate	24.00%	2(6)

THE LAKSHMI MILLS COMPANY 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				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	2,45,509	0	2,45,509	35.30	2,50,676	0	2,50,676	36.04	0.74
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	1,53,892	0	1,53,892	22.12	1,54,588	0	1,54,588	22.23	0.11
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	Sub Total (A)(1)	3,99,401	0	3,99,401	57.42	4,05,264	0	4,05,264	58.27	0.85
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any other	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3,99,401	0	3,99,401	57.42	4,05,264	0	4,05,264	58.27	0.85
B.	Public shareholding									
1.	Institutions									
a)	Mutual Funds	30	10	40	0.01	30	10	40	0.01	0
b)	Banks / FI	0	265	265	0.04	0	265	265	0.04	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	5,107	5,107	0.73	0	5,107	5,107	0.73	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	37,600	0	37,600	5.41	37,600	0	37,600	5.41	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others -									
	Foreign Financial Institutions / Banks	20	0	20	0.00	20	0	20	0.00	0
	Sub-total (B)(1):-	37,650	5,382	43,032	6.19	37,650	5,382	43,032	6.19	0

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

i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	35,290	20,886	56,176	8.08	35,003	20,751	55,754	8.02	(0.06)
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	85,590	75,380	1,60,970	23.14	81,229	69,566	1,50,795	21.68	(1.46)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,331	5,245	23,576	3.39	23,120	5,245	28,365	4.08	(0.69)
c)	Others -									
i)	Trusts	382	0	382	0.05	382	0	382	0.05	0
ii)	Directors and their relatives	0	570	570	0.08	0	570	570	0.08	0
iii)	Non Resident Indians	4,797	304	5,101	0.73	4,197	304	4,501	0.65	(0.08)
iv)	Clearing Members	371	0	371	0.05	844	0	844	0.12	0.07
v)	Hindu Undivided Families	5,971	0	5,971	0.86	6,043	0	6,043	0.87	0.01
	Sub-total (B)(2):-	1,50,732	1,02,385	2,53,117	36.38	1,50,818	96,436	2,47,254	35.55	(0.83)
	Total Public Shareholding									
	(B)=(B)(1)+ (B)(2)	1,88,382	1,07,767	2,96,149	42.57	1,88,468	1,01,818	2,90,286	41.74	(0.83)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	5,87,783	1,07,767	6,95,550	100.00	5,93,732	1,01,818	6,95,550	100.00	-

THE LAKSHMI MILLS COMPANY LIMITED

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

ii) Shareholding of Promoters

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2014			No. of Shares held at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	S. Pathy	1,04,559	15.03	0	1,06,715	15.34	0	0.31
2	Aditya Krishna Pathy	63,095	9.07	0	64,245	9.24	0	0.17
3	Aishwarya Pathy	28,256	4.06	0	30,117	4.33	0	0.27
4	P Rajshree	9,877	1.42	0	9,877	1.42	0	0.00
5	S Sunitha	3,563	0.51	0	3,563	0.51	0	0.00
6	B Anirudh	382	0.05	0	382	0.05	0	0.00
7	Abhinav Narayana	382	0.05	0	382	0.05	0	0.00
8	K Arjun	9,318	1.34	0	9,318	1.34	0	0.00
9	Nithin Karivaradhan	9,145	1.31	0	9,145	1.31	0	0.00
10	D Thayarammal	90	0.01	0	90	0.01	0	0.00
11	D. Suguna	7	0.00	0	7	0.00	0	0.00
12	Sanjay Jayavarthanavelu	13,213	1.90	0	13,213	1.90	0	0.00
13	J Rajyalakshmi	1,392	0.20	0	1,392	0.20	0	0.00
14	R Uttara	486	0.07	0	486	0.07	0	0.00
15	Nethra JS Kumar	1,744	0.25	0	1,744	0.25	0	0.00
16	Lakshmi Card Clothing Mfg Co Ltd	41,681	5.99	0	41,681	5.99	0	0.00
17	LCC Investments	16,145	2.32	0	16,145	2.32	0	0.00
18	Sans Craintes Stud Farm Pvt Ltd	19,415	2.79	0	19,415	2.79	0	0.00
19	Infocus Marketing & Services Ltd	7,130	1.03	0	7,130	1.03	0	0.00
20	R Santharam Marketing & Services P Ltd	4,085	0.59	0	4,085	0.59	0	0.00
21	Coimbatore Lakshmi Cotton Press Pvt Ltd	64,880	9.33	0	65,576	9.43	0	0.10
22	Sans Craintes Live Stock P Ltd	556	0.08	0	556	0.08	0	0.00
	TOTAL	3,99,401	57.42	0	4,05,264	58.27	0	0.85



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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	S. Pathy At the beginning of the year	104559	15.03		
	Bought during the year on the following dates				
	09.05.2014	36	0.01	104595	15.04
	08.08.2014	100	0.01	104695	15.05
	14.08.2014	45	0.01	104740	15.06
	30.09.2014	142	0.02	104882	15.08
	31.10.2014	13	0.00	104895	15.08
	07.11.2014	110	0.02	105005	15.10
	28.11.2014	272	0.04	105277	15.14
	05.12.2014	104	0.01	105381	15.15
	23.01.2015	800	0.12	106181	15.27
	27.03.2015	534	0.08	106715	15.34
	At the End of the year	106715	15.34		
2	Aditya Krishna Pathy At the beginning of the year	63095	9.07		
	Bought during the year on the following dates				
	16.05.2014	121	0.02	63216	9.09
	23.05.2014	70	0.01	63286	9.10
	18.07.2014	69	0.01	63355	9.11
	01.08.2014	174	0.03	63529	9.13
	08.08.2014	150	0.02	63679	9.16
	14.08.2014	160	0.02	63839	9.18
	30.09.2014	25	0.00	63864	9.18
	10.10.2014	334	0.05	64198	9.23
	17.10.2014	47	0.01	64245	9.24
	At the End of the year	64245	9.24		
3	The Coimbatore Lakshmi Cotton Press P. Ltd. At the beginning of the year	64880	9.33		
	Bought during the year on the following dates				
	21.11.2014	491	0.07	65371	9.40
	06.03.2015	205	0.03	65576	9.43
	At the End of the year	65576	9.43		

THE LAKSHMI MILLS COMPANY LIMITED

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	Aishwarya Pathy At the beginning of the year	28256	4.06		
	Bought during the year on the following dates				
	20.06.2014	16	0.00	28272	4.06
	04.07.2014	201	0.03	28473	4.09
	11.07.2014	60	0.01	28533	4.10
	25.07.2014	134	0.02	28667	4.12
	08.08.2014	421	0.06	29088	4.18
	29.08.2014	140	0.02	29228	4.20
	05.09.2014	140	0.02	29368	4.22
	19.09.2014	122	0.02	29490	4.24
	30.09.2014	197	0.03	29687	4.27
	19.12.2014	430	0.06	30117	4.33
	At the End of the year	30117	4.33		

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

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India At the beginning of the year	37,600	5.41	37,600	5.41
	Bought and sold during the year	—	—	—	—
	At the end of the year	37,600	5.41	37,600	5.41
2	Lakshmi Machine Works Ltd At the beginning of the year	26,916	3.87	26,916	3.87
	Bought and sold during the year	—	—	—	—
	At the end of the year	26,916	3.87	26,916	3.87
3	Lakshmi Technology and Engineering Ltd At the beginning of the year	19,914	2.86	19,914	2.86
	Bought and sold during the year	—	—	—	—
	At the end of the year	19,914	2.86	19,914	2.86
4	N. Krishnaveni At the beginning of the year	8,946	1.29		
	Sold during the year	(800)	(0.12)	8,146	1.17
	At the end of the year	8,146	1.17		



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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	Governor of Kerala At the beginning of the year Bought and sold during the year At the end of the year	5,107 — 5,107	0.73 — 0.73	5,107 — 5,107	0.73 — 0.73
6	D.Dhorrairaj At the beginning of the year Bought and sold during the year At the end of the year	2,974 — 2,974	0.43 — 0.43	2,974 — 2,974	0.43 — 0.43
7	Anil Kumar Goel At the beginning of the year Bought and sold during the year At the end of the year	2,649 — 2,649	0.38 — 0.38	2,649 — 2,649	0.38 — 0.38
8	Nilesh Rameshchandra Pethani At the beginning of the year Bought and sold during the year At the end of the year	2,615 — 2,615	0.38 — 0.38	2,615 — 2,615	0.38 — 0.38
9	MSPL Ltd At the beginning of the year Bought during the year on the following dates 20.06.2014 12.09.2014 At the end of the year	2,443 45 110 2,598	0.35 0.01 0.02 0.37	 2488 2598	 0.36 0.37
10	Payal Prem Raheja At the beginning of the year Bought and sold during the year on the following dates 25.04.2014 02.05.2014 09.05.2014 09.05.2014 16.05.2014 06.06.2014 13.06.2014 30.06.2014 31.10.2014 At the end of the year	651 221 590 (651) 895 203 250 341 2 1 2,503	0.09 0.03 0.08 (0.09) 0.13 0.03 0.04 0.05 0.00 0.00 0.36	 872 1462 811 1706 1909 2159 2500 2502 2503	 0.13 0.21 0.12 0.25 0.27 0.31 0.36 0.36 0.36
11	N. Jaychander At the beginning of the year Bought and sold during the year At the end of the year	2,426 — 2,426	0.38 — 0.38	2,426 — 2,426	0.38 — 0.38

THE LAKSHMI MILLS COMPANY LIMITED

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

v) Shareholding of Directors and Key Managerial Personnel:

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	S. Pathy				
	At the beginning of the year	104559	15.03		
	Bought during the year on the following dates				
	09.05.2014	36	0.01	104595	15.04
	08.08.2014	100	0.01	104695	15.05
	14.08.2014	45	0.01	104740	15.06
	30.09.2014	142	0.02	104882	15.08
	31.10.2014	13	0.00	104895	15.08
	07.11.2014	110	0.02	105005	15.10
	28.11.2014	272	0.04	105277	15.14
	05.12.2014	104	0.01	105381	15.15
	23.01.2015	800	0.12	106181	15.27
	27.03.2015	534	0.08	106715	15.34
	At the End of the year	106715	15.34		
2	Aditya Krishna Pathy				
	At the beginning of the year	63095	9.07		
	Bought during the year on the following dates				
	16.05.2014	121	0.02	63216	9.09
	23.05.2014	70	0.01	63286	9.10
	18.07.2014	69	0.01	63355	9.11
	01.08.2014	174	0.03	63529	9.13
	08.08.2014	150	0.02	63679	9.16
	14.08.2014	160	0.02	63839	9.18
	30.09.2014	25	0.00	63864	9.18
	10.10.2014	334	0.05	64198	9.23
	17.10.2014	47	0.01	64245	9.24
	At the End of the year	64245	9.24		
3	V. Jagannathan				
	At the beginning of the year	450	0.06	450	0.06
	Bought and sold during the year	—	—	—	—
	At the end of the year	450	0.06	450	0.06
4	Sanjay Jayavarthanavelu				
	At the beginning of the year	13213	1.90	13213	1.90
	Bought and sold during the year	—	—	—	—
	At the end of the year	13213	1.90	13213	1.90
5	D. Rajendran	—	—	—	—
6	R. Santharam	—	—	—	—
7	V.S.Velayutham	—	—	—	—
8	Satish Ajmera	—	—	—	—
9	Suguna Ravichandran	—	—	—	—
	Key Managerial Personnel				
1	N. Singaravel	—	—	—	—
2	V.Kannappan	—	—	—	—



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	2,978.34	50.13	161.02	3,189.49
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	9.79	—	—	9.79
Total (i+ii+iii)	2,988.13	50.13	161.02	3,199.28
Change in Indebtedness during the financial year				
Addition	387.79	1.73	—	389.52
Reduction	(845.40)	(1.72)	(161.02)	(1008.14)
Net Change	(457.61)	0.01	(161.02)	(618.64)
Indebtedness at the end of the financial year				
i) Principal Amount	2515.96	50.14	—	2566.10
ii) Interest due but not paid	14.56	—	—	14.56
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	2,530.52	50.14	-	2,580.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri. S. Pathy Chairman and Managing Director	Sri. Aditya Krishna Pathy Whole time Director	Total
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	58.54	23.81	82.35
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	1.80	1.80
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, PF Employer's Contribution	7.03	2.86	9.89
	Others, Superannuation Fund Contribution	8.78	3.57	12.35
	Total (A)	74.35	32.04	106.39

THE LAKSHMI MILLS COMPANY LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other Directors:

Name of Directors	Particulars of Remuneration			Total (B)(1) ₹ in Lakhs
	Fee for attending Board / committee Meetings	Commission	Others, please specify	
Independent Directors				
Sri. V. Jagannathan	0.75	-	-	0.75
Sri. D. Rajendran	1.00	-	-	1.00
Sri. Satish Ajmera	1.65	-	-	1.65
Sri. V.S. Velayutham	1.50	-	-	1.50
Other Non-Executive Directors				
Sri. R. Santharam	1.65	-	-	1.65
Sri. Sanjay Jayavarthanavelu	0.60	-	-	0.60
Total Amount in Lakhs	7.15	-	-	7.15

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

Sl. No	Particulars of Remuneration	Sri. N.Singaravel Company Secretary	Sri. Kannappan Chief Financial Officer	Total Amount
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.06	17.71	24.77
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.35	0.32	0.67
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, PF Employer's Contribution	0.26	0.69	0.95
5	Others, please specify	-	-	-
	Total	7.67	18.72	26.39



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

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

Coimbatore
29th July, 2015

THE LAKSHMI MILLS COMPANY LIMITED

ANNEXURE - 2

NOMINATION AND REMUNERATION POLICY

Introduction

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

The objective and purpose of this policy are

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

Effective Date:

This Policy shall be effective from 1st August 2014.

Constitution of the Nomination and Remuneration Committee

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

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

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

Definitions

- ❖ Board means Board of Directors of the Company.
- ❖ Directors means Directors of the Company.
- ❖ Committee means Nomination and Remuneration Committee of the Board of Directors of the Company as constituted or reconstituted by the Board.
- ❖ Company means THE LAKSHMI MILLS COMPANY LIMITED.
- ❖ Independent Director means a director referred to in Section 149(6) of the Companies Act, 2013.
- ❖ Key Managerial Personnel (KMP) means -
 - i) Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;
 - ii) Company Secretary;
 - iii) Chief Financial Officer.
- ❖ Senior Management means -

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



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

Applicability

The Policy is applicable to -

- ❖ Directors
- ❖ Key Managerial Personnel
- ❖ Senior Management Personnel

General

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

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

The Committee shall:

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

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

Appointment criteria and qualifications:

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

Term / Tenure:

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

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

2. Independent Director:

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

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

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

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

THE LAKSHMI MILLS COMPANY LIMITED

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

Evaluation:

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

Removal:

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

Retirement:

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

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

General:

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

Minimum Remuneration:

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

Sitting Fees:

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

Commission:

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

Stock Options:

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



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2015

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

To

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

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

Based on my verification of **M/s. THE LAKSHMI MILLS COMPANY LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- 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 thereunder;
- 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, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and Madras Stock Exchange Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions/ events in pursuant of

THE LAKSHMI MILLS COMPANY LIMITED

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.
- v) I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws and environmental laws.
- vi) I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that

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

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

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

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

I further report that during the audit period, the members have passed special resolutions under Section 180(1)(a) to create charge to secure the Borrowings of the Company and under Section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys in excess of the aggregate of paid-up capital and free reserves provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.300 crores, apart from temporary loans obtained from the bankers in the ordinary course of business. Other than these, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Place: Coimbatore

Date: 29.07.2015

Signature:

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

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



'Annexure A'

To

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

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

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

Place: Coimbatore

Date: 29.07.2015

Signature:

Name: M D Selvaraj

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

THE LAKSHMI MILLS COMPANY LIMITED

ANNEXURE - 4

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

A. Conservation of Energy

i. Steps taken for conservation of energy

The following energy conservation measures were taken up in Palladam and Kovilpatti units in 2014 - 2015.

In Palladam B unit Spinning Dept, 11 Nos of 36 Watts Florescent are replaced with 15 Watts LED tube Lights. Due to above energy saving measure 158 Units per month of saving achieved. Further we have proposed to change 36 Watts Florescent Tubes to LED tube lights in FY 2015-16 in all Dept.

In Kovilpatti unit, in Time Office and Power House 18 Watts CFL Lamp was replaced with 9 Watts LED Bulb. In open well 7.5 KW old booster pump was replaced with 5 KW open well Submersible pump. In A Mill, RSB Draw frame centralised suction motor pulley was reduced from 160 mm to 130 mm for energy saving purpose. In C unit Autoconer Polar suction side, new modified duct fitted in Machines for energy saving purpose. 10 HP well pump was replaced with 5 HP Open well pump. Due to above energy saving measures 1292 Units per month of saving achieved.

(ii) Steps taken by the Company for utilising alternate sources of energy

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

(iii) Capital investment on energy conservation equipment - NIL

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Coimbatore
29th July, 2015

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



ANNEXURE- 5

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

2. Composition of CSR Committee

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

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

3. Average Net Profit of the Company for last three Financial Years:

Average Net Profit: ₹ (5296.57) lakhs.

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

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

5. Details of CSR spent during the Financial Year 2014-15

- a) Total amount spent for the financial year : NIL
- b) Amount unspent, if any: NIL
- c) Manner in which the amount spent during the financial year is detailed below:

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

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

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

7. Responsibility statement of the CSR Committee:

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

Coimbatore
29th July, 2015

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

THE LAKSHMI MILLS COMPANY LIMITED

ANNEXURE - 6

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part "A": Subsidiary

The Company does not have any subsidiaries and hence the disclosure pursuant to Section 129(3) of the Companies Act, 2013 with regard to subsidiary companies does not arise.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of associates/Joint Ventures	LCC Investments Limited
1.	Latest audited Balance Sheet Date	31.03.2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of shares	1,50,000
	Amount of Investment in Associates/Joint Venture (in ₹)	15,00,000
	Extend of Holding %	24.71%
3.	Description of how there is significant influence	Shareholding of more than 20%
4.	Reason why the associate/joint venture is not consolidated	Pursuant to amendment of Rule 6 of the Companies (Accounts) Rules, 2014.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet (in ₹)	27,58,296
6.	Profit/Loss for the year	
	i. Considered in Consolidation (in ₹)	NA
	ii. Not Considered in Consolidation (in ₹)	3,45,146

The Company does not have any associates or joint ventures which are yet to commence operations or have been liquidated or sold during the year.



ANNEXURE - 7

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

- i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2014-15:

Sl. No	Name	Category	Ratio
1	Sri S. Pathy	Chairman & Managing Director	35.40 : 1
2	Sri Aditya Krishna Pathy	Whole Time Director	15.26 : 1

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

- ii. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15:

Sl. No	Name	Category	%
1	Sri S. Pathy	Chairman & Managing Director	48.85
2	Sri Aditya Krishna Pathy	Whole Time Director	11.68
3	Sri N. Singaravel	Company Secretary	14.97
4	Sri V. Kannappan	Chief Financial Officer	10.09

- iii. The percentage increase in the median remuneration of employees in the financial year: **16%**.

- iv. The number of permanent employees on the rolls of Company: **616**.

- v. The explanation on the relationship between average increase in remuneration and Company's performance:

Company's Profit before Tax and Exceptional Items has grown from ₹ 258.95 Lakhs during 2013-14 to ₹ 567.71 Lakhs during 2014-15, an increase of 119.24% against which the increase in Employee expense is 13.59 %.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Category	Gross Remuneration	% increase	PBT (in lakhs)	% increase in PBT
Sri S. Pathy	Chairman & Managing Director	74.35	48.85	567.71	119.24
Sri Aditya Krishna Pathy	Whole Time Director	*32.04	11.68		
Sri N. Singaravel	Company Secretary	8.11	33.39		
Sri V. Kannappan	Chief Financial Officer	18.29	15.03		

* The remuneration includes company's contribution to Provident fund, Gratuity, Super-annuation Fund and perquisites

- vii. Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31.03.2015	31.03.2014
Market Capitalisation of the Company (₹ In lakhs)	13,820.58	10,583.84
Issued Capital (in Nos.)	6,95,550	6,95,550
Closing Price at BSE Ltd (in ₹)	1,987.00	1,521.65
Earnings Per Share after exceptional items (in ₹)	61.69	135.14
Price Earnings Ratio as at the closing date	32.21	11.26

THE LAKSHMI MILLS COMPANY LIMITED

Note: Percentage increase in market quotations of the shares of the Company in comparison with the last public offer is not applicable as the last public offer was before 1930 and the date is incomparable.

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

The increase in remuneration for employees other than Managerial Personnel and KMP is 13.59% while it is 29.93% for Managerial Personnel and KMP.

ix. The key parameters for any variable component of remuneration availed by the Directors:

The remuneration of Executive Directors - Chairman and Managing Director and Whole Time Director consists of a Commission payable at the rate of 1% on the net profits of the Company. The Non- Executive Directors are eligible for sitting fees only. Besides above there is no other variable component in the managerial remuneration.

x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable

xi. Your directors affirm that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Statement of Disclosure of Remuneration under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name & Age	Designation	Remuneration received (in ₹)	Qualifications	Experience	Date of Commencement of employment	Previous employment held
S.Pathy 65 Years	Chairman and Managing Director	74,35,004	B.Com	42 Years	27.09.1995	NIL

Note:

1. The remuneration includes company's contribution to Provident fund, Gratuity, Super-annuation Fund and perquisites.
2. The nature of the employment of Sri.S.Pathy, Chairman and Managing Director is contractual.
3. Sri.S.Pathy holds 15.34% of equity shares in the company.
4. Sri.S.Pathy, Chairman and Managing Director is related to Sri.Aditya Krishna Pathy, Whole-time Director of the Company.
5. The remuneration details are for the year 2014-15 and all other particulars are as on 31.03.2015
6. There are no employees in the company who were employed throughout the financial year or part thereof who was in receipt of remuneration that is in excess of that drawn by the Managing Director or whole-time Director and holds along with himself or with his spouse and dependent children, not less than two percent of the equity shares of the company.



REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

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

COMPOSITION

The composition of the Board is in conformity with clause 49 of the Listing Agreement entered into with the stock Exchanges.

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

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

** Only Audit Committee and Stakeholders Relationship Committee are considered.

*** Smt Suguna Ravichandran was inducted into the Board on 11.02.2015.

Sri S. Pathy, Chairman and Managing Director and Sri Aditya Krishna Pathy, Whole Time Director are related to each other. None of the other Directors are related.

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

BOARD MEETINGS AND ATTENDANCE

Four Board meetings were held on 26.05.2014, 25.07.2014, 10.11.2014 and 11.02.2015 during the period 1st April 2014 to 31st March 2015.

THE LAKSHMI MILLS COMPANY LIMITED

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, 2015.

Name of the Directors	Board Meeting	Audit	Nomina-tion and Relation-ship	Stake-holders Relation-ship	Share Transfer	CSR	Indepen-dent Directors Meeting	Annual General Meeting
	(4)	(4)	(3)	(1)	(18)	(1)	(1)	
Sri S. Pathy	4	-	-	-	18	1	-	Yes
Sri R. Santharam	4	4	3	1	6	-	-	Yes
Sri V. Jagannathan	4	-	-	1	-	-	Yes	No
Sri D. Rajendran	3	3	2	-	-	1	Yes	Yes
Sri Satish Ajmera	4	4	3	1	-	-	Yes	Yes
Sri V.S. Velayutham	4	4	3	-	-	-	Yes	Yes
Sri Sanjay Jayavarthanavelu	4	-	-	-	-	-	-	Yes
Sri Aditya Krishna Pathy	4	-	-	-	12	1	-	Yes
Smt Suguna Ravichandran*	-	-	-	-	-	-	-	NA

Smt. Suguna Ravichandran was inducted into the Board on 11.02.2015.

The figures within brackets denote the number of meetings held during the period 1st April 2014 to 31st March, 2015.

Directors' Induction and Familiarization

The Management ensures that induction and familiarization programmes are provided to Directors. The management provides information such as specific project, activity or process of the Company at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- build an understanding of businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively; and
- develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The letter of appointment of Independent Directors has been posted on the Company's website - www.lakshmill.com.

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

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 11.02.2015, inter alia, to discuss:

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

All the independent Directors were present at the meeting.



COMMITTEE OF DIRECTORS

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

Audit Committee

Apart from all the matters provided in clause 49 of the Listing Agreement and Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues conforming to the requirements specified by the Companies Act, 2013 and by the Stock Exchanges in terms of Listing Agreement.

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

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

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

Four meetings were held on 26.05.2014, 25.07.2014, 10.11.2014 and 11.02.2015 during the financial year ended 31st March 2015 and details of attendance were furnished elsewhere in this Report.

Nomination and Remuneration Committee

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The remuneration policy of the company has been annexed to the Boards' Report and can be accessed on the website of the Company at the link <http://www.lakshimimills.com/policies.html>

The Committee comprises of the following four Non-Executive Directors as members and the committee has met 3 times on 25.07.2014, 10.11.2014 and 11.02.2015 during the financial year ended 31st March 2015. The details of attendance were furnished elsewhere in this Report.

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

THE LAKSHMI MILLS COMPANY LIMITED

REMUNERATION OF DIRECTORS

Remuneration paid or payable to Directors during the year 2014-15.

(in ₹)

Name of the Directors	Sitting Fees	Salary	Perquisites	Contribution to PF & Superannuation	Total
Sri S. Pathy *	NA	58,54,334	-	15,80,670	74,35,004
Sri R. Santharam	1,65,000	NA	NA	NA	1,65,000
Sri V. Jagannathan	75,000	NA	NA	NA	75,000
Sri D. Rajendran	1,00,000	NA	NA	NA	1,00,000
Sri Satish Ajmera	1,65,000	NA	NA	NA	1,65,000
Sri V.S. Velayutham	1,50,000	NA	NA	NA	1,50,000
Sri Sanjay Jayavarthanavelu	60,000	NA	NA	NA	60,000
Sri Aditya Krishna Pathy *	NA	23,81,291	1,80,000	6,43,949	32,04,240

*Remuneration as approved by the Shareholders.

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

No Stock options granted to Non-executive Directors and Independent Directors during the financial year ended 31st March 2015.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

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

Stakeholders Relationship Committee

In compliance with SEBI guidelines on Corporate Governance as well as clause 49 of the Listing Agreement, the Committee was reconstituted on 30.07.2010 to specifically look into redressal of shareholders/Investors complaints, regarding transfer of shares, non-receipt of annual reports, dividend warrants, share certificates etc., and also the action taken by the Company on the above matters.

The Committee comprises of the following three Non-Executive Directors as its members and the committee met on 11.02.2015 during the financial year ended 31st March 2015. All the members were present for the meeting.

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

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

During the year the company has not received any complaints from the investors and there was no outstanding complaint as on 31.03.2015.

Share Transfer Committee

The Share Transfer Committee has been formed from the members of the Board, representatives of the Registrar and Share Transfer Agent and the Company Secretary and there are 5 members. During the year the Committee met 18 times and approved Transfer, Transmission of Shares and issuance of Duplicate Share Certificates. There were no pending share transfers as on 31.03.2015.



Corporate Social Responsibility (CSR) Committee

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from March 29, 2014.

1. Sri S. Pathy - Chairman
2. Sri Aditya Krishna Pathy - Member
3. Sri D. Rajendran - Member

The committee met on 11.02.2015 during the financial year ended 31st March 2015. All the members were present for the meeting.

CODE OF CONDUCT

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and posted on the website of the company. The compliance of the said code of conduct by the Directors and Senior Management Personnel for the year 2014-15 has been affirmed by the Chairman and Managing Director.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company, as per SEBI (Prevention of Insider Trading) Regulations, 2015.

All the Directors and the designated employees have confirmed compliance with the Code. The Code has been posted on the Company's website.

GENERAL BODY MEETINGS

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

Financial Year	Date	Day	Time	Venue
March 31, 2012	3.9.2012	Monday	2.35 P.M.	Nani Palkhivala Auditorium, Mani Hr. Sec. School, Coimbatore - 641037
March 31, 2013	4.9.2013	Wednesday	4.15 P.M.	-- do --
March 31, 2014	15.9.2014	Monday	4.35 P.M.	-- do --

Special Resolutions passed in the previous 3 AGMs

102nd Annual General Meeting : NIL

103rd Annual General Meeting : Remuneration payable to Sri Aditya Krishna Pathy, Whole Time Director.

104th Annual General Meeting : Remuneration payable to Sri S. Pathy, Chairman and Director.

Resolutions under Section 180 (1)(a), 180 (1)(c) and Alteration of Articles of Association of the Company.

No resolutions were put through Postal Ballot last year.

In compliance with Clause 35B of the Listing Agreement and provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company had offered e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company had entered into an agreement with Central Depository Services India Limited (CDSL) for facilitating e-voting .Further the Company has provided postal ballot facility (in lieu of e-voting) to those members who do not have access to e-voting facility

DISCLOSURES

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

THE LAKSHMI MILLS COMPANY LIMITED

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

The Company has complied with Accounting Standards in the preparation of Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, as referred in the Directors' Responsibility Statement. The Company has not followed any, accounting treatment different from that prescribed in, any Accounting Standard. There is no pecuniary relationship or transactions by Non-Executive Directors with the Company. All the mandatory requirements have been complied with as stated in this report on Corporate Governance.

In accordance with requirement of Companies Act as well as listing agreement a Whistle blower mechanism (Vigil Mechanism) has been adopted by the Board of Directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach the Chairman of the Audit Committee of the Company to report any grievance. The policy has also been posted on the website of the Company.

NON MANDATORY REQUIREMENTS

The company has adopted all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The following non mandatory requirement is followed during the year under review:

The Internal auditors reports directly to the Audit Committee of the Board of the Company.

MEANS OF COMMUNICATION

The quarterly and annual financial results are published in the Business Line (English) and Dinamani (Tamil).

The Company Profile, Corporate information, Shareholding Pattern, Financial Statements, Code of Conduct for Directors and Officers and Product range are displayed in the Company's website www.lakshmill.com.

Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to Stock Exchanges periodically and also posted in the portal hosted by BSE and www.corpfiling.co.in

There were no specific presentations made to Institutional Investors or to the analysts during the year

GENERAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Day & Date	: Friday, 4 th September, 2015
Time	: 4.35 P.M.
Venue	: Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

FINANCIAL CALENDAR

Financial year	: 1 st April to 31 st March
Announcement of Annual Results 2014-15	: 29.05.2015
Posting of Annual Reports 2014-15	: On or before 10 th August, 2015
Evoting period	: 01.09.2015 - 9.00 AM to 03.09.2015 - 5.00 PM
Last date of receipt of Proxy Forms	: 02.09.2015
Date of Book Closure	: 29.08.2015 Saturday to 04.09.2015 Friday (both days inclusive)
Date of payment of Dividend	: On or before 03.10.2015
Announcement of Quarterly Results 2015-16	: July 2015, October 2015, January 2016 & May/June 2016

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at : BSE Limited, Mumbai

Bombay Stock Exchange Limited, Stock Code : 502958

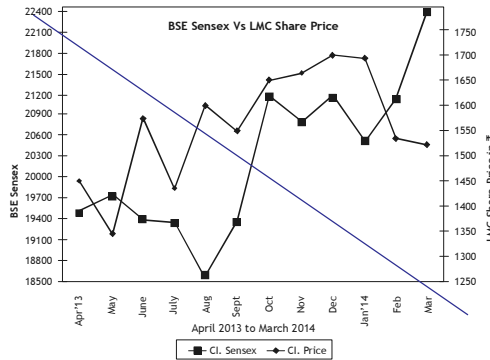
Listing fee for 2015-2016 have been paid in respect of BSE Ltd.

MARKET PRICE DATA

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

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

	HIGH	LOW
April -2014	1,650.05	1,503.10
May	2,297.00	1,510.00
June	2,280.00	1,705.05
July	2,749.00	2,121.00
August	2,485.00	1,965.00
September	2,810.00	2,270.55
October	2,389.30	2,100.00
November	2,300.00	2,067.55
December	2,650.00	2,255.00
January - 2015	2,750.00	2,250.00
February	2,500.00	2,000.00
March	2,250.00	1,860.00



REGISTRAR & SHARE TRANSFER/DEMAT AGENT

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

SHARE TRANSFER SYSTEM

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

SHAREHOLDING PATTERN (as on 31.03.2015)

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and Promoters group	22	4,05,264	58.27
2	Financial Institutions, Banks and Mutual Funds	14	37,905	5.45
3	Central / State Government(s)	1	5,107	0.73
4	Foreign Financial Institutions / Banks	1	20	0.00
5	Bodies Corporate	98	55,754	8.02
6	Individuals	6,408	1,79,160	25.76
7	Others	163	12,340	1.77
	Total	6,707	6,95,550	100.00

DISTRIBUTION OF SHARE HOLDING (as on 31.03.2015)

Range (No. of Shares)	No. of Shareholders	No. of Shares	% held
1 - 50	6,026	69,317	9.30
51 - 100	317	24,617	3.32
101 - 200	188	26,469	3.84
201 - 300	68	17,439	2.38
301 - 400	29	9,790	1.46
401 - 500	22	12,779	1.42
501 - 1000	22	17,811	2.35
1001 - 10000	24	81,654	12.45
10001 and Above	11	4,35,674	63.48
Total	6,707	6,95,550	100.00

DEMATERIALISATION OF SHARES

The fully paid up Equity shares (ISIN No.INE938CO1019) of the Company are admitted in the demat mode by both the depositories of the country i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

As on 31.3.2015, 5,93,732 Shares constituting 85.36% of the total paid up capital of the Company have been dematerialised. In view of the numerous advantages offered by the depository system, members have been requested to avail the facility of dematerialisation of the Company's shares.

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

THE LAKSHMI MILLS COMPANY LIMITED

NOMINATION FACILITY

The Companies Act, 2013 has provided the facility of nomination for the shares of the Company. The nomination form (Form SH-13) along with instructions is provided to the members on request.

PLANT LOCATIONS

The Company has 2 Plants situated at the following locations:

Unit I : Lakshmiapuram P.O., Kovilpatti.

Unit II : Kuppuswamy Naidupuram, Palladam.

ADDRESS FOR CORRESPONDENCE

All correspondence from shareholders should be addressed to:

M/s. SKDC Consultants Limited

Registrar and Share Transfer Agent

Unit : The Lakshmi Mills Company Limited

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

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

Investors' grievances email id : secretarial@lakshmill.com

CODE OF CONDUCT

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and posted on the Website of the Company. The Compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2014-15 has been affirmed by the Chairman and Managing Director (CEO).

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

I hereby confirm that the Company has obtained from the members of the Board and Senior Management Personnel their affirmation on Compliance of the Code of conduct laid down by the Company for the financial year 2014-2015.

Coimbatore
29.07.2015

S. PATHY
Chairman and Managing Director

CEO / CFO CERTIFICATION

As required under clause 49 V of the listing agreement with the stock exchanges, CEO as well as CFO certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
 - (i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they had evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They had indicated to the auditors and the Audit Committee:
 - i) That there is no significant changes in the internal control over financial reporting during the year;
 - ii) That there is no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Coimbatore
29.07.2015

S. PATHY
Chairman and Managing Director

V. KANNAPPAN
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To the Members of

THE LAKSHMI MILLS COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE LAKSHMI MILLS COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at **31st March 2015**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 **31st March 2015** and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting

THE LAKSHMI MILLS COMPANY LIMITED

Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30.1 to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Coimbatore
29th May 2015

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended **31st March 2015**, we report that:

1. In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The company has physically verified fixed assets during the year in accordance with a regular and phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification as compared to the book records.
3. The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the financial year. Hence the provisions of Clause 3(iii) of the Companies (Auditor's Report) Order, 2015 is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal control.



5. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder wherever applicable with respect to deposits accepted by it.
6. We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, as applicable to the company, and are of the opinion that prima facie the specified cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of the statutory dues:
 - a. The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, VAT, cess 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 2015** for a period of more than six months from the date they became payable.
 - b. The details of disputed statutory dues are as under:

Name of the Statute	Nature of Dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Excise Act 1944 / Service Tax Act	Excise Duty	1.61	1995 - 96	High Court
	Service Tax	2.95	1997 - 99	High Court
	Cenvat	1.07	2013 - 14	Commissioner of Central Excise - Madurai

- c. According to the information and explanations given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such fund within time.
8. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. On the basis of our audit procedures, in our opinion and according to the information and explanations given to us the Company has not defaulted in the payment of dues to financial institutions and Banks.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
11. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion term loans availed by the Company were, prima facie, applied by the Company for the purpose for which the loans were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year that causes the financial statements to be materially misstated.

Coimbatore
29th May 2015

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

THE LAKSHMI MILLS COMPANY LIMITED

Balance Sheet as at 31st March, 2015

		(₹ in Lakhs)	
Particulars	Note No	31.3.2015	31.3.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	695.55	695.55
(b) Reserves and Surplus	4	12,787.36	12,518.41
Non - Current Liabilities			
(a) Long term borrowings	5	1528.83	2,050.53
(b) Other Long term liabilities	6	124.18	120.54
(c) Long term provisions	7	386.93	332.60
Current Liabilities			
(a) Short term borrowings	8	3,697.20	3,551.36
(b) Trade payables	9	1,772.09	2,454.12
(c) Other current liabilities	10	2,103.90	2,042.36
(d) Short term provisions	11	172.68	286.88
TOTAL		23,268.72	24,052.35
ASSETS			
Non - Current Assets			
(a) Fixed assets	12		
(i) Tangible assets		4,323.92	4,461.64
(ii) Intangible assets		13.42	12.99
(iii) Capital work-in-progress		13.02	-
(b) Non-current investments	13	172.74	170.89
(c) Deferred tax assets (net)	14	2,254.84	2,108.85
(d) Long term loans and advances	15	825.51	651.86
Current Assets			
(a) Stock in Trade of Land		10,607.93	10,607.93
(b) Inventories	16	2,368.81	3,002.84
(c) Trade receivables	17	2,001.42	2,406.87
(d) Cash and cash equivalents	18	353.71	398.43
(e) Short term loans and advances	19	39.03	37.27
(f) Other current assets	20	294.37	192.78
TOTAL		23,268.72	24,052.35
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director
DIN: 00013899

Coimbatore
29th May 2015

R. Santharam
Vice Chairman
DIN: 00151333

N. Singaravel
Company Secretary

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



Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No	₹ in Lakhs	
		31.3.2015	31.3.2014
REVENUE			
Revenue from operations	21	22,130.01	21,800.57
Less: Excise Duty		-	-
		<u>22,130.01</u>	<u>21,800.57</u>
Other Income	22	625.23	413.93
Total Revenue		<u>22,755.24</u>	<u>22,214.50</u>
EXPENSES			
Cost of materials consumed	23	10,416.47	10,916.29
Purchase of Stock-in-Trade	24	1,117.41	1,868.51
(Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	25	378.91	(534.92)
Employee benefits expense	26	3,084.52	2,700.80
Finance costs	27	1,008.31	1,066.09
Depreciation and amortization expense	12	713.92	508.76
Power and fuel charges		3,158.81	3,139.67
Other expenses	28	2,309.18	2,290.35
Total Expenses		<u>22,187.53</u>	<u>21,955.55</u>
Profit before exceptional items and tax		<u>567.71</u>	<u>258.95</u>
Exceptional Items (Net)	29	(284.81)	731.14
Profit before tax		<u>282.90</u>	<u>990.09</u>
Tax expense			
Current tax		45.26	225.02
MAT Credit entitlement		(44.14)	(216.74)
Net Current tax		1.12	8.28
Prior Year Taxes		(17.91)	203.17
Deferred tax		(129.39)	(161.31)
Total Tax Expenses		<u>(146.18)</u>	<u>50.14</u>
Profit after tax		<u>429.08</u>	<u>939.95</u>
Basic & Diluted Earnings per share [in ₹] [Face Value ₹ 100 per share]	30.7		
Before exceptional items		102.64	30.02
After exceptional items		61.69	135.14
Significant accounting policies	2		
See accompanying notes on additional information to financial statements	30		

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

Coimbatore
29th May 2015

N. Singaravel
Company Secretary

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

THE LAKSHMI MILLS COMPANY LIMITED

Cash Flow Statement for the year ended 31st March 2015

Particulars	(₹ in Lakhs)	
	31.3.2015	31.3.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and after exceptional items	282.90	990.09
[Net exceptional items of ₹ (284.81) lakhs (P.Y. ₹ 731.14 lakhs)]-Refer Note: 29		
Adjustments for :		
Depreciation	713.92	508.76
Investment Income	(156.00)	(104.00)
Interest Expenditure	923.80	982.43
Interest Income	(51.46)	(55.35)
Profit on sale of assets	(17.32)	(11.34)
Profit on sale of Investments-Exceptional Item [Refer Note 29]	-	(1,976.52)
Unrealised gain on foreign currency cash and cash equivalents	-	(0.94)
	<u>1,412.94</u>	<u>(656.96)</u>
Operating Profit before Working Capital Changes	1,695.84	333.13
(Increase)/Decrease in trade and other receivables	187.01	319.36
(Increase)/Decrease in inventories	634.03	(794.39)
Increase/(Decrease) in trade and other payables	(458.69)	798.37
Cash generated from operations	2,058.19	656.47
Direct taxes (paid)/refund received	(164.27)	(111.22)
Net Cash from Operating activities (A)	1,893.92	545.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(641.55)	(928.77)
Proceeds from sale of assets (including ₹ Nil lakhs from discontinued operations) (Previous year ₹ 11.07 lakhs)	18.06	20.55
Proceeds from sale of Investments	-	1,979.85
Investments in Equity Shares	(1.85)	-
Decrease / (Increase) in other Bank Balances	184.42	(93.62)
Interest received	47.55	35.95
Dividend received	156.00	104.00
Net cash used in investing activities (B)	(237.37)	1,117.96
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) long term borrowings	(521.70)	(140.39)
Proceeds from/(Repayment of) short term borrowings	58.71	(362.90)
Interest paid [Including exceptional item ₹ Nil lakhs (Previous Year -₹ 21.21 lakhs)-Refer Note 29]	(933.59)	(985.18)
Dividend paid	(100.45)	(81.55)
Dividend transferred to IEPF	(2.09)	(2.26)
Corporate Dividend tax paid	(17.73)	(14.19)
Net cash used in financing activities (C)	(1,516.85)	(1,586.47)
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	139.70	76.74



Cash Flow Statement for the year ended 31st March 2015

Particulars	31.3.2015	(₹ in Lakhs)
		31.3.2014
Cash and cash equivalents at beginning of the year	105.87	28.19
Cash and cash equivalents at end of the year	245.57	105.87
Less: Unrealised gain in foreign currency cash and cash equivalents	-	(0.94)
	<u>245.57</u>	<u>104.93</u>
Net increase/(Decrease) in cash and cash equivalents	139.70	76.74
Note: Cash and Bank balances include the following balances which are restricted and not available for use by the Company.		
Unpaid Dividend Warrant Account	13.14	11.35
Margin Money Deposit	108.09	250.75

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

Coimbatore
29th May 2015

N. Singaravel
Company Secretary

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

Auditors' Certificate on compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement with Stock Exchanges.

TO THE MEMBERS OF
THE LAKSHMI MILLS COMPANY LIMITED
Coimbatore.

We have examined the compliance of conditions of Corporate Governance by THE LAKSHMI MILLS COMPANY LIMITED for the year ended on 31.3.2015 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify

Coimbatore
29th July 2015

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

On the basis of details received from the Registrar and Share Transfer Agents of the Company and on the basis of the records maintained by the Stakeholders Relationship Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

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

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

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

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

2.2 Use of Estimates

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

2.3 Fixed Assets

Fixed assets are stated at historical cost net of Cenvat credit /Value added Tax, including appropriate direct and allocated expenses and interest on specific borrowings related to qualifying assets up to the commencement of production less accumulated depreciation and impairment losses, if any.

2.4 Investments

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

2.5 Valuation of Inventories

Inventories are valued as under

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

2.6 Translation of Foreign Currency Transactions

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the profit and loss statement. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference adjusted as income or expense in the profit and loss statement.

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

2.7 Depreciation

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

2.8 Recognition of Revenue

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized when invoiced / upon completion of work based on confirmed contracts. Dividend from Investments and Export incentives



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

2.9 Borrowing costs

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

2.10 Earning per share

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

2.11 Employee Benefits

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

Defined Contribution Plans

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

Defined Benefit Plans

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

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

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

2.12 Taxes on Income

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

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

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

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

2.13 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

2.14 Cash Flow Statement and Cash and cash equivalents

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

2.15 Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, recognized in prior accounting period is reversed if there is a change in estimate of recoverable amount.

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 3: SHARE CAPITAL		
Authorised		
10,00,000 Equity Shares of ₹100/- each	1,000.00	1,000.00
Issued, Subscribed & Fully Paid up		
6,95,550 Equity Shares of ₹ 100/- each	695.55	695.55
Total	695.55	695.55

Equity shareholders holding more than 5% Equity shares	31.3.2015		31.3.2014	
	Number	%	Number	%
Lakshmi Card Clothing Mfg. Co. P. Ltd	41,681	5.99	41,681	5.99
Coimbatore Lakshmi Cotton Press P. Ltd	65,576	9.43	64,880	9.33
Life Insurance Corporation of India	37,600	5.41	37,600	5.41
S. Pathy	106,715	15.34	104,559	15.03
Aditya Krishna Pathy	64,245	9.24	63,095	9.07
Total	315,817		311,815	
Number of Equity Shares at the beginning of the period	695,550		695,550	
Number of Equity Shares at the end of the period	695,550		695,550	

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

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 4 : RESERVES AND SURPLUS		
1. Capital Reserve		
As per last Balance Sheet	9.00	9.00
2. Securities Premium Account		
As per last Balance Sheet	101.89	101.89
3. General Reserve		
As per last Balance Sheet	1,294.86	1,244.86
Add : Transfer from surplus in Statement of Profit & Loss	50.00	50.00
	1,344.86	1,294.86
4. Investment Fluctuation Reserve		
As per last Balance Sheet	46.71	46.71
5. Revaluation Reserve		
As per last Balance Sheet	9,948.71	9,948.71
6. Surplus in Statement of Profit & Loss		
As per last Balance Sheet	1,117.24	349.35
Add : Transfer from Statement of Profit & Loss	429.08	939.95
	1,546.32	1,289.30
Less : Written down of carrying amount of assets whose remaining useful lives is Nil as per Schedule II of Companies Act, 2013 [Net of deferred taxes]	34.56	-
	1,511.76	1,289.30
Less : Allocations & Appropriations during the year		
Transfer to General Reserve	50.00	50.00
Proposed Dividend	104.33	104.33
Tax on Proposed Dividend	21.24	17.73
Closing balance	1,336.19	1,117.24
Total	12,787.36	12,518.41



Notes to the financial statements

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 5: LONG-TERM BORROWINGS		
Secured		
Term Loans from Banks [Refer Note No. 30.2 & 30.3]	1,528.83	2,050.53
Total	1,528.83	2,050.53
NOTE 6 : OTHER LONG TERM LIABILITIES		
Rent Advance	124.18	120.54
Total	124.18	120.54
NOTE 7 : LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	386.93	332.60
Total	386.93	332.60
NOTE 8 : SHORT TERM BORROWINGS		
Secured		
Working capital loan from banks [Refer Note No. 30.2 & 30.3]	3,697.20	3,551.36
Total	3,697.20	3,551.36
NOTE 9 : TRADE PAYABLES		
Micro, Small and Medium Enterprises	112.21	90.85
Other creditors	1,659.88	2,363.27
Total	1,772.09	2,454.12
NOTE 10 : OTHER CURRENT LIABILITIES		
Current maturities of long term debt		
Term loans from Banks	1,001.69	927.81
Fixed Deposit - Others	-	158.02
Fixed Deposit - Directors	-	3.00
Interest accrued but not due on borrowings	-	9.79
Unpaid dividends - Covered by IEPF	13.14	11.35
Other payables		
Liabilities for expenses	368.38	293.87
Other liabilities	187.70	105.54
Trade Deposits from customers	50.14	50.13
Amount Refundable towards Land Sale	482.85	482.85
Total	2,103.90	2,042.36
NOTE 11 : SHORT TERM PROVISIONS		
Provision for Gratuity	26.49	17.79
Provision for Direct Taxes(Net of advance taxes paid)	20.62	147.03
Proposed Dividend	104.33	104.33
Tax on Proposed Dividend	21.24	17.73
Total	172.68	286.88

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

NOTE 12 : FIXED ASSETS

(₹ in lakhs)

S. No.	Particulars	GROSS BLOCK (COST)				DEPRECIATION					NET BLOCK	
		As at 1.4.2014	Additions	Disposals	As at 31.3.2015	As at 1.4.2014	For the year	*Other Adjustments	Disposals	As at 31.3.2015	As at 31.3.2015	As at 31.3.2014
A	Tangible Assets											
1	Land	945.91	1.51	-	947.42	-	-	-	-	-	947.42	945.91
2	Buildings	1,710.14	137.97	-	1,848.11	671.07	107.94	-	-	779.01	1,069.10	1,039.07
3	Plant & Equipment	12,337.64	415.84	24.85	12,728.63	10,173.85	504.21	27.45	24.13	10,681.38	2,047.25	2,163.79
4	Electrical Plant & Equipment	1,097.02	3.44	-	1,100.46	913.57	46.38	12.56	-	972.51	127.95	183.45
5	Furniture & Fixtures	35.28	0.51	-	35.79	30.42	0.77	-	-	31.19	4.60	4.86
6	Vehicles	196.82	61.13	-	257.95	130.91	28.94	1.00	-	160.85	97.10	65.91
7	Office Equipments	164.85	1.62	-	166.47	118.38	13.44	5.80	-	137.62	28.85	46.47
8	Computer Equipments	156.62	0.12	0.86	155.88	144.44	6.28	4.35	0.84	154.23	1.65	12.18
	Sub Total	16,644.28	622.14	25.71	17,240.71	12,182.64	707.96	51.16	24.97	12,916.79	4,323.92	4,461.64
B	Intangible Assets											
	Computer Software	26.38	6.39	-	32.77	13.39	5.96	-	-	19.35	13.42	12.99
C	Capital Work-In-Progress	-	13.02	-	13.02	-	-	-	-	-	13.02	-
	Total	16,670.66	641.55	25.71	17,286.50	12,196.03	713.92	51.16	24.97	12,936.14	4,350.36	4,474.63
	Previous Year (2013-14)	15,822.56	928.77	80.67	16,670.66	11,758.73	508.76	-	71.46	12,196.03	4,474.63	

* Represents amounts written down against opening surplus to reduce assets to their residual values where useful lives as per Part C of Schedule II of the Companies Act, 2013 have expired as on 1st April 2014.

(₹ in lakhs)

Particulars	Face value per Share ₹	No. of Shares	31.3.2015		31.3.2014	
			Amount	No. of Shares	Amount	No. of Shares
NOTE 13 : NON CURRENT INVESTMENTS						
Investments in Equity Instruments (at Cost)						
A. Non Trade - Quoted - Long Term - Fully paid up						
Lakshmi Machine Works Limited	10	520000	17.34	520000	17.34	
Lakshmi Automatic Loom Works Limited	10	330000	64.05	330000	64.05	
Rajshree Sugars & Chemicals Limited	10	220000	22.00	220000	22.00	
Sub Total			103.39		103.39	
B. Non Trade - Unquoted - Long Term - Fully paid up						
LCC Investments Limited	10	150000	15.00	150000	15.00	
Sai Regency Power Corporation Limited	10	525000	52.50	525000	52.50	
OPG Power Generation P. Ltd	10	16845	1.85			
Total			172.74		170.89	
			Cost	Market Value	Cost	Market Value
(i) Market value of Non-Current Investments-Quoted		103.39	20,003.66	103.39	16,472.43	
(ii) Value of Non-Current Investments -Unquoted		69.35	-	67.50	-	
Total		172.74	20,003.66	170.89	16,472.43	



Notes to the financial statements

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 14 : DEFERRED TAX ASSET (NET)		
Deferred Tax Asset		
43 B Disallowance-Gratuity	125.05	104.54
Unabsorbed Depreciation and Carry Forward losses	2,334.58	2,340.04
Voluntary Retirement Scheme	19.17	14.47
Others	0.21	0.84
	<u>2,479.00</u>	<u>2,459.89</u>
Deferred Tax Liability		
Depreciation (including adjustment as per Schedule II of the Companies Act, 2013- ref. Note No. 30.5)	224.16	351.04
Deferred Tax Asset (Net) Total	<u>2,254.84</u>	<u>2,108.85</u>
NOTE 15 : LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Electricity deposits	334.10	194.78
Other deposits	8.88	8.89
Advances recoverable in cash or in kind or for value to be received	125.96	146.27
MAT Credit Entitlement	356.57	301.92
Total	<u>825.51</u>	<u>651.86</u>
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)		
Raw materials	553.69	822.73
Work in progress-Yarn	369.07	502.03
Finished goods		
Yarn	1,092.20	1,013.73
Waste	9.90	12.33
Stock in Trade- Trading		
Yarn	14.19	-
Cloth	146.34	484.56
Garments	7.98	5.94
Stores and spares	175.44	161.52
Total	<u>2,368.81</u>	<u>3,002.84</u>
NOTE 17 : TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months from due date	25.85	63.26
Others	1,975.57	2,343.61
	<u>2,001.42</u>	<u>2,406.87</u>
(Unsecured, Considered doubtful)		
Outstanding for a period exceeding six months from due date	114.77	78.19
Others	-	-
	<u>114.77</u>	<u>78.19</u>
Less: Provision for doubtful debts	114.77	78.19
	<u>-</u>	<u>-</u>
Total	<u>2,001.42</u>	<u>2,406.87</u>
NOTE 18 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks		
In Current Account	220.29	84.78
Unpaid Dividend Warrant Accounts	13.14	11.35
Cash on hand	12.14	9.74
Sub Total	<u>245.57</u>	<u>105.87</u>
Other Bank Balances		
Bank deposits held as margin money	108.09	250.75
Other Bank Deposits	-	41.76
Savings Certificate	0.05	0.05
Sub Total	<u>108.14</u>	<u>292.56</u>
Total	<u>353.71</u>	<u>398.43</u>

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	31.3.2015	(₹ in lakhs) 31.3.2014
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Balance with Central Excise/ Sales tax authorities	39.03	37.27
Total	39.03	37.27
NOTE 20 : OTHER CURRENT ASSETS		
Prepaid expenses	37.13	18.85
Interest accrued on Bank Deposits	28.81	24.90
Income Receivable	228.43	149.03
Total	294.37	192.78
NOTE 21 : REVENUE FROM OPERATIONS		
Revenue from Sale of products		
Manufactured - Cotton and Synthetic Yarn	18,656.97	18,689.82
Cloth	1,047.43	609.02
Trading - Cotton and Synthetic Yarn	132.72	5.59
Cloth	1,544.12	1,931.71
Garments	15.06	25.26
Waste	410.90	464.87
Raw Materials	28.46	5.24
Sub Total	21,835.66	21,731.51
Other operating revenues		
Sale of Scrap	28.90	21.12
Export incentives	265.45	47.94
Sub Total	294.35	69.06
Total Revenue from Operations	22,130.01	21,800.57
Less: Excise Duty	-	-
Total	22,130.01	21,800.57
NOTE 22 : OTHER INCOME		
Interest income	51.46	55.35
Dividend income	156.00	104.00
Rent	234.46	239.42
Other Income	4.93	2.88
Foreign Exchange gain	161.06	0.94
Profit on sale of assets	17.32	11.34
Total	625.23	413.93
NOTE 23 : MATERIALS CONSUMED		
Opening Stock	822.73	551.38
Add : Purchases	10,147.43	11,187.64
Less : Closing Stock	553.69	822.73
Cost of Materials Consumed	10,416.47	10,916.29
NOTE 24 : PURCHASES OF STOCK-IN-TRADE		
Purchase for resale		
Yarn	131.03	5.05
Cloth	972.02	1,852.37
Garment	14.36	11.09
Total	1,117.41	1,868.51



Notes to the financial statements

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 25 : CHANGES IN INVENTORY OF FINISHED GOODS AND WIP		
Opening Stock		
Yarn	1,013.73	963.74
Cloth	484.56	145.40
Garments	5.94	0.16
Waste	12.33	7.84
Work in Progress	502.03	366.53
Sub Total	2,018.59	1,483.67
Closing Stock		
Yarn	1,106.39	1,013.73
Cloth	146.34	484.56
Garments	7.98	5.94
Waste	9.90	12.33
Work in Progress	369.07	502.03
Sub Total	1,639.68	2,018.59
(Increase)/Decrease in Stocks	378.91	(534.92)
NOTE 26 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	2,569.86	2,256.79
Managing Directors' Remuneration (Minimum)	106.39	78.65
Contribution to PF & Administrative Charges	126.96	105.95
Gratuity	86.70	80.51
Contribution to Superannuation Fund	0.91	0.86
ESI Contribution	55.41	62.46
Welfare Expenses	138.29	115.58
Total	3,084.52	2,700.80
NOTE 27 : FINANCE COSTS		
Interest on Bank borrowings	918.55	965.12
Interest on Fixed Deposit	5.25	17.31
Bank Charges	84.51	83.66
Total	1,008.31	1,066.09
NOTE 28 : OTHER EXPENSES		
Consumption of stores and spare parts	176.92	168.29
Consumption of Packing materials	279.51	260.30
Rent	32.43	32.98
Repairs to Buildings	96.73	82.21
Repairs to Machinery	238.26	298.49
Insurance	10.36	16.79
Rates and Taxes, excluding taxes on income	91.19	96.86
Other Manufacturing Expenses	249.49	167.55
Sales Commission	239.27	223.60
Sales Expenses, Advertisement, Export Expenses & Freight	329.67	266.22
Foreign Exchange loss	-	64.53
Office Maintenance & Administration Expenses	271.40	265.97
Directors' Sitting Fees	7.15	4.30
Auditor's Remuneration		
Audit fees	2.75	2.00
Taxation matters	2.01	1.29
Certification	1.12	1.70
Reimbursement of expenses	0.44	0.47
Miscellaneous Expenses [Refer Note No. 30.11]	280.48	336.80
Total	2,309.18	2,290.35

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	(₹ in lakhs)	
	31.3.2015	31.3.2014
NOTE 29 : EXCEPTIONAL ITEMS (NET)		
Profit on sale of investments	-	1,976.52
Less : Electricity generation tax on gas power purchase	-	158.83
Dedicated Power feeder line expenses	-	263.89
Special repairs for modernisation	269.36	296.46
Voluntary Retirement Scheme Expenses	15.45	43.20
Ineligible TUF Subsidy written off	-	378.94
Interest on matured FDs paid on settlement of dispute among claimants	-	21.21
Prior year electricity charges	-	82.85
Total	(284.81)	731.14
NOTE 30 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
30.1 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Letters of Credit	1,333.16	1,323.00
Bills discounted with banks	476.84	599.81
Central Excise / Service tax disputed demands	5.63	8.42
Disputed Electricity charges	49.22	102.58
Sub Total	1,864.85	2,033.81
Commitments		
Estimated amount of contracts unexecuted on capital account	-	-
Sub Total	-	-
Total	1,864.85	2,033.81
30.2 Long Term Borrowings and Short Term Borrowings		
a) Long Term Borrowings		
Term Loans From Banks-Secured		
a) Term Loan under TUF Scheme		
Central Bank of India	635.28	845.75
Canara Bank Loan 1	-	470.31
Canara Bank Loan 2	160.59	-
b) Canara Bank VRS Loan	-	62.54
c) Canara Bank Vehicle Loan	34.85	-
d) Canara Bank DPN Loan - FD	74.25	-
e) IOB Term Loan under TUF Scheme	375.07	242.69
f) Canara Bank Suppliers' line of credit	248.79	429.24
Total	1,528.83	2,050.53
b) Short Term Borrowings		
Working Capital Loan from Banks-Secured		
Cash Credit	3,557.20	3,411.36
Packing Credit	140.00	140.00
Total	3,697.20	3,551.36

Notes to the financial statements

30.3 a) Terms of repayment of long term borrowings

Particulars	Maturity term	Instalments	Rate of Interest
Canara Bank TUF Loan - I	2015-16	4 Quarterly	14.00%
Canara Bank VRS Loan	2015-16	4 Quarterly	14.45%
Canara Bank DPN Loan	2017-18	36 Monthly	15.20%
Canara Bank Vehicle Loan -I	2017-18	32 Monthly	10.70%
Canara Bank Vehicle Loan -II	2018-19	48 Monthly	14.95%
Central Bank of India TUF Loan	2018-19	16 Quarterly	14.00%
Indian Overseas Bank Term Loan-TUF	2020-21	62 monthly	14.25%
Canara Bank TUF Loan -II	2021-22	24 Quarterly	14.00%

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

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

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

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

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

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

(₹ in lakhs)

Particulars	Opening as on 1.4.2014	Movement for the year	Closing as on 31.3.2015
Deferred Tax Asset			
43 B Disallowance-Gratuity	104.54	(20.51)	125.05
Unabsorbed Depreciation and Carry Forward Losses	2,340.04	5.47	2,334.57
Voluntary Retirement Scheme	14.47	(4.70)	19.17
Others	0.84	0.63	0.21
	2,459.89	(19.11)	2,479.00
Deferred Tax Liability			
Depreciation	351.04	(110.28)	240.76
	351.04	(110.28)	240.76
Deferred Tax Asset (Net)	2,108.85	(129.39)	2,238.24
Depreciation - On write down of carrying amount of assets to their residual values as per Schedule II of Companies Act, 2013	-	(16.60)	(16.60)
	2,108.85	145.99	2,254.84

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

30.6 Discontinued Operations

As part of over all restructuring plans for economising operations, the company had decommissioned one of its plants at Coimbatore in the financial year 2008-09. After relocating the viable and productive machinery to other units the substantial part of machinery rendered surplus have been disposed off. The profit on sale of machinery during the financial year is ₹ Nil lakhs (Previous year ₹ 3.82 lakhs). The land rendered available for development and converted into stock in trade has a carrying amount of ₹ 10607.93 lakhs (Previous year ₹ 10607.93 lakhs).

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

Particulars	31.3.2015	31.3.2014
30.7 Earnings per Share (Gross)		
Profit after tax as per Statement of Profit & Loss-Before exceptional items (₹ in lakhs)	713.89	208.80
Profit after tax as per Statement of Profit & Loss After exceptional items (₹ in lakhs)	429.08	939.95
Weighted average number of equity shares outstanding	695,550	695,550
Basic and diluted earnings per share -		
Before exceptional items (in ₹) (Face value ₹ 100 per share)	102.64	30.02
After exceptional items (in ₹) (Face value ₹100 per share)	61.69	135.14

30.8 Segment Reporting

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

30.9 Disclosure of related parties and related party transactions

Related Parties

Associates

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

Key Management Personnel

1. Sri S. Pathy - Chairman & Managing Director
2. Sri Aditya Krishna Pathy - Whole Time Director

(₹ in lakhs)

Transaction with related parties	Associates		Key Management Personnel	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Purchase of Goods/assets	48.98	27.59	-	-
Sale of goods/assets	1.07	1.21	-	-
Receiving of services	80.88	51.04	-	-
Rendering of services	22.30	7.99	-	-
Managerial Remuneration	-	-	106.39	78.64
Interest paid	-	-	0.28	0.28
Amount receivable	59.09	61.42	-	-
Amount payable	106.97	74.66	-	0.77

Note: Related party relationships are as identified by the management

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

1. Purchase of goods/assets includes Lakshmi Card Clothing Mfg. Co. Pvt Ltd ₹ 48.98 lakhs; (Previous year ₹ 27.59 lakhs).
2. Sale of Goods / assets include Lakshmi Card Clothing Mfg. Co.P.Ltd ₹1.07 Lakhs. (Previous year ₹ 1.21 Lakhs).
3. Receiving of Services include Balakumar Shipping & Clearing Agency P.Ltd ₹ 42.28 lakhs (Previous year ₹ 21.69 Lakhs); Aloha Tours & Travels (India) Private Ltd ₹ 33.65 lakhs (Previous year ₹ 27.01 lakhs) and Others ₹ 4.95 lakhs (Previous year ₹ 2.34 lakhs).
4. Rendering of Services include Lakshmi Card Clothing Mfg. Co. Pvt Ltd ₹ 10.53 lakhs (Previous year ₹ 7.99 Lakhs); Lakshmi Automatic Loom Works Ltd ₹ 9.80 lakhs (Previous year ₹ Nil lakhs) and Sans Craintes Knitters ₹ 1.97 lakhs (Previous year ₹ Nil lakhs);
5. Managerial Remuneration includes Sri. S. Pathy ₹ 74.35 Lakhs (Previous year ₹ 49.95 Lakhs) and Sri. Aditya Krishna Pathy ₹ 32.04 Lakhs (Previous year ₹ 28.69 Lakhs).
6. Interest includes Sri. Aditya Krishna Pathy ₹ 0.28 Lakhs (Previous year ₹ 0.28 Lakhs).
7. Amount Receivable includes Lakshmi Automatic Loom Works Ltd ₹ 2.91 lakhs (Previous year ₹ 4.98 lakhs) and Balakumar Shipping & Clearing Agency P Ltd ₹ 56.18 lakhs (Previous year ₹ 56.44 lakhs).
8. Amount payable include Lakshmi Card Clothing Mfg. Co. Pvt Ltd ₹ 103.36 lakhs (Previous year ₹ 73.39 lakhs); Aloha Tours & Travels (India) Private Ltd ₹ 3.61 Lakhs (Previous year ₹1.27 Lakhs) and Sri. Aditya Krishna Pathy ₹ Nil lakhs (Previous year ₹ 0.77 lakhs).



Notes to the financial statements

Particulars	(₹ in Lakhs)		
	31.3.2015	31.3.2014	31.3.2013
30.10 Employees benefits			
(a) Defined Benefit Plans		Gratuity Funded	
A. Expense recognised during the year			
1. Current Service cost	28.83	26.35	22.18
2. Interest cost	31.47	32.60	25.30
3. Expected return on plan assets	(5.11)	(5.50)	(5.65)
4. Actuarial Losses / (Gains) during the year	31.51	27.05	34.20
5. Total Expense	86.70	80.50	76.03
B. Actual return on Plan assets			
1. Expected return on plan assets	5.11	5.50	5.65
2. Actuarial (Loss) / Gain on Plan assets	(5.03)	0.36	(1.10)
3. Actual return on plan assets	0.08	5.86	4.55
C. Net Asset/(Liability) recognised in the Balance Sheet			
1. Present value of the obligation at the beginning of the year	480.10	421.94	377.04
2. Fair value of plan assets as at the end of the year	66.51	71.55	71.80
3. Funded status surplus/(deficit)	(413.59)	(350.39)	(305.24)
4. Unrecognised past service cost	-	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	(413.59)	(350.39)	(305.24)
D. Change in Present value of the Obligation during the year			
1. Present value of the obligation as at the beginning of the year	421.94	377.04	332.19
2. Current service cost	28.83	26.35	22.18
3. Interest cost	31.47	32.60	25.30
4. Benefits paid	(28.62)	(41.46)	(35.73)
5. Actuarial (gain) / loss on obligation	26.48	27.41	33.10
6. Present value of the obligation at the end of the year	480.10	421.94	377.04
E. Change in Plan Assets during the year			
1. Fair value of plan assets as at the beginning of the year	71.55	71.80	73.09
2. Expected return on plan assets	5.11	5.50	5.65
3. Contributions made	23.50	35.35	29.89
4. Benefits paid	(28.62)	(41.46)	(35.73)
5. Actuarial gain / (loss) on plan assets	(5.03)	0.36	(1.10)
6. Fair value of plan assets as at the end of the year	66.51	71.55	71.80
F. Net Actuarial Gain / Loss recognised			
1. Actuarial (Gain) / Loss on benefit obligation	26.48	27.41	33.10
2. Actuarial Gain / (Loss) on Plan Assets	(5.03)	(0.36)	(1.10)
3. Net Actuarial (Gain) / Loss recognised	31.51	27.05	34.20
G. Major categories of plan assets as a percentage of total plan			
Special Deposit Schemes	98.48%	91.54%	91.22%
Bank Balances and recoverables	1.52%	8.46%	8.78%
Total	100.00%	100.00%	100.00%
H. Actuarial Assumptions			
1. Discount rate	7.72%	9.15%	8.05%
2. Salary escalation	3.75%	7.00%	5.00%
3. Expected rate of return on plan assets	8.00%	8.00%	8.05%
4. Attrition rate	1.00%	3.00%	2.00%
5. Mortality rate	(2006-08)	(2006-08)	(2006-08)
	IAL	IAL	IAL
	Ultimate	Ultimate	Ultimate
(b) Defined Contribution Plan			
Employer's Contribution to Provident and Family Pension Fund	136.84	112.95	118.96
Employer's Contribution to Superannuation Fund	13.26	9.62	8.69

Note:

The salary escalation considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The company's best estimate of contribution to be made in the next financial year is ₹ 25,00,000

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements

		(₹ in lakhs)	
Particulars	31.3.2015	31.3.2014	
30.11 Miscellaneous Expenses			
Cost Audit Fees	0.75	0.75	
Repairs to Others	22.15	21.33	
Printing, Stationery & Subscription	19.24	21.76	
Travelling, Postage, Telex, Telephone & Transport Charges	198.51	188.69	
Legal and Consultancy Expenses	3.25	12.44	
Provision for doubtful debts	36.58	78.19	
Bad Debts written off	-	13.64	
Total	280.48	336.80	
30.12 Expenditure in foreign currency on account of			
Travel	12.62	16.07	
Sales Commission	69.55	43.58	
Subscription	0.94	1.01	
Total	83.11	60.66	
30.13 Earnings in foreign exchange-Export of goods on FOB value			
Cloth	1,448.35	1,449.35	
Yarn	2,902.96	221.62	
Total	4,351.31	1,670.97	
30.14 CIF Value of Imports			
Raw Materials	31.50	-	
Components & Spares	271.82	306.18	
	303.32	306.18	

		(₹ in lakhs)			
Particulars	%	31.3.2015 Value	%	31.3.2014 Value	
30.15 Value of Raw Materials, Stores, and Components consumed					
a) Cotton, Fibre and Yarn					
Imported	0.21	21.48	-	-	
Indigenous	99.79	10,394.99	100.00	10,916.29	
		10,416.47		10,916.29	
b) Stores, spare parts and packing materials consumed					
Imported	3.40	15.52	2.59	11.10	
Indigenous	96.60	440.91	97.41	417.49	
		456.43		428.59	
30.16					
In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.					

		(₹ in lakhs)	
Particulars	31.3.2015	31.3.2014	
30.17 Details of dividend proposed			
Amount of dividend proposed	104.33	104.33	
Amount of dividend per Equity share [in ₹]	15.00	15.00	



Notes to the financial statements

- 30.18 a) The company does not have any derivatives, financial instruments either for hedging or for speculation purpose outstanding as on the Balance Sheet date.
- b) Details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are:

Particulars		Amount in foreign currency		Equivalent ₹ in lakhs	
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
Sundry Debtors	USD	498,868	245,344	297.99	150.33
Sundry Debtors	GBP	Nil	387,160	Nil	389.31
Sundry Creditors		Nil	Nil	Nil	Nil
Bank balances (EEFC A/c)	USD	Nil	70,003	Nil	40.92
Supplier's line of credit	EURO	352,000	511,000	248.79	429.24

- 30.19 As per the requirement of the provisions of Schedule II of the Companies Act, 2013, the management has adopted the useful lives as per Part C of Schedule II of the Act, with effect from 1st April 2014 for all its fixed assets. Accordingly, an additional depreciation for the year ending 31st March 2015 of ₹ 151.29 lakhs has been recognised in the Statement of Profit and Loss. Pursuant to such adoption, in accordance with the transitional provisions under Schedule II of the Act, an amount of ₹ 34.56 lakhs (net of deferred tax of ₹ 16.60 lakhs) has been recognised in the opening retained earnings, pertaining to assets whose balance useful life as on 1st April 2014 was NIL.
- 30.19 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

S. Pathy
Chairman & Managing Director
DIN: 00013899

R. Santharam
Vice Chairman
DIN: 00151333

Coimbatore
29th May 2015

N. Singaravel
Company Secretary

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

NOTES

To

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

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

1. Particulars of the shareholder
- a) Regd. Folio No. :
- b) Name of the first Regd. Holder (in block letters) :
2. Particulars of the Bank
- a) Name of the Bank :
- b) Address of the Branch :
- c) Account No. :
(As appearing in the cheque book)
- d) Ledger Folio No. (if any) of the bank account :
- e) Account Type :
(Please Tick relevant box)
- | | | |
|---------|---------|-------------|
| SAVINGS | CURRENT | CASH CREDIT |
|---------|---------|-------------|
- f) Nine Digit code number of the bank and branch appearing on the MICR / CTS cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number)
- | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

DECLARATION

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

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

Place :

Date :

Name :

Address :

.....Pincode

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



THE LAKSHMI MILLS COMPANY LIMITED

Registered Office: 686, Avanashi road, Coimbatore - 641 037

Phone : 91-0422-2245461 or 2245465 Fax : 91-0422-2246508

E-mail : contact@lakshimimills.com web : www.lakshimimills.com

CIN: L17111TZ1910PLC000093

Form No. MGT - 11

Proxy Form

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

Folio No. / Demat ID

Name of the member(s)

Registered address

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

P.T.O.

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Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

EVSN (Electronic Voting Sequence Number)	* Default PAN / Sequence No
150811017	

* Those who have not registered their PAN may use Default PAN

✂ Cut here



THE LAKSHMI MILLS COMPANY LIMITED

Registered Office: 686, Avanashi road, Coimbatore - 641 037

Phone : 91-0422-2245461 or 2245465 Fax : 91-0422-2246508

E-mail : contact@lakshimimills.com web : www.lakshimimills.com

CIN: L17111TZ1910PLC000093

Attendance Slip

Folio No. / Demat ID :

No. of shares held :

Name of the shareholder :

Name of the Proxy :

“Nani Palkhivala Auditorium”, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037
Tamil Nadu

* Strike out whichever is not applicable

Signature of Member / Proxy*

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 105th Annual General Meeting of the company, to be held on Friday, the 4th September, 2015 at 04.35 p.m. at “Nani Palkhivala Auditorium”, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
ORDINARY BUSINESS	
1.	Adoption of Annual Financial Statements as on 31.03.2015.
2.	Declaration of Dividend for the year ended 31.03.2015.
3.	Appointment of a Director in the place of Sri Sanjay Jayavarthanavelu (DIN 00004505), who retires by rotation and being eligible offers himself for re - appointment.
4.	Ratification of appointment of M/s. Subbachar & Srinivasan, Chartered Accountants, Coimbatore as Statutory Auditors of the Company for the financial year 2015 - 16 and fixing their remuneration.
SPECIAL BUSINESS:	
5.	Appointment of Smt. Suguna Ravichandran as Independent Director.
6.	Ratification of remuneration payable to Cost Auditor M/s. S. Mahadevan & Co, Cost Accountants, Coimbatore.
7.	Reappointment of Sri S. Pathy, as Managing Director of the Company.
8.	Reappointment of Sri Aditya Krishna Pathy, as Deputy Managing Director of the Company.
9.	Alteration of Articles of Association of the Company.

Signed this day of 2015

Affix ₹ 1/-
Revenue
Stamp

Signature of shareholder :

Signature of proxy holder (s) :

Note :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this attendance slip / proxy

