

*M. S. Jagannathan & Visvanathan*

**CHARTERED ACCOUNTANTS**

**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended**

To  
The Board of Directors of  
**The Lakshmi Mills Company Limited**

1. We have reviewed the accompanying statement of Unaudited financial results of **THE LAKSHMI MILLS COMPANY LIMITED, COIMBATORE-641037** for the Quarter and Half year ended 30<sup>th</sup> September 2020 ("the statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ("the Listing Regulations").
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S Jagannathan and Visvanathan  
Chartered Accountants  
Firm Registration No 001209S

*M V Jaganathan*  
M V Jaganathan  
Partner

M No 214178

UDIN: 20214178AAAEX16S1



Place: Coimbatore  
Date: 13.11.2020

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**THE LAKSHMI MILLS COMPANY LIMITED**

CIN: L17111TZ1910PLC000093

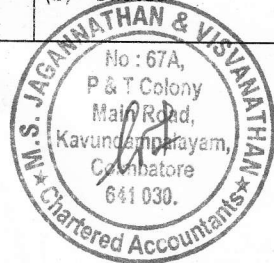
Regd. Office : 686, Avanashi Road, Coimbatore - 641 037

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**Statement of Unaudited Results for the quarter and half year ended September 30, 2020**

(₹. in Lakhs)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)					
<b>1</b>	<b>Income from Operations</b>						
	Revenue from operations	3,647.79	810.50	5,642.47	4,458.29	11,011.83	21,845.05
	Other income	66.80	20.53	257.84	87.33	304.42	371.37
	<b>Total Income from Operations (Net)</b>	<b>3,714.59</b>	<b>831.03</b>	<b>5,900.31</b>	<b>4,545.62</b>	<b>11,316.25</b>	<b>22,216.42</b>
<b>2</b>	<b>Expenditure</b>						
	a) Cost of materials consumed	1,084.26	280.36	2,609.07	1,364.62	5,606.37	10,588.79
	b) Purchase of stock-in-trade	419.62	211.81	419.29	631.43	930.11	1,790.37
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	891.56	(257.09)	185.57	634.47	(444.09)	(206.46)
	d) Employee benefits expense	610.13	498.69	954.85	1,108.82	1,885.70	3,645.76
	e) Finance costs	311.09	262.48	252.57	573.57	507.89	1,016.44
	f) Depreciation and amortisation expenses	148.94	114.31	200.31	263.25	399.18	826.92
	g) Impairment loss on financial assets	-	-	-	-	-	-
	h) Power & Fuel	349.50	182.19	892.31	531.69	1,704.38	2,977.98
	i) Excise duty	-	-	-	-	-	-
	j) Other expenditure	339.24	151.41	592.61	490.65	1,183.09	2,383.92
	<b>Total Expenses</b>	<b>4,154.34</b>	<b>1,444.16</b>	<b>6,106.58</b>	<b>5,598.50</b>	<b>11,772.63</b>	<b>23,023.72</b>
	<b>Profit/(Loss) from ordinary activities before exceptional items (1-2)</b>	<b>(439.75)</b>	<b>(613.13)</b>	<b>(206.27)</b>	<b>(1,052.88)</b>	<b>(456.38)</b>	<b>(807.30)</b>
<b>3</b>	<b>Exceptional item - Income</b>						
	Exceptional item - Income	-	84.62	-	84.62	849.90	849.90
	<b>Profit/(Loss) from ordinary activities before tax (3+4)</b>	<b>(439.75)</b>	<b>(528.51)</b>	<b>(206.27)</b>	<b>(968.26)</b>	<b>393.52</b>	<b>42.60</b>
<b>5</b>	<b>Tax expense</b>						
	Current Tax	-	-	-	-	-	-
	Deferred Tax	(113.43)	(121.29)	72.54	(234.72)	193.42	194.52
	<b>Total Tax Expenses</b>	<b>(113.43)</b>	<b>(121.29)</b>	<b>72.54</b>	<b>(234.72)</b>	<b>193.42</b>	<b>194.52</b>
<b>7</b>	<b>Profit / (Loss) for the period after tax (5-6)</b>	<b>(326.32)</b>	<b>(407.22)</b>	<b>(278.81)</b>	<b>(733.54)</b>	<b>200.10</b>	<b>(151.92)</b>
<b>8</b>	<b>Other comprehensive income, net of income tax</b>						
	a) (i) Items that will not be reclassified to Profit or loss	3,506.39	2,840.16	(7,906.76)	6,346.55	(12,724.42)	(19,784.31)
	(ii) Income tax relating to Items that will not be reclassified to Profit or loss	(1.08)	(1.08)	55.68	(2.16)	39.23	(74.03)
	b) (i) Items that will be reclassified to Profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to Items that will be reclassified to Profit or loss	-	-	-	-	-	-
	<b>Total other comprehensive income, net of income tax</b>	<b>3,505.31</b>	<b>2,839.08</b>	<b>(7,851.08)</b>	<b>6,344.39</b>	<b>(12,685.19)</b>	<b>(19,858.34)</b>
<b>9</b>	<b>Total comprehensive income for the period (7+8)</b>	<b>3,178.99</b>	<b>2,431.86</b>	<b>(8,129.89)</b>	<b>5,610.85</b>	<b>(12,485.09)</b>	<b>(20,010.26)</b>
<b>10</b>	<b>Paid up equity share capital (face value Rs100/-each)</b>	<b>695.55</b>	<b>695.55</b>	<b>695.55</b>	<b>695.55</b>	<b>695.55</b>	<b>695.55</b>
<b>11</b>	<b>Earnings per share (of Rs 100/- each) (not annualised for the quarters)</b>						
	(a) Basic	(46.92)	(58.55)	(40.08)	(105.46)	28.77	(21.84)
	(b) Diluted	(46.92)	(58.55)	(40.08)	(105.46)	28.77	(21.84)



## Segment Reporting

## Primary Segment - Business segment

(₹. in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)					(Audited)
<b>Segment Revenue</b>						
Net Sales/Income						
a.Textiles	3,499.41	728.32	5,641.89	4,227.73	10,971.91	21,616.47
b.Rental services	159.52	97.87	72.86	257.39	155.70	397.62
c. Unallocated revenue	55.66	4.84	185.56	60.50	188.64	202.33
<b>Net Sales/Income</b>	<b>3,714.59</b>	<b>831.03</b>	<b>5,900.31</b>	<b>4,545.62</b>	<b>11,316.25</b>	<b>22,216.42</b>
<b>Segment Results</b>						
Profit / (Loss)						
a.Textiles	(262.87)	(304.50)	(165.36)	(567.37)	666.80	755.55
b.Rental services	116.35	55.08	77.27	171.43	147.03	296.44
Total	(146.52)	(249.42)	(88.09)	(395.94)	813.83	1,051.99
Less: Finance costs	311.09	262.48	252.57	573.57	507.89	1,016.44
Add / (Less): Other unallocable Income net of unallocable expenses	17.86	(16.61)	134.39	1.25	87.58	7.05
<b>Total Profit/Loss before Tax</b>	<b>(439.75)</b>	<b>(528.51)</b>	<b>(206.27)</b>	<b>(968.26)</b>	<b>393.52</b>	<b>42.60</b>
<b>Segment Assets</b>						
a.Textiles	38,583.53	35,861.36	41,937.92	38,583.53	41,937.92	33,378.86
b.Rental services	1,418.87	1,361.30	73.18	1,418.87	73.18	1,378.88
c.Unallocated	1,923.95	1,796.19	1,752.99	1,923.95	1,752.99	1,671.56
<b>Total</b>	<b>41,926.35</b>	<b>39,018.85</b>	<b>43,764.09</b>	<b>41,926.35</b>	<b>43,764.09</b>	<b>36,429.30</b>
<b>Segment Liabilities</b>						
a.Textiles	11,694.15	11,951.71	11,636.07	11,694.15	11,636.07	11,032.59
b.Rental services	315.86	329.79	297.35	315.86	297.35	1,091.22
c.Unallocated	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>12,010.01</b>	<b>12,281.50</b>	<b>11,933.42</b>	<b>12,010.01</b>	<b>11,933.42</b>	<b>12,123.81</b>
Capital Expenditure	84.31	7.95	284.42	92.26	341.99	1,315.18
Depreciation	660.13	114.31	200.31	774.44	399.18	826.92

## STATEMENT OF ASSETS AND LIABILITIES

(₹. in Lakhs)

Particulars	30.09.2020	31.03.2020
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	14,245.03	14,455.87
(b) Capital work-in-progress	-	-
(c) Intangible assets	3.65	3.96
(d) Investment Property	1,418.87	1,378.88
(e) Financial assets		
(i) Investments	18,482.53	12,144.31
(ii) Loans	279.14	193.87
(iii) Other financial assets	25.51	25.51
(f) Deferred tax assets (net)	1,796.07	1,563.51
(g) Other non-current assets	191.08	138.06
<b>Total non - current assets</b>	<b>36,441.88</b>	<b>29,903.97</b>
<b>2 Current assets</b>		
(a) Inventories	2,924.76	3,379.55
(b) Financial assets		
(i) Trade receivables	2,201.05	2,637.28
(ii) Cash and cash equivalents	46.43	52.99
(iii) Bank balances other than (ii) above	127.73	176.50
(iv) Loans	11.63	18.34
(c) Current tax assets (net)	13.90	47.09
(d) Other current assets	158.97	213.58
<b>Total Current Assets</b>	<b>5,484.47</b>	<b>6,525.33</b>
<b>Total Assets</b>	<b>41,926.35</b>	<b>36,429.30</b>

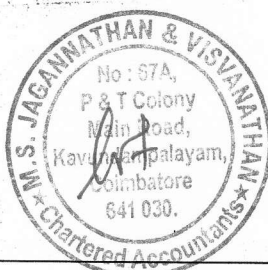


<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	695.55	695.55
(b) Other equity	29,220.79	23,609.94
<b>Total Equity</b>	<b>29,916.34</b>	<b>24,305.49</b>
<b>LIABILITIES</b>		
<b>1 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,511.35	1,721.43
(ii) Other financial liabilities	113.44	106.43
(b) Provisions	396.87	392.87
(c) Other non-current liabilities	187.78	208.81
<b>Total Non - Current Liabilities</b>	<b>3,209.44</b>	<b>2,429.54</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,246.38	6,169.58
(ii) Trade payables		
total outstanding dues of micro enterprises and small enterprises	123.22	199.92
total outstanding dues of creditors other than micro enterprises and small enterprises	1,342.66	1,270.35
(iii) Other financial liabilities	1,358.67	1,372.27
(b) Provisions	114.67	114.67
(c) Other liabilities	614.97	567.48
(d) Current tax liabilities (net)	-	-
<b>Total current liabilities</b>	<b>8,800.57</b>	<b>9,694.27</b>
<b>Total Liabilities</b>	<b>12,010.01</b>	<b>12,123.81</b>
<b>Total Equity and Liabilities</b>	<b>41,926.35</b>	<b>36,429.30</b>

**Cash Flow Statement for the period ended September 30, 2020**

(₹. in Lakhs)

Particulars	Period ended	
	30.09.2020	30.09.2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	(968.26)	393.52
Adjustments for:		
Depreciation and amortisation expense	263.25	399.18
Provision for doubtful debts	-	-
Net loss/(gain) on disposal of property, plant and equipment	(0.52)	(855.29)
Interest income	(7.98)	(6.64)
Dividend income	(52.00)	(182.00)
Net unrealised exchange loss/(gain)	(5.19)	(79.98)
Interest expense	573.57	507.89
Operating profit before working capital changes	(197.13)	176.68
Adjustments for (increase)/decrease in operating assets:		
Inventories	454.79	(572.24)
Trade receivables	441.42	471.66
Loans - Current	6.71	(11.55)
Other current assets	54.61	(1.46)
Loans - Non current	(85.27)	15.39
Other non-current assets	-	(0.07)
Adjustments for increase/(decrease) in operating liabilities:		
Other non-current financial liabilities	7.01	85.82
Other non-current liabilities	(21.03)	(21.89)
Trade payables	(4.39)	(687.31)
Provisions	12.34	21.81
Other financial liabilities	(12.08)	(115.83)
Other current liabilities	47.49	490.33
Cash used in / generated from operations	704.47	(148.66)
Net income tax (paid) / refunds	(19.84)	(15.91)
Net cash flow from operating activities (A)	684.63	(164.57)



<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(92.26)	(341.99)
Proceeds from sale of property, plant and equipment	0.69	862.52
Bank balances not considered as cash and cash equivalents	48.77	0.00
Dividend income	52.00	182.00
Interest received	7.98	6.64
<b>Net cash used in investing activities (B)</b>	<b>17.18</b>	<b>709.17</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	463.00	270.37
Repayment of long term borrowings	333.60	(327.38)
Proceeds from short term borrowings (net)	(923.20)	(100.16)
Finance costs	(581.77)	(507.89)
Dividends paid, including tax thereon	0.00	(8.21)
Transfer of unclaimed dividend to IEPF	0.00	0.00
<b>Net cash flow used in financing activities (C)</b>	<b>(708.37)</b>	<b>(673.27)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(6.56)</b>	<b>(128.67)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>52.99</b>	<b>191.68</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>46.43</b>	<b>63.01</b>

**Notes to the financial results:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 13, 2020 and subjected to limited reviewed by the statutory auditors of the Company.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 Exceptional items relate to the compensation of Rs 84.62 lakhs received from National Highways Authority of India and for year ended March 31, 2020 it was on account of profit on sale of land of Rs 849.90 lakhs.
- 4 The operations of the company during the quarter ended 30th September 2020 continued to be partially restricted due to the effect of Covid 19, as complete normalcy on the labour and market front is yet to be restored. With improved labour availability and more favourable market conditions the company expects to reach the optimum level of operations in the second half of the financial year.
- 5 The Company is structured into two reportable business segments – "Textiles" and "Rental Services". Textiles consists of manufacturing and sale of yarn and trading in cloth and garments. Rental services consist of letting out of properties.
- 6 The previous period figures have been regrouped / reclassified wherever necessary.

For The Lakshmi Mills Company Limited

Place : Coimbatore  
Date : 13.11.2020

  
S. Pathy  
Chairman & Managing Director

For M.S. JAGANNATHAN & VISVANATHAN  
Chartered Accountants  
FRN 001209S

  
Partner  
M No : 214178